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**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012
FOR
AGM CATERING LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2012**

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AGM CATERING LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012

DIRECTORS: K Michael
Ms M Michael

SECRETARY: Ms M Michael

REGISTERED OFFICE: Regency House
37-40 Alexandra Parade
Weston-super-Mare
North Somerset
BS23 1QZ

REGISTERED NUMBER: 04935668 (England and Wales)

AUDITORS: T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Statutory Auditor
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2012**

The directors present their report with the financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of restaurant food retailing

REVIEW OF BUSINESS

There has been a 9.8% reduction in turnover at the two restaurant operation at Cribbs Causeway, Bristol. In response to the weak economy the company introduced a competitively priced all-you-can-eat menu to accommodate diners' reduced budgets. The sector has been one of the hardest hit by the recession and whereas some began to see signs of improvement in 2011, the catering and hospitality industry has been one of the slowest to recover, with consumers dining out less frequently in general.

At the year end the company is within its agreed facilities and the position is not expected to change in the coming year.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2012

RESEARCH AND DEVELOPMENT

The company has no plans to undertake any research or development

FUTURE DEVELOPMENTS

It is anticipated that by the end of 2012, the company will see a breakeven position achieved in respect of the restaurants. Customers' demand continues to grow and the board remain confident about the future profitability of the company.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report

K Michael

Ms M Michael

K Michael is also a director and controlling shareholder of the company's parent, AGM Holdings plc

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy to maintain good relationships with its suppliers. Suppliers are made aware of the terms of payment, which are agreed with them in advance and these terms are adhered to. The number of creditor days for the period is 89.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2012**

FINANCIAL INSTRUMENT RISK

The company seeks to operate within its agreed overdraft facility with the bank. All sales are to UK customers and all suppliers are UK based: the company has therefore not entered into any hedging arrangements in respect of risks relating to trade debtors or creditors

The company is exposed to interest rate risk on its borrowings with the bank

The company does not have any foreign exchange risk

As the company is predominately cash based, the company does not have any credit risk

The company has received significant loans from related companies during the year. This together with the bank loan and overdraft results in the company having cashflow and liquidity risk. The bank is currently satisfied with the company's financial performance and the directors do not think that there is any risk of the facilities being withdrawn.

RISK ASSESSMENT

The principal risk facing the company is that of its current and future competitors. The company has responded to this risk by reviewing the menus available on a regular basis and introducing new dishes if appropriate. The company is also exploiting a niche market by offering a Chinese buffet at one of its restaurants.

POTENTIAL IMPACT OF THE INTRODUCTION OF THE EURO

The introduction of the euro in the UK would be unlikely to present significant problems or upheaval for the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2012**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

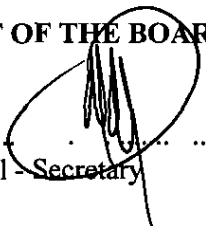
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

T P Lewis & Partners (BOS) Limited have expressed their willingness to continue in office

ON BEHALF OF THE BOARD:

..
Ms M Michael - Secretary



Date: 26 November 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGM CATERING LIMITED

We have audited the financial statements of AGM Catering Limited for the year ended 31 March 2012 on pages seven to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AGM CATERING LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

 T P Lewis & Partners (BOS) Limited

C P Greenow FCCA (Senior Statutory Auditor)
for and on behalf of T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Statutory Auditor
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

Date: 30 November 2012

AGM CATERING LIMITED (REGISTERED NUMBER: 04935668)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £
TURNOVER		2,027,585	2,249,525
Cost of sales		<u>(817,836)</u>	<u>(890,008)</u>
GROSS PROFIT		1,209,749	1,359,517
Administrative expenses		<u>(1,366,436)</u>	<u>(1,407,930)</u>
OPERATING LOSS	3	(156,687)	(48,413)
Interest receivable and similar income		<u>167</u>	<u>61</u>
		(156,520)	(48,352)
Interest payable and similar charges	4	<u>(9,818)</u>	<u>(14,328)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(166,338)	(62,680)
Tax on loss on ordinary activities	5	<u>8,102</u>	<u>(4,536)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(158,236)</u></u>	<u><u>(67,216)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	1,719,124	1,910,295
CURRENT ASSETS			
Stocks	7	34,065	26,500
Debtors	8	86,880	243,893
Cash at bank and in hand		36,794	80,208
		<u>157,739</u>	<u>350,601</u>
CREDITORS			
Amounts falling due within one year	9	<u>3,255,683</u>	<u>3,473,378</u>
NET CURRENT LIABILITIES		<u>(3,097,944)</u>	<u>(3,122,777)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,378,820)</u>	<u>(1,212,482)</u>
PROVISIONS FOR LIABILITIES	13	<u>15,736</u>	<u>23,838</u>
NET LIABILITIES		<u><u>(1,394,556)</u></u>	<u><u>(1,236,320)</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	900	900
Profit and loss account	15	<u>(1,395,456)</u>	<u>(1,237,220)</u>
SHAREHOLDERS' FUNDS	19	<u><u>(1,394,556)</u></u>	<u><u>(1,236,320)</u></u>

The financial statements were approved by the Board of Directors on 26 November 2012 and were signed on its behalf by



K Michael - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future notwithstanding the deficiency of £1,394,556 in shareholders' funds at 31 March 2012

The validity of the assumption depends on the continuing support of the directors, shareholders and the parent company. The directors therefore consider it appropriate to prepare the financial statements on the going concern basis.

Should the going concern basis of preparation of the financial statements be found inappropriate, certain assets may need revaluing and further liabilities provided for, both potential adjustments having consequent effects on the profit and loss account. The financial statements do not include any such adjustments.

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Short leasehold	- In accordance with the lease
Plant and machinery	- 25% on reducing balance, 10% on cost, Straight line over 5 years and In accordance with the lease
Fixtures and fittings	- 15% on reducing balance
Office equipment	- 25% on reducing balance

Stocks

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

Cost is calculated on a first in, first out basis.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

2 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	504,900	557,728
Social security costs	34,278	40,294
	<u>539,178</u>	<u>598,022</u>

The average monthly number of employees during the year was as follows

	2012	2011
Management	3	3
Restaurant staff	42	46
	<u>45</u>	<u>49</u>

3 OPERATING LOSS

The operating loss is stated after charging/(crediting).

	2012	2011
	£	£
Other operating leases	243,255	209,486
Depreciation - owned assets	191,171	207,310
Profit on disposal of fixed assets	-	(3,277)
Auditors' remuneration	7,817	6,675
	<u> </u>	<u> </u>
Directors' remuneration	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	11	49
Loan interest	9,807	14,279
	<u>9,818</u>	<u>14,328</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2012	2011
	£	£
Deferred tax	(8,102)	4,536
Tax on loss on ordinary activities	(8,102)	4,536

6 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 April 2011 and 31 March 2012	2,161,580	815,556	4,074	1,916	2,983,126
DEPRECIATION					
At 1 April 2011	600,171	469,072	1,672	1,916	1,072,831
Charge for year	126,727	64,084	360	-	191,171
At 31 March 2012	726,898	533,156	2,032	1,916	1,264,002
NET BOOK VALUE					
At 31 March 2012	1,434,682	282,400	2,042	-	1,719,124
At 31 March 2011	1,561,409	346,484	2,402	-	1,910,295

7 STOCKS

	2012	2011
	£	£
Stocks	34,065	26,500

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	-	3,394
Other debtors	12,461	59,568
Prepayments	74,419	180,931
	86,880	243,893

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank loans and overdrafts (see note 10)	20,860	127,003
Trade creditors	200,480	177,070
Amounts owed to group undertakings	1,809,157	1,803,439
Social security and other taxes	6,278	7,943
VAT	62,231	76,501
Other creditors	704,910	824,300
Directors' current accounts	407,198	407,198
Accrued expenses	44,569	49,924
	<u>3,255,683</u>	<u>3,473,378</u>

10. LOANS

An analysis of the maturity of loans is given below:

	2012	2011
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	20,860	73,904
Bank loans	-	53,099
	<u>20,860</u>	<u>127,003</u>

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2012	2011
	£	£
Expiring		
In more than five years	235,024	209,000
	<u>235,024</u>	<u>209,000</u>

12. SECURED DEBTS

The following secured debts are included within creditors

	2012	2011
	£	£
Bank loans	-	53,099
	<u>-</u>	<u>53,099</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

13. PROVISIONS FOR LIABILITIES

	2012 £	2011 £
Deferred tax	<u>15,736</u>	<u>23,838</u>
		Deferred tax £
Balance at 1 April 2011		23,838
Deferred tax		<u>(8,102)</u>
Balance at 31 March 2012		<u>15,736</u>

14. CALLED UP SHARE CAPITAL

Allotted and issued. Number Class	Nominal value £1	2012 £	2011 £
900 Ordinary	£1	<u>900</u>	<u>900</u>

15. RESERVES

	Profit and loss account £
At 1 April 2011	(1,237,220)
Deficit for the year	<u>(158,236)</u>
At 31 March 2012	<u>(1,395,456)</u>

16. ULTIMATE PARENT COMPANY

The company is a 90% owned subsidiary of AGM Holdings plc. AGM Holdings plc prepares group financial statements and copies can be obtained from: Grand Pier, Marine Parade, Weston-super-Mare, North Somerset BS23 1AL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

17. RELATED PARTY DISCLOSURES

Throughout the period the company has been controlled by its parent company AGM Holdings plc

During the period the company had transactions with group and associated companies as follows

	2012 £	2011 £
AGM Holdings plc		
Loan advances	<u>1,762,444</u>	<u>1,762,444</u>
 Grand Pier Limited		
Creditor in respect of recharges	<u>46,421</u>	<u>40,995</u>
 AGM Estates Limited		
Creditor at 31 March	<u>292</u>	<u>-</u>

In the year ended March 2009, 144 shares were transferred from Eurosalamis Enterprises Limited to AGM Catering Limited, reducing its shareholding to 10%. P Christoforou is a shareholder of both Eurosalamis Enterprises Limited and AGM Catering Limited. During the year ended 31 March 2007, Eurosalamis Enterprises Limited loaned £325,000 to AGM Catering Limited. This amount remains unpaid at 31 March 2012

At 31 March 2012 £407,198 (2011 £407,198) was outstanding to the director K Michael in respect of funds loaned to the company

18. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is K Michael, director and controlling shareholder of AGM Holdings plc.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Loss for the financial year	<u>(158,236)</u>	<u>(67,216)</u>
Net reduction of shareholders' funds	<u>(158,236)</u>	<u>(67,216)</u>
Opening shareholders' funds	<u>(1,236,320)</u>	<u>(1,169,104)</u>
Closing shareholders' funds	<u><u>(1,394,556)</u></u>	<u><u>(1,236,320)</u></u>