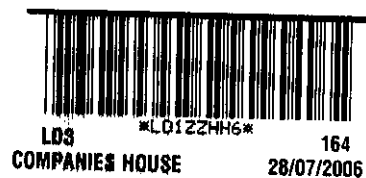


Registered number
2090397

Stringfellow Restaurants Limited

Report and Accounts

30 June 2005



Stringfellow Restaurants Limited
Report and accounts
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Stringfellow Restaurants Limited
Company Information

Directors

P J Stringfellow
C S Silver
R Howe

Secretary

B H Company Secretarial Services

Auditors

Palmers
28 Chipstead Station Parade
Chipstead
Coulsdon
Surrey
CR5 3TF

Bankers

Barclays Bank plc
50 Pall Mall
PO Box 15161R
London
SW1A 1QA

Registered office

235 Old Marylebone Road
London
NW1 5QT

Registered number

2090397

Stringfellow Restaurants Limited

Directors' Report

The directors present their report and accounts for the year ended 30 June 2005.

Principal activities and review of the business

The company's principal activity during the year continued to be that of the operation of "Stringfellows" nightclub in London.

The principal activities of subsidiary undertakings are disclosed in the notes to the accounts. On 27th June 2005, Softchoice Ltd, a subsidiary undertaking, acquired the lease of premises situated in Wardour Street W1, and on 1st June 2006 another subsidiary undertaking, Clearflex Ltd, commenced the operation of a new club from those premises. The company and its subsidiary undertakings have expended approximately £4,500,000 on the new club.

The directors are satisfied with the performance of the company during the year and, with the exception of the new club, do not anticipate any significant changes in trading activities during the forthcoming year.

Note 16 sets out the basis for a provision made in the accounts, amounting to £1,000,000, in respect of a claim for damages against the company. No quantified claim has been received by the company to date, nor has there been an admission of liability.

Results and dividends

The results for the year are shown on the profit and loss account on page 6. The directors do not recommend payment of a dividend.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2005	2004
P J Stringfellow	5,000	5,000
C S Silver	495,000	495,000
R Howe	-	-

Political and charitable donations

During the year, the company made charitable contributions totalling £19,660 and donations to the Conservative Party amounting to £29,344.

Stringfellow Restaurants Limited

Directors' Report

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 and of the profit or loss for that period. In preparing those accounts, the directors are required to:

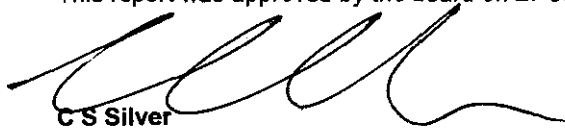
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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. 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.

Auditors

A resolution to reappoint Palmers as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 27 July 2006.



C S Silver
Director

Stringfellow Restaurants Limited

Independent auditors' report to the shareholders of Stringfellow Restaurants Limited

We have audited the accounts of Stringfellow Restaurants Limited for the year ended 30th June 2005 which comprise pages 6 to 20. These accounts 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 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 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 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 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.

Stringfellow Restaurants Limited

Independent auditors' report to the shareholders of Stringfellow Restaurants Limited

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the accounts concerning the appropriateness of the going concern basis for their preparation, the validity of which depends upon the outcome of a claim for damages against the company and the directors' expectation that the final claim will not exceed the existing provision made in the accounts. In view of the significance of this uncertainty, we consider that it should be drawn to your attention. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Palmers

Chartered Accountants and Registered Auditors

28 Chipstead Station Parade
Chipstead
Coulsdon
Surrey
CR5 3TF

27 July 2006

Stringfellow Restaurants Limited
Profit and Loss Account
for the year ended 30 June 2005

	Notes	2005 £	2004 £
Turnover	2	4,937,001	4,942,597
Cost of sales		(2,169,824)	(2,106,502)
Gross profit		<u>2,767,177</u>	<u>2,836,095</u>
Administrative expenses		(3,116,795)	(2,811,613)
Other operating income		132,304	76,774
Operating (loss)/profit	3	<u>(217,314)</u>	<u>101,256</u>
Exceptional items:			
loss on the disposal of investments	4	-	(2,393)
provision for legal damages claim	4	<u>(1,000,000)</u>	<u>-</u>
		<u>(1,000,000)</u>	<u>(2,393)</u>
		<u>(1,217,314)</u>	<u>98,863</u>
Interest receivable		37,665	29,917
Interest payable	7	(2,102)	(1,301)
(Loss)/profit on ordinary activities before taxation		<u>(1,181,751)</u>	<u>127,479</u>
Tax on (loss)/profit on ordinary activities	8	11,741	(12,069)
(Loss)/profit for the financial year		<u>(1,170,010)</u>	<u>115,410</u>
Retained (loss)/profit for the financial year	19	<u>(1,170,010)</u>	<u>115,410</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the (loss)/profit for the above two financial years.

Stringfellow Restaurants Limited
Balance Sheet
as at 30 June 2005

	Notes	2005 £	2004 £
Fixed assets			
Intangible assets	9	150,000	150,000
Tangible assets	10	959,046	1,091,021
Investments	11	51,074	51,074
		<u>1,160,120</u>	<u>1,292,095</u>
Current assets			
Stocks	12	85,173	77,749
Debtors	13	711,947	584,632
Cash at bank and in hand		567,165	688,449
		<u>1,364,285</u>	<u>1,350,830</u>
Creditors: amounts falling due within one year	14	(1,285,735)	(1,222,504)
Net current assets		<u>78,550</u>	<u>128,326</u>
Total assets less current liabilities		<u>1,238,670</u>	<u>1,420,421</u>
Provisions for liabilities and charges			
Deferred taxation	15	(11,239)	(22,980)
Other provisions	16	(1,000,000)	-
		<u>(1,011,239)</u>	<u>(22,980)</u>
		<u>227,431</u>	<u>1,397,441</u>
Capital and reserves			
Called up share capital	17	500,000	500,000
Revaluation reserve	18	952	952
Profit and loss account	19	(273,521)	896,489
Shareholders' funds:			
Equity		<u>227,431</u>	<u>1,397,441</u>
	20	<u>227,431</u>	<u>1,397,441</u>



C S Silver
Director

Approved by the board on 27 July 2006

Stringfellow Restaurants Limited
Cash Flow Statement
for the year ended 30 June 2005

	Notes	2005 £	2004 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating (loss)/profit		(217,314)	101,256
Depreciation charges		177,809	152,774
Increase in stocks		(7,424)	(5,774)
(Increase)/decrease in debtors		(127,315)	60,479
Increase in creditors		85,290	234,869
Net cash (outflow)/inflow from operating activities		(88,954)	543,604
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(88,954)	543,604
Returns on investments and servicing of finance	21	35,563	28,616
Taxation		(22,059)	-
Capital expenditure	21	(45,834)	(60,088)
		(121,284)	512,132
(Decrease)/increase in cash		(121,284)	512,132
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the period		(121,284)	512,132
Change in net debt	22	(121,284)	512,132
Net funds at 1 July		688,449	176,317
Net funds at 30 June		567,165	688,449

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

1 Accounting policies

Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention, as modified by the revaluation of leasehold land and buildings, and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts, therefore, present information about the company as an individual undertaking and not about its group.

The accounts are prepared to a date which corresponds to the end of the last trading week in an accounting period. In relation to the current accounting period this date was 2nd July 2005 (2004 - 3rd July 2004).

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

Stocks

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

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

Unclaimed vouchers

Vouchers are purchased by customers to spend in the club. Unredeemed vouchers, though still legally claimable, are credited to turnover in the profit and loss account after a two year period, in order to comply with Financial Reporting Standard 5 (see note 26 Contingent Liabilities).

Pensions

Pension contributions are charged to the profit and loss account in the period paid.

Investments

Other fixed asset investments are stated at cost less provision for any permanent diminution in value. In respect of listed investments, market value is based on the closing middle market price.

Going concern

The accounts have been prepared on a going concern basis, the validity of which depends upon the outcome of a claim for damages against the company and the directors' expectation that the final claim will not exceed the existing provision made in the accounts (note 16). Since the end of the period under review, no quantified claim has been received by the company, nor has the company accepted liability. When received, the claim may be significantly in excess of the current provision, but since the amount provided is based on the directors' best estimate of the most probable outcome, they consider that it is appropriate to adopt the going concern basis in the preparation of the accounts.

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to the one principal activity of the company, being that of the operation of "Stringfellows" nightclub in London, and arises wholly within the United Kingdom.

3 Operating profit/(loss)

	2005 £	2004 £
This is stated after charging:		
Depreciation of owned fixed assets	177,809	152,774
Operating lease rentals - plant and machinery	8,139	8,581
Operating lease rentals - land buildings	526,125	476,500
Auditors' remuneration	9,300	(3,000)
Exceptional costs associated with compensation for loss of employment	130,000	-

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

4 Exceptional items	2005	2004
	£	£
Loss on disposal of investments	-	(2,393)
Provision for legal damages claim (note 16)	(1,000,000)	-
	<u>(1,000,000)</u>	<u>(2,393)</u>
5 Directors' emoluments	2005	2004
	£	£
Emoluments	314,045	371,643
Amounts paid by third parties including subsidiary undertakings	583,700	1,092,988
Other pension costs	28,200	-
	<u>925,945</u>	<u>1,464,631</u>
Highest paid director: Emoluments	<u>142,963</u>	<u>218,990</u>
Number of directors in company pension schemes:	2005	2004
	Number	Number
Other pension schemes	<u>1</u>	<u>-</u>
6 Staff costs	2005	2004
	£	£
Wages and salaries	1,933,139	1,794,757
Social security costs	187,210	181,490
Other pension costs	38,200	-
	<u>2,158,549</u>	<u>1,976,247</u>
Average number of employees during the year	Number	Number
Office and management	12	12
Bar and restaurant staff	80	87
	<u>92</u>	<u>99</u>
7 Interest payable	2005	2004
	£	£
Bank loans and overdrafts	<u>2,102</u>	<u>1,301</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

8 Taxation	2005	2004
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	-	15,988
Adjustments in respect of previous periods	-	6,071
	<u>-</u>	<u>22,059</u>
Deferred tax:		
Origination and reversal of timing differences	(11,741)	(9,990)
	<u>(11,741)</u>	<u>12,069</u>
Tax on (loss)/profit on ordinary activities	<u>(11,741)</u>	<u>12,069</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2005	2004
	£	£
Profit on ordinary activities before tax	<u>-</u>	<u>127,479</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	-	38,244
Effects of:		
Expenses/income not deductible/assessable for tax purposes	-	(39,318)
Capital allowances for period in excess of depreciation	-	20,363
Utilisation of tax losses (including group loss relief)	-	(3,301)
Adjustments to tax charge in respect of previous periods	-	6,071
Profits assessable at small companies rate	-	-
Current tax charge for period	<u>-</u>	<u>22,059</u>

Factors that may affect future tax charges

In the opinion of the directors, there are no significant matters to report that may affect future tax charges.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

9 Intangible fixed assets	£
Trademark:	
Cost	
At 1 July 2004	150,000
At 30 June 2005	<u>150,000</u>
Amortisation	
At 30 June 2005	<u>-</u>
Net book value	
At 30 June 2005	<u>150,000</u>
At 30 June 2004	<u>150,000</u>

The trademark relates to the name "Stringfellows". In the opinion of the directors, this trademark is regarded as having an indefinite useful economic life and hence, is not amortised. Furthermore, the directors consider that its current economic value is significantly in excess of its book value.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

10 Tangible fixed assets

	Short leasehold land and buildings £	Motor vehicles and fixtures & fittings £	Total £
Cost			
At 1 July 2004	1,551,918	940,467	2,492,385
Additions	-	45,834	45,834
Disposals	-	(159,266)	(159,266)
At 30 June 2005	<u>1,551,918</u>	<u>827,035</u>	<u>2,378,953</u>
Depreciation			
At 1 July 2004	763,559	637,805	1,401,364
Charge for the year	73,336	104,473	177,809
On disposals	-	(159,266)	(159,266)
At 30 June 2005	<u>836,895</u>	<u>583,012</u>	<u>1,419,907</u>
Net book value			
At 30 June 2005	<u>715,023</u>	<u>244,023</u>	<u>959,046</u>
At 30 June 2004	<u>788,359</u>	<u>302,662</u>	<u>1,091,021</u>

The company's short leasehold was revalued as at 1st January 1994 by the directors, in conjunction with their professional advisors, on an open market value for existing use. During 2001, FRS 15 "Tangible Fixed Assets" was first implemented and the company adopted the transitional provisions of retaining the carrying value relating to the previous valuation, and no longer updating that valuation. On an historical cost basis, land and buildings would have been included as follows:

Short leasehold land and buildings	2005 £	2004 £
Historical cost	<u>1,201,066</u>	<u>1,201,066</u>
Cumulative depreciation based on historical cost	<u>615,546</u>	<u>555,493</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

11 Investments

	Investments in subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 July 2004	18	51,056	51,074
At 30 June 2005	18	51,056	51,074

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Cabaret of the Angels Limited	England and Wales	Ordinary	100
Angels of Mayfair Limited	England and Wales	Ordinary	100
Angels in the City Limited	England and Wales	Ordinary	100
Marylebone Securities Limited	England and Wales	Ordinary	100
Lap Dancing Limited	England and Wales	Ordinary	100
Softchoice Limited	England and Wales	Ordinary	100
Clearflex Limited	England and Wales	Ordinary	100
Stringfellow.com Limited	England and Wales	Ordinary	100
Lickin' Records Limited	England and Wales	Ordinary	100

Financial information summary - subsidiaries:

	Nature of business	Aggregate capital & reserves at last accounting date £	Profit for the last financial year £
Cabaret of the Angels Limited	An agency in the leisure industry	1,686,626	620,306
Angels of Mayfair Limited	Non-trading	2	-
Angels in the City Limited	Non-trading	2	-
Marylebone Securities Limited	Non-trading	2	-
Lap Dancing Limited	Non-trading	2	-
Softchoice Limited	Property investment	2	-
Clearflex Limited	Non-trading	2	-
Stringfellow.com Limited	Non-trading	2	-
Lickin' Records Limited	Record production	(102,372)	(5,144)
Other investments		2005 £	2004 £
Government stocks at cost		51,056	51,056
Valuation:			
Government stocks at market value		53,314	50,949

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

12 Stocks	2005 £	2004 £
Finished goods and goods for resale	<u>85,173</u>	<u>77,749</u>
The difference between purchase price or production cost of stocks and their replacement cost is not material.		
13 Debtors	2005 £	2004 £
Trade debtors	278,093	173,577
Amounts owed by group undertakings and undertakings in which the company has a participating interest	55,875	-
Other debtors	12,339	113,864
Prepayments and accrued income	<u>365,640</u>	<u>297,191</u>
	<u>711,947</u>	<u>584,632</u>
14 Creditors: amounts falling due within one year	2005 £	2004 £
Trade creditors	244,027	165,946
Amounts owed to group undertakings and undertakings in which the company has a participating interest	436,875	450,845
Corporation tax	-	22,059
Other taxes and social security costs	193,807	137,203
Other creditors	206,197	170,915
Accruals and deferred income	<u>204,829</u>	<u>275,536</u>
	<u>1,285,735</u>	<u>1,222,504</u>
15 Deferred taxation	2005 £	2004 £
Accelerated capital allowances	<u>11,239</u>	<u>22,980</u>
Undiscounted provision for deferred tax	11,239	22,980
	2005 £	2004 £
At 1 July	22,980	32,970
Deferred tax charge in profit and loss account	(11,741)	(9,990)
At 30 June	<u>11,239</u>	<u>22,980</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

16 Provisions for liabilities and charges

	Legal claims £
At 1 July 2004	-
Additional provisions made during the period	1,000,000
At 30 June 2005	<u>1,000,000</u>

As the result of an incident outside the club in October 2004, the company has received notification that it will receive a potential vicarious liability claim. Based on expert advice, the directors have made a specific provision for £1,000,000 (including costs) in anticipation of the receipt of the claim, although no quantified claim has been received by the company as at the date of the approval of the financial statements; nor has the company accepted liability. When received, the claim may be significantly in excess of the provision, but the amount provided is based on the directors' best estimate of the most probable outcome. Nevertheless, any claim will be fully investigated by the directors and specialist advice sought.

17 Share capital

		2005 £	2004 £
Authorised:			
Ordinary shares of £1 each		<u>1,000,000</u>	<u>1,000,000</u>
	2005 No	2004 No	
Allotted, called up and fully paid:		2005 £	2004 £
Ordinary shares of £1 each	500,000	500,000	<u>500,000</u> <u>500,000</u>

18 Revaluation reserve

	2005 £	2004 £
At 1 July	952	952
At 30 June	<u>952</u>	<u>952</u>

19 Profit and loss account

	2005 £	2004 £
At 1 July	896,489	781,079
Retained (loss)/profit	(1,170,010)	115,410
At 30 June	<u>(273,521)</u>	<u>896,489</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

20 Reconciliation of movement in shareholders' funds	2005	2004
	£	£
At 1 July	1,397,441	1,282,031
(Loss)/profit for the financial year	(1,170,010)	115,410
At 30 June	<u>227,431</u>	<u>1,397,441</u>

21 Gross cash flows	2005	2004
	£	£
Returns on investments and servicing of finance		
Interest received	37,665	29,917
Interest paid	(2,102)	(1,301)
	<u>35,563</u>	<u>28,616</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(45,834)	(60,208)
Payments to acquire investments	-	(51,056)
Receipts from sales of investments	-	51,176
	<u>(45,834)</u>	<u>(60,088)</u>

22 Analysis of changes in net debt	At 1 Jul	Cash flows	Non-cash	At 30 Jun
	2004		changes	2005
	£	£	£	£
Cash at bank and in hand	688,449	(121,284)	-	567,165
Total	<u>688,449</u>	<u>(121,284)</u>	<u>-</u>	<u>567,165</u>

23 Post balance sheet events

During November 2005, the company entered into a loan agreement with a maximum fully-secured facility of £3,000,000 for the purposes of the purchase and refurbishment of a new club located in Wardour Street, W1. The new club opened on 1st June 2006 and is owned and operated by two of the company's subsidiary undertakings.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

24 Capital commitments	2005	2004
	£	£
Amounts contracted for but not provided in the accounts	<u>114,349</u>	<u>-</u>

25 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2005	Land and buildings 2004	Other 2005	Other 2004
	£	£	£	£
Operating leases which expire:				
within one year	35,000	-	-	-
within two to five years	-	-	-	7,405
in over five years	500,000	476,500	-	-
	<u>535,000</u>	<u>476,500</u>	<u>-</u>	<u>7,405</u>

26 Contingent liabilities

In order to comply with Financial Reporting Standard 5, unclaimed "Heavenly Pound Vouchers" are credited to the profit and loss account on a periodic basis, as stated in the accounting policies. However, the directors consider (on advice) that such vouchers can be redeemed at any time. In addition to the liability for unclaimed vouchers included in other creditors, therefore, the company has a contingent liability of approximately £740,000.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2005

27 Related parties

During the year, the company paid an amount of £101,958 (2004: £80,445) to New Leaf Productions Ltd, a trading company (and formerly trading partnership) controlled by the daughter of P J Stringfellow and her husband. The goods and services were provided on normal commercial terms and were made in respect of graphic design and production artwork for promotional material and for the purchase of computer equipment and services. At the balance sheet date, an amount of £10,707 (2004: £1,134) was owed to New Leaf Productions Ltd.

Cabaret of the Angels Limited (COA), a subsidiary undertaking of the company, charged Stringfellow Restaurants Limited (SRL) a management fee of £200,000 (2004: £200,000) for the year ended 30th June 2005. At the balance sheet date, an amount of £436,875 (2004: £450,845) was owed to COA.

SRL also acts as guarantor for COA with regard to a bank loan, which amounted to £176,255 (2004: £214,230) at the balance sheet date.

The following entities are deemed to be related parties by virtue of P J Stringfellow and C S Silver's other directorships and interests:

St Martins Lane Investments Limited

The worldwide non-product licensing branding operation has been contracted to St Martins Lane Investments Limited (SMLI) in return for an upstream royalty of 10% of the income received to this company.

SMLI incurred expenses during the year, amounting to £84,283 (2004: £67,944), for which payment was made by SRL. Total amounts recoverable from SMLI at the balance sheet date amounted to £63,464 (2004: £69,726) and were repaid in full after the end of the financial year.

St Peters France SARL

SMLI owns 100% of St Peters France SARL (SPF), a company incorporated in France. During the year, SRL charged SPF a management fee amounting to £50,134 (2004: £52,000). In addition, SPF incurred expenses, amounting to £3,527 (2004: £2,638), for which payment was made by SRL. Interest amounting to £1,500, which was overcharged on outstanding balances with SPF during the previous year, was reversed (2004: £3,057 receivable). Total amounts recoverable from SPF at the balance sheet date amounted to £28,109 (2004: £7,938) and were repaid in full after the end of the financial year.

28 Controlling party

The controlling and ultimate controlling party of the company is C S Silver, a director of the company.