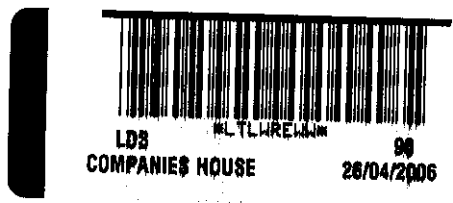


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**PandoraExpress 1 Ltd**  
**(Registered Number: 4688642)**

**Directors' Report and Financial Statements**

**Period Ended 26 June 2005**



# **PandoraExpress 1 Ltd**

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# PandoraExpress 1 Ltd

## Balance Sheet as at 26 June 2005 and 30 June 2004

	<i>Note</i>	26 June 2005 £	30 June 2004 £
<b>Fixed assets</b>			
<b>Investments</b>	4	12,502	12,502
<b>Net assets</b>		12,502	12,502
<b>Capital and reserves</b>			
Called-up share capital	5	12,502	12,502
<b>Equity shareholders' funds</b>	6	12,502	12,502

Approved by the Board on 26 APR 2006

  
Director

# **PandoraExpress 1 Ltd**

## **Notes to the Financial Statements - 26 June 2005 and 30 June 2004**

### **1 Accounting policies**

The principal accounting policies of the Company are described below:

#### **(a) Basis of accounting**

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

#### **(b) Investments**

Investments are held at cost less any provision for impairment.

# PandoraExpress 1 Ltd

## Notes to the Financial Statements - 26 June 2005 and 30 June 2004

### 2 Auditors' remuneration

Auditors' remuneration was borne by a related company.

### 3 Staff costs

The company had no employees during the period.

#### Directors' remuneration

No remuneration was paid by the company to any director during the period.

### 4 Fixed asset investments

	2005
	£
<u>At 1 July 2004 and 26 June 2005</u>	<u>12,502</u>

The Company's principal subsidiary undertakings were :

Name of Subsidiary	Principal activity	Country of Incorporation	Proportion of Ordinary Share Capital
PandoraExpress 3 Limited	Holding Company	United Kingdom	100%
PandoraExpress 4 Limited	Holding Company	United Kingdom	100%
GondolaExpress Plc	Holding Company	United Kingdom	100%
PandoraExpress 5 Limited	Dormant	United Kingdom	100%
PandoraExpress 2A Limited**	Holding Company	United Kingdom	100%
PizzaExpress Limited*	Restaurateur	United Kingdom	89.5%
PizzaExpress (Restaurants) Limited*	Restaurateur	United Kingdom	100%
PizzaExpress (Franchises) Limited**	Franchising	United Kingdom	100%
Bookcash Trading Limited*	Restaurateur	United Kingdom	100%
Café Pasta Limited**	Restaurateur	United Kingdom	100%
PizzaExpress (Wholesale) Limited*	Distribution	United Kingdom	100%
PizzaExpress (Merchandising) Limited*	Branded Sales	United Kingdom	100%
Agenbite Limited*	Restaurateur	United Kingdom	100%
PizzaExpress (Jersey) Limited*	Restaurateur	United Kingdom	100%

\* These companies were sold on 1 July 2004.

\*\* These companies were sold on 20 October 2005.

## PandoraExpress 1 Ltd

### Notes to the Financial Statements - 26 June 2005 and 30 June 2004

#### 5 Share capital

	26 June 2005	30 June 2004
	Equity £	Equity £
<b>Authorised:</b>		
50,100 Ordinary shares of £1	50,100	50,100
<b>Allotted, called-up and fully paid:</b>		
12,502 Ordinary A shares of £1	12,502	12,502

#### 6 Reconciliation of movement in shareholders' funds

	26 June 2005	30 June 2004
	£	£
Issue of share capital	-	12,502
Opening shareholders' funds	12,502	-
<b>Closing shareholders' funds</b>	<b>12,502</b>	<b>12,502</b>

#### 7 Ultimate parent undertaking

For the purposes of this note, references to "TDR Capital" are funds managed by TDR Capital LLP, and references to "Capricorn" shall include Capricorn Ventures International Limited and its subsidiaries CV1 Limited and CV2 Limited.

The Company's immediate parent undertaking is Gondola Group Ltd (formerly Altia Holdings Ltd, formerly Riposte Holdings Ltd), a company incorporated in England and Wales.

At the balance sheet date the Company's ultimate parent undertaking was PandoraExpress LP, a limited partnership organised under the laws of England and Wales. The directors consider that PandoraExpress LP is the group's ultimate parent undertaking.

The partnership interests in PandoraExpress LP were held by TDR Capital and Capricorn. Accordingly, the directors considered the Company's ultimate controlling parties to be TDR Capital and Capricorn.

As at 26 June 2005, the largest group of which the company was a member and for which group financial statements are prepared was Gondola Group Limited (formerly Altia Holdings Limited, formerly Riposte Holdings Limited), a subsidiary of the ultimate parent undertaking. The ultimate parent undertaking has not prepared group financial statements.

#### 8 Cash flow statement and related party disclosures

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of the Financial Reporting Standard 1 (revised). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Gondola Group Limited group.

#### 9 Post balance sheet events

On 8 November 2005 the total issued share capital of Gondola Group Limited was sold in a share for share exchange to Gondola Holdings plc. The share holdings of PandoraExpress LP in Gondola Holdings plc were divested to the partners, TDR Capital and Capricorn. Following a listing of the shares of Gondola Holdings plc on the London Stock Exchange on 8 November 2005, Gondola Holdings plc has become the ultimate parent undertaking of the Company.

On 20 October 2005, PandoraExpress 2 Ltd, a subsidiary, sold its investment in PandoraExpress 2A Ltd to the direct ownership of PandoraExpress LP.

# **PandoraExpress 2 Ltd**

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## **PandoraExpress 2 Ltd**

### **Directors' Report for the Period Ended 26 June 2005**

The directors submit their report and the audited financial statements of the Company for the period ended 26 June 2005.

#### **Review of the business**

The Company's principal activity is that of a holding company.

#### **Results and dividends**

The Company's profit for the period, after taxation, amounted to £215,451 (2004 : profit of £67,346) which has been transferred to reserves. The directors do not recommend the payment of a dividend.

#### **Directors and their interests**

The directors of the Company during the period and to the date of this report are shown below:

C Heath (appointed 21 December 2005)  
H Smyth (appointed 21 December 2005)  
R 'T Hooft (resigned 21 December 2005)  
C Luyckx (resigned 21 December 2005)  
M Dale (resigned 21 December 2005)  
S Robertson (resigned 21 December 2005)

The interests of the directors in the ordinary share capital of Gondola Group Ltd, the largest group for which consolidated accounts are prepared are shown in the annual report of that company.

The current directors do not hold any interests in the share capital of the Company and there have been no other changes since the period end.

#### **Change in accounting period**

The Company has changed its accounting period from a calendar year, being 1 July to 30 June, to a 52 week period. In this year of transition, the accounting period for these financial statements runs from 1 July 2004 to 26 June 2005.

#### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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.

#### **Auditors**

PricewaterhouseCoopers LLP offer themselves for reappointment at the forthcoming annual general meeting.

By Order of the Board



Company Secretary

Date 26 APR 2006



## **Independent Auditors' Report to the Members of PandoraExpress 2 Ltd**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### **Basis of audit 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 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 at 26 June 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
London

Date *26 April 2006*

## PandoraExpress 2 Ltd

### Profit and Loss Account for the Period Ended 26 June 2005 and for the Year Ended 30 June 2004

	<i>Note</i>	<b>2005</b> £	2004 £
Administrative costs		-	-
<b>Operating profit</b>	<b>2</b>	<b>-</b>	<b>-</b>
Net interest receivable	4	<b>218,123</b>	67,346
<b>Profit on ordinary activities before taxation</b>		<b>218,123</b>	<b>67,346</b>
Taxation on profit on ordinary activities	5	<b>(2,672)</b>	-
<b>Retained profit for the period</b>	<b>10</b>	<b>215,451</b>	<b>67,346</b>

The Company has no recognised gains or losses during the period, other than those reflected in the above profit and loss account.

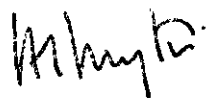
The notes on pages 5 to 9 form an integral part of these financial statements.

# PandoraExpress 2 Ltd

## Balance Sheet as at 26 June 2005 and 30 June 2004

	Note	2005 £	2004 £
<b>Fixed assets</b>			
<b>Investments</b>	6	12,502	12,502
<b>Current assets</b>			
<b>Debtors</b>	7	48,440,451	41,402,095
<b>Creditors - amounts falling due within one year</b>	8	(48,157,654)	(41,334,749)
<b>Net current assets</b>		282,797	67,346
<b>Net assets</b>		295,299	79,848
<b>Capital and reserves</b>			
Called-up share capital	9	12,502	12,502
Profit and loss account	10	282,797	67,346
<b>Equity shareholders' funds</b>	11	295,299	79,848

Approved by the Board on 26 APR 2006



Director

The notes on pages 5 to 9 form an integral part of these financial statements.

# **PandoraExpress 2 Ltd**

## **Notes to the Financial Statements - 26 June 2005 and 30 June 2004**

### **1 Accounting policies**

The principal accounting policies of the Company are described below:

#### **(a) Basis of accounting**

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

#### **(b) Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

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, tax in the future.

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted, or where there are deferred tax liabilities against which the assets can be recovered.

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

#### **(c) Investments**

Investments are held at cost less any provision for impairment.

## PandoraExpress 2 Ltd

### Notes to the Financial Statements - 26 June 2005 and 30 June 2004

#### 2 Auditors' remuneration

Auditors' remuneration was borne by a related company.

#### 3 Staff costs

The company had no employees during the period.

#### Directors' remuneration

No remuneration was paid by the company to any director during the period.

#### 4 Net interest receivable

	2005 £	2004 £
<b>Interest receivable</b>		
Interest receivable from subsidiary undertakings	7,038,356	8,237,693
<b>Interest payable</b>		
Interest payable to fellow subsidiary undertakings	(6,820,233)	(806,131)
Loan interest payable	-	(7,364,216)
	<b>218,123</b>	<b>67,346</b>

## PandoraExpress 2 Ltd

### Notes to the Financial Statements - 26 June 2005 and 30 June 2004

#### 5 Taxation

	2005	2004
	£	£
United Kingdom Corporation taxation charge at 30%	2,672	-
<b>Tax on profit on ordinary activities</b>	<b>2,672</b>	<b>-</b>

The tax for the period is lower (2004 : lower) than the standard rate of corporation tax in the UK (30%). The difference is explained below:

	2005	2004
	£	£
Profit on ordinary activities before taxation	218,123	67,346
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	65,437	20,204
Effects of:		
Group relief	(62,765)	(20,204)
	<b>2,672</b>	<b>-</b>

#### 6 Fixed asset investments

	2005
	£
<b>At 1 July 2004 and 26 June 2005</b>	<b>12,502</b>

The Company's principal subsidiary undertakings were :

Name of Subsidiary	Principal activity	Country of Incorporation	Proportion of Ordinary Share Capital
PandoraExpress 3 Limited	Holding Company	United Kingdom	100%
PandoraExpress 4 Limited	Holding Company	United Kingdom	100%
GondolaExpress Plc	Holding Company	United Kingdom	100%
PandoraExpress 5 Limited	Dormant	United Kingdom	100%
PandoraExpress 2A Limited**	Holding Company	United Kingdom	100%
PizzaExpress Limited*	Restaurateur	United Kingdom	89.5%
PizzaExpress (Restaurants) Limited*	Restaurateur	United Kingdom	100%
PizzaExpress (Franchises) Limited**	Franchising	United Kingdom	100%
Bookcash Trading Limited*	Restaurateur	United Kingdom	100%
Café Pasta Limited**	Restaurateur	United Kingdom	100%
PizzaExpress (Wholesale) Limited*	Distribution	United Kingdom	100%
PizzaExpress (Merchandising) Limited*	Branded Sales.	United Kingdom	100%
Agenbite Limited*	Restaurateur	United Kingdom	100%
PizzaExpress (Jersey) Limited*	Restaurateur	United Kingdom	100%

\* These companies were sold on 1 July 2004.

\*\* These companies were sold on 20 October 2005.

#### 7 Debtors

	2005	2004
	£	£
<b>Amounts owed by subsidiary undertaking</b>	<b>48,440,451</b>	<b>41,402,095</b>

## PandoraExpress 2 Ltd

### Notes to the Financial Statements - 26 June 2005 and 30 June 2004

#### 8 Creditors - amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	48,154,982	41,334,749
Corporation Tax	2,672	-
	<b>48,157,654</b>	<b>41,334,749</b>

Amounts owed to group undertakings represent debt of £40,528,617 owed to Riposte Ltd. Interest accrues at 16.5% per annum, and amounts to £7,626,365 (2004 :£806,131) at the balance sheet date.

#### 9 Share capital

	2005 Equity £	2004 Equity £
<b>Authorised:</b>		
50,100 Ordinary shares of £1	50,100	50,100
<b>Allotted, called-up and fully paid:</b>		
12,502 Ordinary A share of £1	12,502	12,502

#### 10 Reserves

	Profit and loss account £
At 1 July 2004	67,346
Retained profit for the period	215,451
<b>At 26 June 2005</b>	<b>282,797</b>

#### 11 Reconciliation of movement in shareholders' funds

	2005 £	2004 £
Profit for the period	215,451	67,346
Issue of share capital	-	12,502
Opening shareholders' funds	79,848	-
<b>Closing shareholders' funds</b>	<b>295,299</b>	<b>79,848</b>

# **PandoraExpress 2 Ltd**

## **Notes to the Financial Statements - 26 June 2005 and 30 June 2004**

### **12 Ultimate parent undertaking**

For the purposes of this note, references to "TDR Capital" are funds managed by TDR Capital LLP, and references to "Capricorn" shall include Capricorn Ventures International Limited and its subsidiaries CV1 Limited and CV2 Limited.

The Company's immediate parent undertaking is PandoraExpress 1 Limited, a company incorporated in England and Wales.

At the balance sheet date the Company's ultimate parent undertaking was PandoraExpress LP, a limited partnership organised under the laws of England and Wales. The directors consider that PandoraExpress LP is the group's ultimate parent undertaking.

The partnership interests in PandoraExpress LP were held by TDR Capital and Capricorn. Accordingly, the directors considered the Company's ultimate controlling parties to be TDR Capital and Capricorn.

As at 26 June 2005, the largest group of which the company was a member and for which group financial statements are prepared was Gondola Group Limited (formerly Altia Holdings Limited, formerly Riposte Holdings Limited), a subsidiary of the ultimate parent undertaking. The ultimate parent undertaking has not prepared group financial statements.

### **13 Cash flow statement and related party disclosures**

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of the Financial Reporting Standard 1 (revised). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Gondola Group Limited group.

### **14 Post balance sheet events**

On 8 November 2005 the total issued share capital of Gondola Group Limited was sold in a share for share exchange to Gondola Holdings plc. The share holdings of PandoraExpress LP in Gondola Holdings plc were divested to the partners, TDR Capital and Capricorn. Following a listing of the shares of Gondola Holdings plc on the London Stock Exchange on 8 November 2005, Gondola Holdings plc has become the ultimate parent undertaking of the Company.

On 20 October 2005, the Company sold its investment in PandoraExpress 2A Ltd to the direct ownership of PandoraExpress LP.