

Company Registration Number: 1829152 (England and Wales)

Pomeroy's Restaurants Limited
Directors' Report and Financial Statements
for the year ended 31 March 1995



Pomeroy's Restaurants Limited

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Pomeroy's Restaurants Limited

Directors' Report for the year ended 31 March 1995

The directors present their report and the financial statements for the year ended 31 March 1995.

Principal Activities and Review of the Business

The principal activity of the company during the year was operating restaurants.

The company intends to continue its present restaurant operations. The directors are satisfied with the results for the year.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £53,358 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 5 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

| | Class of share | Number of shares | |
|-------------|-----------------|------------------|------|
| | | 1995 | 1994 |
| R.Myers | Ordinary shares | - | - |
| K.E.D.Jones | Ordinary shares | - | - |
| L.I.Ross | Ordinary shares | - | - |

The directors' interests in the shares of the ultimate parent undertaking are shown in the accounts of that company.

Auditors

A resolution to appoint Mercers Bryant, Chartered Accountants and Binder Hamlyn, Chartered Accountants as joint auditors of the Company will be proposed at the Annual General Meeting.

Pomeroy's Restaurants Limited

Directors' Report for the year ended 31 March 1995 (continued)

Directors' Responsibilities


Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They 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.

This report was approved by the Board on

26 JAN 1996


Bekay Secretaries Limited
Secretary

Pomeroy's Restaurants Limited

Auditors' Report
to the members of Pomeroy's Restaurants Limited

We have audited the financial statements on pages 4 to 11 which have been prepared on the basis of the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

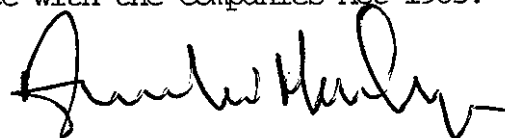
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Mercers Bryant
Chartered Accountants
Registered Auditors
45 Crawford Place
London W1H 2AD



Binder Hamlyn
Chartered Accountants
Registered Auditors
20 Old Bailey
London EC4M 7BH

25 JAN 1996

26 JAN 1996

Pomeroy's Restaurants Limited

Profit and Loss Account
for the year ended 31 March 1995

| | Notes | 1995 £ | 1994 £ |
|--|-------|-----------|-----------|
| Turnover | 2 | 313,497 | 238,703 |
| Cost of sales | | (88,867) | (66,822) |
| Gross profit | | 224,630 | 171,881 |
| Administrative expenses | | (170,272) | (142,899) |
| Profit on ordinary activities before taxation | 3 | 54,358 | 28,982 |
| Tax on profit on ordinary activities | 4 | (1,000) | - |
| Retained profit for the year | 11 | £ 53,358 | £ 28,982 |

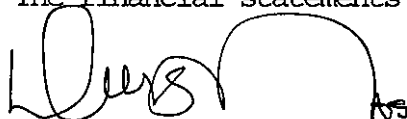
There are no recognised gains and losses other than those passing through the profit and loss account.

Pomeroy's Restaurants Limited

Balance Sheet
as at 31 March 1995

| | Notes | £ | 1995 £ | £ | 1994 £ |
|---|-------|------------------|------------------|-------------------|-------------------|
| Fixed Assets | | | | | |
| Tangible assets | 5 | | 227,550 | | 226,843 |
| Current Assets | | | | | |
| Stocks | 6 | 14,687 | | 14,674 | |
| Debtors | 7 | - | | 659 | |
| Cash at bank and in hand | | 200 | | 153 | |
| | | <u>14,887</u> | | <u>15,486</u> | |
| Creditors: amounts falling due within one year | 8 | <u>(202,106)</u> | | <u>(255,356)</u> | |
| Net Current Liabilities | | | <u>(187,219)</u> | | <u>(239,870)</u> |
| Total Assets Less Current Liabilities | | | <u>£ 40,331</u> | | <u>£ (13,027)</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 10 | 120,000 | | 120,000 | |
| Profit and loss account | 11 | (79,669) | | (133,027) | |
| Equity Shareholders' Funds | 12 | <u>£ 40,331</u> | | <u>£ (13,027)</u> | |

The financial statements were approved by the Board on 25 JAN 1996



L.I. Ross
Director

Pomeroy's Restaurants Limited

Notes to the Financial Statements for the year ended 31 March 1995

1. Accounting Policies

1.1 Accounting basis

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards. All operations are continuing and there were no acquisitions in the year.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is the wholly owned subsidiary of a parent undertaking that has published consolidated financial statements.

1.2 Going concern basis

The accounts have been prepared on a going concern basis as the company is currently in receipt of a letter of financial support from the Pelican Group PLC to enable it to trade in the normal course of business.

1.3 Turnover

Turnover represents receipts from operating activities and is stated exclusive of value added tax.

1.4 Tangible fixed assets and depreciation

No depreciation is provided on freehold properties or leasehold properties with twenty years and over to run at the Balance Sheet date. It is the company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the directors consider that the lives of these assets are so long and residual values, based on prices prevailing at the time of acquisition or subsequent revaluation, so high that their depreciation is insignificant. Any permanent diminution in the value of such properties is charged to the Profit and Loss Account as appropriate.

All leasehold properties of less than twenty years are amortised over the unexpired terms which in the case of new restaurants is with effect from the date of operation. Depreciation is provided on all other tangible fixed assets on a reducing balance basis of 12.5% for furniture, fittings and equipment, and 25% for motor vehicles. Pre-opening expenditure incurred on new restaurants is written off over five years with effect from the date of operation.

1.5 Leasing

Rentals payable under operating leases are charged to the Profit & Loss account on a straight line basis over the lease term.

Pomeroy's Restaurants Limited

Notes to the Financial Statements for the year ended 31 March 1995

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Provision for deferred taxation is made only where a liability is likely to arise.

2. Turnover

Turnover is wholly represented by restaurant operating activities carried on in the United Kingdom.

| 3. Profit on ordinary activities before taxation | 1995 £ | 1994 £ |
|---|-------------------|-------------------|
| Profit on ordinary activities before taxation is stated after charging: | | |
| Depreciation of tangible assets | 8,699 | 11,201 |
| Hire of plant and machinery | 360 | - |
| Operating lease rentals | | |
| - Land and buildings | 39,666 | 33,846 |
| | <u> </u> | <u> </u> |

| 4. Taxation | 1995 £ | 1994 £ |
|-----------------------------|-------------------|-------------------|
| U.K. Current year taxation | | |
| U.K. Corporation tax at 25% | 1,000 | - |
| | <u> </u> | <u> </u> |

The Corporation Tax charge has been reduced as the company had the benefit of taxation losses brought forward.

Pomeroy's Restaurants Limited

Notes to the Financial Statements
for the year ended 31 March 1995

5. Tangible Assets

| | Land and buildings Leasehold (Short) | Fixtures fittings & equipment | Total |
|------------------|---|-------------------------------------|-----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 1994 | 247,137 | 99,058 | 346,195 |
| Additions | 4,006 | 5,400 | 9,406 |
| At 31 March 1995 | 251,143 | 104,458 | 355,601 |
| Depreciation | | | |
| At 1 April 1994 | 71,687 | 47,665 | 119,352 |
| Charge for year | 1,937 | 6,762 | 8,699 |
| At 31 March 1995 | 73,624 | 54,427 | 128,051 |
| Net book values | | | |
| At 31 March 1995 | £ 177,519 | £ 50,031 | £ 227,550 |
| At 31 March 1994 | £ 175,450 | £ 51,393 | £ 226,843 |

6. Stocks

| | 1995 £ | 1994 £ |
|---------------------------------|-----------|-----------|
| Food, beverages and consumables | 14,687 | 14,674 |
| | £ 14,687 | £ 14,674 |

The replacement value at 31 March 1995 is considered by the directors to be not materially different from the Balance Sheet value.

7. Debtors

| | 1995 £ | 1994 £ |
|---------------|-----------|-----------|
| Trade debtors | - | 659 |
| | £ - | £ 659 |

Pomeroy's Restaurants Limited

Notes to the Financial Statements
for the year ended 31 March 1995

| | | |
|---|------------------|------------------|
| 8. Creditors: amounts falling due within one year | 1995 £ | 1994 £ |
| Amounts owed to group undertaking | 201,106 | 255,356 |
| Corporation tax | 1,000 | - |
| | <u>£ 202,106</u> | <u>£ 255,356</u> |

9. Provisions for Liabilities and Charges

As a result of the continued high level of expenditure on additions to fixed assets which attract capital allowances, the timing differences between depreciation and taxation allowances are not expected to reverse in the foreseeable future and consequently a provision for deferred taxation is not required. The full potential liability is as follows:

| | | |
|--------------------------------|--------------|-----------|
| | 1995 £ | 1994 £ |
| Accelerated Capital Allowances | <u>5,495</u> | <u>-</u> |

| | | |
|------------------------------------|----------------|----------------|
| 10. Share Capital | 1995 £ | 1994 £ |
| Authorised | | |
| 120,000 Ordinary shares of £1 each | <u>120,000</u> | <u>120,000</u> |
| Allotted, called up and fully paid | | |
| 120,000 Ordinary shares of £1 each | <u>120,000</u> | <u>120,000</u> |

| | | |
|-------------------------------------|-------------------|--------------------|
| 11. Profit And Loss Account | 1995 £ | 1994 £ |
| Accumulated losses at 1 April 1994 | (133,027) | (162,009) |
| Retained profit for the year | 53,358 | 28,982 |
| Accumulated losses at 31 March 1995 | <u>£ (79,669)</u> | <u>£ (133,027)</u> |

Pomeroy's Restaurants Limited

Notes to the Financial Statements
for the year ended 31 March 1995

12. Reconciliation of Movements in Shareholders' Funds

| | 1995 £ | 1994 £ |
|-------------------------------|-----------------|-------------------|
| Profit for the financial year | 53,358 | 28,982 |
| Opening shareholders' funds | (13,027) | (42,009) |
| Closing shareholders' funds | <u>£ 40,331</u> | <u>£ (13,027)</u> |

13. Contingent Liabilities

The company is a party to a guarantee given in respect of the group's bank facilities. The total amount outstanding at the end of the year was £2,800,000 (1994: £1,750,000).

14. Financial Commitments

At 31 March 1995 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|--------------------|--------------------|-----------------|
| | 1995 £ | 1994 £ |
| Expiry date: | | |
| In over five years | 41,000 | 41,000 |
| | <u>£ 41,000</u> | <u>£ 41,000</u> |

Pomeroy's Restaurants Limited

Notes to the Financial Statements
for the year ended 31 March 1995

15. Employees

Number of employees

The average weekly number of employees
during the year was:

| | 1995 Number | 1994 Number |
|------------|----------------|----------------|
| Restaurant | 10 | 9 |

Employment costs

| | £ | £ |
|-----------------------|-----------------|-----------------|
| Wages and salaries | 67,539 | 52,551 |
| Social security costs | 6,303 | 4,617 |
| | <u>£ 73,842</u> | <u>£ 57,168</u> |

16. Ultimate Parent Undertaking

The ultimate parent undertaking is The Pelican Group Plc, a company registered in England & Wales. The Pelican Group Plc is the parent undertaking of the largest and smallest group of which the company is a member for which group accounts are drawn up. Copies of these group accounts are available from Companies House, Crown Way, Cardiff.