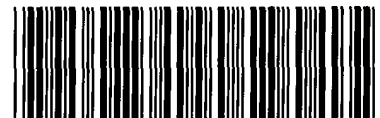


Registration number SC287991

AG Restaurants Ltd
Director's report and financial statements
for the year ended 31 December 2014

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AG Restaurants Ltd

Company information

Director	Andrew Gibson
Secretary	Alison Gibson
Company number	SC287991
Registered office	38 Cadogan Street Glasgow G2 7HF
Auditors	Alexander Sloan 38 Cadogan Street Glasgow G2 7HF
Bankers	The Royal Bank of Scotland Glasgow City Branch 5th Floor Bath Street G2 4RS
Solicitors	Boyle Shaughnessy 94 Hope Street Glasgow G2 6QB

AG Restaurants Ltd

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AG Restaurants Ltd

Strategic report for the year ended 31 December 2014

Principal activities

The principal activity of the company is the provision of fast food restaurant services.

Business Model

The company seeks to enhance value and earnings through ensuring that its premises are maintained to a high standard of both infrastructure and cleanliness. By making the buildings inviting, it believes that people will be more inclined to visit the premises and purchase its goods.

Business review and results

The profit for the year after taxation for the company amounted to £703,058. No dividends were paid during the year.

Key performance indicators

The company closely monitors wastage levels and costs, overall expenditure levels and cash generation.

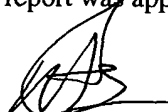
Principal risks and uncertainties

The board considers the major risks to the company to be any adverse publicity arising from media coverage either at a local, or national level.

Future developments

After the year end, the company expects to continue to expand its current stores through active marketing, and also to expand the number of stores in operation. The company believes it has sufficient cash reserves to support the expansion.

This report was approved by the Board on 08/07/15 and signed on its behalf by



Andrew Gibson
Director

AG Restaurants Ltd

Director's report for the year ended 31 December 2014

The director presents his report and the financial statements for the year ended 31 December 2014.

Results and dividends

The results for the year are set out on page 6.

The director does not recommend payment of a final dividend.

Post balance sheet events

Following the year end, the company has continued with its policy of investing and has made a further acquisition which has been funded through a combination of business reserves and bank funding.

Employment policy

Company policy for training and career development is to promote full and fair consideration for all vacancies and opportunities to any suitable person, including those who may be disabled.

Information is disseminated to all levels of staff about matters which affect the progress of the Company and are of interest and concern to them as employees. Regular meetings are held with employees to discuss matters affecting them.

Director

The director who served during the year is as stated below:

Andrew Gibson

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and 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.

AG Restaurants Ltd

**Director's report
for the year ended 31 December 2014**

..... continued

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 Director at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

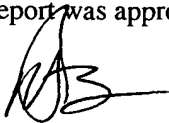
Strategic Report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has set out in the company's strategic report the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Auditors

Alexander Sloan are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the director on 28/07/15



Andrew Gibson

**Independent auditor's report to the shareholders of
AG Restaurants Ltd**

We have audited the financial statements of AG Restaurants Ltd for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds 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 auditors' 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.

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report and financial statements to identify material inconsistencies with the audited financial statements. 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 December 2014 and of its profit for the year 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 the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of
AG Restaurants Ltd**

.....continued

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.

Alexander Sloan

.....
Kevin G Booth (senior statutory auditor)
For and on behalf of Alexander Sloan
Chartered Accountants and
Registered Auditor

38 Cadogan Street
Glasgow
G2 7HF

10 July 2015

AG Restaurants Ltd

**Profit and loss account
for the year ended 31 December 2014**

		Continuing operations	
		2014	2013
	Notes	£	£
Turnover	2	28,344,528	12,902,515
Cost of sales		(17,752,441)	(8,203,534)
Gross profit		10,592,087	4,698,981
Administrative expenses		(9,436,245)	(4,086,275)
Operating profit	3	1,155,842	612,706
Interest payable and similar charges	5	(104,797)	(63,945)
Profit on ordinary activities before taxation		1,051,045	548,761
Tax on profit on ordinary activities	8	(347,987)	(187,428)
Profit for the year	19	703,058	361,333

There are no recognised gains or losses other than the profit or loss for the above two financial years.

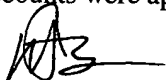
The notes on pages 9 to 18 form an integral part of these financial statements.

AG Restaurants Ltd

**Balance sheet
as at 31 December 2014**

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		7,674,367		6,597,421
Tangible assets	10		3,377,685		2,418,425
Investments	11		16,250		12,500
			<u>11,068,302</u>		<u>9,028,346</u>
Current assets					
Stocks	12	134,506		96,852	
Debtors	13	95,965		40,203	
Cash at bank and in hand		<u>2,452,798</u>		<u>2,380,450</u>	
		2,683,269		2,517,505	
Creditors: amounts falling due within one year	14	<u>(4,365,697)</u>		<u>(2,882,708)</u>	
Net current liabilities			<u>(1,682,428)</u>		<u>(365,203)</u>
Total assets less current liabilities			9,385,874		8,663,143
Creditors: amounts falling due after more than one year	15		<u>(7,129,288)</u>		<u>(7,181,186)</u>
Provisions for liabilities	16		<u>(256,737)</u>		<u>(185,166)</u>
Net assets			<u>1,999,849</u>		<u>1,296,791</u>
Capital and reserves					
Called up share capital	18		1		1
Profit and loss account	19		<u>1,999,848</u>		<u>1,296,790</u>
Shareholders' funds	20		<u>1,999,849</u>		<u>1,296,791</u>

These accounts were approved by the director on 08/07/15



**Andrew Gibson
Director**

Registration number SC287991

The notes on pages 9 to 18 form an integral part of these financial statements.

AG Restaurants Ltd

Cash flow statement for the year ended 31 December 2014

	Notes	2014 £	2013 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,155,842	612,706
Depreciation		1,418,768	565,168
(Increase) in stocks		(37,654)	(61,952)
Decrease/(increase) in debtors		(55,762)	(23,380)
Increase in creditors		524,050	1,274,804
Net cash inflow from operating activities		<u>3,005,244</u>	<u>2,367,346</u>
Cash flow statement			
Net cash inflow from operating activities		3,005,244	2,367,346
Returns on investments and servicing of finance	24	(104,797)	(63,945)
Taxation	24	(74,329)	(67,436)
Capital expenditure and financial investment	24	(3,458,725)	(8,558,398)
		(632,607)	(6,322,433)
Financing	24	704,956	7,728,841
Increase in cash in the year		<u>72,349</u>	<u>1,406,408</u>
Reconciliation of net cash flow to movement in net debt (Note 25)			
Increase in cash in the year		72,349	1,406,408
Cash outflow from decrease in debts and lease financing		(704,956)	(7,728,841)
Change in net debt resulting from cash flows		(632,607)	(6,322,433)
Net debt at 1 January 2014		<u>(5,839,918)</u>	<u>482,515</u>
Net debt at 31 December 2014		<u>(6,472,525)</u>	<u>(5,839,918)</u>

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over the remaining useful life of the franchise.

1.4. Franchise fees

Franchise fees are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over the term of the franchise agreement.

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	Straight line over a range of useful lives ranging from 3 to 20 years.
Fixtures, fittings and equipment	-	Straight line over a range of useful lives ranging from 3 to 20 years.
Motor vehicles	-	25% straight line

1.6. Investments

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

1.7. Stock

Stock is valued at the lower of cost and net realisable value.

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

..... continued

1.9. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

Operating profit is stated after charging:

Depreciation and other amounts written off intangible assets

Depreciation and other amounts written off tangible assets

2014

£

821,362

597,407

2013

£

301,517

263,651

4. Auditors' remuneration

2014

£

9,150

2013

£

9,000

Auditors' remuneration - audit of the financial statements

5. Interest payable and similar charges

2014

£

104,797

2013

£

63,945

Interest payable on loans

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

..... continued

6. Employees

Number of employees	2014	2013
The average monthly numbers of employees (including the director) during the year were:		
Administration	4	2
Catering	940	409
	<u>944</u>	<u>411</u>
Employment costs	2014	2013
	£	£
Wages and salaries	7,272,003	3,313,400
Social security costs	306,141	137,769
Pension costs	42,675	13,665
	<u>7,620,819</u>	<u>3,464,834</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of the managers and staff who have opted into the scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £42,675 (2012: £13,665).

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

..... continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2014 £	2013 £
Current tax		
UK corporation tax	276,416	74,330
Adjustments in respect of previous periods	-	750
	<u>276,416</u>	<u>75,080</u>
Total current tax charge	<u>276,416</u>	<u>75,080</u>
Deferred tax		
Timing differences, origination and reversal	71,571	112,348
Total deferred tax	<u>71,571</u>	<u>112,348</u>
Tax on profit on ordinary activities	<u>347,987</u>	<u>187,428</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (21.50%).
The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>1,051,045</u>	<u>548,761</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (31 December 2013 : 23.25%)	225,975	127,587
Effects of:		
Expenses not deductible for tax purposes	96,839	42,970
Capital allowances for period in excess of depreciation	(45,613)	(86,970)
Adjustments to tax charge in respect of previous periods	-	750
Marginal rate	(785)	(9,257)
Current tax charge for period	<u>276,416</u>	<u>75,080</u>

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

..... continued

9. Intangible fixed assets

	Franchise fees £	Goodwill £	Total £
Cost			
At 1 January 2014	434,934	6,500,000	6,934,934
Additions	103,308	1,795,000	1,898,308
At 31 December 2014	<u>538,242</u>	<u>8,295,000</u>	<u>8,833,242</u>
Amortisation			
At 1 January 2014	46,111	291,402	337,513
Charge for year	42,407	778,955	821,362
At 31 December 2014	<u>88,518</u>	<u>1,070,357</u>	<u>1,158,875</u>
Net book values			
At 31 December 2014	<u>449,724</u>	<u>7,224,643</u>	<u>7,674,367</u>
At 31 December 2013	<u>388,823</u>	<u>6,208,598</u>	<u>6,597,421</u>

10. Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2014	1,633,917	1,583,563	2,376	3,219,856
Additions	160,964	1,395,703	-	1,556,667
At 31 December 2014	<u>1,794,881</u>	<u>2,979,266</u>	<u>2,376</u>	<u>4,776,523</u>
Depreciation				
At 1 January 2014	243,248	558,183	-	801,431
Charge for the year	260,089	337,318	-	597,407
At 31 December 2014	<u>503,337</u>	<u>895,501</u>	<u>-</u>	<u>1,398,838</u>
Net book values				
At 31 December 2014	<u>1,291,544</u>	<u>2,083,765</u>	<u>2,376</u>	<u>3,377,685</u>
At 31 December 2013	<u>1,390,669</u>	<u>1,025,380</u>	<u>2,376</u>	<u>2,418,425</u>

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

..... continued

11. Fixed asset investments	Other unlisted investments £	Total £
Cost		
At 1 January 2014	12,500	12,500
Additions	3,750	3,750
At 31 December 2014	<u>16,250</u>	<u>16,250</u>
Net book values		
At 31 December 2014	<u>16,250</u>	<u>16,250</u>
At 31 December 2013	<u>12,500</u>	<u>12,500</u>
12. Stocks	2014 £	2013 £
Raw materials and consumables	<u>134,506</u>	<u>96,852</u>
13. Debtors	2014 £	2013 £
Trade debtors	135	207
Other debtors	57,885	2,333
Prepayments and accrued income	37,945	37,663
	<u>95,965</u>	<u>40,203</u>
14. Creditors: amounts falling due within one year	2014 £	2013 £
Bank loan	1,221,036	339,182
Director's account	800,000	700,000
Trade creditors	897,684	768,698
Corporation tax	276,415	74,330
Other taxes and social security costs	598,605	453,617
Other creditors	571,957	546,881
	<u>4,365,697</u>	<u>2,882,708</u>

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

..... continued

15. Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loan	4,193,092	3,528,946
Other creditors - retentions	225,000	-
Director's account	2,711,196	3,652,240
	<u>7,129,288</u>	<u>7,181,186</u>
Loans		
Repayable in one year or less, or on demand (Note 14)	2,021,036	1,039,182
Repayable between one and two years	2,006,668	1,535,486
Repayable between two and five years	4,763,259	3,979,990
Repayable in five years or more	134,361	1,665,710
	<u>8,925,324</u>	<u>8,220,368</u>
Repayable in five years or more:		
Bank loan	134,361	1,665,710
	<u>134,361</u>	<u>1,665,710</u>

Loans are repayable over periods ranging from 1 to 6 years. The interest rates applied to the loans are based on LIBOR or Base Rate plus a margin varying from 1.4% to 1.7%.

16. Provisions for liabilities

	Deferred taxation (Note 17) £	Total £
At 1 January 2014	185,166	185,166
Movements in the year	71,571	71,571
At 31 December 2014	<u>256,737</u>	<u>256,737</u>

AG Restaurants Ltd

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

17. Provision for deferred taxation	2014	2013
	£	£
Accelerated capital allowances	256,737	185,166
Provision for deferred tax	<u>256,737</u>	<u>185,166</u>
Provision at 1 January 2014	185,166	
Deferred tax charge in profit and loss account	<u>71,571</u>	
Provision at 31 December 2014	<u>256,737</u>	
18. Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Equity Shares		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
19. Equity Reserves	Profit and loss account	Total
	£	£
At 1 January 2014	1,296,790	1,296,790
Profit for the year	<u>703,058</u>	<u>703,058</u>
At 31 December 2014	<u>1,999,848</u>	<u>1,999,848</u>
20. Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Profit for the year	703,058	361,333
Opening shareholders' funds	<u>1,296,791</u>	<u>935,458</u>
Closing shareholders' funds	<u>1,999,849</u>	<u>1,296,791</u>

AG Restaurants Ltd

Notes to the financial statements for the year ended 31 December 2014

..... continued

21. Related party transactions

During the year, the director advanced £106,000 to the company and the company repaid £947,044. At the balance sheet date the amount due to the director was £3,511,196 (2013 - £4,352,240). This amount is interest free and the director has agreed to seek repayment of no more than £800,000 within one year of the balance sheet date.

22. Controlling interest

The controlling interest in the company was held by Andrew Gibson, the sole shareholder.

23. Post balance sheet events

Following the year end, the company has continued with its policy of investing and has made a further acquisition which has been funded through a combination of business reserves and bank funding.

24. Gross cash flows

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(104,797)	(63,945)
Taxation		
Corporation tax paid	(74,329)	(67,436)
Capital expenditure and financial investment		
Payments to acquire intangible assets	(1,898,308)	(6,786,677)
Payments to acquire tangible assets	(1,556,667)	(1,764,221)
Payments to acquire investments	(3,750)	(7,500)
	<u>(3,458,725)</u>	<u>(8,558,398)</u>
Financing		
New long term bank loan	2,754,000	3,437,834
Other new long term loans	106,000	4,352,240
Repayment of short term bank loan	(1,208,000)	(61,233)
Repayment of other short term loans	(947,044)	-
	<u>704,956</u>	<u>7,728,841</u>

AG Restaurants Ltd

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

25. Analysis of changes in net debt

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	2,380,450	72,348		2,452,798
Debt due within one year	(1,039,182)	2,049,044	(3,030,898)	(2,021,036)
Debt due after one year	(7,181,186)	(2,754,000)	3,030,898	(6,904,288)
	<u>(8,220,368)</u>	<u>(704,956)</u>	<u>-</u>	<u>(8,925,324)</u>
Net debt	<u><u>(5,839,918)</u></u>	<u><u>(632,608)</u></u>	<u><u>-</u></u>	<u><u>(6,472,526)</u></u>