

Company Registration No. SC303513 (Scotland)

G Crolla and Family Limited

Directors' report and financial statements

for the period ended 31 May 2016

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G Crolla and Family Limited

Company information

Directors	Antonio Crolla Concetta Immacolata
Secretary	Concetta Immacolata
Company number	SC303513
Registered office	30 Edina Place Edinburgh EH7 5RR
Auditor	Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
Bankers	NatWest 8 George Street Edinburgh EH2 2SB Bank of Scotland 206 St John's Road Edinburgh EH12 8SH Royal Bank of Scotland Edinburgh West End Office 142-144 Princes Street Edinburgh EH2 4EQ
Solicitors	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL

G Crolla and Family Limited

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G Crolla and Family Limited

Strategic report

for the period ended 31 May 2016

The directors present the strategic report and financial statements for the period ended 31 May 2016.

Review of the business and key performance indicators

Turnover per month has decreased slightly due to three of the restaurants being leased out to an external operator at the end of the year.

The gross profit percentage has increased slightly from 67% to 70%. Gross margins remain under pressure in the current year due to rising food prices and competition in the Edinburgh market. However, the directors are pleased to have maintained the overall gross profit.

The EBITDA achieved in the current period was £868,759, compared to £490,280 in the previous period.

The directors look forward to continued profitability shown in the annexed financial statements.

Principal risks and uncertainties

The company continues to finance its operations principally from retained profits, supplemented by long-term bank borrowings to fund capital expenditure.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of external borrowings with the future cash flows expected to arise from the company's trading activities.

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets liabilities, financial position and profit or loss of the company.

On behalf of the board



Antonio Crolla

Director

21 December 2016

G Crolla and Family Limited

Directors' report

for the period ended 31 May 2016

The directors present their report and financial statements for the period ended 31 May 2016.

Results and dividends

The results for the period are set out on page 5.

Directors

The following directors have held office since 1 December 2014:

Giorgio Crolla	(Deceased 13 November 2015)
Antonio Crolla	(Appointed 16 November 2015)
Concetta Immacolata	(Appointed 16 November 2015)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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;
- 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 of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Antonio Crolla

Director

21 December 2016

G Crolla and Family Limited

Independent auditor's report

to the members of G Crolla and Family Limited

We have audited the financial statements of G Crolla and Family Limited for the period ended 31 May 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 an auditor's report 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Annual Report 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 May 2016 and of its profit 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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

G Crolla and Family Limited

Independent auditor's report (continued)

to the members of G Crolla and Family 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.



Andrew Niblock (Senior Statutory Auditor)
for and on behalf of Henderson Loggie

21 December 2016

Chartered Accountants
Statutory Auditor

34 Melville Street
Edinburgh
EH3 7HA

G Crolla and Family Limited

Profit and loss account

for the period ended 31 May 2016

	Notes	18 month period ended 31 May 2016 £	Year ended 30 November 2014 £
Turnover	2	4,559,356	3,086,410
Cost of sales		(1,391,153)	(1,032,189)
Gross profit		3,168,203	2,054,221
Administrative expenses		(2,994,092)	(1,830,345)
Other operating income		419,300	74,535
Operating profit	3	593,411	298,411
Other interest receivable and similar income	4	9,471	-
Interest payable and similar charges	5	(46,380)	(35,965)
Profit on ordinary activities before taxation		556,502	262,446
Tax on profit on ordinary activities	6	(121,947)	(77,376)
Profit for the period	17	434,555	185,070

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

G Crolla And Family Limited**Balance sheet****as at 31 May 2016**

	Notes	2016 £	£	2014 £	£
Fixed assets					
Tangible assets	8 & 9		4,436,187		4,692,508
Current assets					
Stocks	11	7,126		58,910	
Debtors	10	463,489		567,901	
Cash at bank and in hand		367,537		20,097	
		838,152		646,908	
Creditors: amounts falling due within one year	12	(484,386)		(694,865)	
Net current assets/(liabilities)			353,766		(47,957)
Total assets less current liabilities			4,789,953		4,644,551
Creditors: amounts falling due after more than one year	13		(722,187)		(766,263)
Provisions for liabilities	14		-		(28,215)
			4,067,766		3,850,073
Capital and reserves					
Called up share capital	16		103		103
Share premium account	17		2,824,124		2,824,124
Revaluation reserve	17		(18,391)		-
Profit and loss account	17		1,261,930		1,025,846
Shareholders' funds	18		4,067,766		3,850,073

Approved by the Board and authorised for issue on 21 December 2016

Antonio Crolla
Director

Company Registration No. SC303513

G Crolla and Family Limited

Cash flow statement

for the period ended 31 May 2016

		18 Month Period ended 31 May 2016		Year ended 30 November 2014	
	Notes	£	£	£	£
Net cash inflow from operating activities	23		777,113		490,140
Returns on investments and servicing of finance					
Interest received		9,471		-	
Interest paid		(46,380)		(35,965)	
Net cash outflow for returns on investments and servicing of finance			(36,909)		(35,965)
Taxation			(22,388)		(79,456)
Capital expenditure					
Payments to acquire tangible assets		(64,794)		(143,885)	
Net cash outflow for capital expenditure			(64,794)		(143,885)
Equity dividends paid			(198,471)		(74,000)
Net cash inflow before management of liquid resources and financing			454,551		156,834
Financing					
New long term bank loan		60,000		-	
Repayment of long term bank loan		(103,688)		(119,258)	
Repayment of other short term loans		(57,845)		-	
Capital element of hire purchase contracts		(5,578)		(2,420)	
Net cash outflow from financing			(107,111)		(121,678)
Increase in cash in the period	24, 25		347,440		35,156

G Crolla and Family Limited

Notes to the financial statements

for the period ended 31 May 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The financial statements have been prepared on the going concern basis. The directors have carefully considered the current trading of the business and the financial and other resources available to the company and believe preparing the accounts on this basis is appropriate.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents food and beverage sales during the year net of VAT and discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% - 25% straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.6 Investments

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

1.7 Stock

Stock, which comprises wet and dry commodities, is valued at the lower of costs and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises the purchase cost of wet and dry commodities.

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

1 Accounting policies (continued)

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.9 Taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	£	2014 £
Operating profit is stated after charging:		
Depreciation of tangible assets	275,347	191,869
Loss on disposal of tangible assets	34,378	-
Operating lease rentals	59,103	9,600
	<u> </u>	<u> </u>

Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	4,630	4,400
Tax services	1,675	1,450
	<u> </u>	<u> </u>
	6,305	5,850
	<u> </u>	<u> </u>

4 Investment income

	£	2014 £
Interest received on intercompany balances	9,471	-
	<u> </u>	<u> </u>

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

5	Interest payable		2014
		£	£
	On other loans wholly repayable within five years	44,927	34,885
	Hire purchase interest	1,453	1,080
		<u>46,380</u>	<u>35,965</u>

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

6 Taxation	2014	
	£	£
Domestic current year tax		
U.K. corporation tax	151,176	63,301
Total current tax	151,176	63,301
Deferred tax		
Origination and reversal of timing differences	(27,886)	14,075
Effects of changes in tax rates and laws	(1,343)	-
	(29,229)	14,075
	121,947	77,376
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	556,502	262,446
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2014 - 22%)	111,300	56,846
Effects of:		
Non deductible expenses	150	43
Depreciation add back	36,527	-
Capital allowances	-	11,331
Chargeable disposals	6,876	-
Other tax adjustments	(3,678)	(4,919)
	39,875	6,455
Current tax charge for the period	151,175	63,301
<i>Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.</i>	1	-
7 Dividends		2014
	£	£
Ordinary final paid	198,471	74,000

G Crolla and Family Limited**Notes to the financial statements (continued)****for the period ended 31 May 2016****8 Tangible fixed assets**

	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 December 2014	5,072,406	484,710	35,640	5,592,756
Transfers to investment properties	(3,911,733)	(151,294)	-	(4,063,027)
Additions	-	62,594	9,200	71,794
Disposals	-	(47,522)	-	(47,522)
At 31 May 2016	1,160,673	348,488	44,840	1,554,001
Depreciation				
At 1 December 2014	652,906	231,786	15,555	900,247
Transfers to investment properties	(713,442)	(61,194)	-	(774,636)
On disposals	-	(13,144)	-	(13,144)
Charge for the period	145,653	115,466	14,228	275,347
At 31 May 2016	85,117	272,914	29,783	387,814
Net book value				
At 31 May 2016	1,075,556	75,574	15,057	1,166,187
At 30 November 2014	4,419,499	252,924	20,085	4,692,508

G Crolla and Family Limited

Notes to the financial statements (continued) for the period ended 31 May 2016

8 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 May 2016	13,276
At 30 November 2014	12,076
Depreciation charge for the period	
At 31 May 2016	8,000
At 30 November 2014	3,937

9 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 December 2014	-
Additions	3,288,391
Revaluation	(18,391)
At 31 May 2016	3,270,000
Net book value	
At 31 May 2016	3,270,000
At 30 November 2014	-

The valuations of investment properties were made as at 29 March 2016 by Donald Cameron BSc MRICS, RICS, from Graham & Sibbald, Chartered Surveyors, on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £4,063,027 (2014 - £4,044,515), and aggregate depreciation of £774,636 (2014 - £626,182).

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

10 Debtors	2014
	£
Trade debtors	18,000
Amounts owed by participating interests	275,027
Other debtors	125,895
Prepayments and accrued income	43,553
Deferred tax asset (see note 14)	1,014
	<u>463,489</u>

Other debtors includes directors loan account of £nil (2014: £107,889) owed to the company by G Crolla. The balance was unsecured, interest free and repayable on demand. £120,291 (2014: £108,389) was the maximum overdrawn balance during the year. At the year end there was balance due to G Crolla of £8,735 which is included within creditors.

11 Stocks	2014
	£
Raw materials and consumables	374
Finished goods and goods for resale	6,752
	<u>7,126</u>

12 Creditors: amounts falling due within one year	2014
	£
Bank loans and overdrafts	86,739
Net obligations under hire purchase contracts (secured)	4,515
Trade creditors	62,106
Amounts owed to participating interests	2,664
Corporation tax	192,088
Other taxes and social security costs	72,631
Directors' current accounts	8,735
Other creditors	1,751
Accruals and deferred income	53,157
	<u>484,386</u>

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

13 Creditors: amounts falling due after more than one year	£	2014 £
Bank loans	715,156	758,844
Net obligations under hire purchase contracts (secured)	7,031	7,419
	<u>722,187</u>	<u>766,263</u>
Analysis of loans		
Wholly repayable within five years	801,895	903,427
	<u>801,895</u>	<u>903,427</u>
Included in current liabilities	(86,739)	(144,583)
	<u>715,156</u>	<u>758,844</u>
Loan maturity analysis		
In more than one year but not more than two years	76,031	55,580
In more than two years but not more than five years	188,903	146,905
In more than five years	450,222	556,359
	<u>715,156</u>	<u>1,258,844</u>

The company has three bank loans with Natwest with principal amounts of £440,000, £440,000 and £60,000 respectively.

The first two loans have interest rates of 2.5% above base and 4.08%, are repayable in instalments until 31 December 2028 and are secured by a bond and floating charge and standard securities over the company's properties.

The third loan has an interest rate of 2.0% above base and is repayable by 31 December 2017 and is not secured.

Net obligations under hire purchase contracts

Repayable within one year	4,515	2,705
Repayable between one and five years	7,031	7,419
	<u>11,546</u>	<u>10,124</u>
Included in liabilities falling due within one year	(4,515)	(2,705)
	<u>7,031</u>	<u>7,419</u>

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

14 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	£
Balance at 1 December 2014	28,215
Profit and loss account	(29,229)
	<u> </u>
Balance at 31 May 2016	<u><u>(1,014)</u></u>

	£	2014 £
(Decelerated)/accelerated capital allowances	<u><u>(1,014)</u></u>	<u><u>28,215</u></u>

15 Retirement benefits

	£	2014 £
Contributions payable by the company for the period	<u><u>17,344</u></u>	<u><u>-</u></u>

16 Share capital

	£	2014 £
Allotted, called up and fully paid		
12 Ordinary shares of £1 each	12	12
90 Deferred shares of £1 each	90	90
1 B Ordinary shares of £1 each	1	1
	<u> </u>	<u> </u>
	<u><u>103</u></u>	<u><u>103</u></u>

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

17 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 December 2014	2,824,124	-	1,025,846
Profit for the period	-	-	434,555
Dividends paid	-	-	(198,471)
Revaluation during the period	-	(18,391)	-
Balance at 31 May 2016	2,824,124	(18,391)	1,261,930

18 Reconciliation of movements in shareholders' funds

	£	2014 £
Profit for the financial period	434,555	185,070
Dividends	(198,471)	(74,000)
	236,084	111,070
Other recognised gains and losses	(18,391)	-
Net addition to shareholders' funds	217,693	111,070
Opening shareholders' funds	3,850,073	3,739,003
Closing shareholders' funds	4,067,766	3,850,073

19 Financial commitments

At 31 May 2016 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2017:

	Land and buildings £	2014 £
Operating leases which expire:		
Within one year	4,800	4,800

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

20 Directors' remuneration		2014
	£	£
Remuneration for qualifying services	13,675	7,801

21 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	Number	2014 Number
Number of distribution staff	80	79
Number of administrative staff	5	6
	85	85

Employment costs

	£	2014 £
Wages and salaries	1,766,631	1,103,846
Social security costs	114,303	72,529
Other pension costs	17,344	-
	1,898,278	1,176,375

22 Control

In the opinion of the director, the company has no ultimate controlling party.

G Crolla and Family Limited

Notes to the financial statements (continued)

for the period ended 31 May 2016

23	Reconciliation of operating profit to net cash inflow from operating activities				2014
			£		£
	Operating profit		593,411		298,411
	Depreciation of tangible assets		275,347		191,869
	Loss on disposal of tangible assets		34,378		-
	Decrease/(increase) in stocks		51,784		(16,431)
	Decrease/(increase) in debtors		105,426		(54,382)
	(Decrease)/Increase in creditors within one year		(283,233)		70,673
	Net cash inflow from operating activities		777,113		490,140

24	Analysis of net debt	1 December 2014	Cash flow	Other non-cash changes	31 May 2016
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	20,097	347,440	-	367,537
	Debt:				
	Finance leases	(10,124)	5,578	(7,000)	(11,546)
	Debts falling due within one year	(144,583)	57,844	-	(86,739)
	Debts falling due after one year	(758,844)	43,688	-	(715,156)
		(913,551)	107,110	(7,000)	(813,441)
	Net debt	(893,454)	454,550	(7,000)	(445,904)

25	Reconciliation of net cash flow to movement in net debt				2014
				£	£
	Increase in cash in the period			347,440	35,156
	Cash outflow from decrease in debt and lease financing			107,110	121,678
	Change in net debt resulting from cash flows			454,550	156,834
	New finance lease			(7,000)	-
	Movement in net debt in the period			447,550	156,834
	Opening net debt			(893,454)	(1,050,288)
	Closing net debt			(445,904)	(893,454)

G Crolla and Family Limited

Notes to the financial statements (continued) for the period ended 31 May 2016

26 Related party relationships and transactions

Amounts owed by related undertakings within debtors comprise £40,374 (2014: £32,120) owed by A & A Crolla Partnership, £17,862 (2014: £14,438) owed by Crolla Trust for Grandchildren, £173,179 (2014: £211,945) owed by Madogs Limited, and £44,069 (2014: £32,561) owed by A Crolla & Son Catering Limited.

In the period, Madogs Limited was charged a management fee of £9,000 (2014: £6,000). Other amounts represent repayments of amounts due less other costs incurred on behalf of the relevant parties. In addition £2,800 (2014: £14,400) of rent was charged by A Crolla & Son Catering Limited and £9,471 (2014: £nil) of interest was received from Madogs Limited.

Amounts owed to related undertakings within creditors comprises £2,664 (2014: £25,164) owed to The Crolla Property Partnership.

In the period, The Crolla Property Partnership had management charges of £18,750 (2014: £12,500) made by G Crolla and Family Limited during the year.

A Crolla is a shareholder in G Crolla and Family Limited and a partner in A & A Crolla Partnership.

All amounts owed are unsecured, interest free and repayable on demand.