

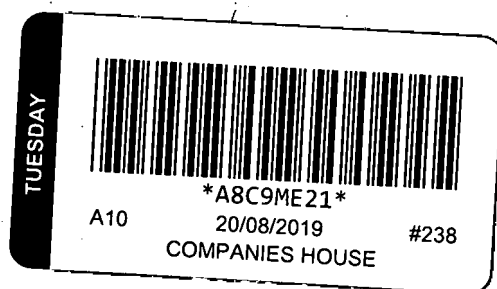
Registered number: 03917552

I & A Restaurants Limited

AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Prepared By:
GALLAGHERS
CHARTERED ACCOUNTANTS
33A
HIGH STREET
STONY STRATFORD
BUCKS
MK11 1AA



I & A Restaurants Limited

**ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTORS

I Anilmis
Mrs A-M Anilmis

SECRETARY

A Anilmis

REGISTERED OFFICE

34 The Parade
Leamington Spa
Warwickshire
CV32 4DN

COMPANY DETAILS

Private company limited by shares registered in EW - England and Wales, registered number 03917552

AUDITORS

GALLAGHERS
CHARTERED ACCOUNTANTS
33A
HIGH STREET
STONY STRATFORD
BUCKS
MK11 1AA

**ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

CONTENTS

| | Page |
|---|------|
| Directors' Report | 3 |
| Strategic Report | 5 |
| Auditors' Report | 6 |
| Statement Of Comprehensive Income | 9 |
| Statement Of Changes In Equity | 11 |
| Balance Sheet | 10 |
| Cash Flow Statement | 12 |
| Notes To The Accounts | 13 |
| The following do not form part of the statutory financial statements: | |
| Trading And Profit And Loss Account | 21 |
| Profit And Loss Account Summaries | 22 |

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report, strategic report and audited accounts for the year ended 31 December 2018

DIRECTORS

The directors who served during the year were as follows:

I Anilmis
Mrs A-M Anilmis

DIVIDENDS

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

The directors recommend that a dividend of £1,190,000 (2017: £1,115,000) be paid for the year.

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, Strategic 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

DISCLOSURE OF INFORMATION TO AUDITORS

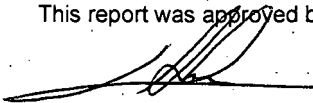
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

AUDITORS

During the period, GALLAGHERS acted as auditor to the company. A resolution to reappoint GALLAGHERS will be put to the forthcoming Annual General Meeting.

This report was approved by the board on 10 July 2019

A handwritten signature in black ink, appearing to read 'I Anilmis', is written over a horizontal line.

I Anilmis
Director

FOR THE YEAR ENDED 31 DECEMBER 2018

STRATEGIC REPORT

REVIEW OF BUSINESS

The company's business continues to expand along with the McDonalds brand which has resulted in increased sales across McDonalds UK restaurants. Our position at 31 December 2018 was one of realistic expectation of continued sales growth.

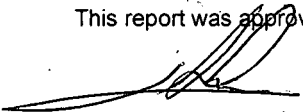
DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

The company increased its turnover and so this has resulted in an increase in percentage terms in its profitability since less food wastage occurs with higher sales volume.

PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties are those associated with any perceived recessionary period, when consumer confidence and willingness to spend is difficult to gauge. However, market research and historical information indicates that the public continue to spend on fast food during these times.

This report was approved by the board on 10 July 2019



I Anilmis
Director

FOR THE YEAR ENDED 31 DECEMBER 2018

AUDITORS' REPORT

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF I & A RESTAURANTS LIMITED

OPINION

We have audited the financial statements of I&A Restaurants Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, the Balance Sheet, the 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 Financial Reporting Standard 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 2018, 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.

FOR THE YEAR ENDED 31 DECEMBER 2018

AUDITORS' REPORT

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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 and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

FOR THE YEAR ENDED 31 DECEMBER 2018

AUDITORS' REPORT

RESPONSIBILITIES OF DIRECTORS

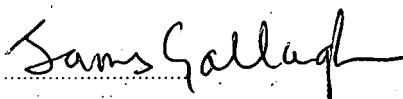
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation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

AUDITORS 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Signature: 

J J Gallagher (Senior Statutory Auditor)

For and on behalf of Gallaghers

33a High Street

Stony Stratford

Milton Keynes

10 July 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Notes | 2018 £ | 2017 £ |
|--|-------|-------------------------|-----------------------|
| TURNOVER | 2 | 41,136,785 | 29,286,400 |
| Cost of sales | | <u>(24,439,622)</u> | <u>(17,443,960)</u> |
| GROSS PROFIT | | 16,697,163 | 11,842,440 |
| Distribution costs and selling expenses | | (2,037,613) | (1,513,401) |
| Administrative expenses | | <u>(12,675,697)</u> | <u>(9,479,356)</u> |
| OPERATING PROFIT | | 1,983,853 | 849,683 |
| Interest payable and similar charges | 3 | <u>(236,863)</u> | <u>(99,335)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 5 | 1,746,990 | 750,348 |
| Tax on profit on ordinary activities | 8 | <u>(375,843)</u> | <u>(140,104)</u> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | <u><u>1,371,147</u></u> | <u><u>610,244</u></u> |

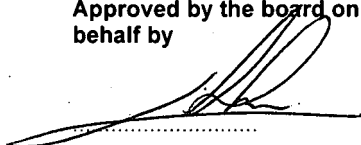
BALANCE SHEET AT 31 DECEMBER 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Intangible assets | 10 | 9,095,971 | 2,991,790 |
| Tangible assets | 11 | 8,707,700 | 6,517,692 |
| | | <u>17,803,671</u> | <u>9,509,482</u> |
| CURRENT ASSETS | | | |
| Stock | | 219,858 | 132,416 |
| Debtors | 13 | 304,477 | 163,475 |
| Cash at bank and in hand | | <u>2,161,399</u> | <u>854,969</u> |
| | | 2,685,734 | 1,150,860 |
| CREDITORS: Amounts falling due within one year | 14 | <u>6,729,503</u> | <u>4,264,283</u> |
| NET CURRENT LIABILITIES | | <u>(4,043,769)</u> | <u>(3,113,423)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 13,759,902 | 6,396,059 |
| CREDITORS: Amounts falling due after more than one year | 15 | 12,430,608 | 5,208,428 |
| PROVISIONS FOR LIABILITIES AND CHARGES | 16 | <u>443,348</u> | <u>482,832</u> |
| NET ASSETS | | <u>885,946</u> | <u>704,799</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 18 | 100 | 100 |
| Profit and loss account | 19 | <u>885,846</u> | <u>704,699</u> |
| SHAREHOLDERS' FUNDS | | <u>885,946</u> | <u>704,799</u> |

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 10 July 2019 and signed on their behalf by



I Anilmis
Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Share Capital | Share Premium | Profit and Loss Account | Total |
|--|-------------------|------------------|-------------------------------|-----------------------|
| | £ | £ | £ | £ |
| At 1 January 2017 | 100 | - | 1,209,455 | 1,209,555 |
| Profit and total comprehensive income for the year | | | 610,244 | 610,244 |
| Dividends Paid | | | (1,115,000) | (1,115,000) |
| At 31 December 2017 | <u>100</u> | <u>-</u> | <u>704,699</u> | <u>704,799</u> |
| Profit and total comprehensive income for the year | | | 1,371,147 | 1,371,147 |
| Dividends Paid | | | (1,190,000) | (1,190,000) |
| At 31 December 2018 | <u><u>100</u></u> | <u><u>-</u></u> | <u><u>885,846</u></u> | <u><u>885,946</u></u> |

CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2018

| Notes | 2018 £ | 2017 £ |
|---|-------------------------|-----------------------|
| Cash flows from operating activities | | |
| Profit before tax from continuing operations: | 1,746,990 | 750,348 |
| Adjustments for: | | |
| Finance costs | 371,147 | 182,044 |
| Depreciation and amortisation | 2,140,188 | 1,071,388 |
| Impairment loss on goodwill | 0 | 0 |
| Profit on disposal of property, plant and equipment | - | 4,245 |
| | <u>4,258,325</u> | <u>2,008,025</u> |
| Movements in working capital: | | |
| Increase in inventories | (87,442) | (15,972) |
| Decrease / (Increase) in amounts due from director | 1,236 | (1,241) |
| Increase in trade and other receivables | (141,002) | (13,329) |
| Increase in trade and other payables | 789,459 | 859,477 |
| Cash generated by operations | <u>4,820,576</u> | <u>2,836,960</u> |
| Interest paid | (236,863) | (99,335) |
| Income taxes paid | (104,338) | (228,751) |
| Net cash generated by operating activities | <u>4,479,375</u> | <u>2,508,874</u> |
| Cash flows from investing activities | | |
| Proceeds from sale of tangible assets | - | 7,800 |
| Payments to acquire tangible assets | (3,879,377) | (2,428,198) |
| Payments to acquire intangible assets | (6,555,000) | - |
| Net cash generated by investing activities | <u>(10,434,377)</u> | <u>(2,420,398)</u> |
| Cash flows from financing activities | | |
| Repayment of bank borrowing | (9,294,573) | (1,576,667) |
| Proceeds from bank borrowings | 17,880,289 | 2,515,095 |
| Equity dividends paid | - | (1,115,000) |
| Finance charges | (134,284) | (82,709) |
| Net cash inflow / (outflow) from financing | <u>8,451,432</u> | <u>(259,281)</u> |
| INCREASE / (DECREASE) IN CASH | <u>2,496,430</u> | <u>(170,805)</u> |
| Balance at 1 January 2018 | 854,969 | 1,025,772 |
| Balance at 31 December 2018 | <u><u>2,161,399</u></u> | <u><u>854,969</u></u> |
| Cash and cash equivalents consist of: | | |
| Cash at bank and in hand | 2,161,399 | 854,969 |
| Balance at 31 December 2018 | <u><u>2,161,399</u></u> | <u><u>854,969</u></u> |

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

1a. Basis Of Accounting FRS

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in sterling which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1b. Turnover

The company's principal activity is restaurant operator.

Turnover represents the amounts (less value added tax) derived from the provision of goods sold to customers during the year. Revenue is recognised when the company becomes entitled to it.

1c. Taxation

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1d. Goodwill

Goodwill arising in connection with the acquisition of businesses is capitalised and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is based on the length of the franchise agreement undertaken. Goodwill is reviewed annually for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

1e. Depreciation

Fixed assets are carried in the balance sheet at cost or valuation less accumulated depreciation.

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives:

During the year, the director reviewed the expected useful economic life of the assets, and has amended the depreciation policy of plant and machinery from 10-20% straight line to straight line over 7 years. The effect of this change in accounting estimate has resulted in the closing assets being stated at a higher value by £613,594 and increased the profit before tax by £613,594 compared to had the change in accounting estimate not occurred.

| | |
|---------------------------|-------------------------|
| Long Leasehold Properties | straight line 5 % |
| Plant And Machinery | straight line 14.2857 % |
| Motor Cars | reducing balance 25 % |

1f. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell (net realisable value). Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit or loss as incurred. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

2. TURNOVER

The turnover and pre-tax result is attributable to Restaurant Operator.

| | 2018 | 2017 |
|-------|-------------------|-------------------|
| | £ | £ |
| Sales | 41,136,785 | 29,286,400 |
| | <u>41,136,785</u> | <u>29,286,400</u> |

3. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2018 | 2017 |
|--|----------------|---------------|
| | £ | £ |
| Interest on loans repayable within 5 years | 236,863 | 99,335 |
| | <u>236,863</u> | <u>99,335</u> |

4. OTHER OPERATING EXPENSES

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | £ | £ |
| Selling and marketing costs | 2,037,613 | 1,513,401 |
| Administrative expenses | 10,535,509 | 8,403,723 |
| Costs relating to the purchase, use, and disposal of assets | 2,140,188 | 1,075,633 |
| | <u>14,713,310</u> | <u>10,992,757</u> |

5. OPERATING PROFIT

| | 2018 | 2017 |
|--|------------------|------------------|
| | £ | £ |
| Operating Profit is stated after charging: | | |
| Amortisation of goodwill | 450,819 | 286,944 |
| Depreciation | 1,689,369 | 784,444 |
| Auditors' remuneration | 4,250 | 4,000 |
| Directors' remuneration | 14,000 | 14,002 |
| | <u>2,158,438</u> | <u>1,089,390</u> |

6. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:

| | 2018 | 2017 |
|-----------------------|-------------------|------------------|
| | £ | £ |
| Wages and salaries | 11,035,276 | 8,102,598 |
| Social security costs | 748,684 | 486,078 |
| | <u>11,783,960</u> | <u>8,588,676</u> |

The average weekly numbers of employees during the year were as follows:

| | 2018 | 2017 |
|---|--------------|------------|
| | No. | No. |
| Management, administration and production | 1,338 | 862 |
| | <u>1,338</u> | <u>862</u> |

7. DIRECTORS REMUNERATION

| | 2018 | 2017 |
|--------------------|---------------|---------------|
| | £ | £ |
| Total remuneration | <u>14,000</u> | <u>14,002</u> |

8. TAX ON ORDINARY ACTIVITIES

| | 2018 | 2017 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| Corporation tax | 415,328 | 104,417 |
| Deferred taxation | (42,805) | 35,687 |
| deferred tax adjust - prior years | 3,320 | - |
| | <u>375,843</u> | <u>140,104</u> |

The tax assessed for the period is different than the effective rate of corporation tax in the UK (19%).The differences are explained below.

| | 2018 | 2017 |
|---|----------------|----------------|
| | £ | £ |
| Profit on Ordinary Activities | 1,746,990 | 750,348 |
| Profit on Ordinary Activities multiplied by 19% | 331,928 | 142,566 |
| Effects Of: | | |
| Depreciation for period in excess of capital allowances | - | (2,462) |
| Expenses not deductible for tax purposes | 40,595 | - |
| Current tax charge for the period | <u>372,523</u> | <u>140,104</u> |

9. DIVIDENDS

| | 2018 | 2017 |
|---------------------|------------------|------------------|
| | £ | £ |
| Ordinary dividends: | | |
| Final paid | <u>1,190,000</u> | <u>1,115,000</u> |
| | <u>1,190,000</u> | <u>1,115,000</u> |

10. INTANGIBLE FIXED ASSETS

| | Purchased Goodwill £ | Total £ |
|-------------------------|----------------------------|------------|
| Cost | | |
| At 1 January 2018 | 4,488,966 | 4,488,966 |
| Additions | 6,555,000 | 6,555,000 |
| At 31 December 2018 | 11,043,966 | 11,043,966 |
| Depreciation | | |
| At 1 January 2018 | 1,497,176 | 1,497,176 |
| For the year | 450,819 | 450,819 |
| At 31 December 2018 | 1,947,995 | 1,947,995 |
| Net Book Amounts | | |
| At 31 December 2018 | 9,095,971 | 9,095,971 |
| At 31 December 2017 | 2,991,790 | 2,991,790 |

Goodwill arising in connection with the acquisition of businesses is capitalised and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is based on the length of the franchise agreement undertaken.

11. TANGIBLE FIXED ASSETS

| | Long Leasehold Properties £ | Plant and Machinery £ | Motor Cars £ | Total £ |
|-------------------------|--------------------------------------|-----------------------------|--------------------|------------|
| Cost | | | | |
| At 1 January 2018 | 945,084 | 8,571,221 | 157,530 | 9,673,835 |
| Additions | - | 3,855,177 | 24,200 | 3,879,377 |
| At 31 December 2018 | 945,084 | 12,426,398 | 181,730 | 13,553,212 |
| Depreciation | | | | |
| At 1 January 2018 | 78,345 | 3,065,630 | 12,168 | 3,156,143 |
| For the year | 47,254 | 1,604,262 | 37,853 | 1,689,369 |
| At 31 December 2018 | 125,599 | 4,669,892 | 50,021 | 4,845,512 |
| Net Book Amounts | | | | |
| At 31 December 2018 | 819,485 | 7,756,506 | 131,709 | 8,707,700 |
| At 31 December 2017 | 866,739 | 5,505,591 | 145,362 | 6,517,692 |

12. STOCK

| | 2018 £ | 2017 £ |
|------------------|----------------|----------------|
| Stock comprises: | | |
| Stock | 219,858 | 132,416 |
| | <u>219,858</u> | <u>132,416</u> |

13. DEBTORS

| | 2018 | 2017 |
|--|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Trade debtors | 4,085 | 1,053 |
| Other debtors | 16,250 | 10,000 |
| Prepayments | 284,142 | 152,422 |
| | <u>304,477</u> | <u>163,475</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|----------------------------|------------------|------------------|
| | £ | £ |
| UK corporation tax | 415,408 | 104,419 |
| VAT | 989,941 | 565,653 |
| PAYE control | 127,186 | 60,425 |
| Salaries and wages control | 14,497 | 12,003 |
| Directors current account | 1,303 | 67 |
| Bank Loan | 3,043,536 | 1,680,000 |
| Trade creditors | 1,476,974 | 1,525,522 |
| Accruals | 660,658 | 316,194 |
| | <u>6,729,503</u> | <u>4,264,283</u> |

The bank loans are repayable by instalment over a 5 year term and subject to interest at 1.2% over the Bank of England base rate.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2018 | 2017 |
|-----------------------------|-------------------|------------------|
| | £ | £ |
| Bank loans (unsecured) >1yr | 12,430,608 | 5,208,428 |
| | <u>12,430,608</u> | <u>5,208,428</u> |

The bank loans are subject to interest at 1.2% over the Bank of England base rate. The loans are fully repayable by instalment between 1 and 5 years

16. PROVISIONS FOR LIABILITIES

| | 2018 | 2017 |
|-------------------|----------------|----------------|
| | £ | £ |
| Deferred taxation | 443,348 | 482,832 |
| | <u>443,348</u> | <u>482,832</u> |

17. DEFERRED TAXATION

| | 2018 | 2017 |
|--|------------------|------------------|
| | £ | £ |
| Provision at the start of the period | (486,153) | (447,145) |
| Deferred tax charge in profit and loss account due to: | | |
| Deferred taxation | 42,805 | (35,687) |
| Provision at the end of the period | <u>(443,348)</u> | <u>(482,832)</u> |

Deferred tax relates to accelerated capital allowances.

18. SHARE CAPITAL

| | 2018 | 2017 |
|----------------------------------|------------|------------|
| | £ | £ |
| Allotted, issued and fully paid: | | |
| 100 Ordinary shares of £ 1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |

19. PROFIT AND LOSS RESERVE

| | 2018 | 2017 |
|---------------------|--------------------|--------------------|
| | £ | £ |
| Opening balance | 704,699 | 1,209,455 |
| Profit for the year | 1,371,147 | 610,244 |
| Final dividends | <u>(1,190,000)</u> | <u>(1,115,000)</u> |
| | <u>885,846</u> | <u>704,699</u> |

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2018 | 2017 |
|-----------------------------|--------------------|--------------------|
| | £ | £ |
| Opening shareholders' funds | 704,799 | 1,209,555 |
| Profit for the year | 1,371,147 | 610,244 |
| Dividends paid | <u>(1,190,000)</u> | <u>(1,115,000)</u> |
| Closing shareholders' funds | <u>885,946</u> | <u>704,799</u> |

21. FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies which are not included in the balance sheet:
Rent payable by each restaurant is based as a percentage of sales. . These amounts can not be forecast.
The terms of the each franchise agreement generally includes a 20 year operating lease for rent.

22. CONTROLLING PARTY

In the opinion of the directors the ultimate controlling party of the company is Mr I Anilmis by virtue of his majority shareholding and control of the company.

23. RELATED PARTY TRANSACTIONS

Mr.I Anilmis and his wife Mrs A-M Anilmis are both directors of the company and own 100% of the ordinary share capital . Any loans made to the directors during the year were unsecured, interest free and all repaid in full.