

# Financial Statements

## The American Italian Restaurant Group Limited

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For the Period Ended 31 December 2016

Registered number: 09577335

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**The American Italian Restaurant Group Limited**

## Company Information

<b>Directors</b>	Sir F H Mackay P A Sakal B H C Watson
<b>Company secretary</b>	B H C Watson
<b>Registered number</b>	09577335
<b>Registered office</b>	Devon House Anchor Street Chelmsford Essex CM2 0GD
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 80 Compair Crescent Ipswich Suffolk IP2 0EH

**The American Italian Restaurant Group Limited**

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## **The American Italian Restaurant Group Limited**

# **Directors' Report**

**For the Period Ended 31 December 2016**

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

### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Going concern**

The financial statements show the company with net current liabilities and net liabilities. The shareholder has pledged not to call in amounts due to him or entities under his ultimate control if to do so would affect the ability of the company to continue to meet its other liabilities as they fall due, and to continue to offer financial support. The shareholder has confirmed this in writing to the directors and for this reason these financial statements have been prepared on a going concern basis.

### **Directors**

The directors who served during the period were:

Sir F H Mackay  
P A Sakal  
B H C Watson

**The American Italian Restaurant Group Limited**

## Directors' Report (continued)

**For the Period Ended 31 December 2016**

### **Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

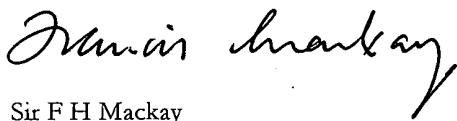
### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Small companies note**

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

This report was approved by the board on *20<sup>th</sup> September 2017* and signed on its behalf.



Sir F H Mackay  
Director



## Independent Auditor's Report to the Members of The American Italian Restaurant Group Limited

We have audited the financial statements of The American Italian Restaurant Group Limited for the period ended 31 December 2016, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 December 2016 and of its loss 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.



## Independent Auditor's Report to the Members of The American Italian Restaurant Group Limited (continued)

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report:

### **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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

*Grant Thornton UK LLP*

James Brown LLB ACA (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Ipswich  
Date:

*22 September 2017*

**The American Italian Restaurant Group Limited**

# **Profit and Loss Account**

**For the Period Ended 31 December 2016**

		<b>31</b>	<b>8 Months</b>
		<b>December</b>	<b>Ended</b>
		<b>2016</b>	<b>31 December</b>
	<b>Note</b>	<b>£000</b>	<b>2015</b>
			<b>£000</b>
Administrative expenses		(69)	(53)
Exceptional administrative expenses	4	(29)	-
Exceptional other operating income	4	34	56
<b>Operating (loss)/profit</b>	4	<b>(64)</b>	<b>3</b>
<b>(Loss)/profit for the period</b>		<b>(64)</b>	<b>3</b>

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



**The American Italian Restaurant Group Limited**

**Statement of Comprehensive Income**  
**For the Period Ended 31 December 2016**

	31 December 2016 £000	8 Months Ended 31 December 2015 £000
Note		
(Loss)/profit for the financial period	(64)	3
Other comprehensive income	-	-
Total comprehensive income for the period	(64)	3

## Balance Sheet

As at 31 December 2016

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Intangible assets	5	-	46
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	-	24
Creditors: amounts falling due within one year	8	(61)	(67)
<b>Net current liabilities</b>		(61)	(43)
<b>Total assets less current liabilities</b>		(61)	3
<b>Net (liabilities)/assets</b>		(61)	3
<b>Capital and reserves</b>			
Profit and loss account		(61)	3
		(61)	3

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*Sir F H Mackay*

20th September 2017

Sir F H Mackay

Director

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

# Notes to the Financial Statements

For the Period Ended 31 December 2016

## 1. General information

The American Italian Restaurant Group Limited is a private company, limited by shares and incorporated in England and Wales. Its registered head office is located at Devon House, Anchor Street, Chelmsford, Essex, CM2 0GD.

The principal activity was that of a holding company.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared using GBP sterling and have been rounded to the nearest thousand.

The following principal accounting policies have been applied:

### 2.2 Going concern

The financial statements show the company with net current liabilities and net liabilities. The shareholder has pledged not to call in amounts due to him or entities under his ultimate control if to do so would affect the ability of the company to continue to meet its other liabilities as they fall due, and to continue to offer financial support. The shareholder has confirmed this in writing to the directors and for this reason these financial statements have been prepared on a going concern basis.

### 2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

### 2.4 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

## Notes to the Financial Statements

For the Period Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Notes to the Financial Statements

For the Period Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors do not believe there are any significant areas of judgement or estimation uncertainty.

## 4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	31 December 2016 £000	8 Months Ended 31 December 2015 £000
Amortisation of intangible assets, including goodwill	17	4
Exceptional administrative expenses - impairment of intangible assets	29	-
Exceptional other operating income - loan waivers received from related undertakings	(34)	(56)
	<u>          </u>	<u>          </u>

The only employees during the period were the directors, who received no remuneration.

The audit fee was borne by a fellow group company.

# Notes to the Financial Statements

For the Period Ended 31 December 2016

## 5. Intangible assets

	Licences £000
<b>Cost</b>	
At 1 January 2016	50
At 31 December 2016	50
<b>Amortisation</b>	
At 1 January 2016	4
Charge for the year	17
Impairment charge	29
At 31 December 2016	50
<b>Net book value</b>	
At 31 December 2016	-
At 31 December 2015	46

**The American Italian Restaurant Group Limited**

# Notes to the Financial Statements

For the Period Ended 31 December 2016

## 6. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	-	24
	<u>-</u>	<u>24</u>

## 7. Investments

At the year end, the company owned 100% of the ordinary share capital of The American Italian Restaurant Company (Glasgow) Limited.

The loss for the year of The American Italian Restaurant (Glasgow) Limited was £12,000, and its net liability position at the year end was £32,000.

After the year end, a liquidator was appointed in respect of The American Italian Restaurant Company (Glasgow) Limited.

## 8. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	-	66
Other creditors	61	-
Accruals and deferred income	-	1
	<u>61</u>	<u>67</u>

## 9. Deferred taxation

At the year end, the company had an unprovided deferred tax asset in respect of losses carried forward of £25,000 (2015 - £10,000).

## 10. Share capital

	2016 £000	2015 £000
Allotted, called up and partly paid	-	-
100 Ordinary shares of £1 each	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

For the Period Ended 31 December 2016

### 10. Share capital (continued)

All ordinary shares carry equal ordinary voting and dividend rights.

Share capital represents the nominal amount paid for shares.

### 11. Reserves

#### Profit and loss account

Includes all current and prior period retained profits and losses less any dividends paid.

### 12. Related party transactions

During the year, the company received a loan waiver amounting to £34,000 (2015 - £56,000) from a member of the Graysons Hospitality Limited group. Graysons Hospitality Limited was previously the company's ultimate parent undertaking. During the year, the company was charged £nil (2015 - £48,000) by members of the Graysons Hospitality Limited group.

At the year end, the company owed £61,000 (2015 - £66,000) to members of the Graysons Hospitality Limited group.

At the year end, the company was owed £nil (2015 - £24,000) by The American Italian Restaurant Company (Glasgow) Limited.

### 13. Controlling party

The company's immediate and ultimate parent undertaking is Fultons Restaurants Group Limited.

The directors consider Sir Francis Mackay to be the controlling party by way of his shareholding in the ultimate parent company.



## Notes to the Financial Statements

For the Period Ended 31 December 2016

### **14. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The transition date was 6 May 2015.

The last set of financial statements prepared was under previous UK GAAP was for the period ended 31 December 2015.