
CARIOCCA ENTERPRISES (MANCHESTER) LTD

REGISTERED NUMBER - 02055002

ABBREVIATED BALANCE SHEET

AND AUDITORS REPORT

AS AT 30 NOVEMBER 1994



CARIOCCA ENTERPRISES (MANCHESTER) LTD

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30 November 1994

CONTENTS

	Page
Auditors' report	1
Abbreviated balance sheet	2
Notes on abbreviated financial statements	3

CARIOCCA ENTERPRISES (MANCHESTER) LTD**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**

**Auditors' report to the directors of Cariocca Enterprises (Manchester) Ltd
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 3c together with the full financial statements of Cariocca Enterprises (Manchester) Ltd for the year ended 30 November 1994. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30 November 1994 and the abbreviated financial statements on pages 2 to 3c have been properly prepared in accordance with that Schedule.

On 17th May 1995 we reported as auditors of Cariocca Enterprises (Manchester) Ltd , to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1994 and our audit report was as follows:

'We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

continued

CARIOCCA ENTERPRISES (MANCHESTER) LTD

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to the directors of Cariocca Enterprises (Manchester) Ltd
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

Fundamental Uncertainty

We would draw attention to notes 2(b) and 2(c).

As stated in note 2(b) the charge for rent payable by the company, which has been included in these financial statements in the sum of £9,032, has been calculated in accordance with the terms of a draft rental agreement between Manchester City Council (the landlord) and the company. The inclusion of rent based on draft agreements has contributed to the company's balance sheet showing an excess of liabilities over current assets. Continual efforts by both parties have so far failed to produce a mutually acceptable agreement. Should the company be successful in securing a more favourable basis for calculating the amount of rent payable to the landlord, then the results for this and previous years, as disclosed in the profit and loss account, would need to be adjusted. It is not possible at present to quantify the amount by which the profit and loss account would be adjusted.

The company's balance sheet shows an excess of liabilities over assets due mainly to the inclusion of provisions for the maximum rent payable as explained above.

The financial statements have been prepared on a going concern basis which assumes that funds will be obtained to cover the excess of current liabilities over current assets or that the provisions for rent will be significantly reduced. No such funds have been put into place at the date of this report, nor can provisions for rent be reduced until a lease agreement is signed, and it is therefore uncertain whether the company will be able to settle its debts as and when they fall due. Should such funds not be obtained or rental provisions not reduced significantly, then adjustments would have to be made to the values at which the assets and liabilities are disclosed in the balance sheet as at 30th November 1994. It is not possible at this stage to quantify the amounts of any such adjustments because of the uncertainty.

The company is prohibited by its Memorandum and Articles of Association from making a distribution. There are therefore no circumstances in which the amount of any distribution could be affected by the above matters.

Our opinion is not qualified in these respects.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Thomson Morley Jackson & Co

Brook House
64-72 Spring Gardens
Manchester
M2 2BQ

Thomson Morley Jackson & Co.
Registered Auditors
Certified Accountants

17th May 1995

CARIOCCA ENTERPRISES (MANCHESTER) LTD

ABBREVIATED BALANCE SHEET

at 30 November 1994

	Note	£	1994	£	£	1993	£
Fixed assets							
Tangible assets	2		1,871,136			1,892,713	
Current assets							
Debtors	3	33,361			35,708		
Cash at bank and in hand		92,055			79,492		
			125,416			115,200	
Creditors: amounts falling due within one year			(375,340)			(375,737)	
Net current liabilities			(249,924)			(260,537)	
Total assets less current liabilities			1,621,212			1,632,176	
Creditors: amounts falling due after more than one year	4		(1,751,820)			(1,771,406)	
			(130,608)			(139,230)	
Capital and reserves							
Profit and loss account			(130,608)			(139,230)	
Total shareholders' funds			(130,608)			(139,230)	

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The abbreviated financial statements on pages 2 to 3c were approved by the board of directors on 17th May 1995.

F J Kuhne
Director



CARIOCCA ENTERPRISES (MANCHESTER) LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 1994

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	1% Straight Line
Fixtures and fittings	20% Reducing Balance

Grants

Government grants received in respect of fixed assets are treated as deferred income and included in creditors. A portion of such grants deferred, equivalent to the depreciation charge for such fixed assets, is released to the profit and loss account annually. All other grants are included in the profit and loss account as and when received.

2 Fixed assets

Cost or valuation	Tangible fixed assets £
30 November 1993	1,986,650
Additions	335
	<hr/>
30 November 1994	1,986,985
	<hr/>
Depreciation	
30 November 1993	93,937
Charge for year	21,913
	<hr/>
30 November 1994	115,849
	<hr/>
Net book amount	
30 November 1994	1,871,136
	<hr/> <hr/>
30 November 1993	1,892,713
	<hr/> <hr/>

CARIOCCA ENTERPRISES (MANCHESTER) LTD
NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 1994

3 Debtors

	1994 £	1993 £
Amounts falling due within one year	<u>33,361</u>	<u>35,708</u>

4 Creditors: amounts falling due
after more than one year

	1994 £	1993 £
Grants received and deferred	<u>1,751,820</u>	<u>1,771,406</u>
	<u>1,751,820</u>	<u>1,771,406</u>

Grants deferred will be released to the profit and loss account as follows:

- within five years	78,346	78,346
- in more than five years	<u>1,673,474</u>	<u>1,693,060</u>
	<u>1,751,820</u>	<u>1,771,406</u>

5 Capital

The company is Limited by guarantee.

CARIOCCA ENTERPRISES (MANCHESTER) LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 1994

6 Rent Payable

These are notes 2(b) and 2(c) in the full statutory financial statements.

- (a) Provision has been made in these (and earlier) financial statements for the amount of rent payable by the company to its landlord, Manchester City Council. The provisions have been based upon a draft rental agreement, the terms of which are still being negotiated. A new draft agreement is in issue at the present time. The provisions of this new agreement have been used to calculate the provisions for rent included within these accounts. The provision brought forward in respect of previous years has not been amended in line with the new agreement since no provision is made within the new agreement for the re-calculation of previous years' rents.

The directors are firmly of the opinion that the amount of rent calculated in accordance with the terms of the first draft agreement is excessive and that the company would be rendered insolvent were it to accept the rental agreement in that form. For this reason payments in good faith only have been made to Manchester City Council, but the full potential liability in respect of earlier years has been accounted for.

Negotiations between the company and Manchester City Council have taken place over the last four years in an attempt to find a mutually acceptable method of calculating the amount of rent payable. So far, these negotiations have not resulted in agreement, although they continue and, it is hoped, will be concluded in the near future.

The directors believe that they have no choice but to provide for rent payable in accordance with the draft agreements, even though the provisions for earlier years have a significant and adverse effect on the company's liquidity and are not in accordance with the directors' original understanding of the proposed terms.

- (b) IT IS THE INTENTION OF THE DIRECTORS TO FILE REVISED ACCOUNTS FOR THE YEAR ENDED 30TH NOVEMBER 1994 ONCE THE BASIS FOR CALCULATING RENT PAYABLE HAS BEEN AGREED BY BOTH PARTIES.