

Company registration number: 03498840

S & V E Williams Limited

Financial statements

31 December 2019

S & V E Williams Limited

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S & V E Williams Limited

Directors and other information

Directors

S Williams

Mrs V E Williams

Secretary

Mrs V E Williams

Company number

03498840

Registered office

28-30 Grange Road West

Birkenhead

Merseyside

CH41 4DA

Auditor

Robert S Boys Ltd

28-30 Grange Road West

Birkenhead

Merseyside

CH41 4DA

Bankers

The Royal Bank of Scotland Plc
St Ann Street
Manchester
M60 2SS
HSBC UK
17-19 Regent Street
Wrexham
LL11 1RN

S & V E Williams Limited

Strategic report

Year ended 31 December 2019

Principal activity

The principal activity of the company during the year was that of a chain of fast food restaurants.

Business review

The external commercial environment is expected to remain competitive, however, we remain confident that we will build on our current level of performance in the future.

Principal risks and uncertainties

As a franchisee the company is fully supported by a global organisation which minimises the brands risks and uncertainties. The company values safe, quality food which is affordable and convenient.

Performance and position

The company has had a successful year with profits on ordinary activities before taxation of £775,059 compared to profits of £47,699 in 2018. This is due to increased turnover and improved margins compared to 2018, together with the reduction in repair costs related to restaurant refurbishments. The gross profit margin has risen by 0.7% to 39.0% in 2019 compared with 38.3% in 2018. The net profit margin has risen from 0.2% in 2018 to 3.2% in 2019. The company recognises its responsibility to protect and preserve the environment for future generations to come. The company has a policy of employing local people representing the communities in which we operate. The company also operates a code of conduct with regards to human rights.

Future Development

The company is striving to expand in the future with the addition of further restaurants within the business.

This report was approved by the board of directors on 9 July 2020 and signed on behalf of the board by:

S Williams

Director

S & V E Williams Limited

Directors report

Year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Directors

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

S Williams

Mrs V E Williams

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Employment of disabled persons

The company is an equal opportunity employer and one of their greatest strengths is their diverse workforce. The company recognise the importance of being an inclusive employer and employ on the basis of qualities regardless of disability or qualifications.

Employee involvement

The company has an excellent training programme and opportunities to suit individual employee ambitions to aid career development and promotion.

Financial instruments

The key business risks and uncertainties affecting the company are considered to relate to competition and the economic climate.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 25 to the financial statements.

Disclosure of information in the 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 information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 09 July 2020 and signed on behalf of the board by:

S Williams

Director

S & V E Williams Limited

Independent auditor's report to the members of

S & V E Williams Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of S & V E Williams Limited for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 strategic report or the directors' report. 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 the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.

Robert S Boys (Senior Statutory Auditor)

For and on behalf of

Robert S Boys Ltd

Chartered Accountants and Statutory Auditor

28-30 Grange Road West

Birkenhead

Merseyside

CH41 4DA

09 July 2020

S & V E Williams Limited

Statement of income and retained earnings

Year ended 31 December 2019

		2019	2018
	Note	£	£
Turnover	4	24,503,890	22,509,498
Cost of sales		(14,939,677)	(13,880,868)
		<u>9,564,213</u>	<u>8,628,630</u>
Gross profit		9,564,213	8,628,630
Administrative expenses		(8,759,660)	(8,548,513)
		<u>804,553</u>	<u>80,117</u>
Operating profit	5	804,553	80,117
Other interest receivable and similar income	9	3,865	1,939
Interest payable and similar expenses	10	(33,359)	(34,357)
		<u>775,059</u>	<u>47,699</u>
Profit before taxation		775,059	47,699
Tax on profit	11	(237,966)	(96,184)
		<u>537,093</u>	<u>(48,485)</u>
Profit/(loss) for the financial year and total comprehensive income		537,093	(48,485)
		<u>(110,000)</u>	<u>(120,000)</u>
Dividends declared and paid or payable during the year	12	(110,000)	(120,000)
Retained earnings at the start of the year		1,513,243	1,681,724
		<u>1,940,336</u>	<u>1,513,239</u>
Retained earnings at the end of the year		1,940,336	1,513,239

All the activities of the company are from continuing operations.

S & V E Williams Limited

Statement of financial position

31 December 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	13	205,930		531,597	
Tangible assets	14	3,186,751		3,925,533	
			3,392,681		4,457,130
Current assets					
Stocks	15	102,924		98,170	
Debtors	16	86,945		104,363	
Investments	17	10,000		10,000	
Cash at bank and in hand		2,104,348		1,528,721	
		2,304,217		1,741,254	
Creditors: amounts falling due within one year					
	18	(2,833,654)		(3,119,063)	
Net current liabilities					
			(529,437)		(1,377,809)
Total assets less current liabilities					
			2,863,244		3,079,321
Creditors: amounts falling due after more than one year					
	19	(751,147)		(1,345,462)	
Provisions for liabilities					
	20	(171,661)		(220,520)	
Net assets					
			1,940,436		1,513,339
Capital and reserves					
Called up share capital	23		100		100
Profit and loss account	24		1,940,336		1,513,239
Shareholders funds					
			1,940,436		1,513,339

These financial statements were approved by the board of directors and authorised for issue on 09 July 2020 , and are signed on behalf of the board by:

S Williams

Director

Company registration number: 03498840

S & V E Williams Limited**Statement of cash flows****Year ended 31 December 2019**

	2019	2018
	£	£
Cash flows from operating activities		
Profit/(loss) for the financial year	537,093	(48,485)
<i>Adjustments for:</i>		
Depreciation of tangible assets	873,617	634,539
Amortisation of intangible assets	325,667	327,042
Other interest receivable and similar income	(3,865)	(1,939)
Interest payable and similar expenses	33,359	34,357
Gain/(loss) on disposal of tangible assets	-	20,413
Tax on profit	237,966	96,184
Accrued expenses/(income)	58,132	31,221
<i>Changes in:</i>		
Stocks	(4,754)	(820)
Trade and other debtors	17,418	(18,894)
Trade and other creditors	(303,082)	46,457
Provisions and employee benefits	(4,766)	(6,544)
	<hr/>	<hr/>
Cash generated from operations	1,766,785	1,113,531
Interest paid	(33,359)	(34,357)
Interest received	3,865	1,939
Tax paid	(75,182)	(120,540)
	<hr/>	<hr/>
Net cash from operating activities	1,662,109	960,573
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible assets	(134,834)	(1,280,312)
Proceeds from sale of tangible assets	-	13,540
Purchase of intangible assets	-	(30,000)
	<hr/>	<hr/>
Net cash used in investing activities	(134,834)	(1,296,772)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from borrowings	(841,648)	394,050
Equity dividends paid	(110,000)	(120,000)
	<hr/>	<hr/>
Net cash (used in)/from financing activities	(951,648)	274,050
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	575,627	(62,149)
Cash and cash equivalents at beginning of year	1,528,721	1,590,870

Cash and cash equivalents at end of year	<u>2,104,348</u>	<u>1,528,721</u>
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S & V E Williams Limited

Notes to the financial statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is 28-30 Grange Road West, Birkenhead, Merseyside, CH41 4DA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity .

Depreciation

The depreciation rate on tangible assets has been revised prospectively from a reducing balance basis to a straight line basis as the directors believe that this provides a more accurate reflection of the remaining economic life of the assets. The effect of the change in accounting estimate is that there is a reduction in profit of £269,941 compared to the prior method.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired

business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

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

Goodwill	- 3 years
Other intangible assets	- 5-20 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Plant and machinery	- 15 % straight line
Fittings fixtures and equipment	- 15 % straight line
Motor vehicles	- 15 % straight line
Computer equipment	- 20 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Amortisation of intangible assets	325,667	327,042
Depreciation of tangible assets	873,617	634,539
(Gain)/loss on disposal of tangible assets	-	20,413
Cost of stocks recognised as an expense	7,940,442	7,369,500
Fees payable for the audit of the financial statements	3,300	3,200
	<hr/>	<hr/>

6. Auditors remuneration

	2019	2018
	£	£
Fees payable to Robert S Boys Ltd		
Fees payable for the audit of the financial statements	3,300	3,200
	<hr/>	<hr/>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	4,950	4,800
	<hr/>	<hr/>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
Staff	808	806
Management	32	31
	<hr/>	<hr/>
	840	837
	<hr/>	<hr/>

The aggregate payroll costs incurred during the year were:

	2019	2018
	£	£
Wages and salaries	6,772,138	6,331,427
Social security costs	263,649	251,765
Other pension costs	77,571	209,024
	<hr/>	<hr/>
	7,113,358	6,792,216
	<hr/>	<hr/>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	28,250	24,435
Company contributions to pension schemes in respect of qualifying services	3,621	163,808
	<u>31,871</u>	<u>188,243</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	Number	Number
Defined contribution plans	2	2

9. Other interest receivable and similar income

	2019	2018
	£	£
Bank deposits	3,865	1,914
Other interest receivable and similar income	-	25
	<u>3,865</u>	<u>1,939</u>

10. Interest payable and similar expenses

	2019	2018
	£	£
Bank loans and overdrafts	33,346	34,357
Other interest payable and similar expenses	13	-
	<u>33,359</u>	<u>34,357</u>

11. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	282,059	75,205
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	(44,093)	20,979
	<hr/>	<hr/>
Tax on profit	237,966	96,184
	<hr/>	<hr/>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00 % (2018: 19.00%).

	2019 £	2018 £
Profit before taxation	775,059	47,699
	<hr/>	<hr/>
Profit multiplied by rate of tax	147,261	9,063
Effect of expenses not deductible for tax purposes	(904)	(664)
Effect of capital allowances and depreciation	135,702	66,806
	<hr/>	<hr/>
Tax on profit	282,059	75,205
	<hr/>	<hr/>

12. Dividends

Equity dividends

	2019 £	2018 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	110,000	120,000
	<hr/>	<hr/>

13. Intangible assets

	Goodwill	Franchise fees	Total
	£	£	£
Cost			
At 1 January 2019 and 31 December 2019	1,327,688	195,000	1,522,688
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 January 2019	905,466	85,625	991,091
Charge for the year	316,667	9,000	325,667
	<hr/>	<hr/>	<hr/>
At 31 December 2019	1,222,133	94,625	1,316,758
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2019	105,555	100,375	205,930
	<hr/>	<hr/>	<hr/>
At 31 December 2018	422,222	109,375	531,597
	<hr/>	<hr/>	<hr/>

14. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2019	5,827,530	76,377	28,125	1,556	5,933,588
Additions	134,834	-	-	-	134,834
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	5,962,364	76,377	28,125	1,556	6,068,422
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2019	1,933,986	72,319	703	1,046	2,008,054
Charge for the year	865,029	4,058	4,219	311	873,617
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	2,799,015	76,377	4,922	1,357	2,881,671
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount					
At 31 December 2019	3,163,349	-	23,203	199	3,186,751
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	3,893,544	4,058	27,422	510	3,925,534
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

15. Stocks

	2019	2018
	£	£
Raw materials	102,924	98,170
	<u> </u>	<u> </u>

16. Debtors

	2019	2018
	£	£
Trade debtors	222	1,361
Prepayments and accrued income	83,934	81,392
Other debtors	2,789	21,610
	<u> </u>	<u> </u>
	86,945	104,363
	<u> </u>	<u> </u>

17. Investments

	2019	2018
	£	£
Other investments	10,000	10,000
	<u> </u>	<u> </u>

18. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	523,885	681,853
Trade creditors	967,407	1,136,976
Accruals and deferred income	409,837	351,705
Corporation tax	282,059	75,182
Social security and other taxes	613,136	746,471
Director loan accounts	32,292	121,657
Other creditors	5,038	5,219
	<u> </u>	<u> </u>
	2,833,654	3,119,063
	<u> </u>	<u> </u>

19. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	751,147	1,345,462
	<u> </u>	<u> </u>

20. Provisions

	Deferred tax (note 21)	Other provisions	Total
	£	£	£
At 1 January 2019	215,754	4,766	220,520
Unused amounts reversed	(44,093)	(4,766)	(48,859)
At 31 December 2019	<u>171,661</u>	<u>-</u>	<u>171,661</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 20)	171,661	215,754
	<u> </u>	<u> </u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	171,661	215,754
	<u> </u>	<u> </u>

22. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 77,571 (2018: £ 209,024).

23. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

24. Reserves

Profit and loss account: This reserve records retained earnings and accumulated losses.

25. Events after the end of the reporting period

After the end of the 31 December 2019 reporting period the business has been impacted by a global pandemic (COVID-19) which has subsequently caused a disruption to the company and its usual ability to trade. During March to May 2020 the restaurants were closed and have since reopened for drive thru and delivery. From a financial position, following a robust period in 2019 the directors believe that the business has a balance sheet which can withstand the current situation. McDonalds continues to support franchisees. The directors to the best of their knowledge do not envisage any issues with continuing to trade for the next 12 months .

26. Related party transactions

During the year the company paid £82,500 to Mr S Williams and £27,500 to Mrs V E Williams in dividends.

27. Controlling party

Mr S Williams , a director and majority shareholder, is considered to have a controlling interest in the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.