

## FINANCIAL STATEMENTS

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25/06/02

# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED NOVEMBER 30 2001**

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# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **The board of directors**

A Bell  
R Caesar  
L A Da-Cocodia  
R De  
A Durrant  
F D J Frederick  
J Gibson  
N H Mahon  
C S Malabre  
S Mohindra  
A Thompson

### **Company secretary**

R Caesar

### **Registered office**

Cariocca Enterprise Park  
2 Hellidon Close  
Ardwick  
Manchester  
M12 4AH

### **Auditors**

Chittenden Horley  
Chartered Accountants  
& Registered Auditors  
456 Chester Road  
Old Trafford  
Manchester  
M16 9HD

### **Bankers**

National Westminster Bank Plc  
280 Claremont Road  
Moss Side  
Manchester  
M14 4EP

Citibank International Plc  
Global Consumer Banking  
PO Box 5350  
Hammersmith Grove  
London  
W6 0WT

Co-operative Bank Plc  
1 Balloon Street  
Manchester  
M60 4EP

# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED NOVEMBER 30 2001**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended November 30 2001.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is to undertake programmes, projects and schemes for the benefit of the community of the inner city areas of Manchester. It achieves this through the operation of managed workspace at the Cariocca Enterprise Park and at Varley Street and the provision of office services to its tenants.

During the past two years the company has been involved in the set up and opening of the second business park, Varley Street. This opened in April 2001, and is expected to breakeven in the next financial year.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

A Bell  
R Caesar  
L A Da-Cocodia  
R De  
A Durrant  
F D J Frederick  
J Gibson  
N H Mahon  
C S Malabre  
S Mohindra  
A Thompson  
S Avery

(Resigned 20 June 2001)

#### **DIRECTORS' RESPONSIBILITIES**

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 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. The directors 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.

# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED NOVEMBER 30 2001**

### **DONATION**

During the year the company made a donation of £70,000 out of accumulated reserves to the Cariocca Education Trust, a company limited by guarantee and a registered charity.

### **AUDITORS**

A resolution to re-appoint Chittenden Horley as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



R CAESAR  
Company Secretary

Approved by the directors on ..... **MAY 30 2002** .....

# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **AUDITORS' REPORT TO THE MEMBERS**

**YEAR ENDED NOVEMBER 30 2001**

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 7.

### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 2, 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.

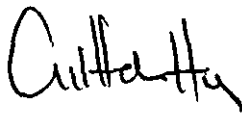
### **BASIS OF AUDIT OPINION**

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 November 30 2001 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



CHITTENDEN HORLEY  
Chartered Accountants  
& Registered Auditors

456 Chester Road  
Old Trafford  
Manchester  
M16 9HD

Date: JUNE 21 2002

# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED NOVEMBER 30 2001**

	Note	2001 £	2000 £
<b>TURNOVER</b>		<b>361,746</b>	<b>315,740</b>
Cost of sales		<b>26,368</b>	<b>24,983</b>
<b>GROSS PROFIT</b>		<b>335,378</b>	<b>290,757</b>
Administrative expenses		<b>430,114</b>	<b>275,021</b>
Other operating income		<b>17,713</b>	<b>9,371</b>
<b>OPERATING (LOSS)/PROFIT</b>	<b>2</b>	<b>(77,023)</b>	<b>25,107</b>
Interest receivable		<b>5,254</b>	<b>9,360</b>
Interest payable and similar charges		<b>608</b>	<b>3,325</b>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(72,377)</b>	<b>31,142</b>
Tax on (loss)/profit on ordinary activities	<b>3</b>	<b>231</b>	<b>5,500</b>
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>(72,146)</b>	<b>25,642</b>
Balance brought forward		<b>148,851</b>	<b>123,209</b>
Balance carried forward		<b>76,705</b>	<b>148,851</b>

The notes on pages 8 to 14 form part of these financial statements.

# CARIOCCA ENTERPRISES (MANCHESTER) LIMITED


## BALANCE SHEET

NOVEMBER 30 2001

	Note	2001	2000
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	4	1,781,247	1,785,503
<b>CURRENT ASSETS</b>			
Debtors	5	12,428	14,560
Cash at bank and in hand		139,698	200,394
		<u>152,126</u>	<u>214,954</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>(106,218)</u>	<u>(86,180)</u>
<b>NET CURRENT ASSETS</b>		<b>45,908</b>	<b>128,774</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,827,155</b>	<b>1,914,277</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	7	(1,073)	(1,304)
<b>ACCRUALS &amp; DEFERRED INCOME</b>			
Capital grants	8	(1,749,377)	(1,764,122)
		<u>76,705</u>	<u>148,851</u>
<b>RESERVES</b>	11		
Profit and Loss Account		<u>76,705</u>	<u>148,851</u>
<b>MEMBERS' FUNDS</b>		<u>76,705</u>	<u>148,851</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on **MAY 30 2002** and are signed on their behalf by:

  
F D J FREDERICK - DIRECTOR

The notes on pages 8 to 14 form part of these financial statements.



# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED NOVEMBER 30 2001**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Long Leasehold Property	- 1% straight line over the life of the lease
Short leasehold property	- 4% per annum from March 1 2001
Security Equipment	- 20% reducing balance
Fixtures & Fittings	- 20% reducing balance

Depreciation is not charged unless the assets have been brought into use before the end of the financial year.

#### **Operating lease agreements**

Operating lease rentals (where substantially all of the benefits and risks of ownership remain with the lessor) are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company makes defined contributions to the employees personal pension schemes and these contributions are charged to the profit and loss account in the period they are due.

#### **Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

#### **Grants**

Grants on capital expenditure are credited to a deferred income account and are released to revenue over the expected useful life of the relevant asset in proportion to the depreciation charged.

# CARIOCCA ENTERPRISES (MANCHESTER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30 2001

### 2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2001 £	2000 £
Directors' emoluments	-	-
Staff pension contributions	3,318	2,611
Amortisation of capital grants re fixed assets	(27,498)	(19,416)
Depreciation	35,694	22,455
Loss on disposal of fixed assets	3,903	-
Auditors' fees	1,000	870
	<u>          </u>	<u>          </u>

### 3. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax based on the results for the year at -% (2000 - 18.40%)	-	5,144
(Decrease)/Increase in deferred tax provision		
Capital allowances (Note 7):	(231)	365
	<u>(231)</u>	<u>5,509</u>
Adjustment in respect of previous years:		
Corporation Tax	-	(9)
	<u>(231)</u>	<u>5,500</u>

# CARIOCCA ENTERPRISES (MANCHESTER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30 2001

### 4. TANGIBLE FIXED ASSETS

	Long leasehold Property £	Short Leasehold Property £	Security Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>					
At 1 December 2000	1,941,631	1,944	40,157	53,881	2,037,613
Additions	-	-	29,994	5,942	35,936
Disposals	-	-	(22,987)	(823)	(23,810)
<b>At November 30 2001</b>	<b>1,941,631</b>	<b>1,944</b>	<b>47,164</b>	<b>59,000</b>	<b>2,049,739</b>
<b>DEPRECIATION</b>					
At 1 December 2000	210,170	-	19,312	22,628	252,110
Charge for the year	19,416	58	9,433	6,787	35,694
On disposals	-	-	(19,312)	-	(19,312)
<b>At November 30 2001</b>	<b>229,586</b>	<b>58</b>	<b>9,433</b>	<b>29,415</b>	<b>268,492</b>
<b>NET BOOK VALUE</b>					
<b>At November 30 2001</b>	<b>1,712,045</b>	<b>1,886</b>	<b>37,731</b>	<b>29,585</b>	<b>1,781,247</b>
At November 30 2000	1,731,461	1,944	20,845	31,253	1,785,503

### 5. DEBTORS

	2001 £	2000 £
Trade debtors	5,622	4,641
Other debtors	-	3,611
Prepayments and accrued income	6,806	6,308
	<b>12,428</b>	<b>14,560</b>

# CARIOCCA ENTERPRISES (MANCHESTER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30 2001

### 6. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	2,671	-
Trade creditors	8,032	5,026
Other creditors including:		
Corporation Tax	123	5,091
Social security & other taxes	11,438	11,688
Other creditors	63,045	48,338
	<u>74,576</u>	<u>65,117</u>
Accruals	20,939	16,037
	<u>106,218</u>	<u>86,180</u>

### 7. DEFERRED TAXATION

	2001	2000
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	1,304	939
(Decrease)/increase in provision	(231)	365
Provision carried forward	<u>1,073</u>	<u>1,304</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2001	2000
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>1,073</u>	<u>1,304</u>

# CARIOCCA ENTERPRISES (MANCHESTER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30 2001

### 8. CAPITAL GRANTS

	2001 £	2000 £
<b>Received and receivable:</b>		
At 1 December 2000	1,800,654	1,767,994
Receivable during year	12,753	32,660
At November 30 2001	<u>1,813,407</u>	<u>1,800,654</u>
<b>Amortisation:</b>		
At 1 December 2000	36,532	17,116
Credit to profit and loss account	27,498	19,416
At November 30 2001	<u>64,030</u>	<u>36,532</u>
Net balance at November 30 2001	<u>1,749,377</u>	<u>1,764,122</u>

### 9. COMMITMENTS UNDER OPERATING LEASES

At November 30 2001 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2001 £	2000 £
Operating leases which expire:		
After more than 5 years	<u>42,500</u>	<u>42,500</u>

In addition to the basic rent of £42,500 the company is committed to paying an additional variable rent depending on the level of its profits. The variable rent is calculated using the profit before basic rent and corporation tax and after adjusting for certain expenses and income. The rate of variable rent is set at 50% of the profit, as adjusted, over £50,000. The basic rent is subject to review every 5 years. The last review took place in the year, but the basic rent remained unchanged.

During the year the company signed a twenty-five year lease for the Varley Street premises. This provides for an initial rent of one peppercorn per annum, until February 28 2006. and thereafter a variable rent, based on the profit deriving from the Varley Street operation before corporation tax and after adjusting for certain items. This variable rent is set at 30% of the profit as adjusted

# **CARIOCCA ENTERPRISES (MANCHESTER) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED NOVEMBER 30 2001**

### **10. RELATED PARTY TRANSACTIONS**

The following directors are all directors of Cariocca Training Limited, a registered charity which rents premises from the company on normal commercial terms at £371 per month. The directors in common are, Bell, Da-Cocodia, Frederick, and Mahnon. The directors do not receive any personal benefit from this transaction.

### **11. COMPANY LIMITED BY GUARANTEE**

The Company is limited by guarantee and does not have a share capital. In the event of winding up the members are committed to contributing one pound each. At the year-end there were 11 members (2000 12).