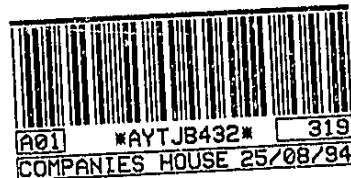


Company Registration Number: 2767925

Yankee Noodle Restaurants Limited
Directors' Report and Financial Statements
for the period ended 31 March 1994



Mercers Bryant
Chartered Accountants
45 Crawford Place, London W1H 2AD

Yankee Noxle Restaurants Limited

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Yankee Noodle Restaurants Limited

Directors' Report
for the period ended 31 March 1994

The directors present their report and the financial statements for the period ended 31 March 1994.

Principal Activities and Review of the Business

The company was incorporated on 25 November 1992 and commenced trading on 30 April 1993. The principal activity of the company during the period was operating restaurants.

The company intends to continue its present restaurant operations and the directors look forward to the future with confidence.

Results and Dividends

The results for the period are set out on page 4.

The directors recommend payment of a dividend amounting to £700,000.

It is proposed that the retained profit of £36,997 is transferred to reserves.

Fixed Assets

Details of movements in fixed assets during the period are set out in note 6 to the financial statements.

Directors and their Interests

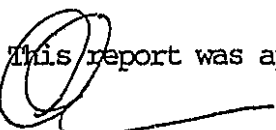
The directors who served during the period and their interests in the company were as stated below.

	Class of share	Number of shares	
		1994	1993
R.Myers (Appointed 30 April 1993)	Ordinary shares	-	-
K.E.D.Jones (Appointed 30 April 1993)	Ordinary shares	-	-
L.I.Ross (Appointed 16 September 1993)	Ordinary shares	-	-
C.M.Metliss	Ordinary shares	-	-
S.Binder (Resigned 30 September 1993)	Ordinary shares	-	-

The directors interests in the shares of the ultimate holding company are shown in the accounts of that company.

Auditors

A resolution to appoint Mercers Bryant, Chartered Accountants and BDO Binder Hamlyn, Chartered Accountants as joint auditors of the Company will be proposed at the Annual General Meeting.

 This report was approved by the Board on 29 July 1994.

Bekay Secretaries Limited
Secretary

Yankee Noodle Restaurants Limited

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Yankee Noodle Restaurants Limited

Auditors' Report
to the shareholders of Yankee Noodle Restaurants Limited

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 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgments 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 31 March 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Mercers Bryant
Chartered Accountants
and Registered Auditors
45 Crawford Place
London W1H 2AD

29 July 1994

Yankee Noodle Restaurants Limited

Profit and Loss Account for the period ended 31 March 1994

	Notes	1994 £
Turnover	2	4,813,397
Cost of sales		(1,372,015)
Gross profit		<u>3,441,382</u>
Administrative expenses		(2,419,385)
Profit on ordinary activities before taxation	3	<u>1,021,997</u>
Tax on profit on ordinary activities	4	(285,000)
Profit on ordinary activities after taxation		<u>736,997</u>
Dividends	5	(700,000)
Retained profit for the period	12	<u><u>£ 36,997</u></u>

There are no recognised gains and losses other than those passing through the profit and loss account.

Yankee Noodle Restaurants Limited

Balance Sheet as at 31 March 1994

	Notes	1994 £	£
Fixed Assets			
Tangible assets	6		4,291,231
Current Assets			
Stocks	7	103,947	
Debtors	8	173,394	
Cash at bank and in hand		3,425	
		<u>280,766</u>	
Creditors: amounts falling due within one year	9	(1,285,000)	
Net Current Liabilities			<u>(1,004,234)</u>
			<u>£3,286,997</u>
Capital and Reserves			
Called up share capital	10	3,001,700	
Share premium account	11	248,300	
Profit and loss account	12	36,997	
Shareholders' Funds	13		<u>£3,286,997</u>

The financial statements were approved by the Board on 29 July 1994.

R. Myers
Director

K.E.D. Jones
Director

Yankee Noodle Restaurants Limited

Notes to the Financial Statements for the period ended 31 March 1994

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations, as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is the wholly owned subsidiary of a parent undertaking that has published consolidated financial statements.

1.2 Compliance with accounting standards

The financial statements are in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents receipts from operating activities and is stated exclusive of value added tax.

1.4 Tangible fixed assets and depreciation

No depreciation is provided on freehold properties or leasehold properties with twenty years and over to run at the Balance Sheet date. It is the Group's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly the directors consider that the lives of these assets are so long and residual values, based on prices prevailing at the time of acquisition or subsequent revaluation, so high that their depreciation is insignificant. Any permanent diminution in the value of such properties is charged to the Profit and Loss Account as appropriate.

All leasehold properties of less than twenty years are amortised over the unexpired terms. Depreciation is provided on all other tangible fixed assets on a reducing balance basis of 12.5% for furniture, fittings and equipment, and 25% for motor vehicles. Pre-opening expenditure incurred on new restaurants is written off over five years.

1.5 Leasing

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

1.6 Stock

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

1.7 Deferred taxation

Provision for deferred taxation is made only where a liability is likely to arise in the future. No provision has been made for deferred taxation in respect of the tax that would be payable if revalued properties were sold at their revalued amounts because there is no current intention to dispose of these properties.

Yankee Noodle Restaurants Limited

Notes to the Financial Statements
for the period ended 31 March 1994

2. Turnover

Turnover is wholly represented by restaurant operating activities carried on in the United Kingdom.

3. Operating Profit

1994

£

Operating profit is stated after charging:

Depreciation of tangible assets

13,428

Hire of equipment

1,792

Operating lease rentals

- Land and buildings

512,989

4. Taxation

1994

£

U.K. Current year taxation

U.K. Corporation tax at 33%

285,000

£ 285,000

5. Dividends

1994

£

Ordinary:

Final proposed

700,000

Yankee Noodle Restaurants Limited

Notes to the Financial Statements
for the period ended 31 March 1994

6. Tangible Assets

	Land and buildings Leasehold (Short) £	Fixtures fittings & equipment £	Total £
Cost			
Additions	4,182,144	122,515	4,304,659
At 31 March 1994	<u>4,182,144</u>	<u>122,515</u>	<u>4,304,659</u>
Depreciation			
Charge for period	5,771	7,657	13,428
At 31 March 1994	<u>5,771</u>	<u>7,657</u>	<u>13,428</u>
Net book values			
At 31 March 1994	<u>4,176,373</u>	<u>114,858</u>	<u>4,291,231</u>

7. Stocks

	1994 £
Food, beverages and consumables	103,947
	<u>£ 103,947</u>

The replacement value at 31 March 1994 is considered by the directors to be not materially different from the Balance Sheet value.

8. Debtors

	1994 £
Trade debtors	6,745
Amounts owed by group undertakings	166,649
	<u>£ 173,394</u>

Yankee Noodle Restaurants Limited

Notes to the Financial Statements for the period ended 31 March 1994

9.	Creditors: amounts falling due within one year	1994 £
	Amounts owed to group undertakings	300,000
	Corporation tax	285,000
	Proposed dividend	700,000
		<u>1,285,000</u>
10.	Share Capital	1994 £
	Authorised	
	1,700 Ordinary shares of £1 each	1,700
	3,000,000 Preference shares of £1 each	3,000,000
		<u>3,001,700</u>
	Allotted, called up and fully paid	
	1,700 Ordinary shares of £1 each	1,700
	3,000,000 Preference shares of £1 each	3,000,000
		<u>3,001,700</u>
11.	Share Premium Account	1994 £
	Premium on shares issued during the period	<u>248,300</u>
12.	Profit And Loss Account	1994 £
	Retained profit for the period	36,997
	Retained profits at 31 March 1994	<u>36,997</u>

Yankee Noodle Restaurants Limited

Notes to the Financial Statements for the period ended 31 March 1994

13. Reconciliation of Movements in Shareholders' Funds

Profit for the financial period
Dividends

1994
£

736,997
(700,000)

New share capital subscribed

36,997

Closing shareholders' funds

3,250,000

3,286,997

14. Financial Commitments

At 31 March 1994 the company had annual commitments under non-cancellable operating leases as follows:

Expiry date:

In over five years

Land and
Buildings
1994
£

485,350

£ 485,350

15. Directors' Emoluments

Remuneration

1994
£

69,955

Emoluments disclosed above
(excluding pension contributions) include
amounts paid to:

The highest-paid director

£ 46,577

Other directors' emoluments (excluding
pension contributions) were in the
following ranges:

£Nil - £5,000
£20,001 - £25,000

Number

3

1

Yankee Noodle Restaurants Limited

Notes to the Financial Statements
for the period ended 31 March 1994

16. Employees

Number of employees

The average weekly number of employees (including directors) during the period was:

	1994 Number
Restaurant	148
Employment costs	£
Wages and salaries	1,016,312
Social security costs	102,211
	<u>1,118,523</u>

17. Ultimate Parent Company

The ultimate parent company is The Pelican Group Plc, a company incorporated in Great Britain.