

Unaudited Financial Statements Spirit of Thai Limited

For the year ended 31 December 2012

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COMPANIES HOUSE

Registered number: SC281349

Company Information

Director	Mr W M Lo
Company secretary	Mrs C C M Tong
Registered number	SC281349
Registered office	49 North Castle Street Edinburgh Midlothian EH2 3BG
Accountants	Grant Thornton UK LLP Chartered Accountants 7 Exchange Crescent Conference Square Edinburgh EH3 8AN
Bankers	HSBC Bank Plc 76 Hanover Street Edinburgh Midlothian EH2 1HQ

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Director's report

For the year ended 31 December 2012

The director presents his report and the financial statements for the year ended 31 December 2012.

Principal activities

The principal activity of the company during the year was that of a Thai restaurant.

Results and Dividends

There was a loss for the year of £81,328 (2011: £66,724).

The director does not recommend a dividend in the current or prior years.

Director

The director who served during the year and up to the date of signing this report was:

Mr W M Lo

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr W M Lo
Director

Date: 25th November 2013.



Chartered Accountant's Report to the Director on the Unaudited Statutory Financial Statements of Spirit of Thai Limited for the year ended 31 December 2012

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Spirit of Thai Limited for the year ended 31 December 2012 which comprise the Profit and loss account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

This report is made solely to the director of Spirit of Thai Limited in accordance with the terms of our engagement letter dated 14 September 2012. Our work has been undertaken solely to prepare for your approval the accounts of Spirit of Thai Limited and state those matters that we have agreed to state to the director of Spirit of Thai Limited in this report in accordance with the requirements of the Institute of Chartered Accountants in England and Wales, as detailed at www.icaew.com. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Spirit of Thai Limited and its director for our work or for this report.

It is your duty to ensure that Spirit of Thai Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Spirit of Thai Limited. You consider that Spirit of Thai Limited is exempt from the statutory audit requirement for the year ended 31 December 2012.

We have not been instructed to carry out an audit or review of the accounts of Spirit of Thai Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Edinburgh

Date: *29th November 2013.*

Profit and loss account

For the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	1	198,212	219,536
Cost of sales		<u>(63,019)</u>	<u>(68,785)</u>
Gross profit		135,193	150,751
Administrative expenses		<u>(216,520)</u>	<u>(217,473)</u>
Operating loss	2	(81,327)	(66,722)
Interest payable and similar charges		<u>(1)</u>	<u>(2)</u>
Loss on ordinary activities before taxation		(81,328)	(66,724)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
Loss for the financial year	8	<u>(81,328)</u>	<u>(66,724)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those in the Profit and loss account.

The notes on pages 6 to 12 form part of these financial statements.

Balance sheet

As at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	4		61,681		73,075
Current assets					
Stocks		3,000		3,000	
Debtors	5	1,699		7,408	
Cash at bank and in hand		633		135	
		<u>5,332</u>		<u>10,543</u>	
Creditors: amounts falling due within one year	6	<u>(457,722)</u>		<u>(392,999)</u>	
Net current liabilities			<u>(452,390)</u>		(382,456)
Net liabilities			<u>(390,709)</u>		<u>(309,381)</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss account	8		<u>(390,809)</u>		<u>(309,481)</u>
Shareholders' deficit	9		<u>(390,709)</u>		<u>(309,381)</u>

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing unaudited financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2012 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to unaudited financial statements, so far as applicable to the company.

The unaudited financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Balance sheet (continued)

As at 31 December 2012

The unaudited financial statements were approved and authorised for issue by the board and were signed on its behalf on 28th November 2013

Mr W M Lo
Director



The notes on pages 6 to 12 form part of these financial statements.

Notes to the unaudited financial statements

For the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008). These accounting policies have been consistently applied throughout the current and prior periods.

1.2 Going concern

The accounts have been prepared on the going concern basis which assumes that the company will continue to trade and meet its obligations as they fall due for at least 12 months from the date of approval of the financial statements.

The director recognises that the company relies on the financial support provided personally by the director.

The director has confirmed that he will continue to support the company for a period not less than 12 months from the date of approval of these financial statements. Accordingly, the director considers that it is appropriate to prepare these accounts on a going concern basis.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Improvements	-	5% on cost
Fixtures & Fittings	-	15% on cost
Kitchen Equipment	-	15% on cost
Computer Equipment	-	15% on cost

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.6 Stocks

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

1.7 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates enacted or substantially enacted at the balance sheet date.

Notes to the unaudited financial statements

For the year ended 31 December 2012

1. Accounting policies (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Operating loss

The operating loss is stated after charging:

	2012	2011
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	11,714	13,878
	<u>11,714</u>	<u>13,878</u>

During the year, no director received any emoluments (2011 - £NIL).

Notes to the unaudited financial statements

For the year ended 31 December 2012

3. Taxation

	2012 £	2011 £
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year in the UK is 24.5% (2011 - 26.49%). The differences are explained below:

	2012 £	2011 £
Loss on ordinary activities before tax	(81,328)	(66,724)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.49%)	(19,922)	(17,675)

Effects of:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	612	533
Capital allowances for year in excess of depreciation	1,723	2,523
Non qualifying depreciation	1,146	1,240
Losses	16,441	13,379

Current tax charge for the year

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Factors that may affect future tax charges

During the year, a reduction in the UK corporation tax rate to 23% from 1 April 2013 was substantively enacted in July 2012 and the relevant deferred tax balances have been calculated accordingly.

In addition to the reduction in the rate of corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget Statement. The main corporation tax rate is to be further reduced to 21% effective from 1 April 2014 and a further reduction is proposed to reduce the rate to 20% effective from 1 April 2015. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements.

Had the change in rate to 20% been substantively enacted as of the balance sheet date, there would have been no significant impact on these accounts.

Notes to the unaudited financial statements

For the year ended 31 December 2012

4. Tangible fixed assets

	Leasehold Property £	Fixtures & Fittings £	Kitchen Equipment £	Computer equipment £	Total £
Cost					
At 1 January 2012	93,585	23,058	31,278	6,990	154,911
Additions	-	-	320	-	320
At 31 December 2012	93,585	23,058	31,598	6,990	155,231
Depreciation					
At 1 January 2012	28,075	20,518	28,152	5,091	81,836
Charge for the year	4,679	2,540	3,446	1,049	11,714
At 31 December 2012	32,754	23,058	31,598	6,140	93,550
Net book value					
At 31 December 2012	60,831	-	-	850	61,681
At 31 December 2011	65,510	2,540	3,126	1,899	73,075

5. Debtors

	2012 £	2011 £
Trade debtors	619	115
Amounts owed by related parties	-	4,509
Prepayments	1,081	2,784
Other debtors	(1)	-
	<u>1,699</u>	<u>7,408</u>

6. Creditors:

Amounts falling due within one year

	2012 £	2011 £
Bank overdraft	1,454	4,038
Trade creditors	14,981	13,202
Amounts owed to related parties	425,280	361,945
Other taxation and social security	8,017	5,262
Accruals	7,162	8,552
Other creditors	828	-
	<u>457,722</u>	<u>392,999</u>

Notes to the unaudited financial statements

For the year ended 31 December 2012

7. Share capital

	2012 £	2011 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

8. Reserves

	Profit and loss account £
At 1 January 2012	(309,481)
Loss for the financial year	(81,328)
At 31 December 2012	(390,809)

9. Reconciliation of movement in shareholders' deficit

	2012 £	2011 £
Opening shareholders' deficit	(309,381)	(242,657)
Loss for the financial year	(81,328)	(66,724)
Closing shareholders' deficit	(390,709)	(309,381)

10. Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	2012 £	2011 £
Expiry date:		
Between 2 and 5 years	17,092	17,092

Notes to the unaudited financial statements

For the year ended 31 December 2012

11. Related party transactions

The company was under the control of its parent company, Sun Source Holdings Limited, a company registered in Hong Kong.

During the year, there was a loan of £71,300 (2011: £64,650) from Jasmine Holdings (Edinburgh) Limited, a company of which Mr W M Lo is a director. The company has made repayments of £43,650 (2011: £29,450) to Jasmine Holdings (Edinburgh) Limited during the year. The company also paid management fees of £14,400 (2011: £14,400) to Jasmine Holdings (Edinburgh) Limited. There were £3,281 (2011: £3,481) of expenses paid on behalf of the company by Jasmine Holdings (Edinburgh) Limited. £76,878 (2011: £88,470) was transferred from the loan account of Mrs C C M Tong, wife of director, Mr W M Lo, £NIL (2011: £12,790) was transferred to the loan account of Time 4 Thai Limited, and £NIL (2011: £2,000) was transferred to the loan account of R & G International Trading Limited. As at 31 December 2012, there was an outstanding balance of £285,628 (2011: £317,175) due to Jasmine Holdings (Edinburgh) Limited.

During the year, there were £70 of expenses (2011: £NIL) paid by Chilli Club Restaurant Limited, a company of which Mr W M Lo is a director. The outstanding balance of £70 (2011: £NIL) due from Chilli Club Restaurant Limited was transferred to the loan account of Mrs C C M Tong. As at 31 December 2012, there was a balance outstanding of £NIL (2011: £NIL) due from Chilli Club Restaurant Limited.

The company made payments of £210 (2011: £17,299) on behalf of Time 4 Thai Limited, a company of which Mr W M Lo is a director. There were £1,155 (2011: £NIL) of expenses paid on behalf of the company by Time 4 Thai Limited. The outstanding balance of £3,564 (2011: £12,790) due from Time 4 Thai Limited as at 31 December 2012 was transferred to the loan account of Mrs C C M Tong. There was an outstanding amount of £NIL (2011: £4,509) due from Time 4 Thai Limited as at 31 December 2012.

The company paid expenses of £70 (2011: £NIL) on behalf of Thai Lemongrass Limited of which Mr W M Lo is the company director. The outstanding balance of £70 (2011: £NIL) was transferred to the loan account of Mrs C C M Tong. The amount outstanding as at 31 December 2012 was £NIL (2011: £NIL).

The company paid expenses of £70 (2011: £NIL) on behalf of Greentea Restaurant Limited of which Mr W M Lo is the company director. The outstanding balance of £70 (2011: £NIL) was transferred to the loan account of Mrs C C M Tong. The amount outstanding as at 31 December 2012 was £NIL (2011: £NIL).

The company paid expenses of £70 (2011: £NIL) on behalf of Leven's Restaurant Limited of which Mr W M Lo is the company director. The outstanding balance of £70 (2011: £NIL) was transferred to the loan account of Mrs C C M Tong. The amount outstanding as at 31 December 2012 was £NIL (2011: £NIL).

A loan of £NIL (2011: £2,000) was extended to R & G International Trading Limited, a company of which Mr W M Lo's wife, Mrs C C M Tong is the director. The outstanding balance of £NIL (2011: £2,000) due from R&G International Trading Limited as at 31 December 2012 was transferred to the loan account of Jasmine Holdings (Edinburgh) Limited. The amount outstanding as at 31 December 2012 was £NIL (2011: £NIL).

During the year, the wife of director, Mr W M Lo, Mrs C C M Tong extended a loan of £253,507 (2011: £119,000) to the company during the year and the company made repayments of £69,850 (2011: £87,830). The company also paid expenses of £15,741 (2011: £6,061) on behalf of Mrs C C M Tong. During the year £76,878 (2011: £88,470) due to Mrs C C M Tong was transferred to the Jasmine Holdings (Edinburgh) Limited account. £70 (2011: £NIL) was transferred from the loan account of Chilli Club Restaurant Limited, £70 (2011: £NIL) was transferred from the loan account of Thai Lemongrass Limited, £70 (2011: £NIL) was transferred from the loan account Greentea Restaurant Limited, £70 (2011: £NIL) was transferred from the loan account of Leven's Restaurant Limited and £3,564 (2011: £NIL) was transferred from the loan account of Time 4 Thai. As at 31 December 2012 £139,652 (2011: £44,770) was due to Mrs

Notes to the unaudited financial statements

For the year ended 31 December 2012

11. Related party transactions (continued)

C C M Tong.

No other transactions with related parties were undertaken such as are required to be disclosed under FRSSE (effective April 2008).

12. Ultimate controlling party

The ultimate controlling party is Mr W M Lo.