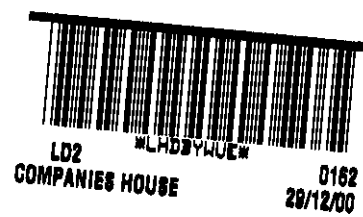


Stephano's Cafe Ltd
Directors' Report and Financial Statements
for the year ended 29 February 2000



Stephano's Cafe Ltd

Company Information

Directors	A R Bor M Borjak F A Damaj
Secretary	M Borjak
Company Number	3023925
Business Address	3 Irving St London WC2H 7AT

Stephano's Cafe Ltd

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Stephano's Cafe Ltd

Directors' Report for the year ended 29 February 2000

The directors present their report and the financial statements for the year ended 29 February 2000.

The principal activity of the company during the year were that of restaurateurs.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2000	1999
A R Bor	33	33
M Borjak	33	33
F A Damaj	34	34

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

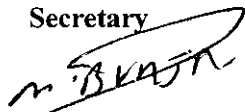
Special Exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

29/12/00

This report was approved by the Board on and signed on its behalf by

M Borjak
Secretary



Stephano's Cafe Ltd

**Accountants' Report on the Unaudited Financial Statements to the Directors of
Stephano's Cafe Ltd**

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 29 February 2000 set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



Aston Draycott

**Caprini House
163/173 Praed Street
London
W2 1RH**

Date: 29/12/00

Stephano's Cafe Ltd

Profit and Loss Account for the year ended 29 February 2000

		Continuing operations	
		2000	1999
	Notes	£	£
Turnover	2	196,333	166,502
Cost of sales		(56,162)	(52,029)
Gross profit		140,171	114,473
Administrative expenses		(130,210)	(100,381)
Operating profit	3	9,961	14,092
Interest receivable and similar income		131	168
Profit on ordinary activities before taxation		10,092	14,260
Tax on profit on ordinary activities	5	(1,315)	(35)
Retained profit for the year		8,777	14,225
Retained profit/(loss) brought forward		1,976	(12,249)
Retained profit carried forward		10,753	1,976

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 8 form an integral part of these financial statements.

Stephano's Cafe Ltd

Balance Sheet as at 29 February 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	6		12,579		7,158
Current Assets					
Stocks		4,150		2,000	
Debtors	7	-		3,297	
Cash at bank and in hand		3,564		6,027	
		<u>7,714</u>		<u>11,324</u>	
Creditors: amounts falling due within one year	8	<u>(9,440)</u>		<u>(16,406)</u>	
Net Current Liabilities			<u>(1,726)</u>		<u>(5,082)</u>
Total Assets Less Current Liabilities			<u>10,853</u>		<u>2,076</u>
Capital and Reserves					
Called up share capital	9		100		100
Profit and loss account			10,753		1,976
Equity Shareholders' Funds	10		<u>10,853</u>		<u>2,076</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 8 form an integral part of these financial statements.

Stephano's Cafe Ltd

Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 29 February 2000**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 29 February 2000 and

(c) that we acknowledge our responsibilities for:

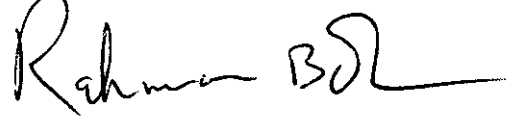
(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 29/12/00 and signed on its behalf by

A R Bor
Director

A handwritten signature in black ink, appearing to read 'Rahman BOR', written over the printed name 'A R Bor'.

The notes on pages 6 to 8 form an integral part of these financial statements.

Stephano's Cafe Ltd

Notes to the Financial Statements for the year ended 29 February 2000

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% Reducing Balance
-------------------------------------	------------------------

1.4. Stock

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

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	4,194	2,386

4. Directors' emoluments

	2000	1999
	£	£
Remuneration and other benefits	30,700	20,060

Stephano's Cafe Ltd

Notes to the Financial Statements for the year ended 29 February 2000

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5. Taxation	2000	1999
	£	£
UK current year taxation		
UK Corporation Tax	1,315	35
	<u> </u>	<u> </u>
6. Tangible fixed assets		
	Fixtures, fittings equipment	Total
	£	£
Cost		
At 1 March 1999	19,165	19,165
Additions	9,615	9,615
At 29 February 2000	<u>28,780</u>	<u>28,780</u>
Depreciation		
At 1 March 1999	12,007	12,007
Charge for the year	4,194	4,194
At 29 February 2000	<u>16,201</u>	<u>16,201</u>
Net book values		
At 29 February 2000	<u>12,579</u>	<u>12,579</u>
At 28 February 1999	<u>7,158</u>	<u>7,158</u>
7. Debtors	2000	1999
	£	£
Other debtors	-	3,297
	<u> </u>	<u> </u>

Stephano's Cafe Ltd

Notes to the Financial Statements for the year ended 29 February 2000

..... continued

8. Creditors: amounts falling due within one year	2000	1999
	£	£
Corporation tax	1,350	35
Other taxes and social security costs	4	2,244
Directors' accounts	1,493	609
Other creditors	5,393	11,518
Accruals and deferred income	1,200	2,000
	<u>9,440</u>	<u>16,406</u>
9. Share capital	2000	1999
	£	£
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
10. Reconciliation of movements in shareholders' funds	2000	1999
	£	£
Profit for the year	8,777	14,225
Opening shareholders' funds	2,076	(12,149)
	<u>10,853</u>	<u>2,076</u>