

COMPANY REGISTRATION NUMBER 4434749

**bbar restaurant limited**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31st DECEMBER 2003**



**HARGREAVES, BROWN & BENSON**  
Chartered Accountants & Registered Auditors  
2 Derby Street  
Colne  
Lancashire  
BB8 9AD

# **bbar restaurant limited**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2003**

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# **bbar restaurant limited**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **The board of directors**

J.J. Raggett  
V. O'Hana

### **Company secretary**

S. Dovey

### **Auditors**

Hargreaves, Brown & Benson  
Chartered Accountants  
& Registered Auditors  
2 Derby Street  
Colne  
Lancashire  
BB8 9AD

# **bbar restaurant limited**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31st DECEMBER 2003**

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The directors present their report and the financial statements of the company for the year ended 31st December 2003.

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

At an Extraordinary General Meeting of the members of Max's Restaurant Limited, duly convened and held at the Registered Office on 24th May 2004, a Specific Resolution to change the name of the company bbar Restaurant Limited was passed and subsequently ratified by Companies House.

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

The directors consider the result for the period and the position of the company at the end of the period to be unsatisfactory.

### **RESULTS AND DIVIDENDS**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### **DIRECTORS**

The directors who served the company during the year were as follows:

J.J. Raggett  
V. O'Hana

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

### **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 at the end of the year and of the profit or loss for the year then ended.

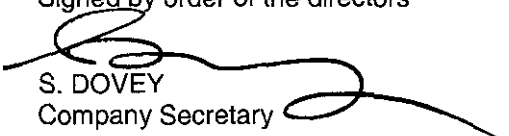
In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements 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. The directors 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 re-appoint Hargreaves, Brown & Benson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



S. DOVEY  
Company Secretary

Approved by the directors on 28th June 2004

## **bbar restaurant limited**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BBAR RESTAURANT LIMITED YEAR ENDED 31st DECEMBER 2003**

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We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 7.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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.

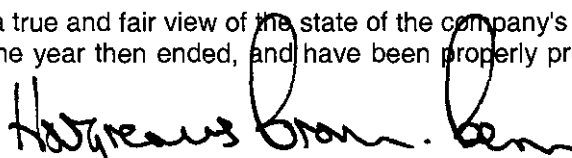
#### **BASIS OF AUDIT OPINION**

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 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 31st December 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**HARGREAVES, BROWN & BENSON**  
Chartered Accountants  
& Registered Auditors

2 Derby Street  
Colne  
Lancashire  
BB8 9AD

28th June 2004

**bbar restaurant limited****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31st DECEMBER 2003**

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|                                                    | Note     | Year to<br>31 Dec 03<br>£ | Period from<br>9 May 02 to<br>31 Dec 02<br>£ |
|----------------------------------------------------|----------|---------------------------|----------------------------------------------|
| <b>TURNOVER</b>                                    | <b>2</b> | <b>729,007</b>            | 381,958                                      |
| Cost of sales                                      |          | <u>894,076</u>            | <u>525,542</u>                               |
| <b>GROSS LOSS</b>                                  |          | <b>(165,069)</b>          | <b>(143,584)</b>                             |
| Administrative expenses                            |          | <u>86,802</u>             | <u>61,488</u>                                |
| <b>OPERATING LOSS</b>                              | <b>3</b> | <b>(251,871)</b>          | <b>(205,072)</b>                             |
| Interest payable                                   | <b>5</b> | <u>35,110</u>             | 52,871                                       |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>(286,981)</b>          | <b>(257,943)</b>                             |
| Tax on loss on ordinary activities                 | <b>6</b> | <u>(86,094)</u>           | <u>(77,383)</u>                              |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                 |          | <b>(200,887)</b>          | <b>(180,560)</b>                             |
| Balance brought forward                            |          | <u>(180,560)</u>          | —                                            |
| Balance carried forward                            |          | <u><b>(381,447)</b></u>   | <u><b>(180,560)</b></u>                      |

All of the activities of the company are classed as continuing.

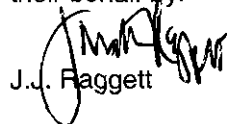
The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 6 to 11 form part of these financial statements.

**bbar restaurant limited****BALANCE SHEET****31st DECEMBER 2003**

|                                                                | Note | 2003<br>£ | £         | 2002<br>£ | £         |
|----------------------------------------------------------------|------|-----------|-----------|-----------|-----------|
| <b>FIXED ASSETS</b>                                            |      |           |           |           |           |
| Tangible assets                                                | 7    |           | 1,089,371 |           | 1,192,969 |
| <b>CURRENT ASSETS</b>                                          |      |           |           |           |           |
| Stocks                                                         | 8    | 15,700    |           | 13,815    |           |
| Debtors                                                        | 9    | 170,991   |           | 139,598   |           |
| Cash at bank and in hand                                       |      | 98,278    |           | 115,447   |           |
|                                                                |      | 284,969   |           | 268,860   |           |
| <b>CREDITORS: Amounts falling due within one year</b>          | 11   | 16,120    |           | 215,807   |           |
| <b>NET CURRENT ASSETS</b>                                      |      |           | 268,849   |           | 53,053    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |           | 1,358,220 |           | 1,246,022 |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 12   |           | 1,739,666 |           | 1,426,581 |
|                                                                |      |           | (381,446) |           | (180,559) |
| <b>CAPITAL AND RESERVES</b>                                    |      |           |           |           |           |
| Called-up equity share capital                                 | 15   |           | 1         |           | 1         |
| Profit and loss account                                        |      |           | (381,447) |           | (180,560) |
| <b>DEFICIENCY</b>                                              | 16   |           | (381,446) |           | (180,559) |

These financial statements were approved by the directors on the 28th June 2004 and are signed on their behalf by:

  
J.J. Raggett

The notes on pages 6 to 11 form part of these financial statements.

# **bbar restaurant limited**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2003**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings                      -    10% on cost

#### **Stocks**

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

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# bbar restaurant limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2003

### 1. ACCOUNTING POLICIES *(continued)*

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

|                | Year to<br>31 Dec 03<br>£ | Period from<br>9 May 02 to<br>31 Dec 02<br>£ |
|----------------|---------------------------|----------------------------------------------|
| United Kingdom | <u>729,007</u>            | <u>381,958</u>                               |

### 3. OPERATING LOSS

Operating loss is stated after charging:

|                                    | Year to<br>31 Dec 03<br>£ | Period from<br>9 May 02 to<br>31 Dec 02<br>£ |
|------------------------------------|---------------------------|----------------------------------------------|
| Directors' emoluments              | —                         | —                                            |
| Depreciation of owned fixed assets | 129,667                   | 77,757                                       |
| Auditors' remuneration             |                           |                                              |
| - as auditors                      | 3,250                     | 2,238                                        |
| Operating lease costs:             |                           |                                              |
| Plant and equipment                | <u>100,050</u>            | <u>58,331</u>                                |

# bbar restaurant limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2003

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

|                                  | Year to<br>31 Dec 03<br>No | Period from<br>9 May 02 to<br>31 Dec 02<br>No |
|----------------------------------|----------------------------|-----------------------------------------------|
| Number of management staff       | 5                          | 5                                             |
| Number of other staff - services | 22                         | 22                                            |
|                                  | <u>27</u>                  | <u>27</u>                                     |

The aggregate payroll costs of the above were:

|                       | Year to<br>31 Dec 03<br>£ | Period from<br>9 May 02 to<br>31 Dec 02<br>£ |
|-----------------------|---------------------------|----------------------------------------------|
| Wages and salaries    | 283,022                   | 176,326                                      |
| Social security costs | 21,286                    | 12,411                                       |
|                       | <u>304,308</u>            | <u>188,737</u>                               |

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

|                               | Year to<br>31 Dec 03<br>£ | Period from<br>9 May 02 to<br>31 Dec 02<br>£ |
|-------------------------------|---------------------------|----------------------------------------------|
| Other similar charges payable | <u>35,110</u>             | <u>52,871</u>                                |

### 6. TAXATION ON ORDINARY ACTIVITIES

|                                                          | Year to<br>31 Dec 03<br>£ | Period from<br>9 May 02 to<br>31 Dec 02<br>£ |
|----------------------------------------------------------|---------------------------|----------------------------------------------|
| Deferred tax:                                            |                           |                                              |
| Origination and reversal of timing differences (note 10) |                           |                                              |
| Capital allowances                                       | (38,900)                  | (23,327)                                     |
| Losses                                                   | <u>(47,194)</u>           | <u>(54,056)</u>                              |
| Total deferred tax (note 10)                             | <u>(86,094)</u>           | <u>(77,383)</u>                              |

# bbar restaurant limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2003

### 7. TANGIBLE FIXED ASSETS

|                              | Fixtures & Fittings<br>£ |
|------------------------------|--------------------------|
| <b>COST</b>                  |                          |
| At 1st January 2003          | 1,270,726                |
| Additions                    | 26,069                   |
| <b>At 31st December 2003</b> | <b>1,296,795</b>         |
| <b>DEPRECIATION</b>          |                          |
| At 1st January 2003          | 77,757                   |
| Charge for the year          | 129,667                  |
| <b>At 31st December 2003</b> | <b>207,424</b>           |
| <b>NET BOOK VALUE</b>        |                          |
| <b>At 31st December 2003</b> | <b>1,089,371</b>         |
| At 31st December 2002        | 1,192,969                |

### 8. STOCKS

|                | 2003<br>£ | 2002<br>£ |
|----------------|-----------|-----------|
| Finished goods | 15,700    | 13,815    |

### 9. DEBTORS

|                                | 2003<br>£      | 2002<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | —              | 180            |
| VAT recoverable                | —              | 59,915         |
| Prepayments and accrued income | 7,514          | 2,120          |
| Deferred taxation (note 10)    | 163,477        | 77,383         |
|                                | <b>170,991</b> | <b>139,598</b> |

### 10. DEFERRED TAXATION

|                                                                    | Year to<br>31 Dec 03<br>£ | Period from<br>9 May 02 to<br>31 Dec 02<br>£ |
|--------------------------------------------------------------------|---------------------------|----------------------------------------------|
| The movement in the deferred taxation account during the year was: |                           |                                              |
| Balance brought forward                                            | (77,383)                  | —                                            |
| Profit and loss account movement arising during the year           | (86,094)                  | (77,383)                                     |
| Balance carried forward                                            | <b>(163,477)</b>          | <b>(77,383)</b>                              |

# bbar restaurant limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2003

### 10. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

|                                                                 | 2003<br>£      | 2002<br>£     |
|-----------------------------------------------------------------|----------------|---------------|
| Excess of taxation allowances over depreciation on fixed assets | 62,227         | 23,327        |
| Tax losses available                                            | 101,250        | 54,056        |
|                                                                 | <u>163,477</u> | <u>77,383</u> |

### 11. CREDITORS: Amounts falling due within one year

|                                                         | 2003<br>£     | 2002<br>£      |
|---------------------------------------------------------|---------------|----------------|
| Trade creditors                                         | 260           | 30,184         |
| Amounts owed to group undertakings                      | —             | 118,041        |
| Other creditors including taxation and social security: |               |                |
| PAYE and social security                                | 7,592         | 7,476          |
| Accruals and deferred income                            | 8,268         | 60,106         |
|                                                         | <u>16,120</u> | <u>215,807</u> |

### 12. CREDITORS: Amounts falling due after more than one year

|                                    | 2003<br>£        | 2002<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | <u>1,739,666</u> | <u>1,426,581</u> |

### 13. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | Land & Buildings |                |
|--------------------------------|------------------|----------------|
|                                | 2003<br>£        | 2002<br>£      |
| Operating leases which expire: |                  |                |
| Within 2 to 5 years            | <u>100,000</u>   | <u>100,000</u> |

### 14. RELATED PARTY TRANSACTIONS

Advantage is taken of the exemption from disclosure of transactions and balances with entities that are part of the group, as the information is included in the publicly available consolidated financial statements of Chesterfield (Mayfair) Limited.

# bbar restaurant limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2003

### 15. SHARE CAPITAL

#### Authorised share capital:

|                                | 2003       | 2002       |
|--------------------------------|------------|------------|
|                                | £          | £          |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

#### Allotted, called up and fully paid:

|                            | 2003     |          | 2002     |          |
|----------------------------|----------|----------|----------|----------|
|                            | No       | £        | No       | £        |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                      | 2003             | 2002             |
|--------------------------------------|------------------|------------------|
|                                      | £                | £                |
| Loss for the financial year          | (200,887)        | (180,560)        |
| New equity share capital subscribed  | <u>-</u>         | <u>1</u>         |
| Net reduction to funds               | (200,887)        | (180,559)        |
| Opening shareholders' equity deficit | <u>(180,559)</u> | <u>-</u>         |
| Closing shareholders' equity deficit | <u>(381,446)</u> | <u>(180,559)</u> |

### 17. ULTIMATE PARENT COMPANY

The immediate parent company is Chesterfield (Mayfair) Limited, incorporated in the United Kingdom.

The company regards The Travel Corporation Limited, registered in the British Virgin Islands, as its ultimate holding company.