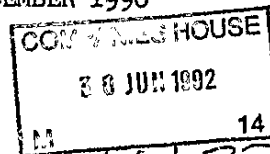


ALPHASYMBOL LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1990



BAKER TILLY  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

DIRECTORS AND OFFICERS

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DIRECTORS

Mr C H Thacker  
Mrs R Festing

SECRETARY

Mr C H Thacker

REGISTERED OFFICE

The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

AUDITORS

Baker Tilly  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

## DIRECTORS' REPORT

The directors submit their report and the financial statements of the company for the year ended 31 December 1990.

## PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a restaurateur.

## REVIEW OF THE BUSINESS

The company opened its wine bar and restaurant at Great Eastern Street London in April. Trading levels have been low, as expected, during the initial period, but trends indicate steady improvement.

## EVENTS SINCE THE END OF THE YEAR

During the ensuing year the company has purchased additional property and opened additional restaurant facilities.

## RESULTS

The trading results for the year are set out on page 5 to the accounts.

## DIRECTORS

The following directors have held office since 1 January 1990.-

Mr C H Thacker Chairman and Secretary

Mrs R Festing

Mrs R Festing retires by rotation and, being eligible, offers herself for re-election.

## DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, were as follows:-

	Ordinary shares of £1 each	
	31 December 1990	31 December 1989
Mr C H Thacker	50,000 'A'	50,000 'A'
Mrs R Festing	50,000 'B'	50,000 'B'

DIRECTORS' REPORT

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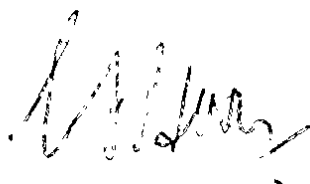
FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 9 to the financial statements.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



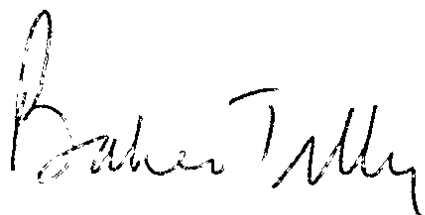
Secretary

22 June 1992

AUDITORS' REPORT TO THE MEMBERS OF ALPHASYMBOL LIMITED

We have audited the financial statements on pages 5 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read "Baker Tilly".

Registered Auditor  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

22 June 1992

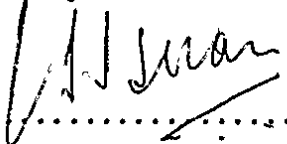
PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 1990

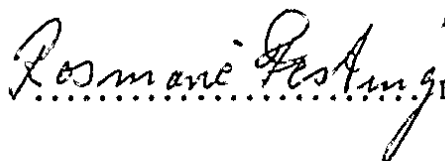
	Notes	1990	1989
TURNOVER	1	174,151	574,332
Cost of sales		<u>245,502</u>	<u>79,018</u>
Gross (loss)/profit		(71,351)	495,284
Other operating expenses (net)	2	<u>354,400</u>	<u>463,957</u>
OPERATING (LOSS)/PROFIT		(425,751)	31,327
Investment income	3	<u>602,147</u>	<u>491,149</u>
		176,396	522,476
Interest payable	4	<u>2,701</u>	<u>148,738</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	173,695	373,838
Taxation	7	<u>73,000</u>	<u>171,902</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		100,695	201,836
EXTRAORDINARY ITEM AFTER TAXATION	8	<u>(31,155)</u>	<u>5,432,855</u>
RETAINED PROFIT FOR THE YEAR	16	£ <u>69,540</u>	£ <u>5,634,691</u>

BALANCE SHEET  
31 December 1990

	Notes	1990	1989
<b>FIXED ASSETS</b>			
Tangible assets	9	3,566,056	2,208,817
<b>CURRENT ASSETS</b>			
Stocks	10	36,441	-
Debtors	11	309,484	488,105
Cash at bank and in hand		3,864,250	4,798,445
		<u>4,210,175</u>	<u>5,286,550</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	582,563	295,894
<b>NET CURRENT ASSETS</b>		<u>3,627,612</u>	<u>4,990,656</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,193,668	7,199,473
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	-	75,345
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	2,206,431	2,206,431
		<u>£ 4,987,237</u>	<u>£ 4,917,697</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	100,000	100,000
Profit and loss account	16	4,887,237	4,817,697
		<u>£ 4,987,237</u>	<u>£ 4,917,697</u>

Approved by the board on 22 June 1992

  
..... Director

  
..... Director

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the year ended 31 December 1990

	1990	1989
<b>SOURCE OF FUNDS</b>		
Profit on ordinary activities before taxation	173,695	373,838
Extraordinary item before taxation	(31,155)	7,639,286
Items not involving the movement of funds:		
Depreciation and amounts written off fixed assets	165,905	23,789
Profit on disposal of assets	-	(7,639,286)
<b>FUNDS GENERATED FROM OPERATIONS</b>	<u>308,445</u>	<u>397,627</u>
<b>FUNDS FROM OTHER SOURCES</b>		
Sales proceeds of tangible fixed assets	-	12,855,000
	<u>308,445</u>	<u>13,252,627</u>
<b>APPLICATION OF FUNDS</b>		
Purchase of tangible fixed assets	1,523,144	2,238,125
Bad debts	-	1,806,130
	<u>1,523,144</u>	<u>4,044,255</u>
<b>NET (APPLICATION)/SOURCE OF FUNDS</b>	<u>£(1,214,699)</u>	<u>£ 9,208,372</u>
THE NET (APPLICATION)/SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING CHANGES IN WORKING CAPITAL		
Stocks	36,441	(8,673)
Debtors	(353,741)	302,014
Creditors falling due within one year	94,043	1,769,818
	<u>(223,257)</u>	<u>2,063,159</u>
Movements in net liquid funds:		
Cash at bank and in hand	(934,195)	4,796,120
Bank overdrafts	(57,247)	2,349,093
<b>NET (DECREASE)/INCREASE IN WORKING CAPITAL</b>	<u>£(1,214,699)</u>	<u>£ 9,208,372</u>



Financial statements for the year ended 31 December 1990

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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

Freehold property and improvements	over 50 years
Motor vehicles	over 4 years
Plant and machinery	over 5 years
Fixtures, fittings, furniture and equipment	over 5 years

### STOCKS

Stocks are valued at the lower of cost and net realisable value.

### DEFERRED TAXATION

Provision for deferred taxation is made at the current rate of tax to the extent that there is a reasonable probability that such tax will become payable in the future. Short term timing differences are provided in full and recoverable advanced corporation tax is deducted.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1990

1. TURNOVER AND PROFIT ON ORDINARY  
ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation is attributable to one activity and all arises within the United Kingdom.

	1990	1989
2. OTHER OPERATING EXPENSES (NET)		
Hotel overheads	-	463,957
Restaurant and wine bar overheads	328,055	-
Central overheads	26,345	-
	<u>£ 354,400</u>	<u>£ 463,957</u>
3. INVESTMENT INCOME		
Interest receivable	<u>£ 602,147</u>	<u>£ 491,149</u>
4. INTEREST PAYABLE		
On bank loans and overdrafts	<u>£ 2,701</u>	<u>£ 148,738</u>
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
owned assets	165,905	23,789
Operating lease rentals:		
Plant and machinery	-	5,926
Auditors' remuneration	<u>8,000</u>	<u>6,400</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1990

	1990	1989
6. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the year was:	No.	No.
Administration and maintenance	1	33
Wine bar and restaurant	17	-
	<u>          </u>	<u>          </u>
Staff costs for the above persons:		
Compensation for loss of office	-	44,895
Wages and salaries	164,158	217,692
Social security costs	15,815	23,626
Other pension costs	16,940	8,470
	<u>          </u>	<u>          </u>
	£ 196,913	£ 294,683
	<u>          </u>	<u>          </u>
 DIRECTORS' REMUNERATION		
Other emoluments (including pension contributions and benefits in kind)	£ 48,745	£ 33,470
	<u>          </u>	<u>          </u>
The directors' fees and other emoluments disclosed above (excluding pension contributions) includes amounts paid to:		
The chairman and highest paid director	£ 32,005	£ 25,000
	<u>          </u>	<u>          </u>
The number of other directors who received emoluments (excluding pension contributions in the following range was:		
£0 - £5,000	1	1
	<u>          </u>	<u>          </u>
7. TAXATION		
Based on the profit of the year:		
UK Corporation tax at 25% (1989 - 35%)	£ 73,000	£ 171,902
	<u>          </u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1990

			1990	1989		
8.	EXTRAORDINARY ITEMS AFTER TAXATION					
	Profit on sale of hotel:					
	Proceeds on sale of hotel		42,000	13,000,000		
	Less: Irrecoverable		(73,155)	1,806,130		
			(31,155)	11,193,870		
	NBV of hotel and expenses of sale of hotel		-	3,554,584		
	Profit on sale		(31,155)	7,639,286		
	Tax on profit on sale of hotel		-	2,206,431		
	Extra-ordinary (loss)/profit after taxation		£ (31,155)	£ 5,432,855		
9.	TANGIBLE FIXED ASSETS					
	Freehold property	Improve-ments to property	Motor vehicles	Plant and machinery	Fixtures, fittings, furniture and equipment	TOTAL
Cost:						
1 January 1990	2,089,977	38,12	80,882	-	38,065	2,247,336
Additions	-	1,053,344	8,590	162,179	299,031	1,523,144
31 December 1990	2,089,977	1,091,756	89,472	162,179	337,096	3,770,480
Depreciation:						
1 January 1990	-	-	30,906	-	7,613	38,519
Charged in the year	6,800	28,007	19,830	32,436	78,832	165,905
31 December 1990	6,800	28,007	50,736	32,436	86,445	204,424
Net book value:						
31 December 1990	2,083,177	1,063,749	38,736	129,743	250,651	3,566,056
31 December 1989	2,089,977	38,412	49,976	-	30,452	2,208,817
10.	STOCKS					
	Goods for resale		£ 36,441	£ -		

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1990

	1990	1989
11. DEBTORS		
Due within one year:		
Trade debtors	-	73,155
Other debtors	301,373	399,362
Prepayments and accrued income	8,111	15,588
	<u>£ 309,484</u>	<u>£ 488,105</u>

12. CREDITORS		
Amounts falling due within one year:		
Bank overdrafts	57,247	-
Trade creditors	123,060	55,750
Corporation tax	244,902	171,902
Other taxation and social security costs	103,751	46,542
Accruals and deferred income	53,603	21,700
	<u>£ 582,563</u>	<u>£ 295,894</u>

The bank overdrafts are secured by a debenture giving fixed or floating charges on all assets of the company.

13. CREDITORS		
Amounts falling due in more than five years:		
Directors' loans	£ -	£ 75,345

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements is as follows:-

	Amount provided 1990	1989
Excess of tax allowances over depreciation	-	3,270
Unrelieved tax losses	-	(3,270)
Rollover relief	2,206,431	2,206,431
	<u>£2,206,431</u>	<u>£2,206,431</u>

A deferred tax asset of £12,303 arising this year from capital allowance timing differences has not been recognised in these accounts (1989 - Nil).

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 1990

15. SHARE CAPITAL	1990	1991
Authorised:		
50,000 Ordinary 'A' shares of £1 each	50,000	50,000
50,000 Ordinary 'B' shares of £1 each	50,000	50,000
	<u>£ 100,000</u>	<u>£ 100,000</u>
Allotted, issued and fully paid:		
50,000 Ordinary 'A' shares of £1 each	50,000	50,000
50,000 Ordinary 'B' shares of £1 each	50,000	50,000
	<u>£ 100,000</u>	<u>£ 100,000</u>
16. PROFIT AND LOSS ACCOUNT		
1 January 1990	4,817,697	(816,994)
Profit for the year	69,540	5,634,691
	<u>£ 4,887,237</u>	<u>£ 4,817,697</u>