

88750

*ANGELO'S LIMITED*  
*FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED 31 AUGUST 1996*  
*COMPANY NUMBER: 88070 (SCOTLAND)*

88



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M CONETTA  
MRS M CONETTA

SECRETARY

MRS M CONETTA

BANKERS

CLYDESDALE BANK PLC  
43 ALLOWAY STREET  
AYR KA7 1SP

AUDITORS

SINCLAIR WOOD & CO  
CHARTERED ACCOUNTANTS  
90 MITCHELL STREET  
GLASGOW G1 3NQ

SOLICITORS

LAMONTS  
16 MILLER ROAD  
AYR KA7 2AY

REGISTERED OFFICE

27 BURNS STATUE SQUARE  
AYR KA7 1SU

COMPANY NUMBER

88070 (SCOTLAND)

## DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of the company for the year ended 31 August 1996.

### Results and dividends

The results for the year are detailed in the profit and loss account.

Dividends of £32,030 were paid during the year. (1995: £22,880).

### Principal activities

The principal activities of the company have continued to be those of restaurateurs.

### Fixed assets

Movements of fixed assets during the year are detailed in note 8 of the financial statements.

### Directors and their interests

The directors of the company during the year and their beneficial interests in the share capital were as follows:

	<u>Ordinary Shares of £1 Each</u>	
	<u>At 31/08/96</u>	<u>At 31/08/95</u>
	<u>Number</u>	<u>Number</u>
Mrs M Conetta	9,999	9,999
M Conetta	101	101

The director retiring by rotation is Mrs M Conetta who, being eligible offers herself for re-election.

### Directors' responsibilities for the financial statements

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 year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' responsibilities for the financial statements  
(continued)

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

A resolution to re-appoint Messrs Sinclair Wood & Co., Chartered Accountants as auditors to the company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Secretary

*M. Conetta*

27 Burns Statue Square  
Ayr KA7 1SU

22 January 1997  
Date: .....

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the 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 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 as at 31 August 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sinclair Wood & Co.,  
Chartered Accountants  
& Registered Auditors

90 Mitchell Street  
Glasgow G1 3NQ

23 January 1997

Date .....

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 1996

		1996	1995
	Note	£	£
Turnover - Continuing operations	2	431,452	513,573
Cost of sales		(176,155)	(221,211)
Gross profit		<u>255,297</u>	<u>292,362</u>
Other operating expenses (net)	4	(176,366)	(237,411)
Operating profit - Continuing operations		<u>78,931</u>	<u>54,951</u>
Interest payable less receivable	5	(19,827)	(17,683)
Profit on ordinary activities before taxation		<u>59,104</u>	<u>37,268</u>
Taxation	6	(15,608)	(11,983)
Profit on ordinary activities after taxation		<u>43,496</u>	<u>25,285</u>
Dividends	7	(32,030)	(22,880)
Retained profit transferred to reserves		<u>11,466</u> =====	<u>2,405</u> =====

There are no recognised gains and losses in 1996 or 1995 other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 12 form part of these financial statements.

BALANCE SHEET  
AS AT 31 AUGUST 1996

			1996	1995
	Note	£	£	£
<b><u>Fixed assets</u></b>				
Tangible assets	8		242,078	263,791
<b><u>Current assets</u></b>				
Stocks	9	3,000		6,450
Debtors	10	-		1,617
Cash at bank and in hand		18,386		20,127
		21,386		28,194
		-----		-----
<b><u>Creditors due within one year</u></b>				
Loans and overdrafts	11	(14,064)		(21,569)
Other creditors	12	(51,090)		(63,933)
		(65,154)		(85,502)
<b>Net current liabilities</b>			(43,768)	(57,308)
<b>Total assets less current liabilities</b>			198,310	206,483
				-----
<b><u>Creditors due after one year</u></b>				
Loans and overdrafts	13	(134,216)		(145,718)
Other creditors	14	(18,833)		(26,317)
		(153,049)		(172,035)
<b><u>Provision for liabilities and charges</u></b>	15	(941)		(1,594)
			(153,990)	(173,629)
<b><u>Total net assets</u></b>			44,320	32,854
			=====	=====
<b><u>Capital and reserves</u></b>				
Called up share capital	16	10,100	10,100	10,100
Profit and loss account	17	34,220	22,754	
		44,320	32,854	
		=====	=====	

Director *Maria Conetta*

Director *M. Conetta*

22 January 1997  
Date .....

The notes on pages 7 to 12 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
AT 31 AUGUST 1996

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies is set out below. There have been no changes to the accounting policies during the year.

a. Accounting convention

The financial statements are prepared under the historical cost convention.

The company is exempt by virtue of paragraph 8(a) of Financial Reporting Standard 1 from the requirement to prepare a cash flow statement.

b. Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Heritable property	- at 2% per annum on a straight line basis
Short leasehold property	- over the term of the lease
Furniture & fittings	- at 20% per annum on a reducing balance basis
Motor vehicles	- at 25% per annum on a reducing balance basis

c. Stocks

Stocks have been valued by the directors and are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs expected to be incurred on disposal.

d. Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that corporation tax will be payable.

e. Leasing and hire purchase commitments

Assets obtained under finance leases or hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital outstanding.

Rentals paid on operating leases are charged to income on a straight line basis over the term of the lease.

f. Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities within the United Kingdom and is stated net of Value Added Tax.

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 AUGUST 1996 (Continued)

3. STAFF COSTS	1996	1995
	£	£
Wages and salaries	103,178	116,050
Social security costs	5,646	6,232
Other pension costs	1,236	1,124
	<u>110,060</u>	<u>123,406</u>
	=====	=====

The average weekly number of employees during the year was as follows:

	Number	Number
Full-time	8	8
Part-time	14	18
	<u>22</u>	<u>26</u>
	==	==

4. OTHER OPERATING EXPENSES (NET)	£	£
Distribution costs and administrative expenses	155,645	193,240
Depreciation of tangible assets (note 8)	23,956	29,021
Auditors' remuneration - Audit services	1,850	1,900
Directors' remuneration - (see below)	7,479	5,894
Directors' pension	1,236	1,124
Loss on sale of fixed assets	-	7,567
Gain on sale of fixed assets	-	(1,335)
Rental income	(13,800)	-
	<u>176,366</u>	<u>237,411</u>
	=====	=====

Directors' remuneration consists of:

	£	£
Fees	-	-
Other emoluments	7,479	5,894
	<u>7,479</u>	<u>5,894</u>
	=====	=====

5. INTEREST PAYABLE LESS RECEIVABLE	£	£
Bank overdraft interest and similar charges	1,825	1,307
Loan interest	13,275	12,925
Interest on overdue taxation	130	124
Finance charges payable under finance leases or hire purchase contracts	4,888	3,738
Bank interest receivable	(291)	(411)
	<u>19,827</u>	<u>17,683</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 AUGUST 1996 (Continued)

6. TAXATION	1996	1995
	£	£
Corporation tax on results for the year at 25%	16,261	10,389
Deferred taxation	(653)	1,594
	<u>15,608</u>	<u>11,983</u>
	=====	=====

7. DIVIDENDS	£	£
Ordinary - Interim paid	32,030	22,880
	=====	=====

8. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>		Furniture & Fittings	Motor Vehicles	Total
	<u>Heritable Property</u>	<u>Short Leasehold Property</u>			
	£	£	£	£	£
<b>Cost:</b>					
At beginning of year	181,624	11,542	110,054	44,211	347,431
Additions	-	-	2,243	-	2,243
(Disposals)	-	-	-	-	-
<b>At end of year</b>	<u>181,624</u>	<u>11,542</u>	<u>112,297</u>	<u>44,211</u>	<u>349,674</u>
	-----	-----	-----	-----	-----
<b>Depreciation:</b>					
At beginning of year	15,849	1,650	55,089	11,052	83,640
Provided during year	3,673	550	11,443	8,290	23,956
(Disposals)	-	-	-	-	-
<b>At end of year</b>	<u>19,522</u>	<u>2,200</u>	<u>66,532</u>	<u>19,342</u>	<u>107,596</u>
	-----	-----	-----	-----	-----
<b>Net book value:</b>					
At end of year	162,102	9,342	45,765	24,869	242,078
	=====	=====	=====	=====	=====
At beginning of year	165,775	9,892	54,965	33,159	263,791
	=====	=====	=====	=====	=====

The net book value of the company's fixed assets includes £32,451 (1995: £47,335) in respect of assets held under finance leases or hire purchase contracts. Depreciation charged on these assets in the year amounted to £10,070 (1995: £14,596).

9. STOCKS	1996	1995
	£	£
Goods bought for resale	3,000	6,450
	=====	=====

The replacement cost of stocks is not materially different from the amount shown above.

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 AUGUST 1996 (Continued)

10. DEBTORS	1996	1995
	£	£
Directors' loan account	-	1,617
	=====	=====
11. CREDITORS DUE WITHIN ONE YEAR		
	£	£
<u>Loans and overdrafts</u>		
Bank overdraft (see note 13)	-	7,745
Bank loans (see note 13)	13,824	13,824
Directors' loan	240	-
	=====	=====
12. CREDITORS DUE WITHIN ONE YEAR		
	£	£
<u>Other creditors</u>		
Trade creditors	5,110	6,645
Obligations under finance leases or hire purchase contracts	7,485	14,903
Current corporation tax	14,741	10,923
Social security and other taxes	15,969	22,324
Accruals and deferred income	5,285	9,138
Other creditors	2,500	-
	=====	=====
Payments under operating leases which are due to be made in the next year are:		
	£	£
Leases expiring between two and five years	2,192	2,059
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 AUGUST 1996 (Continued)

13. CREDITORS DUE AFTER ONE YEAR	1996	1995
	£	£
<u>Loans and overdrafts</u>		
Bank loans due within five years	69,120	40,020
due after five years	78,920	119,522
	<u>148,040</u>	<u>159,542</u>
included within current liabilities	(13,824)	(13,824)
	<u>134,216</u>	<u>145,718</u>
	=====	=====

The bank loan and overdraft facilities are secured by:

- 1) A standard security over the subjects at 25/27 Burns Statue Square, Ayr.
- 2) A bond and floating charge over the assets of the company.
- 3) Personal guarantees of the directors and an assignation of Life Assurance Policies.

14. CREDITORS DUE AFTER ONE YEAR	£	£
<u>Other creditors</u>		
Obligations under finance leases or hire purchase contracts	18,833	26,317
	=====	=====

15. PROVISION FOR LIABILITIES AND CHARGES	£	£
<u>Deferred taxation</u>		
At beginning of year	1,594	-
(Release)/charge to profit and loss account - ordinary activities	(653)	1,594
At end of year	<u>941</u>	<u>1,594</u>
	=====	=====

16. SHARE CAPITAL	Allotted, Called Up and Fully Paid			
	1996 Number	1995 Number	1996 £	1995 £
Ordinary shares of £1 each	100,000	100,000	10,100	10,100
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS  
AT 31 AUGUST 1996 (Continued)

17. MOVEMENT IN RESERVES

Profit  
and Loss  
Account

£

At beginning of year	22,754
Retained profit transferred to reserves	11,466
At end of year	<u>34,220</u> =====

18. RECONCILIATION OF MOVEMENTS  
IN SHAREHOLDERS' FUNDS

1996

1995

£

£

Profit for the year	43,496	25,285
Dividends	(32,030)	(22,880)
Net increase in shareholders' funds for the year	<u>11,466</u>	<u>2,405</u>
Opening shareholders' funds	32,854	30,449
Closing shareholders' funds	<u>44,320</u> =====	<u>32,854</u> =====

19. CAPITAL COMMITMENTS

£

£

Contracted	-	-
	=====	=====
Authorised by the directors but not contracted	-	-
	=====	=====