

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002
FOR
PONTI'S RETAIL LIMITED**



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PONTI'S RETAIL LIMITED

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FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

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PONTI'S RETAIL LIMITED

COMPANY INFORMATION

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

DIRECTORS:

R Galelli
P N Inzani
S Ispani
Rt Hon C R Morris
C B Reed

SECRETARY:

C B Reed

REGISTERED OFFICE:

17/21, Wenlock Road
London
N1 7SL

REGISTERED NUMBER:

1683075 (England and Wales)

AUDITORS:

Philips Ell & Gross
Chartered Accountants
and Registered Auditors
54 Welbeck Street
London
W1G 9XS

PONTI'S RETAIL LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

The directors present their report with the financial statements of the company for the period 29th January 2001 to 27th January 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the operation of restaurants and cafes.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the period ended 27th January 2002.

DIRECTORS

The directors during the period under review were:

G Ispani	- deceased 3.9.2001
R Galelli	
P N Inzani	
S Ispani	
M Montagna	- resigned 31.8.2001
Rt Hon C R Morris	
C B Reed	

The directors holding office at 27th January 2002 did not hold any beneficial interest in the issued share capital of the company at 29th January 2001 or 27th January 2002.

Messrs G Ispani, R Galelli, CR Morris, S Ispani, P Inzani and CB Reed are also directors of the ultimate group undertaking Ponti's Group Limited and their interest in the shares of Ponti's Group Limited are set out in the financial statements of that company.

EMPLOYEES

The Group does not discriminate on grounds of age, colour, disablement, marital status, race, religion or sex. Employees are given the opportunity to develop and progress according to their ability and the group continues to devote substantial resources to providing them with the skills and knowledge to meet the expectations of the group's customers.

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 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;
- 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.

PONTI'S RETAIL LIMITED

**REPORT OF THE DIRECTORS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

AUDITORS

The auditors, Philips Ell & Gross, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



C B Reed - SECRETARY

Dated: 27th June 2003

PONTI'S RETAIL LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PONTI'S RETAIL LIMITED

We have audited the financial statements of Ponti's Retail Limited for the period ended 27th January 2002 on pages five to eighteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' 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 members 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 on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 company is not disclosed.

We read the Report of the Directors 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 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 27th January 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Philip Ell & Gross
Chartered Accountants
and Registered Auditors
54 Welbeck Street
London
W1G 9XS

Dated: 27th June 2003

PONTI'S RETAIL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

	Notes	Period 29.1.01 to 27.1.02		Period 31.1.00 to 28.1.01	
		£	£	£	£
TURNOVER			11,320,960		11,767,164
Cost of sales			7,195,620		7,390,823
GROSS PROFIT			4,125,340		4,376,341
Administrative expenses			4,668,177		4,142,583
			(542,837)		233,758
Other operating income			321,765		312,580
OPERATING (LOSS)/PROFIT	3		(221,072)		546,338
Exceptional item	4		252,832		-
			(473,904)		546,338
Income from investments		272,000		245,000	
Interest receivable and similar income		25,015		6,407	
			297,015		251,407
			(176,889)		797,745
Interest payable and similar charges	5		123,151		162,611
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(300,040)		635,134
Tax on (loss)/profit on ordinary activities	6		-		37,000
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION			(300,040)		598,134
Dividends	7		-		299,421
			(300,040)		298,713
Retained profit brought forward			1,803,919		1,505,206
RETAINED PROFIT CARRIED FORWARD			£1,503,879		£1,803,919

The notes form part of these financial statements

PONTI'S RETAIL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period and the profit for the previous period.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

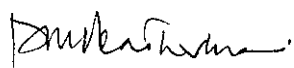
	Period 29.1.01 to 27.1.02	Period 31.1.00 to 28.1.01
	£	£
REPORTED (LOSS)/PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	(300,040)	635,134
Exceptional item	252,832	-
HISTORICAL COST (LOSS)/PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	£(47,208)	£635,134
Historical cost (loss)/profit for the period retained after taxation and dividends	£(47,208)	£298,713

PONTI'S RETAIL LIMITED

**BALANCE SHEET
27TH JANUARY 2002**

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	8		122,193		130,950
Tangible assets	9		3,956,299		4,215,779
Investments	10		1,057,258		1,057,258
			<u>5,135,750</u>		<u>5,403,987</u>
CURRENT ASSETS:					
Stocks	11	184,221		204,689	
Debtors	12	1,480,522		1,496,515	
Cash at bank and in hand		32,954		29,380	
		<u>1,697,697</u>		<u>1,730,584</u>	
CREDITORS: Amounts falling due within one year	13	4,520,468		4,124,631	
NET CURRENT LIABILITIES:			<u>(2,822,771)</u>		<u>(2,394,047)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,312,979		3,009,940
CREDITORS: Amounts falling due after more than one year	14		(469,674)		(866,595)
PROVISIONS FOR LIABILITIES AND CHARGES:	17		(177,500)		(177,500)
			<u>£1,665,805</u>		<u>£1,965,845</u>
CAPITAL AND RESERVES:					
Called up share capital	18		161,926		161,926
Profit and loss account			1,503,879		1,803,919
SHAREHOLDERS' FUNDS:	22		<u>£1,665,805</u>		<u>£1,965,845</u>

ON BEHALF OF THE BOARD:



P M Featherman - DIRECTOR



S Ispani - DIRECTOR

Approved by the Board on 27th June 2003

The notes form part of these financial statements

PONTI'S RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the value of supplies and services rendered by the company during the period stated net of Value Added Tax.

Goodwill

Goodwill, which represents the excess of the purchase price over the fair value of the net assets acquired is amortised over the lease term of the unit acquired for acquisitions on or after the introduction of Financial Reporting Standard 10. In respect of goodwill acquired prior to the introduction of Financial Reporting Standard 10, the company's policy was to write off goodwill to reserves. The company does not wish to reinstate previously written off goodwill as permitted by Financial Reporting Standard 10.

Tangible fixed assets

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

Short leasehold premises	- over the term of the lease
Plant, fixtures and fittings	- calculated at between 10% and 25% on cost
Motor vehicles	- calculated at 20% on cost
Crockery and cutlery	- initial purchases are capitalised and not depreciated; replacement items are charged to expenditure

Freehold land and buildings and investment properties are not depreciated.

During the period to 27 January 2002 the depreciation rates were changed. Previously plant, fixtures and fittings were charged at rates between 10% and 20% of written down value and motor vehicles were charged at 25% of written down value. The financial implications of this change are shown in note 4 to these accounts.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets acquired under finance leases, which transfer to the lessee substantially all benefits and risks of ownership have been capitalised. The capital element of the related rental obligations is included in the balance sheet. The interest element of the rental obligations is charged to the profit and loss account in proportion to the reduced capital element outstanding.

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

PONTI'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

1. ACCOUNTING POLICIES - continued

Financial Reporting Statement Number 1

The company is a wholly owned subsidiary of Ponti's Group Limited which publishes consolidated accounts including a consolidated cashflow statement dealing with the cashflow of the group. Consequently, the company is exempted from publishing a cashflow statement in accordance with the requirements of Financial Reporting Standard 1.

2. STAFF COSTS

	Period 29.1.01 to 27.1.02 £	Period 31.1.00 to 28.1.01 £
Wages and salaries	4,161,151	4,320,850
Social security costs	376,858	393,737
Other pension costs	9,050	10,295
	<u>4,547,059</u>	<u>4,724,882</u>

The average monthly number of employees during the period was as follows:

	Period 29.1.01 to 27.1.02	Period 31.1.00 to 28.1.01
Office management	21	23
Retail	154	173
Manufacturing	27	28
Directors	8	7
	<u>210</u>	<u>231</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging/(crediting):

	Period 29.1.01 to 27.1.02 £	Period 31.1.00 to 28.1.01 £
Hire of plant and machinery	30,974	32,470
Depreciation - owned assets	644,960	362,661
Depreciation - assets on hire purchase contracts	17,931	11,139
Loss/(Profit) on disposal of fixed assets	26,576	(1,054)
Goodwill written off	8,757	8,757
Auditors' remuneration	17,566	17,992
Operating leases - land	1,409,673	1,267,030
Operating leases- plant and equipment	30,974	32,470
	<u>372,825</u>	<u>443,539</u>
Directors' emoluments	<u>372,825</u>	<u>443,539</u>

PONTI'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

Information regarding the highest paid director is as follows:

	Period 29.1.01 to 27.1.02 £	Period 31.1.00 to 28.1.01 £
Emoluments etc	<u>77,907</u>	<u>142,312</u>

4. EXCEPTIONAL ITEM

In the 52 week period to 27 January 2002 the depreciation rates were changed as described in note 1 (tangible fixed assets) to these accounts.

The depreciation charged at the revised rates was applied to the individual assets from the date of acquisition of the relevant assets. As a result the depreciation charge for the 52 week period to 27 January 2002 increased from £393,116 to £662,890. Of this increase £16,942 referred to the 52 weeks to 27 January 2002 and £252,832 referred to prior periods. The sum of £252,832 has been shown as an exceptional item.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 29.1.01 to 27.1.02 £	Period 31.1.00 to 28.1.01 £
Bank interest	113,070	160,584
Hire purchase interest	<u>10,081</u>	<u>2,027</u>
	<u>123,151</u>	<u>162,611</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the period was as follows:

	Period 29.1.01 to 27.1.02 £	Period 31.1.00 to 28.1.01 £
Current tax:		
UK corporation tax	-	37,000
Tax on (loss)/profit on ordinary activities	<u>-</u>	<u>37,000</u>

7. DIVIDENDS

	Period 29.1.01 to 27.1.02 £	Period 31.1.00 to 28.1.01 £
Equity shares:		
Interim dividend paid	<u>-</u>	<u>299,421</u>

PONTI'S RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 29th January 2001	
and 27th January 2002	145,000
AMORTISATION:	
At 29th January 2001	14,050
Charge for period	8,757
	22,807
At 27th January 2002	22,807
NET BOOK VALUE:	
At 27th January 2002	122,193
At 28th January 2001	130,950

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Short leasehold premises	Investment properties
	£	£	£
COST:			
At 29th January 2001	1,407,700	3,975,704	199,049
Additions	-	548,533	-
Disposals	-	(430,786)	(98,500)
	1,407,700	4,093,451	100,549
At 27th January 2002	1,407,700	4,093,451	100,549
DEPRECIATION:			
At 29th January 2001	8,195	2,234,735	-
Charge for period	-	221,704	-
Eliminated on disposals	-	(99,820)	-
	8,195	2,356,619	-
At 27th January 2002	8,195	2,356,619	-
NET BOOK VALUE:			
At 27th January 2002	1,399,505	1,736,832	100,549
At 28th January 2001	1,399,505	1,740,969	199,049

PONTI'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

9. TANGIBLE FIXED ASSETS - continued

	Crockery and cutlery	Fixtures, fittings and equipment	Motor vehicles	Totals
	£	£	£	£
COST:				
At 29th January 2001	47,917	2,006,784	273,797	7,910,951
Additions	13,189	328,706	15,600	906,028
Disposals	(5,042)	(69,807)	(78,399)	(682,534)
At 27th January 2002	56,064	2,265,683	210,998	8,134,445
DEPRECIATION:				
At 29th January 2001	-	1,311,040	141,202	3,695,172
Charge for period	-	387,782	53,405	662,891
Eliminated on disposals	-	(32,410)	(47,687)	(179,917)
At 27th January 2002	-	1,666,412	146,920	4,178,146
NET BOOK VALUE:				
At 27th January 2002	56,064	599,271	64,078	3,956,299
At 28th January 2001	47,917	695,744	132,595	4,215,779

In the 52 weeks to 27 January 2002 the depreciation rates were changed. The nature and effect of the change is described in notes 1 and 4 to these accounts.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures, fittings and equipment	Motor vehicles	Totals
	£	£	£
COST:			
At 29th January 2001	41,085	41,250	82,335
Additions	-	15,600	15,600
At 27th January 2002	41,085	56,850	97,935
DEPRECIATION:			
At 29th January 2001	7,483	3,656	11,139
Charge for period	8,195	9,736	17,931
At 27th January 2002	15,678	13,392	29,070
NET BOOK VALUE:			
At 27th January 2002	25,407	43,458	68,865
At 28th January 2001	33,602	37,594	71,196

PONTI'S RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

10. FIXED ASSET INVESTMENTS

	£	
COST:		
At 29th January 2001		
and 27th January 2002		1,057,258
NET BOOK VALUE:		
At 27th January 2002		1,057,258
At 28th January 2001		1,057,258
	2002	2001
	£	£
Unlisted investments	1,057,258	1,057,258

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

Ponti's Patisseries Ltd

Nature of business: Restaurateurs

	%		
Class of shares:	holding		
Ordinary	50.00		
		2002	2001
		£	£
Aggregate capital and reserves		85,173	262,884
(Loss)/Profit for the period		(177,171)	49,132

Ponty's Restaurant (Lewisham) Ltd

Nature of business: Restaurateurs

	%		
Class of shares:	holding		
Ordinary	50.00		
		2002	2001
		£	£
Aggregate capital and reserves		9,468	39,079
Loss for the period		(29,611)	(20,390)

Ponti's Caffè-Deli Ltd

Nature of business: Restaurateurs

	%		
Class of shares:	holding		
Ordinary	45.00		
		2002	2001
		£	£
Aggregate capital and reserves		610,789	486,458
Profit for the period		124,331	84,736

PONTI'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

10. FIXED ASSET INVESTMENTS - continued

La Casa Dell'Espresso Ltd

Nature of business: Restaurateurs

	%
Class of shares:	holding
Ordinary	40.00

	2002	2001
	£	£
Aggregate capital and reserves	928,300	933,634
(Loss)/Profit for the period	(5,334)	161,131

Caffe Italia (UK) Ltd

Nature of business: Restaurateurs

	%
Class of shares:	holding
Ordinary	55.00

	2002	2001
	£	£
Aggregate capital and reserves	(456,505)	85,117
Loss for the period	(541,622)	(286,596)

Ponti's Caffe Restaurant Ltd

Nature of business: Restaurateurs

	%
Class of shares:	holding
Ordinary	95.00

	2002	2001
	£	£
Aggregate capital and reserves	674,337	639,395
Profit/(Loss) for the period	34,942	(3,275)

11. STOCKS

	2002	2001
	£	£
Stocks	184,221	204,689

PONTI'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

12. DEBTORS

	2002 £	2001 £
Amounts falling due within one year:		
Trade debtors	121,509	119,085
Other debtors	35,363	33,738
Prepayments	386,745	385,326
Amounts owed by related undertakings	171,264	236,550
Amounts owed by group undertakings	165,641	471,816
	<u>880,522</u>	<u>1,246,515</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	600,000	250,000
	<u>600,000</u>	<u>250,000</u>
Aggregate amounts	<u>1,480,522</u>	<u>1,496,515</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank loans and overdrafts (see note 15)	1,096,634	653,380
Hire purchase contracts (see note 16)	20,964	19,535
Trade creditors	866,947	637,762
Amounts owed to related undertakings	148,689	16,945
Amounts owed to group undertakings	1,252,756	1,611,695
Other creditors	123,327	217,646
Current corporation tax	42,405	75,982
Social security and other taxes	342,435	448,086
Accruals	626,311	443,600
	<u>4,520,468</u>	<u>4,124,631</u>

PONTI'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

**14. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2002	2001
	£	£
Bank loans		
(see note 15)	425,000	805,400
Hire purchase contracts		
(see note 16)	44,674	61,195
	<u>469,674</u>	<u>866,595</u>

Bank loans are secured by first legal charges over the company's leasehold units and a fixed and floating charge over all other assets.

15. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002	2001
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	727,634	-
Bank loans	369,000	653,380
	<u>1,096,634</u>	<u>653,380</u>
Amounts falling due between one and two years:		
Bank loans	<u>275,000</u>	<u>805,400</u>
Amounts falling due between two and five years:		
Bank loans	<u>150,000</u>	<u>-</u>

PONTI'S RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002**

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2002	2001
	£	£
Gross obligations repayable:		
Within one year	25,647	26,940
Between one and five years	46,399	67,709
	<u>72,046</u>	<u>94,649</u>
Finance charges repayable:		
Within one year	4,683	7,405
Between one and five years	1,725	6,514
	<u>6,408</u>	<u>13,919</u>
Net obligations repayable:		
Within one year	20,964	19,535
Between one and five years	44,674	61,195
	<u>65,638</u>	<u>80,730</u>

The following payments are committed to be paid within one year:

	Land and buildings operating leases	
	2002	2001
	£	£
Expiring:		
Within one year	101,392	4,192
Between one and five years	455,125	418,000
In more than five years	980,604	734,166
	<u>1,537,121</u>	<u>1,156,358</u>

17. PROVISIONS FOR LIABILITIES AND CHARGES

	2002	2001
	£	£
Deferred taxation	<u>177,500</u>	<u>177,500</u>

PONTI'S RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 29TH JANUARY 2001 TO 27TH JANUARY 2002

18. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2002	2001
Number:	Class:		£	£
1,000,000	Ordinary shares	18.5p	<u>185,000</u>	<u>185,000</u>
Allotted, issued and fully paid:		Nominal value:	2002	2001
Number:	Class:		£	£
875,273	Ordinary shares	18.5p	<u>161,926</u>	<u>161,926</u>

19. ULTIMATE PARENT COMPANY

The company's controlling party is Ponti's Group Limited.

20. CONTINGENT LIABILITIES

The company has given limited guarantees in respect of its subsidiaries' borrowings. The total of the guarantees amounts to £1,142,500.

The company guarantees the lease payments for Caffè Italia. The lease agreements for Caffè Italia is on a turnover rent basis. The basic rent is £127,000.

21. CAPITAL COMMITMENTS

	2002 £	2001 £
Contracted but not provided for in the financial statements	-	-

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
(Loss)/Profit for the financial period	(300,040)	598,134
Dividends	-	(299,421)
Net (reduction)/addition to shareholders' funds	<u>(300,040)</u>	<u>298,713</u>
Opening shareholders' funds	1,965,845	1,667,132
Closing shareholders' funds	<u>1,665,805</u>	<u>1,965,845</u>
Equity interests	<u>1,665,805</u>	<u>1,965,845</u>