

Registration number 4268921

**Northgate Restaurants Limited**

**Abbreviated accounts**

**for the period ended 31 December 2002**



## **Northgate Restaurants Limited**

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## **Northgate Restaurants Limited**

### **Director's report for the period ended 31 December 2002**

The director presents her report and the accounts for the period ended 31 December 2002.

#### **Incorporation and change of name**

The company was incorporated on 13 August 2001 as Northgate Restaurants Limited. The company commenced trade on 7 October 2001.

#### **Principal activity and review of the business**

The principal activity of the company during the period under review was that of a chain of restaurants.

Both the level of business and the year end financial position were satisfactory, and the director expects that the present level of activity will be sustained for the foreseeable future.

#### **Results and dividends**

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

The director does not recommend payment of a final dividend.

#### **Director and her interest**

The director who served during the period and her interest in the company are as stated below:

|       |                            | <b>Ordinary shares</b>            |                 |
|-------|----------------------------|-----------------------------------|-----------------|
|       |                            | <b>31/12/02</b>                   | <b>07/10/01</b> |
|       |                            | <b>or date of<br/>appointment</b> |                 |
| J Roe | - appointed 13 August 2001 | 75                                | -               |

#### **Charitable and political contributions**

During the period the company contributed £1,159 to charities.

#### **Director's responsibilities**

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

**Northgate Restaurants Limited**

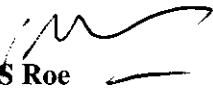
**Director's report  
for the period ended 31 December 2002**

**Auditors**

Austral Ryley were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 31 March 2003 and signed on its behalf by

  
**P S Roe**  
**Secretary**

**Independent auditors' report to Northgate Restaurants Limited  
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of Northgate Restaurants Limited for the period ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of director and auditors**

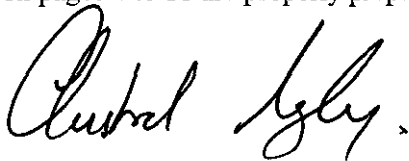
The director is responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the period ended 31 December 2002, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



**Austral Ryley  
Chartered Accountants and  
Registered Auditors**

**29 May 2003**

**Central Chambers  
416-418 Bearwood Road  
Bearwood  
West Midlands  
B66 4EZ**

**Northgate Restaurants Limited**

**Abbreviated profit and loss account  
for the period ended 31 December 2002**

**Continuing operations**

|                                                          |              | <b>2002</b>          |
|----------------------------------------------------------|--------------|----------------------|
|                                                          | <b>Notes</b> | <b>£</b>             |
| <b>Gross profit</b>                                      |              | 1,906,685            |
| Administrative expenses                                  |              | (1,770,965)          |
| <b>Operating profit</b>                                  | <b>2</b>     | <u>135,720</u>       |
| Interest payable and similar charges                     | <b>3</b>     | <u>(22,848)</u>      |
| <b>Profit on ordinary<br/>activities before taxation</b> |              | 112,872              |
| Tax on profit on ordinary activities                     | <b>6</b>     | (25,405)             |
| <b>Retained profit for the period</b>                    |              | <u><u>87,467</u></u> |

There are no recognised gains or losses other than the profit or loss for the above financial period.

The notes on pages 7 to 16 form an integral part of these financial statements.

# Northgate Restaurants Limited

## Abbreviated balance sheet as at 31 December 2002

|                                                                | Notes | 2002<br>£      | £                |
|----------------------------------------------------------------|-------|----------------|------------------|
| <b>Fixed assets</b>                                            |       |                |                  |
| Intangible assets                                              | 7     |                | 289,844          |
| Tangible assets                                                | 8     |                | 330,710          |
| Investments                                                    | 9     |                | 2,500            |
|                                                                |       |                | <u>623,054</u>   |
| <b>Current assets</b>                                          |       |                |                  |
| Stocks                                                         | 10    | 19,408         |                  |
| Debtors                                                        | 11    |                |                  |
| falling due after more than one year                           |       | 20,000         |                  |
| falling due within one year                                    |       | 44,912         |                  |
| Cash at bank and in hand                                       |       | 53,252         |                  |
|                                                                |       | <u>137,572</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 12    | (406,011)      |                  |
| <b>Net current liabilities</b>                                 |       |                | <u>(268,439)</u> |
| <b>Total assets less current liabilities</b>                   |       |                | 354,615          |
| <b>Creditors: amounts falling due after more than one year</b> | 13    |                | (244,283)        |
| <b>Provisions for liabilities and charges</b>                  | 14    |                | (22,765)         |
| <b>Net assets</b>                                              |       |                | <u>87,567</u>    |
| <b>Capital and reserves</b>                                    |       |                |                  |
| Called up share capital                                        | 16    |                | 100              |
| Profit and loss account                                        |       |                | 87,467           |
| <b>Shareholders' funds</b>                                     | 17    |                | <u>87,567</u>    |

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 31 March 2003 and signed on its behalf by



**J Roe**  
**Director**

The notes on pages 7 to 16 form an integral part of these financial statements.

# Northgate Restaurants Limited

## Cash flow statement for the period ended 31 December 2002

|                                                                                        | Notes | 2002<br>£        |
|----------------------------------------------------------------------------------------|-------|------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                  |
| Operating profit                                                                       |       | 135,720          |
| Depreciation                                                                           |       | 64,288           |
| (Increase) in stocks                                                                   |       | (19,408)         |
| (Increase) in debtors                                                                  |       | (64,912)         |
| Increase in creditors                                                                  |       | 362,740          |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>478,428</u>   |
| <b>Cash flow statement</b>                                                             |       |                  |
| Net cash inflow from operating activities                                              |       | 478,428          |
| Returns on investments and servicing of finance                                        | 19    | (22,848)         |
| Capital expenditure and financial investment                                           | 19    | (687,342)        |
|                                                                                        |       | <u>(231,762)</u> |
| Financing                                                                              | 19    | 285,014          |
| <b>Increase in cash in the period</b>                                                  |       | <u>53,252</u>    |
| <b>Reconciliation of net cash flow to movement in net debt (Note 20)</b>               |       |                  |
| <b>Increase in cash in the period</b>                                                  |       | 53,252           |
| Cash inflow from decrease in debts and lease financing                                 |       | (284,914)        |
| <b>Net debt at 31 December 2002</b>                                                    |       | <u>(231,662)</u> |

## **Northgate Restaurants Limited**

### **Notes to the abbreviated financial statements for the period ended 31 December 2002**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention .

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

##### **1.4. Licence fees**

Licence fees are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 20 years.

##### **1.5. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

|                     |   |                   |
|---------------------|---|-------------------|
| Plant and equipment | - | 10% straight line |
| Office equipment    | - | 10% straight line |

##### **1.6. Leasing**

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

##### **1.7. Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.8. Stock**

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

##### **1.9. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the period.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

## Northgate Restaurants Limited

### Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

#### 1.10. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial period.

Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date.

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

|                                                              |             |
|--------------------------------------------------------------|-------------|
| <b>2. Operating profit</b>                                   | <b>2002</b> |
|                                                              | <b>£</b>    |
| Operating profit is stated after charging:                   |             |
| Depreciation and other amounts written off intangible assets | 19,323      |
| Depreciation and other amounts written off tangible assets   | 44,965      |
| Operating lease rentals                                      |             |
| - Plant and machinery                                        | 5,037       |
| - Land and buildings                                         | 543,355     |
| Auditors' remuneration                                       | 1,250       |
|                                                              | <hr/>       |
| <b>3. Interest payable and similar charges</b>               | <b>2002</b> |
|                                                              | <b>£</b>    |
| On bank loans and overdrafts                                 | 22,813      |
| On overdue tax                                               | 35          |
|                                                              | <hr/>       |
|                                                              | <hr/>       |

# Northgate Restaurants Limited

## Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

### 4. Employees

#### Number of employees

The average monthly numbers of employees 2002  
(including the director) during the period were:

|            |            |
|------------|------------|
| Crew       | 110        |
| Management | 11         |
|            | <u>121</u> |

#### Employment costs

2002  
£

|                       |                  |
|-----------------------|------------------|
| Wages and salaries    | 1,005,757        |
| Social security costs | 50,774           |
| Other pension costs   | 1,909            |
|                       | <u>1,058,440</u> |

### 4.1. Director's emoluments

2002  
£

|                                   |               |
|-----------------------------------|---------------|
| Remuneration and other emoluments | <u>17,860</u> |
|-----------------------------------|---------------|

### 5. Pension costs

The company operates a defined contribution pension scheme in respect of the managers. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,909 (2001 - £-).

# Northgate Restaurants Limited

## Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

### 6. Tax on profit on ordinary activities

| Analysis of charge in period                 |   | 2002<br>£ |
|----------------------------------------------|---|-----------|
| <b>Current tax</b>                           |   |           |
| UK corporation tax at 19%                    | % | 2,640     |
| Total current tax charge                     |   | 2,640     |
| <b>Deferred tax</b>                          |   |           |
| Timing differences, origination and reversal |   | 22,765    |
| Total deferred tax                           |   | 22,765    |
| Tax on profit on ordinary activities         |   | 25,405    |

### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

|                                                                                               | 2002<br>£ |
|-----------------------------------------------------------------------------------------------|-----------|
| Profit on ordinary activities before taxation                                                 | 112,872   |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% | 21,446    |
| Expenses not deductible for tax purposes (primarily goodwill amortisation)                    | 3,959     |
| Capital allowances for period in excess of depreciation                                       | (22,765)  |
| Current tax charge for period                                                                 | 2,640     |

# Northgate Restaurants Limited

## Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

### 7. Intangible fixed assets

|                                              | Licence<br>fees<br>£ | Goodwill<br>£ | Total<br>£ |
|----------------------------------------------|----------------------|---------------|------------|
| <b>Cost</b>                                  |                      |               |            |
| Additions                                    | 60,000               | 249,167       | 309,167    |
| At 31 December 2002                          | 60,000               | 249,167       | 309,167    |
| <b>Provision for<br/>diminution in value</b> |                      |               |            |
| Charge for period                            | 3,750                | 15,573        | 19,323     |
| At 31 December 2002                          | 3,750                | 15,573        | 19,323     |
| <b>Net book value</b>                        |                      |               |            |
| At 31 December 2002                          | 56,250               | 233,594       | 289,844    |

### 8. Tangible fixed assets

|                       | Plant and<br>equipment<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|-----------------------|-----------------------------|--------------------------|------------|
| <b>Cost</b>           |                             |                          |            |
| Additions             | 370,101                     | 5,574                    | 375,675    |
| At 31 December 2002   | 370,101                     | 5,574                    | 375,675    |
| <b>Depreciation</b>   |                             |                          |            |
| Charge for the period | 44,395                      | 570                      | 44,965     |
| At 31 December 2002   | 44,395                      | 570                      | 44,965     |
| <b>Net book value</b> |                             |                          |            |
| At 31 December 2002   | 325,706                     | 5,004                    | 330,710    |

# Northgate Restaurants Limited

## Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

| 9. Fixed asset investments                                                | Other<br>unlisted<br>investments<br>£ | Total<br>£           |
|---------------------------------------------------------------------------|---------------------------------------|----------------------|
| <b>Cost</b>                                                               |                                       |                      |
| Additions                                                                 | 2,500                                 | 2,500                |
| At 31 December 2002                                                       | <u>2,500</u>                          | <u>2,500</u>         |
| <b>Net book value</b>                                                     |                                       |                      |
| At 31 December 2002                                                       | <u><u>2,500</u></u>                   | <u><u>2,500</u></u>  |
| <b>10. Stocks</b>                                                         |                                       | <b>2002<br/>£</b>    |
| Paper stocks                                                              |                                       | 3,359                |
| Non product stocks                                                        |                                       | 2,546                |
| Food stocks                                                               |                                       | <u>13,503</u>        |
|                                                                           |                                       | <u><u>19,408</u></u> |
| <b>11. Debtors</b>                                                        |                                       | <b>2002<br/>£</b>    |
| Trade debtors                                                             |                                       | 7,251                |
| Other debtors                                                             |                                       | 20,000               |
| Prepayments and accrued income                                            |                                       | <u>37,661</u>        |
|                                                                           |                                       | <u><u>64,912</u></u> |
| Amounts falling due after more than one year and included in debtors are: |                                       |                      |
| Other debtors                                                             |                                       | <u><u>20,000</u></u> |

# Northgate Restaurants Limited

## Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

|                                                                    |                                    |
|--------------------------------------------------------------------|------------------------------------|
| <b>12. Creditors: amounts falling due within one year</b>          | <b>2002</b>                        |
|                                                                    | <b>£</b>                           |
| Bank loan                                                          | 40,631                             |
| Trade creditors                                                    | 71,869                             |
| Corporation tax                                                    | 2,640                              |
| Other taxes and social security costs                              | 67,983                             |
| Director's accounts                                                | 129,395                            |
| Other creditors                                                    | 11,000                             |
| Accruals and deferred income                                       | 82,493                             |
|                                                                    | <u>406,011</u>                     |
| <b>13. Creditors: amounts falling due after more than one year</b> | <b>2002</b>                        |
|                                                                    | <b>£</b>                           |
| Bank loan                                                          | <u>244,283</u>                     |
| <b>Loans</b>                                                       |                                    |
| Repayable in one year or less, or on demand (Note 12)              | 40,631                             |
| Repayable between one and two years                                | 44,029                             |
| Repayable between two and five years                               | 152,474                            |
| Repayable in five years or more                                    | 47,780                             |
|                                                                    | <u>284,914</u>                     |
| <b>14 Provisions for liabilities and charges</b>                   |                                    |
|                                                                    | <b>Deferred taxation (Note 15)</b> |
|                                                                    | <b>£</b>                           |
| Movements in the year                                              | 22,765                             |
| At 31 December 2002                                                | <u>22,765</u>                      |
|                                                                    | <b>Total</b>                       |
|                                                                    | <b>£</b>                           |
|                                                                    | 22,765                             |
|                                                                    | <u>22,765</u>                      |

**Northgate Restaurants Limited**

**Notes to the abbreviated financial statements  
for the period ended 31 December 2002**

..... continued

**15. Provision for deferred taxation**

**2002  
£**

|                                                |               |
|------------------------------------------------|---------------|
| Accelerated capital allowances                 | 22,765        |
| Undiscounted provision for deferred tax        | <u>22,765</u> |
| Deferred tax charge in profit and loss account | <u>22,765</u> |
| Provision at 31 December 2002                  | <u>22,765</u> |

**16. Share capital**

**2002  
£**

|                                                  |                |
|--------------------------------------------------|----------------|
| <b>Authorised equity</b>                         |                |
| 100,000 Ordinary shares of £1 each               | <u>100,000</u> |
| <b>Allotted, called up and fully paid equity</b> |                |
| 100 Ordinary shares of £1 each                   | <u>100</u>     |

**17. Reconciliation of movements in shareholders' funds**

**2002  
£**

|                                     |               |
|-------------------------------------|---------------|
| Profit for the period               | 87,467        |
| Net proceeds of equity share issue  | 100           |
| Net addition to shareholders' funds | <u>87,567</u> |

# Northgate Restaurants Limited

## Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

### 18. Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

|                     | <b>Land<br/>buildings<br/>2002<br/>£</b> |
|---------------------|------------------------------------------|
| <b>Expiry date:</b> |                                          |
| In over five years  | <u>206,364</u>                           |

### 19. Gross cash flows

|                                                        | <b>2002<br/>£</b> |
|--------------------------------------------------------|-------------------|
| <b>Returns on investments and servicing of finance</b> |                   |
| Interest paid                                          | <u>(22,848)</u>   |
| <b>Capital expenditure and financial investment</b>    |                   |
| Payments to acquire intangible assets                  | (309,167)         |
| Payments to acquire tangible assets                    | (375,675)         |
| Payments to acquire investments                        | <u>(2,500)</u>    |
|                                                        | <u>(687,342)</u>  |
| <b>Financing</b>                                       |                   |
| Issue of ordinary share capital                        | 100               |
| New long term bank loan                                | 335,000           |
| Repayment of long term bank loan                       | <u>(50,086)</u>   |
|                                                        | <u>285,014</u>    |

# Northgate Restaurants Limited

## Notes to the abbreviated financial statements for the period ended 31 December 2002

..... continued

### 20. Analysis of changes in net funds

|                          | Cash<br>flows    | Other<br>changes | Closing<br>balance |
|--------------------------|------------------|------------------|--------------------|
|                          | £                | £                | £                  |
| Cash at bank and in hand | 53,252           |                  | 53,252             |
| Debt due within one year | -                | (40,631)         | (40,631)           |
| Debt due after one year  | (284,914)        | 40,631           | (244,283)          |
|                          | (284,914)        | -                | (284,914)          |
| <b>Net funds</b>         | <b>(231,662)</b> | <b>-</b>         | <b>(231,662)</b>   |