

COMPANY REGISTRATION NUMBER 4434749

bbar restaurant limited
FINANCIAL STATEMENTS
FOR
31st DECEMBER 2004

HARGREAVES, BROWN & BENSON

Chartered Accountants & Registered Auditors
1 Bond Street
Colne
Lancashire
BB8 9DG



bbar restaurant limited

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2004

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bbar restaurant limited

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J.J. Raggett
V. O'Hana

Company secretary

S. Dovey

Auditors

Hargreaves, Brown & Benson
Chartered Accountants
& Registered Auditors
1 Bond Street
Colne
Lancashire
BB8 9DG

bbar restaurant limited

THE DIRECTORS' REPORT

YEAR ENDED 31st DECEMBER 2004

The directors present their report and the financial statements of the company for the year ended 31st December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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 20th July 2005

bbar restaurant limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BBAR RESTAURANT LIMITED

YEAR ENDED 31st DECEMBER 2004

We have audited the financial statements of bbar Restaurant Limited for the year ended 31st December 2004 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.

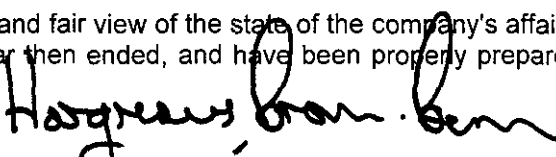
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

1 Bond Street
Colne
Lancashire
BB8 9DG

8th August 2005


HARGREAVES, BROWN & BENSON
Chartered Accountants
& Registered Auditors

bbar restaurant limited**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31st DECEMBER 2004**

	Note	2004 £	2003 £
TURNOVER	2	834,997	729,007
Cost of sales		<u>964,257</u>	<u>894,076</u>
GROSS LOSS		(129,260)	(165,069)
Administrative expenses		<u>77,110</u>	<u>86,802</u>
OPERATING LOSS	3	(206,370)	(251,871)
Interest payable and similar charges	5	39,351	35,110
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(245,721)	(286,981)
Tax on loss on ordinary activities	6	65,835	(86,094)
LOSS FOR THE FINANCIAL YEAR		(311,556)	(200,887)
Balance brought forward		<u>(381,447)</u>	<u>(180,560)</u>
Balance carried forward		<u>(693,003)</u>	<u>(381,447)</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 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	7	1,032,485	1,089,371
CURRENT ASSETS			
Stocks	8	16,545	15,700
Debtors	9	104,982	170,991
Cash at bank and in hand		60,554	98,278
		<u>182,081</u>	<u>284,969</u>
CREDITORS: Amounts falling due within one year	11	<u>27,735</u>	<u>16,120</u>
NET CURRENT ASSETS		<u>154,346</u>	<u>268,849</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,186,831</u>	<u>1,358,220</u>
CREDITORS: Amounts falling due after more than one year	12	<u>1,879,833</u>	<u>1,739,666</u>
		<u>(693,002)</u>	<u>(381,446)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	1	1
Profit and loss account		(693,003)	(381,447)
DEFICIENCY	16	<u>(693,002)</u>	<u>(381,446)</u>

These financial statements were approved by the directors on the 20th July 2005 and are signed on their behalf by:

J.J. Ragger

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 2004

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.

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 2004

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:

	2004 £	2003 £
United Kingdom	<u>834,997</u>	<u>729,007</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	2004 £	2003 £
Directors' emoluments	-	-
Depreciation of owned fixed assets	118,049	129,667
Auditors' remuneration		
- as auditors	3,000	3,250
Operating lease costs:		
Rent payable	<u>100,000</u>	<u>100,050</u>

bbar restaurant limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2004

4. PARTICULARS OF EMPLOYEES

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

	2004	2003
	No	No
Number of management staff	1	5
Number of other staff - services	20	22
	<u>21</u>	<u>27</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	306,733	283,022
Social security costs	22,892	21,286
Other pension costs	280	-
	<u>329,905</u>	<u>304,308</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Other similar charges payable	<u>39,351</u>	<u>35,110</u>

6. TAXATION ON ORDINARY ACTIVITIES

	2004		2003	
	£	£	£	£
Deferred tax:				
Origination and reversal of timing differences (note 10)				
Capital allowances	(35,415)		(38,900)	
Losses	74,856		(47,194)	
Capital allowances - prior year adjustment	26,394		-	
Total deferred tax (note 10)		<u>(65,835)</u>		<u>(86,094)</u>

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004	2003
	£	£
Loss on ordinary activities before taxation	<u>(245,721)</u>	<u>(286,981)</u>
Profit/(loss) on ord actvs by rate of tax	(73,716)	(86,094)
Expenses not deductible for tax purposes	11,805	-
Capital allowances for period in excess of depreciation	35,415	38,900
Unrelieved tax losses	26,496	47,194
Total current tax	<u>-</u>	<u>-</u>

bbar restaurant limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2004

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1st January 2004	1,296,795
Additions	<u>61,163</u>
At 31st December 2004	<u>1,357,958</u>
DEPRECIATION	
At 1st January 2004	207,424
Charge for the year	<u>118,049</u>
At 31st December 2004	<u>325,473</u>
NET BOOK VALUE	
At 31st December 2004	<u>1,032,485</u>
At 31st December 2003	<u>1,089,371</u>

8. STOCKS

	2004 £	2003 £
Finished goods	<u>16,545</u>	<u>15,700</u>

9. DEBTORS

	2004 £	2003 £
Trade debtors	4,714	—
Prepayments and accrued income	2,626	7,514
Deferred taxation (note 10)	<u>97,642</u>	<u>163,477</u>
	<u>104,982</u>	<u>170,991</u>

10. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2004 £	2003 £
Included in debtors (note 9)	<u>97,642</u>	<u>163,477</u>

The movement in the deferred taxation account during the year was:

	2004 £	2003 £
Balance brought forward	163,477	77,383
Profit and loss account movement arising during the year	<u>(65,835)</u>	<u>86,094</u>
Balance carried forward	<u>97,642</u>	<u>163,477</u>

bbar restaurant limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2004

10. DEFERRED TAXATION *(continued)*

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

	2004 £	2003 £
Excess of taxation allowances over depreciation on fixed assets	97,642	62,227
Tax losses available	—	101,250
	<u>97,642</u>	<u>163,477</u>

11. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Trade creditors	—	260
Other creditors including taxation and social security: PAYE and social security	9,684	7,592
Accruals and deferred income	18,051	8,268
	<u>27,735</u>	<u>16,120</u>

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

	2004 £	2003 £
Amounts owed to group undertakings	<u>1,879,833</u>	<u>1,739,666</u>

13. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2004 £	2003 £
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 2004

15. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2004		2003	
	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

	2004	2003
	£	£
Loss for the financial year	(311,556)	(200,887)
Opening shareholders' equity deficit	<u>(381,446)</u>	<u>(180,559)</u>
Closing shareholders' equity deficit	<u>(693,002)</u>	<u>(381,446)</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.