

COQ D'OR RESTAURANT CO. LIMITED
ACCOUNTS
31 MARCH 2000

Company Registration Number 319037



COQ D'OR RESTAURANT CO. LIMITED

ACCOUNTS

YEAR ENDED 31 MARCH 2000

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COQ D'OR RESTAURANT CO. LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Board of directors	R A Shepherd CBE N P Shah
Company secretary	M J Shepherd
Registered office	Langan's Brasserie Stratton Street Piccadilly London W1X 5FD
Auditors	Solomon Hare Chartered Accountants Registered Auditors Oakfield House Oakfield Grove Clifton Bristol BS8 2BN
Bankers	HSBC Bank Plc 79 Piccadilly London W1V 0EU

COQ D'OR RESTAURANT CO. LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2000

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a restaurant proprietor. It has one subsidiary which did not trade during the year.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached accounts.

The directors have recommended the following dividends:

	2000 £	1999 £
Proposed dividends on ordinary shares	<u>180,000</u>	<u>-</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 March 2000	At 1 April 1999 or later date of appointment
R A Shepherd CBE	'A' Ordinary £1 Shares	40,000	40,000
	'B' Ordinary £1 Shares	40,000	-
M Caine	'B' Ordinary £1 Shares	-	40,000
N P Shah		<u>-</u>	<u>-</u>

N P Shah was appointed as a director on 30 April 1999.

M Caine resigned as a director on 30 April 1999.

R A Shepherd CBE exercised the option he had to acquire M Caine's entire holding of 40,000 'B' ordinary shares.

DONATIONS

During the year, the company made charitable donations of £3,342 (1999 - £1,124).

EUROPEAN MONETARY UNION

The directors consider that should the Euro become an important issue in respect of the company's operation, it will be treated as an additional currency in the company's systems. At the current time the directors consider the effect on the company to be minimal.

COQ D'OR RESTAURANT CO. LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2000

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those accounts, the directors are required to select suitable accounting policies, as described on pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Solomon Hare as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



M J SHEPHERD
Company Secretary

Approved by the directors on 19 January 2001

COQ D'OR RESTAURANT CO. LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2000

We have audited the accounts on pages 5 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 to 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



SOLOMON HARE
Registered Auditors
Chartered Accountants
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

19 January 2001

COQ D'OR RESTAURANT CO. LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2000**

	Note	2000 £	1999 £
TURNOVER	2	8,929,565	8,664,141
Cost of sales		(2,978,236)	(2,802,336)
GROSS PROFIT		5,951,329	5,861,805
Administrative expenses		(5,826,739)	(5,610,594)
Other operating income	3	162,784	14,273
OPERATING PROFIT	4	287,374	265,484
Interest receivable	7	11,241	38,963
Interest payable	8	(58,383)	(79,200)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		240,232	225,247
Tax on profit on ordinary activities	9	(47,180)	(31,419)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		193,052	193,828
Dividends	10	(180,000)	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		13,052	193,828
Balance brought forward		782,530	588,702
Balance carried forward		795,582	782,530

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 9 to 18 form part of these accounts.

COQ D'OR RESTAURANT CO. LIMITED

BALANCE SHEET

31 MARCH 2000

	Note	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		2,222,436		2,345,712
Investments	12		458,280		458,280
			<u>2,680,716</u>		<u>2,803,992</u>
CURRENT ASSETS					
Stocks	13	118,942		129,631	
Debtors	14	564,814		484,620	
Cash at bank and in hand		450,675		258,766	
		<u>1,134,431</u>		<u>873,017</u>	
CREDITORS: Amounts falling due within one year	15	<u>(2,234,726)</u>		<u>(1,969,640)</u>	
NET CURRENT LIABILITIES			<u>(1,100,295)</u>		<u>(1,096,623)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,580,421</u>		<u>1,707,369</u>
CREDITORS: Amounts falling due after more than one year	16		<u>(595,000)</u>		<u>(735,000)</u>
			<u>985,421</u>		<u>972,369</u>
CAPITAL AND RESERVES					
Called-up equity share capital	20		80,000		80,000
Revaluation reserve			89,839		89,839
Other reserves	21		20,000		20,000
Profit and loss account			795,582		782,530
SHAREHOLDERS' FUNDS	22		<u>985,421</u>		<u>972,369</u>

These accounts were approved by the directors on 19 January 2001, and are signed on their behalf by:

Nitesh P. Shah

N P SHAH
Director

The notes on pages 9 to 18 form part of these accounts.

COQ D'OR RESTAURANT CO. LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 MARCH 2000**

	2000		1999	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		598,001		140,985
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	11,241		38,963	
Interest paid	(58,383)		(74,952)	
	<u> </u>		<u> </u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(47,142)		(35,989)
TAXATION		(31,705)		(114,458)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(7,245)		(668,853)	
	<u> </u>		<u> </u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(7,245)		(668,853)
EQUITY DIVIDENDS PAID		(180,000)		-
		<u> </u>		<u> </u>
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		331,909		(678,315)
FINANCING				
Repayment of bank loans	(140,000)		875,000	
	<u> </u>		<u> </u>	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(140,000)		875,000
		<u> </u>		<u> </u>
INCREASE IN CASH		191,909		196,685

COQ D'OR RESTAURANT CO. LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2000

**RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2000	1999
	£	£
Operating profit	287,374	265,484
Depreciation	130,521	134,728
Decrease/(Increase) in stocks	10,689	(15,545)
(Increase)/Decrease in debtors	(84,621)	(56,834)
Increase/(Decrease) in creditors	254,038	(186,848)
Net cash inflow from operating activities	<u>598,001</u>	<u>140,985</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000	1999
	£	£
Increase in cash in the period	191,909	196,685
Net cash outflow/(inflow) from bank loans	<u>140,000</u>	<u>(875,000)</u>
	331,909	(678,315)
Change in net debt	331,909	(678,315)
Net debt at 1 April 1999	(616,234)	62,081
Net debt at 31 March 2000	<u>(284,325)</u>	<u>(616,234)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 1999	Cash flows	At 31 Mar 2000
	£	£	£
Net cash:			
Cash in hand and at bank	<u>258,766</u>	<u>191,909</u>	<u>450,675</u>
Debt:			
Debt due within 1 year	(140,000)	-	(140,000)
Debt due after 1 year	<u>(735,000)</u>	<u>140,000</u>	<u>(595,000)</u>
	(875,000)	140,000	(735,000)
Net debt	<u>(616,234)</u>	<u>331,909</u>	<u>(284,325)</u>

COQ D'OR RESTAURANT CO. LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover represents restaurant sales exclusive of value added tax. Turnover excludes discretionary service charges, which are credited against wages and salaries.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Long leasehold property	- not provided
Short leasehold buildings	- over the term of the lease
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost

The directors consider that, because of the expenditure on maintenance, the residual values of long leasehold property are such that any depreciation charge would be immaterial. Annual impairment reviews are carried out on the value of the leasehold property.

Stocks

Restaurant and kitchen supplies are valued at the lower of cost and net realisable value.

China, cutlery and glassware are valued at a fixed amount and costs of all replacements are expensed as incurred.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

COQ D'OR RESTAURANT CO. LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 6 April 1999.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed that the rate of return on investments would be 7.5% per annum, that salary increases would average 5.0% per annum, and that retiring members would be replaced by new entrants aged 25 years with the same earnings.

The pension charge for the year was £282,196 (1999 - £374,597).

The actuarial valuation at 6 April 1999 showed that the market value of the scheme's assets was £1,452,000 and that the actuarial value of those assets was sufficient to cover 98% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will be 8.7% and 3.5% respectively (1999 - 11.8% and 3.5%).

As at 31 March 2000, the company had prepaid pension contributions of £nil (1999 - £2,597).

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Investment

Investments are stated at cost less provision for any impairment in value.

2. TURNOVER

The turnover and profit before tax are attributable to the one principle activity of the company arising in the United Kingdom.

3. OTHER OPERATING INCOME

	2000	1999
	£	£
Commission receivable	569	1,047
Management charges receivable	161,715	10,000
Other operating income	500	3,226
	<u>162,784</u>	<u>14,273</u>

COQ D'OR RESTAURANT CO. LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 MARCH 2000****4. OPERATING PROFIT**

Operating profit is stated after charging:

	2000	1999
	£	£
Depreciation	130,521	134,728
Auditors' remuneration		
- as auditors	12,884	12,500
Operating lease costs:		
Land and buildings	268,450	137,278
Plant and equipment	<u>1,791</u>	<u>2,334</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2000	1999
	No.	No.
Catering staff	237	249
Administrative staff	<u>13</u>	<u>11</u>
	<u>250</u>	<u>260</u>

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	3,216,935	3,134,859
Social security costs	408,136	408,498
Other pension costs	282,196	374,597
	<u>3,907,267</u>	<u>3,917,954</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2000	1999
	£	£
Aggregate emoluments	219,426	329,089
Value of company pension contributions to non-money purchase schemes	<u>27,736</u>	<u>27,888</u>
	<u>247,162</u>	<u>356,977</u>

COQ D'OR RESTAURANT CO. LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 MARCH 2000****6. DIRECTORS' EMOLUMENTS** *(continued)*

Emoluments of highest paid director:

	2000 £	1999 £
Total emoluments (excluding pension contributions):	<u>173,654</u>	<u>169,770</u>

Benefits are accruing under a defined benefits pension scheme and, at the year end the accrued pension amounted to £45,871 (1999 - £45,006).

The number of directors who are accruing benefits under company pension schemes were as follows:

	2000 No.	1999 No.
Defined benefit schemes	<u>2</u>	<u>1</u>

7. INTEREST RECEIVABLE

	2000 £	1999 £
Bank interest receivable	<u>11,241</u>	<u>38,963</u>

8. INTEREST PAYABLE

	2000 £	1999 £
Interest payable on bank borrowing	58,226	72,913
Other similar charges payable	157	6,287
	<u>58,383</u>	<u>79,200</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
In respect of the year:		
Corporation tax based on the results for the year at 20% (1999 - 21%)	57,468	46,420
Adjustment in respect of previous years:		
Corporation tax	(10,288)	(15,001)
	<u>47,180</u>	<u>31,419</u>

COQ D'OR RESTAURANT CO. LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2000

10. DIVIDENDS

The following dividends have been proposed in respect of the year:

	2000 £	1999 £
Proposed dividends on equity shares	<u>180,000</u>	<u>-</u>

11. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Long Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 1999	95,526	1,588,540	2,510,838	165,902	4,360,806
Additions	-	-	7,245	-	7,245
Transfer	-	341,806	(341,806)	-	-
At 31 March 2000	<u>95,526</u>	<u>1,930,346</u>	<u>2,176,277</u>	<u>165,902</u>	<u>4,368,051</u>
DEPRECIATION					
At 1 April 1999	93,858	-	1,797,818	123,418	2,015,094
Charge for the year	1,668	-	109,211	19,642	130,521
At 31 March 2000	<u>95,526</u>	<u>-</u>	<u>1,907,029</u>	<u>143,060</u>	<u>2,145,615</u>
NET BOOK VALUE					
At 31 March 2000	<u>-</u>	<u>1,930,346</u>	<u>269,248</u>	<u>22,842</u>	<u>2,222,436</u>
At 31 March 1999	<u>1,668</u>	<u>1,588,540</u>	<u>713,020</u>	<u>42,484</u>	<u>2,345,712</u>

In the opinion of the directors, assets previously classified as fixtures and fittings should be included in long leasehold property.

COQ D'OR RESTAURANT CO. LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 MARCH 2000****11. TANGIBLE FIXED ASSETS (continued)**

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2000 £	1999 £
NBV of revalued tangible fixed assets:		
Net book value at end of year	<u>Nil</u>	<u>1,668</u>
Historical cost	<u>5,161</u>	<u>5,161</u>
Depreciation:		
At 1 April 1999	(5,025)	(4,845)
Charge for year	<u>(136)</u>	<u>(180)</u>
At 31 March 2000	<u>(5,161)</u>	<u>(5,025)</u>
Net historical cost value:		
At 31 March 2000	<u>Nil</u>	<u>136</u>
At 1 April 1999	<u>136</u>	<u>316</u>

Revaluation of fixed assets

The short leasehold property was revalued in 1968.

12. INVESTMENTS

	£
COST	
At 1 April 1999 and 31 March 2000	<u>458,280</u>
NET BOOK VALUE	
At 31 March 2000	<u>458,280</u>
At 31 March 1999	<u>458,280</u>

COQ D'OR RESTAURANT CO. LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2000

12. INVESTMENTS *(continued)*

The company's investments in the ordinary share capital of unlisted companies at the balance sheet date include the following:

Company	Langbens Restaurants Limited
Nature of business	Non-trading
Holding	100%
Number and class of shares held	100 ordinary shares of £1 each
Capital and reserves at 31 March 2000	£454,011
Loss for the year ended 31 March 2000	£323

In the opinion of the directors there is no material difference between the net book value of the investment and its market value.

13. STOCKS

	2000	1999
	£	£
Restaurant and kitchen supplies	114,442	125,131
China, cutlery and glassware	4,500	4,500
	<u>118,942</u>	<u>129,631</u>

14. DEBTORS

	2000	1999
	£	£
Trade debtors	293,268	342,434
Corporation tax repayable	10,288	14,715
Other debtors	23,290	64,317
Prepayments	237,968	63,154
	<u>564,814</u>	<u>484,620</u>

COQ D'OR RESTAURANT CO. LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 MARCH 2000****15. CREDITORS: Amounts falling due within one year**

	2000	1999
	£	£
Bank loans and overdrafts	140,000	140,000
Trade creditors	571,928	364,131
Amounts owed to group undertakings	451,577	451,577
Corporation tax	57,468	46,420
PAYE and social security	203,677	305,936
VAT	319,765	292,311
Other creditors	75,474	66,016
Directors current accounts	34,713	167
Accruals	380,124	303,082
	<u>2,234,726</u>	<u>1,969,640</u>

16. CREDITORS: Amounts falling due after more than one year

	2000	1999
	£	£
Bank loans and overdrafts	<u>595,000</u>	<u>735,000</u>

The bank loan is repayable in instalments over a period of seven years commencing May 1998 and is secured by a mortgage dated 6 May 1998 over the company's premises at 254/260 Old Brompton Road, London. Interest is payable at 1.625% above HSBC base rate.

Of the total loan, £35,000 (1999 - £175,000) is repayable in more than 5 years.

17. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	2000	1999
	£	£
In one year or less, or on demand	140,000	140,000
Between one and two years	140,000	140,000
Between two and five years	420,000	420,000
In five years or more	35,000	175,000
	<u>735,000</u>	<u>875,000</u>

COQ D'OR RESTAURANT CO. LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2000

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2000	1999
	£	£
Operating leases which expire:		
Within 1 year	-	44,700
Within 2 to 5 years	39,000	39,000
After more than 5 years	53,500	53,100
	<u>92,500</u>	<u>136,800</u>

19. RELATED PARTY TRANSACTIONS

For both the current and previous years, the company was under the control of the directors.

During the year trademark renewal fees of £nil (1999 - £1,730) were paid on behalf of the company's subsidiary, Langben Restaurants Limited. At 31 March 2000 the company owed it's subsidiary £451,577 (1999 - £451,577).

20. SHARE CAPITAL

Authorised share capital:

	2000	1999
	£	£
76,000 Ordinary 'A' shares of £1 each	76,000	76,000
76,000 Ordinary 'B' shares of £1 each	76,000	76,000
	<u>152,000</u>	<u>152,000</u>

Allotted, called up and fully paid:

	2000		1999	
	No.	£	No.	£
Ordinary 'A' shares	40,000	40,000	40,000	40,000
Ordinary 'B' shares	40,000	40,000	40,000	40,000
	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>

Equity shares

The 'A' and 'B' shares rank pari passu in all respects.

COQ D'OR RESTAURANT CO. LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2000

21. OTHER RESERVES

	2000	1999
	£	£
General reserve	<u>20,000</u>	<u>20,000</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	193,052	193,828
Dividends	(180,000)	-
	<u>13,052</u>	<u>193,828</u>
Opening shareholders' equity funds	972,369	778,541
Closing shareholders' equity funds	<u>985,421</u>	<u>972,369</u>