

**REGISTRAR'S COPY**

**Registered Number: 02729890**

**LAURENS PATISSERIES LIMITED**  
**DIRECTORS' REPORT AND GROUP**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 16 FEBRUARY 2003**



**Laurens Patisseries Limited****Directors**

D A Liveras  
S G Roebuck  
T Hassan  
P C Liveras

**Secretary and Registered Office**

Cornhill Secretaries Limited  
Jessop Way  
Newark Industrial Estate  
Newark  
Nottinghamshire  
NG24 2ER

**Auditors**

Moore Stephens  
Registered Auditor  
57 London Road  
Enfield  
Middlesex, EN2 6SW

**Report of the Directors**

The directors present their report and the audited group financial statements for the period ended 16 February 2003.

**Review of Activities**

The principal activity of the company during the period was the manufacture and wholesale of cakes and patisseries.

No significant change in the nature of these activities occurred during the year.

The directors are very pleased with the progress made during the period and expect continued growth in the future.

During the period the company acquired the entire share capital of Fleur De Lys Replicas Limited in order to achieve the objective of being able to expand the business in the future.

**Dividends**

During the period, the directors paid a dividend of £800,000 and have proposed a final dividend of £1,200,000. These have been charged to the profit and loss account.

**Land and Buildings**

The directors are of the opinion that the market value of land and buildings substantially exceeds the net book value stated in these financial statements.

**Directors**

P C Liveras was appointed a director on 16 February 2001.

**Laurens Patisseries Limited****Report of the Directors for the Period Ended 16 February 2003**

continued

**Directors' Interests**

None of the directors had any interests in the share capital of the company during the period.

**Charitable Contributions**

During the period, the company made charitable contributions of £22,815 (2002: £58,151)

**Disabled Persons**

It is the company's policy to recruit disabled persons for appropriate positions. Once employed, whatever assistance is necessary in terms of training and career advancements is given.

**Employee Information Programme**

Information to employees about the company and factors affecting its performance are provided through normal management channels. Consultations between company employees is regarded as priority, with regular meetings to discuss items of mutual concern.

**Research and Development**

The company has continued with its policy of developing new products and packaging in the period.

**Auditors**

The auditors, Moore Stephens, have expressed their willingness to continue in office. A resolution for their re-appointment and authorising the directors to fix their remuneration will be proposed at the forthcoming annual general meeting.

By order of the Board

D A Liveras  
Director



28 May 2003

**Laurens Patisseries Limited****Statement of 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 group and of the profit or loss of the group 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 departure disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Laurens Patisseries Limited****Independent Auditors' Report to the Shareholder of Laurens Patisseries Limited**

We have audited the financial statements of Laurens Patisseries Limited for the period ended 16 February 2003 set out on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

This report is made solely to the company's member as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of Audit Opinion**

We conducted our audit in accordance with United Kingdom 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 group'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 affairs of the company and of the group as at 16 February 2003 and of the group's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

57 London Road  
Enfield  
Middlesex, EN2 6SW

*Moore Stephens*

MOORE STEPHENS  
Registered Auditors &  
Chartered Accountants

*29 July 2003*

**Laurens Patisseries Limited**

**Group Profit and Loss Account for the Period Ended 16 February 2003**

	Note	2003 £	2002 £
<b>Turnover</b>		46,465,125	36,927,077
Cost of Sales		(31,630,125)	(24,373,246)
<b>Gross Profit</b>		<u>14,835,000</u>	<u>12,553,831</u>
Administrative Expenses		(10,678,337)	(8,078,354)
Other Operating Income		6,350	-
<b>Operating Profit</b>	2	<u>4,163,013</u>	<u>4,475,477</u>
Interest Payable and Similar Charges	5	(549,657)	(718,760)
<b>Profit on Ordinary Activities Before Taxation</b>		<u>3,613,356</u>	<u>3,756,717</u>
Taxation	6	(1,168,616)	(1,206,028)
<b>Profit on Ordinary Activities After Taxation</b>		<u>2,444,740</u>	<u>2,550,689</u>
Dividends	7	(2,000,000)	(1,550,000)
<b>Retained for the year</b>		<u><u>£444,740</u></u>	<u><u>£1,000,689</u></u>

The group's turnover and expenses all relate to continuing activities.

There were no recognised gains and losses for the period other than those included in the profit and loss account.

**Laurens Patisseries Limited**  
**Group Balance Sheet at 16 February 2003**

	Note	£	2003 £	£	2002 £
<b>Fixed Assets</b>					
Intangible Assets	8		986,322		724,373
Tangible Assets	9		17,422,161		12,522,656
			<u>18,408,483</u>		<u>13,247,029</u>
<b>Current Assets</b>					
Stocks	11	1,275,817		903,735	
Debtors	12	5,562,305		4,557,717	
Cash at Bank and in Hand		3,555		1,694	
			<u>6,841,677</u>	<u>5,463,146</u>	
Creditors: Amounts Falling Due Within One Year	13	13,248,760		9,789,192	
			<u>(6,407,083)</u>	<u>(4,326,046)</u>	
<b>Net Current Liabilities</b>					
<b>Total Assets Less Current Liabilities</b>					
			12,001,400		8,920,983
Creditors: Amounts Falling Due After More Than One Year	14		6,986,495		4,637,818
Provision for Liabilities and Charges	16		1,107,000		820,000
			<u>£3,907,905</u>	<u>£3,463,165</u>	
<b>Capital and Reserves - Equity</b>					
Called Up Share Capital	17		500,000		500,000
Profit and Loss Account	18		3,407,905		2,963,165
Shareholder's Funds	19		<u>£3,907,905</u>	<u>£3,463,165</u>	

Approved by the Board on

D A Liveras  
Director



28 May 2003

**Laurens Patisseries Limited**  
**Company Balance Sheet at 16 February 2003**

	Note	£	2003 £	£	2002 £
<b>Fixed Assets</b>					
Intangible Assets	8		976,001		724,373
Tangible Assets	9		17,422,161		12,522,656
Investments	10		350,000		-
			<u>18,748,162</u>		<u>13,247,029</u>
<b>Current Assets</b>					
Stocks	11	1,275,817		903,735	
Debtors	12	5,562,305		4,557,717	
Cash at Bank and in Hand		1,795		1,694	
		<u>6,839,917</u>		<u>5,463,146</u>	
Creditors: Amounts Falling Due Within One Year	13	13,598,760		9,789,192	
<b>Net Current Liabilities</b>			<u>(6,758,843)</u>		<u>(4,326,046)</u>
<b>Total Assets Less Current Liabilities</b>			11,989,319		8,920,983
Creditors: Amounts Falling Due After More Than One Year	14		6,986,495		4,637,818
Provisions for Liabilities and Charges	16		1,107,000		820,000
			<u>£3,895,824</u>		<u>£3,463,165</u>
<b>Capital and Reserves - Equity</b>					
Called Up Share Capital	17		500,000		500,000
Profit and Loss Account	18		3,395,824		2,963,165
Shareholder's Funds	19		<u>£3,895,824</u>		<u>£3,463,165</u>

Approved by the Board on

D A Liveras  
Director



28 May 2003



## Laurens Patisseries Limited

## Group Cash Flow Statement For the Period Ended 16 February 2003

## Reconciliation of Operating Profit to Operating Cash Flow

	2003	2002
	£	£
Operating Profit	4,163,013	4,475,477
Depreciation	1,393,722	1,175,186
Amortisation	325,922	245,583
Disposal of Fixed Assets	-	(13,690)
Change in Stocks	(372,082)	183,777
Change in Debtors	(1,004,588)	(1,028,072)
Change in Creditors	908,131	978,173
Operating Cash Flow	<u>£5,414,118</u>	<u>£6,016,434</u>

## CASH FLOW STATEMENT

Operating Cash Flow	5,414,118	6,016,434
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## Returns of Investment and Servicing of Finance

Interest Paid	(298,495)	(381,959)
Finance Lease Interest	(208,328)	(292,516)
Net Cash Flow From Returns on Investment and Servicing of Finance	(506,823)	(674,475)
Taxation	(1,316,616)	(484,583)

## Capital Expenditure and Financial Investment

Purchase of Tangible Fixed Assets	(3,445,212)	(1,989,100)
Sale of Tangible Fixed Assets	5,519	25,101
Purchase of Intangible Assets	(572,389)	(336,275)
Net Cash Flow From Capital Expenditure and Financial Investment	(4,012,082)	(2,300,274)

## Acquisitions and Disposals

Purchase of subsidiary undertaking	(350,000)	-
Net cash acquired with subsidiary undertaking	(1,792)	-
Net Cash Flow From Acquisitions and Disposals	(348,208)	-

Equity Dividends Paid	(1,800,000)	(550,000)
	<u>(2,569,611)</u>	<u>2,007,102</u>

## Financing

New Loan	3,310,292	-
Loan Repayments	(1,003,610)	(658,690)
Capital Element of Finance Lease Repayments	(1,028,882)	(1,025,377)
Net Cash Flow From Financing	<u>1,277,800</u>	<u>(1,684,067)</u>
Net Cash Flow for the period	<u>(£1,291,811)</u>	<u>£323,035</u>

**Laurens Patisseries Limited****Notes to the Group Financial Statements for the Period Ended 16 February 2003****1 Accounting Policies****Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Basis of Consolidation**

The group financial statements consolidate the financial statements of Laurens Patisseries Limited and its subsidiary undertaking drawn up to 16 February 2003. They have been prepared using the acquisition method, with goodwill arising on consolidation being amortised over its useful economic life.

The company has taken advantage of the exemption conferred by S230 of the Companies Act 1985 to not publish its own profit and loss account. Its profit for the financial period before dividends amounted to £2,432,659 (2002: £2,550,689).

**Turnover**

Turnover represents amounts invoiced during the period, net of Value Added Tax.

**Intangible Fixed Assets**

Intangible fixed assets are stated at cost, and are amortised on a straight line basis over the following periods:

Goodwill arising on consolidation – 3 years

Development costs – 5 years

**Development Costs**

Research costs are charged to the profit and loss account as incurred.

Development costs are capitalised in special circumstances where it is demonstrable that future revenues will be in excess of the costs incurred. Development costs are amortised over the period which is expected to benefit from the development work undertaken.

Certain costs with respect to packaging designs have been capitalised. These are also amortised over the period which is expected to benefit from the work undertaken.

**Tangible Fixed Assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off all tangible fixed assets other than freehold land as follows:

Freehold Properties – 2% on cost

Plant & Machinery – 10% on cost

Fixtures & Fittings – 20% on cost

Motor Vehicles – 25% on cost

**Operating Leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

**Laurens Patisseries Limited**

**Notes to the Group Financial Statements for the Period Ended 16 February 2003**

continued

**Finance Leases**

Assets held under finance leases are treated as tangible fixed assets, and initially recorded at the present value of the minimum lease payments at the inception of the lease. These assets are depreciated over their useful economic lives.

Obligations under finance leases are included within creditors, net of finance charges allocated to future periods.

**Stocks**

Stocks are stated at the lower of cost and net realisable value and are valued on a FIFO basis.

**Deferred Taxation**

Deferred taxation is provided for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements.

**Pension Costs**

The company contributes to the personal pension scheme of one director.

**2 Operating Profit**

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,393,722	1,175,186
Amortisation of intangible assets	325,922	245,583
Auditors' Remuneration - audit	21,000	15,000
Auditors' Remuneration - other	458	856
	<u>1,741,102</u>	<u>1,436,625</u>

**3 Directors' Emoluments**

	2003 £	2002 £
Directors' emoluments	705,952	514,898
Pension costs	36,131	35,508
	<u>£742,083</u>	<u>£550,406</u>

During the period amounts of £Nil (2002: £29,250) were paid to directors as compensation for loss of office.

The emoluments of the highest paid director were £443,324 (2002: £286,247)

An amount of £36,131 (2002: £35,508) was paid into the personal pension scheme of the highest paid director during the period.

## Laurens Patisseries Limited

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

**4 Staff Costs**

Staff costs, excluding costs relating to directors, were as follows:

	2003 £	2002 £
Wages and Salaries	13,068,613	9,614,971
Social Security Costs	823,796	569,998
	<u>£13,892,409</u>	<u>£10,184,969</u>

The average monthly number of employees was 1,028 (2002: 743).

The staff of the company worked in the following activities:

Administration	107	87
Production	921	656
	<u>1,028</u>	<u>743</u>

**5 Interest Payable and Similar Charges**

	2003 £	2002 £
Bank loans and overdrafts	315,490	426,244
Other interest	3,746	-
Finance lease interest	230,421	292,516
	<u>£549,657</u>	<u>£718,760</u>

**6 Taxation**

	2003 £	2002 £
UK Corporation Tax – Current Year	940,000	1,125,000
Adjustment to Prior Years	(58,384)	81,028
Deferred Taxation – Origination and Reversal of timing Differences	287,000	-
	<u>£1,168,616</u>	<u>£1,206,028</u>

The tax assessed for the year differs from the standard rate of tax as follows:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>£3,613,356</u>	<u>£3,756,717</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 30%	1,084,007	1,127,015
Expenses not deductible for tax purposes	94,478	89,285
Capital allowances in excess of depreciation	(238,485)	(91,300)
Adjustment to tax charge in respect of previous periods	(58,384)	81,028
Current tax charge	<u>£881,616</u>	<u>£1,206,028</u>

## Laurens Patisseries Limited

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

**7 Dividends**

	2003 £	2002 £
Equity Dividends		
Interim Paid £1.60 Per Share (2002: £1.10)	800,000	550,000
Final Proposed £2.40 Per Share (2002: £2.00)	1,200,000	1,000,000
	<u>£2,000,000</u>	<u>£1,550,000</u>

**8 Intangible Fixed Assets Group**

	Goodwill £	Development Costs £	Total £
<b>Cost</b>			
At 17 February 2002	-	1,651,667	1,651,667
Additions	15,482	572,389	587,871
	<u>15,482</u>	<u>2,224,056</u>	<u>2,239,538</u>
At 16 February 2003			
<b>Amortisation</b>			
At 17 February 2002	-	927,294	927,294
Amortisation for the period	5,161	320,761	325,922
	<u>5,161</u>	<u>1,248,055</u>	<u>1,253,216</u>
At 16 February 2003			
<b>Net Book Value</b>			
At 16 February 2003	£10,321	£976,001	£986,322
At 17 February 2002	£ -	£724,373	£724,373

**Company**

	Development Costs £
<b>Cost</b>	
At 17 February 2002	1,651,667
Additions	572,389
	<u>2,224,056</u>
At 16 February 2003	
<b>Amortisation</b>	
At 17 February 2002	927,294
Amortisation for the period	320,761
	<u>1,248,055</u>
At 16 February 2003	
<b>Net Book Value</b>	
At 16 February 2003	£976,001
At 17 February 2002	£724,373

## Laurens Patisseries Limited

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

**9 Tangible Fixed Assets  
Group and Company**

	Freehold Land and Buildings £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 17 February 2002	6,789,428	9,240,379	1,117,415	255,160	17,402,382
Additions	3,415,828	2,312,206	189,682	381,030	6,298,746
Disposals	-	-	-	(20,500)	(20,500)
At 16 February 2003	<u>10,205,256</u>	<u>11,552,585</u>	<u>1,307,097</u>	<u>615,690</u>	<u>23,680,628</u>
<b>Depreciation</b>					
At 17 February 2002	629,392	3,617,032	560,834	72,468	4,879,726
Depreciation for the period	162,599	935,619	187,172	108,332	1,393,722
Disposals	-	-	-	(14,981)	(14,981)
At 16 February 2003	<u>791,991</u>	<u>4,552,651</u>	<u>748,006</u>	<u>165,819</u>	<u>6,258,467</u>
<b>Net Book Value</b>					
At 16 February 2003	<u>£9,413,265</u>	<u>£6,999,934</u>	<u>£559,091</u>	<u>£449,871</u>	<u>£17,422,161</u>
At 17 February 2002	<u>£6,160,036</u>	<u>£5,623,347</u>	<u>£556,581</u>	<u>£182,692</u>	<u>£12,522,656</u>

Included in land and buildings is land at a cost of £686,000 which is not depreciated.

Included within fixed assets are items with a cost of £7,721,277 (2002: £5,217,743) which relates to assets held under finance leases. The net book value of these assets is £5,984,814 (2002: £4,255,878). These assets were depreciated by £767,523 (2002: £526,019) during the period. All of the assets held under finance lease relate to plant and machinery.

## Laurens Patisseries Limited

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

**10 Fixed Asset Investments  
Company**

	2003 £	2002 £
Shares in Group Undertakings	<u>350,000</u>	<u>-</u>

During the period the group acquired the entire ordinary share capital of Fleur de Lys Replicas Limited, an investment company, for a cash consideration of £350,000.

An analysis of the acquisition is as follows:

	£
Tangible fixed assets	350,000
Cash at bank and in hand	1,792
Creditors	(17,274)
	<u>334,518</u>
Goodwill arising on acquisition	15,482
	<u>£350,000</u>
<b>Satisfied by</b>	
Cash	<u>£350,000</u>

**11 Stocks  
Group and Company**

	2003 £	2002 £
Raw Materials and Consumables	1,101,774	771,306
Finished Goods and Goods for Resale	174,043	132,429
	<u>£1,275,817</u>	<u>£903,735</u>

**12 Debtors**

	2003		2002	
	Group £	Company £	Group £	Company £
Trade Debtors	4,895,530	4,895,530	4,067,441	4,067,441
Other Debtors	218,669	218,669	209,272	209,272
Prepayments and Accrued Income	448,106	448,106	281,004	281,004
	<u>£5,562,305</u>	<u>£5,562,305</u>	<u>£4,557,717</u>	<u>£4,557,717</u>

## Laurens Patisseries Limited

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

## 13 Creditors: Amounts Falling Due Within One Year

	2003		2002	
	Group £	Company £	Group £	Company £
Bank Loans and Overdrafts	4,737,376	4,737,376	2,521,579	2,521,579
Trade Creditors	2,966,449	2,966,449	3,196,800	3,196,800
Dividends Payable	1,200,000	1,200,000	1,000,000	1,000,000
Corporation Tax	411,000	411,000	837,000	837,000
Other Taxation and Social Security	437,178	437,178	133,558	133,558
Amounts Owed to Group Undertakings	-	350,000	-	-
Finance Lease Creditors	1,527,074	1,527,074	1,016,542	1,016,542
Other Creditors	153,982	153,982	113,351	113,351
Accruals and Deferred Income	1,815,701	1,815,701	970,362	970,362
	<u>£13,248,760</u>	<u>£13,598,760</u>	<u>£9,789,192</u>	<u>£9,789,192</u>

## 14 Creditors: Amounts Falling Due After More Than One Year

	2003		2002	
	Group £	Company £	Group £	Company £
Bank Loans and Overdrafts	3,837,637	3,837,637	2,453,080	2,453,080
Finance Lease Creditors	3,148,858	3,148,858	2,184,738	2,184,738
	<u>£6,986,495</u>	<u>£6,986,495</u>	<u>£4,637,818</u>	<u>£4,637,818</u>



## Laurens Patisseries Limited

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

**15 Analysis of Bank Loans and Finance Lease Creditors  
Group and Company**

	2003 £	2002 £
<b>Bank Loans and Overdrafts</b>		
Amounts are due within the following periods:		
Within one year	4,737,376	2,521,579
Between one and two years	1,821,659	826,593
Between two and five years	2,015,978	1,054,606
In five years or more	-	571,881
	<u>£8,575,013</u>	<u>£4,974,659</u>
<b>Finance Leases</b>		
Amounts are due within the following periods:		
Within one year	1,527,074	1,016,542
Between one and two years	1,429,985	911,675
Between two and five years	1,718,873	1,273,063
	<u>£4,675,932</u>	<u>£3,201,280</u>

The bank overdraft amounting to £3,018,830 (2002: £1,725,158) and the bank loans of £5,556,183 (2002: £3,249,501) are secured by way of a fixed charge over the freehold property at Jessop Way and a floating charge on all the assets of the company.

The loan is repayable in quarterly instalments of £494,568 and bears interest at 2.25% above National Westminster Plc bank rate.

The finance lease liabilities are secured over the assets to which they relate.

**16 Provisions for Liabilities and Charges  
Group and Company**

	2003 £	2002 £
Accelerated Capital Allowances	<u>1,107,000</u>	<u>820,000</u>

The movement in the deferred tax provision during the period was as follows:

At 17 February 2002	820,000
Movement in the year	287,000
At 16 February 2003	<u>£1,107,000</u>

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

**17 Capital Commitments**

Amounts contracted for but not provided in the accounts amounted to £148,000.

**18 Share Capital**

	2003 £	2002 £
Authorised 500,000 Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>

	2003 £	2002 £
Allotted, Called Up and Fully Paid 500,000 Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>

**19 Reserves**

	Group Profit and Loss Account £	Company Profit and Loss Account £
At 17 February 2002	2,963,165	2,963,165
Retained for the period	<u>444,740</u>	<u>432,659</u>
At 16 February 2003	<u>£3,407,905</u>	<u>£3,395,824</u>

**20 Reconciliation of Movements in Shareholder's Funds**

	2003		2002	
	Group £	Company £	Group £	Company £
Profit for the financial period	2,444,740	2,432,659	2,550,689	2,550,689
Dividends	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,550,000)</u>	<u>(1,550,000)</u>
Net additions to shareholder's funds	444,740	432,659	1,000,689	1,000,689
Opening Shareholder's Funds	<u>3,463,165</u>	<u>3,463,165</u>	<u>2,462,476</u>	<u>2,462,476</u>
Closing Shareholder's Funds	<u>£3,907,905</u>	<u>£3,895,824</u>	<u>£3,463,165</u>	<u>£3,463,165</u>

## Laurens Patisseries Limited

## Notes to the Group Financial Statements for the Period Ended 16 February 2003

continued

**21 Reconciliation of Net Cash Flow to Movement in Net Debt**

	2003 £	2002 £
Change in Cash in the period	(1,291,811)	323,035
Cashflow from financing	(1,277,800)	1,684,067
Inception of Finance Leases	(2,503,534)	-
Movement in Net Debt in the Period	(5,073,145)	2,007,102
Net Debt Brought Forward	(8,174,245)	(10,181,347)
Net Debt Carried Forward	(£13,247,390)	(£8,174,245)

**22 Analysis of Change in Net Debt**

	Brought Forward £	Cash Flow £	Other Changes £	Carried Forward £
Cash	1,694	1,861	-	3,555
Overdrafts	(1,725,158)	(1,293,672)	-	(3,018,830)
	(1,723,464)	(1,291,811)	-	(3,015,275)
Debt Due Within One Year	(796,421)	-	(922,125)	(1,718,546)
Debt Due After One Year	(2,453,080)	(2,306,682)	922,125	(3,837,637)
Finance Leases	(3,201,280)	1,028,882	(2,503,534)	(4,675,932)
	(£8,174,245)	(£2,569,611)	(£2,503,534)	(£13,247,390)

During the year the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £2,503,534.

**23 Controlling Party**

The company's immediate and ultimate parent company is Laurens Holdings Limited, a company registered in Guernsey, C.I. The ultimate controlling party is the Liveras Family Trust.