

Register



REGISTERED
- 7 OCT 1998

FINANCIAL STATEMENTS OF
JMC RESTAURANTS LIMITED
FOR THE YEAR ENDED
31 DECEMBER 1997

NI 27644

JMC RESTAURANTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 1997

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JMC RESTAURANTS LIMITED

DIRECTORS AND OTHER INFORMATION

Directors

John F. McCollum
Orna McCollum

Secretary

Orna McCollum

Auditors

Peter W. Gribben & Co.
Chartered Accountants
6-8 Greenwood Avenue
Upper Newtownards Road
Belfast BT4 3JJ

Bankers

First Trust Bank
34-36 Market Square
Lisburn BT28 1AG

Solicitors

O'Rorke, McDonald & Tweed
37 Church Street
Antrim

Registered Office

McDonalds Restaurant
Sprucefield
Lisburn

Registered Number

NI 27644

JMC RESTAURANTS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1997

The Directors have pleasure in submitting their annual report together with the audited financial statements of the Company for the year ended 31 December 1997.

1. Principal activities and business review

The principal activities of the Company are to carry on, develop and turn to account the trade or businesses of, carry out food bars, restaurants, snackeries and milk bars.

A second restaurant at Bow Street, Lisburn was opened on 10 June 1996 to compliment the first restaurant at Sprucefield Shopping Centre.

The Directors consider both the level of business during the year and the year end financial position to be satisfactory.

2. Profit and dividend

Details of the results of the Company for the year are set out in the profit and loss account on page 7 and in the related notes.

The directors paid a dividend for the year of £100,000 net which represents £100 per ordinary share in issue (1996 fnil).

3. Future developments

It is the Directors' intention to develop the present activities of the Company.

4. Charitable donations

The Company made charitable donations during the year amounting to £466 (1996 £164). There were no political donations made during the period.

5. Directors

The following Directors held office during the year:

John McCollum
Orna McCollum

JMC RESTAURANTS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1997

6. Directors' interests

(i) Interests in share capital

The interests (all of which are beneficial) of the Directors in the issued share capital of the Company are:

	Ordinary shares of £1 each Issued and Fully paid	
	31 December 1997	31 December 1996
John F. McCollum	1000	1000
	<u>1000</u>	<u>1000</u>

(ii) Interests in contracts

No Director had at any time during the period a material interest in any contract with the Company that was significant in relation to the Company's business.

7. Fixed assets

The movements in fixed assets are set out in Note 8 to the financial statements.

8. Auditors

Peter W. Gribben & Company have expressed their willingness to continue in office as auditors. A resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board


J.F. MCCOLLUM
DIRECTOR

13.3.98.

JMC RESTAURANTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

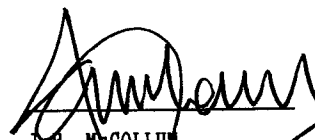
FOR THE YEAR ENDED 31 DECEMBER 1997

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 and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 maintaining 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 (Northern Ireland) Order 1986. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the Board


J.F. MCCOLLUM
DIRECTOR 13.3.98

Peter W. Gribben & Company

Chartered Accountants • Registered Auditors

REPORT OF THE AUDITORS TO THE MEMBERS OF JMC RESTAURANTS LIMITED

We have audited the financial statements on pages 7 to 16.

Respective responsibilities of directors and auditors

As described on page 5 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.

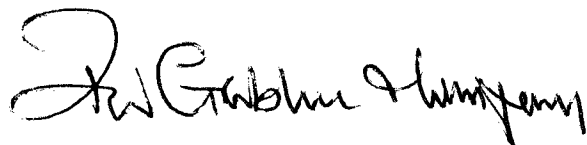
Basis of opinion

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 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 affairs of the company as at 31 December 1997 and of the profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



Chartered Accountants
Registered Auditors

13 March 1998.

JMC RESTAURANTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1997

	Note	1997 £	1996 £
Turnover - continuing operations	2	3397004	2941876
Cost of sales		(1181611)	(1037908)
Gross profit		2215393	1903968
Selling expenses		(1101180)	(1005323)
Administrative expenses		(916927)	(933491)
Operating profit/(loss) - continuing operations		197286	(34846)
Interest receivable and similar income	5	467	4922
Interest payable and similar charges	5	(3603)	(5710)
Profit/(Loss) on ordinary activities before taxation	6	194150	(35634)
Taxation on profit on ordinary activities	7	(37681)	2206
Profit/(Loss) on ordinary activities after taxation		156469	(33428)
Dividend paid		(100000)	-
		56469	(33428)
Retained profit brought forward		68495	101923
Retained profit carried forward		124964	68495

The company has no recognised gains or losses in the financial period other than those dealt with in the profit and loss account.

The notes on pages 9 to 16 form part of these financial statements.

JMC RESTAURANTS LIMITED

BALANCE SHEET AT

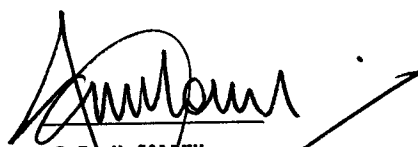
31 DECEMBER 1997

	Note	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	8		555443		517612
Current assets					
Stock	9	28597		37128	
Debtors	10	68478		61601	
Cash at bank and in hand		17531		15903	
		114606		114632	
Creditors - amounts falling due within one year	11	(505645)		(527355)	
Net current liabilities			(391039)		(412723)
Total assets less current liabilities			164404		104889
Provision for liabilities and charges	12		(38440)		(35394)
Net assets			125964		69495
Capital and reserves					
Called-up share capital	13		1000		1000
Revenue reserves			124964		68495
			125964		69495

These financial statements were approved by the Board of Directors on
signed on its behalf by:

13.3.98

and were


J.F. McCOLLUM
DIRECTOR

The notes on pages 9 to 16 form part of these financial statements.

JMC RESTAURANTS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1997

	Note	1997		1996	
		£	£	£	£
Net cash inflow from operation activities	17		173053		76011
Return on investment and servicing of finance					
Interest received		467		4922	
Interest paid and similar charges		(3603)		(5710)	
			(3136)		(788)
Taxation					
Corporation tax paid			-		(2411)
Corporation tax refund received			13687		-
Investment					
Purchase of fixed assets		(129783)		(292412)	
Sale of fixed assets		1073		-	
			(128710)		(292412)
Dividends paid			(100000)		-
Net cash (outflow)			(45106)		(219600)
(Decrease) in bank and cash balances	17		(45106)		(219600)

JMC RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of accounting

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

(b) Depreciation of tangible fixed assets

Depreciation is calculated to write off the original cost less the estimated residual value of the fixed assets over their expected useful lives using the following rates:

Plant and equipment	25% & 12½% straight line
Office fixtures and fittings	25% & 12½% straight line
Motor vehicles	25% straight line

(c) Intangible assets

Intangible assets purchased by the Company are written off in the profit and loss account as incurred.

(d) Stocks

Stocks are valued at the lower of cost and net realisable value on a first-in, first-out basis.

Cost comprises purchase price including transport and handling costs and any other directly attributable cost less trade discounts, rebates and allowances. Net realisable value is the amount which stocks can be realised for in the normal course of realisation.

(e) Taxation

- (i) Corporation tax is based on the results of the period.
- (ii) Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences, to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(f) Pension Scheme

The company operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions are charged to the profit and loss account as incurred.

The company also contributes to personal pensions for senior management. The premiums are also charged to the profit and loss account as incurred.

JMC RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

2. Turnover and profit analyses

Turnover represents amounts invoiced by the Company in respect of goods and services, exclusive of VAT, to third parties. It includes sales of promotional items which are sold at no profit to third parties.

	1997 £	1996 £
Turnover		
Product sales	3250494	2840143
Non product sales	146510	101733
	<u>3397004</u>	<u>2941876</u>

All of the Company's trading is carried on within the United Kingdom.

3. Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the period was as follows:

	1997 <u>Number</u>	1996 <u>Number</u>
Management	13	5
Administration	2	3
Others	120	120
	<u>135</u>	<u>128</u>

The aggregate payroll costs of these persons were as follows:

	1997 £	1996 £
Wages and salaries	685761	684727
Social security costs	37061	37409
Other pension cost (see note 16)	17074	16326
	<u>739896</u>	<u>738462</u>

4. Directors' emoluments

Excluding pension contributions, the emoluments of the highest paid Director were £25,000 (1996 £75,000). The other Director was paid in the band of £20,001 -£25,000 (1996 £70,001 - £75,000).

JMC RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

5. (a) Interest payable and similar charges

	1997 £	1996 £
On bank loans and overdrafts wholly repayable within 5 years	<u>3603</u>	<u>5710</u>

(b) Interest receivable and similar income

Interest on bank deposits	<u>467</u>	<u>4922</u>
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6. Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after charging the following:

	1997 £	1996 £
Depreciation and other amounts written off tangible and intangible fixed assets	90879	71443
Directors emoluments	50000	150000
Auditors' remuneration		
- audit services	3000	3000
- non-audit services	1000	1000
Rent payable	<u>507178</u>	<u>498477</u>

7. Taxation

	1997 £	1996 £
Corporation tax on profits for the period at 21.75% (1996 24.25%)	34013	-
Under provision for prior periods	602	67
Deferred taxation (Note 12)	3066	12016
Refund due to losses carried back	-	(14289)
	<u>37681</u>	<u>(2206)</u>

JMC RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

8. Tangible assets

<u>Cost</u>	<u>Plant and equipment</u> £	<u>Office fixtures</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
At 31 December 1996	644685	31332	7211	683228
Additions at cost	123211	6572	-	129783
Disposals at cost	(2146)	-	(7211)	(9357)
At 31 December 1997	765750	37904	-	803654
<u>Depreciation</u>				
At 31 December 1996	150579	8836	6201	165616
Charge for period	84938	4931	1010	90879
On disposals	(1073)	-	(7211)	(8284)
At 31 December 1997	234444	13767	-	248211
<u>Net book value</u>				
At 31 December 1997	531306	24137	-	555443
At 31 December 1996	494106	22496	1010	517612

9. Stocks

	<u>1997</u> £	<u>1996</u> £
Food	9319	10631
Consumables	19278	26497
	<u>28597</u>	<u>37128</u>

The estimated replacement cost of stocks are not considered to be materially different from the balance sheet values.

10. Debtors

	<u>1997</u> £	<u>1996</u> £
Trade debtors	8214	6725
Other debtors	6812	6718
ACT recoverable	25000	-
Prepayments	8452	13869
Corporation tax refund due	-	14289
	<u>48478</u>	<u>41601</u>
Debtors falling due after more than one year:		
Security deposit	20000	20000
	<u>68478</u>	<u>61601</u>

JMC RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

11. Creditors: Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Trade creditors	126629	115849
Other creditors	6480	6477
Accruals	171807	237669
Corporation tax	34013	-
Taxes and social security	59285	106663
Bank overdraft	107431	60697
	<u>505645</u>	<u>527355</u>

12. Provision for liabilities and charges

Deferred tax

The amount provided for deferred tax which represents the full potential liability, calculated under the liability method, is as follows:

	<u>1997</u>	<u>1996</u>
	£	£
Difference between accumulated depreciation and capital allowances:		
At 31 December	<u>38440</u>	<u>35394</u>

13. Called up share capital

	<u>1997</u>	<u>1996</u>
	£	£
Authorised:		
Ordinary shares of £1 each	<u>500000</u>	<u>500000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>

JMC RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

14. Reconciliation of movement in shareholders' funds

	<u>1997</u> £	<u>1996</u> £
Shareholders' funds at start of period	69495	102923
Profit/(loss) for the period	156469	(33428)
Dividend paid	(100000)	-
Shareholders' funds at 31 December	<u>125964</u>	<u>69495</u>

15. Commitments

Under the terms of its franchise leases, the Company will be liable in the coming year to a rental charge of the greater of:

- (i) a fixed percentage of turnover; or
 - (ii) £169,044
- in relation to the restaurant at Sprucefield and;

- (i) a fixed percentage of turnover; or
 - (ii) £60,000
- in relation to the restaurant at Bow Street, Lisburn.

16. Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15000 (1996 £15000).

The Company also contributes to pension funds for senior management. The cost of these contributions to personal pension plans for the management was £2074 for the year ended 31 December 1997 (1996 £1326).

JMC RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

17. Cash flow statement

Group

i) Reconciliation of operating profit to net cash flow:

	1997	1996
	£	£
Operating profit/(loss)	197286	(34846)
Depreciation and loss on disposal	90879	71443
(Profit) on disposal	-	-
Movement in stocks	8531	(11924)
Movement in debtors	(21188)	(23054)
Movement in creditors	(102455)	74392
Net cash inflow from operating activities	<u>173053</u>	<u>76011</u>

ii) Analysis of balance in cash and movements during the years 1996 and 1997:

	Cash at bank and in hand £
At 1 January 1995	174806
Net cash outflow	<u>(219600)</u>
At 31 December 1996	(44794)
Net cash outflow	<u>(45106)</u>
At 31 December 1997	<u>(89900)</u>

18. Related party transactions

There were no related party transactions during either year, requiring to be reported.