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**AGM CATERING LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED CESSATION FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

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FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

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**AGM CATERING LIMITED**  
**COMPANY INFORMATION**  
**FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

**DIRECTORS:**

K Michael  
Ms M Michael

**SECRETARY:**

Ms M Michael

**REGISTERED OFFICE:**

Grand Pier  
Marine Parade  
Weston Super Mare  
Somerset  
BS23 1AL

**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 PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

The directors present their report with the financial statements of the company for the period 1 April 2013 to 31 August 2013.

**BREAK UP BASIS**

Following recent poor financial results, the directors took the decision to cease trading on 30 June 2013. As the directors expect to strike off the company in the near future they have not prepared the financial statements on a going concern basis.

**PRINCIPAL ACTIVITY**

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

**REVIEW OF BUSINESS**

The company sustained a loss before tax for the period of £991,587 (year ended 31 March 2013 profit of £493,783). The loss has been derived following the disposal of all business assets..

**DIVIDENDS**

No dividends will be distributed for the period ended 31 August 2013.

**RESEARCH AND DEVELOPMENT**

The company has no plans to undertake any research or development.

**FUTURE DEVELOPMENTS**

Following the continuous losses made by the company the Directors and Shareholders made the decision to cease operations of the company.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2013 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.

**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.

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

**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.

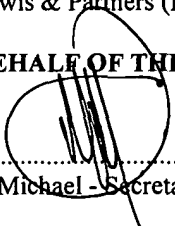
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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: 27/05/2014.....

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

We have audited the financial statements of AGM Catering Limited for the period ended 31 August 2013 on pages five to eleven. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 August 2013 and of its loss for the period 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.

### **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.

*J Oestreich*

J Oestreich 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: 28/05/2014

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

	Notes	Period 1.4.13 to 31.8.13 £	Year Ended 31.3.13 £
<b>TURNOVER</b>		503,000	1,975,085
Cost of sales		(231,551)	(877,392)
<b>GROSS PROFIT</b>		271,449	1,097,693
Administrative expenses		(1,583,574)	(1,277,210)
		(1,312,125)	(179,517)
Other operating income		328,251	665,980
<b>OPERATING (LOSS)/PROFIT</b>	3	(983,874)	486,463
Interest receivable and similar income		132	125
		(983,742)	486,588
Interest payable and similar charges	4	(7,845)	7,195
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(991,587)	493,783
Tax on (loss)/profit on ordinary activities	5	8,963	6,773
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		(982,624)	500,556

**DISCONTINUED OPERATIONS**

All of the company's activities were discontinued during the current period.

**TOTAL RECOGNISED GAINS AND LOSSES**


The company has no recognised gains or losses other than the loss for the current period and the profit for the previous year.

**BALANCE SHEET**  
**31 AUGUST 2013**

	Notes	2013 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	6	-	1,521,490
<b>CURRENT ASSETS</b>			
Stocks	7	-	35,299
Debtors	8	383	283,521
Cash at bank and in hand		87,496	68,963
		<u>87,879</u>	<u>387,783</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	1,964,503	2,794,310
<b>NET CURRENT LIABILITIES</b>		<u>(1,876,624)</u>	<u>(2,406,527)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,876,624)</u>	<u>(885,037)</u>
<b>PROVISIONS FOR LIABILITIES</b>	11	-	8,963
<b>NET LIABILITIES</b>		<u><u>(1,876,624)</u></u>	<u><u>(894,000)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	900	900
Profit and loss account	13	(1,877,524)	(894,900)
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>(1,876,624)</u></u>	<u><u>(894,000)</u></u>

The financial statements were approved by the Board of Directors on  
on its behalf by:

23/05/2014 ..... and were signed



.....  
K Michael - Director



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements have not been prepared on a going concern basis due to the decision of the directors to cease trading during the period.

**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 food and beverages, 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
Fixtures and fittings	- 15% on reducing balance
Office equipment	- 25% on reducing balance

Depreciation has ceased on all classes of assets following the complete disposal of all company assets in the period.

**Stocks**

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

All stocks have been written down to nil following the disposal of all company assets during the period.

**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.

2. STAFF COSTS

	Period 1.4.13 to 31.8.13 £	Year Ended 31.3.13 £
Wages and salaries	190,478	475,263
Social security costs	10,312	30,303
	<u>200,790</u>	<u>505,566</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

**2. STAFF COSTS - continued**

The average monthly number of employees during the period was as follows:

	Period 1.4.13 to 31.8.13	Year Ended 31.3.13
Management	3	3
Restaurant staff	42	40
	<u>45</u>	<u>43</u>

**3. OPERATING (LOSS)/PROFIT**

The operating loss (2013 - operating profit) is stated after charging:

	Period 1.4.13 to 31.8.13 £	Year Ended 31.3.13 £
Other operating leases	26,359	236,165
Depreciation - owned assets	-	197,634
Loss on disposal of fixed assets	1,277,009	-
Auditors' remuneration	5,250	9,025
	<u>1,288,618</u>	<u>442,824</u>
Directors' remuneration	-	-

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Period 1.4.13 to 31.8.13 £	Year Ended 31.3.13 £
Bank interest	2	9
Loan interest	-	(7,204)
VAT penalties and surcharges	7,843	-
	<u>7,845</u>	<u>(7,195)</u>

**5. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the period was as follows:

	Period 1.4.13 to 31.8.13 £	Year Ended 31.3.13 £
Deferred tax	(8,963)	(6,773)
Tax on (loss)/profit on ordinary activities	<u>(8,963)</u>	<u>(6,773)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Totals £
<b>COST</b>					
At 1 April 2013	2,161,580	815,556	4,074	1,916	2,983,126
Disposals	(2,161,580)	(815,556)	(4,074)	(1,916)	(2,983,126)
At 31 August 2013	-	-	-	-	-
<b>DEPRECIATION</b>					
At 1 April 2013	853,626	603,756	2,338	1,916	1,461,636
Eliminated on disposal	(853,626)	(603,756)	(2,338)	(1,916)	(1,461,636)
At 31 August 2013	-	-	-	-	-
<b>NET BOOK VALUE</b>					
At 31 August 2013	-	-	-	-	-
At 31 March 2013	1,307,954	211,800	1,736	-	1,521,490

7. STOCKS

	2013 £	2013 £
Stocks	-	35,299

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2013 £
Amounts owed by group undertakings	-	8,247
Other debtors	-	117,061
Prepayments	383	158,213
	383	283,521

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2013 £
Trade creditors	-	252,436
Amounts owed to group undertakings	1,495,335	1,490,235
Social security and other taxes	-	5,595
VAT	105,145	159,302
Other creditors	-	455,101
Directors' current accounts	357,198	407,198
Accrued expenses	6,825	24,443
	1,964,503	2,794,310

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013**

**10. OPERATING LEASE COMMITMENTS**

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

	Land and buildings	
	2013	2013
	£	£
Expiring:		
In more than five years	-	234,676
	<u>          </u>	<u>          </u>

**11. PROVISIONS FOR LIABILITIES**

	2013	2013
	£	£
Deferred tax	-	8,963
	<u>          </u>	<u>          </u>
		Deferred
		tax
		£
Balance at 1 April 2013		8,963
Credit to profit and loss account during period		(8,963)
		<u>          </u>
Balance at 31 August 2013		-
		<u>          </u>

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2013	2013
			£	£
900	Ordinary	£1	900	900
			<u>          </u>	<u>          </u>

**13. RESERVES**

	Profit and loss account
	£
At 1 April 2013	(894,900)
Deficit for the period	(982,624)
	<u>          </u>
At 31 August 2013	(1,877,524)
	<u>          </u>

**14. 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.

**15. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At 31 July 2013 £357,198 (31 March 2013 £407,198) was outstanding to the director, K Micheal in respect of funds loaned to the company.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 APRIL 2013 TO 31 AUGUST 2013

16. RELATED PARTY DISCLOSURES

**Eurosalamis Enterprises Limited**  
10% shareholder

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 £324,910 to AGM Catering Limited. The directors have agreed to write the balance off in full and this is included within exceptional items.

17. ULTIMATE CONTROLLING PARTY

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

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2013 £
(Loss)/profit for the financial period	(982,624)	500,556
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(982,624)</b>	<b>500,556</b>
Opening shareholders' funds	(894,000)	(1,394,556)
<b>Closing shareholders' funds</b>	<b>(1,876,624)</b>	<b>(894,000)</b>