A&L RESTAURANTS LIMITED

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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FOR THE YEAR ENDED 31 MARCH 2019

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019

DIRECTOR:	A H Atefi
REGISTERED OFFICE:	C/O The Accounting Centre First Floor 736 High Road North Finchley London N12 9XD
REGISTERED NUMBER:	04437266 (England and Wales)
SENIOR STATUTORY AUDITOR:	Andrew Green LLB FCA
AUDITORS:	THP Limited Chartered Accountants and Statutory Auditors 34-40 High Street Wanstead London E11 2RJ

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The director presents his strategic report for the year ended 31 March 2019.

REVIEW OF BUSINESS
The director is pleased to report another successful year for the business, both in terms of underlying trading performance and the financial position as at the balance sheet date.

The improvements in the year are the result of significant capital improvements during 2018 refurbishing and redeveloping 4 of the 8 restaurants.

The company's key performance indicators are as follows:

	2019 £	2018 £
Turnover	22,161,061	18,589,289
Gross Profit	15,214,400	12,921,958
Gross Profit %	68.6%	69.5%

The net assets of the company were £3.5million (2018: £4.1million) at the balance sheet date, reflecting the solid position of the company from a solvency and liquidity point of view, and this strong balance sheet is the foundation on which the company can continue to grow and prosper.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the company's strategy are subject to a number of risks.

The Director has set out below the principal risks facing the business.

The Director is of the opinion that a thorough risk management process is adopted which involves a formal review of all risks identified below. Where possible, processes are in place to mitigate such risks.

Economic downturn

The success of the business is reliant on consumer spending.

In response to this continuous risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies will be modified to reflect the new market conditions.

Food cost inflation

The company is continually assessing all risks that food costs inflation may bring with the aim to mitigate future threats this may have on the business.

Wage cost inflation

The company is continually affected by wage cost inflation and pressures within the labour market. The company monitors the market to ensure complete compliance with labour market regulations, and maintains employment policies, remuneration and benefits packages that are designed to be competitive with other companies, as well as providing employees with fulfilling career opportunities.

Competition

The market in which the company operates in highly competitive. As a result, the company is subject to a high level of price sensitivities in its consumer-led market. Policies of constantly assessing our pricing strategy and ongoing market research are in place to mitigate such risks.

Liquidity risk

As the result of positive cash flows from operating activities and the current asset position, the Director does not consider liquidity or cashflow risk to be an issue, however these areas are closely monitored to ensure the company's procedures continue to operate effectively to minimise risks.

Brexit

As the negotiations around the UK's withdrawal from the European Union continue, there remains significant uncertainty in the UK economy generally. In the circumstances, the extent to which the company's operations and financial performance are affected will only become clear as the terms of the agreement emerge. The director believes the key risks facing the business include potential food cost inflation and the impact of increased uncertainty surrounding the UK economy. Whilst the director recognises the risks associated with Brexit, he believes that these risks will be mitigated by the strength of the franchise brand and the company's strong balance sheet.

ON BEHALF OF THE BOARD:

A H Atefi - Director

13 November 2019

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2019

The director presents his report with the financial statements of the company for the year ended 31 March 2019.

DIVIDENDS
Interim dividends of £839,770 (2018: £154,565) were paid during the year. The Director does not recommend payment of a final dividend.

FUTURE DEVELOPMENTS
The director is confident that continued focus on the key management policies will strengthen the financial position of the company during the ensuing year.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR
A H Atefi held office during the whole of the period from 1 April 2018 to the date of this report.

EMPLOYMENT POLICIES
The company does not discriminate between employees or potential employees on grounds of colour, race, ethnic or national origin, sex, disability, age, marital status or religious beliefs. Full consideration is given to applications for employment from disabled persons who are able to demonstrate that they have the necessary abilities.

The importance of staff training, equal opportunity, health and safety, environmental matters and the avoidance of sexual harassment is recognised at all levels and is monitored on a regular basis by committees chaired by a director or senior manager reporting directly to the Board.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The director is responsible for preparing the Strategic Report, the Report of the Director 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 period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, THP Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A H Atefi - Director

13 November 2019

Opinion
We have audited the financial statements of A&L Restaurants Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 March 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 Auditors' 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have 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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Andrew Green LLB FCA (Senior Statutory Auditor)
for and on behalf of THP Limited
Chartered Accountants
and Statutory Auditors
34-40 High Street
Wanstead
London
E11 2RJ

13 November 2019

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
TURNOVER		**22,161,061**	18,589,289
Cost of sales		**6,946,661**	5,667,331
GROSS PROFIT		**15,214,400**	12,921,958
Administrative expenses		**14,871,128**	13,025,545
OPERATING PROFIT/(LOSS)	5	**343,272**	(103,587)
Amounts written off investments	6	**-**	130,000
		343,272	(233,587)
Interest payable and similar expenses	7	**48,443**	20,803
PROFIT/(LOSS) BEFORE TAXATION		**294,829**	(254,390)
Tax on profit/(loss)	8	**76,161**	28,306
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**218,668**	(282,696)

The notes form part of these financial statements

A&L RESTAURANTS LIMITED (REGISTERED NUMBER: 04437266)

BALANCE SHEET
31 MARCH 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	10		**596,889**		668,453
Tangible assets	11		**4,639,639**		5,140,963
Investments	12		**10,000**		10,000
			5,246,528		5,819,416
CURRENT ASSETS					
Stocks	13	**91,669**		97,327	
Debtors	14	**1,876,279**		1,735,941	
Cash at bank		**1,986,022**		3,489,893	
		3,953,970		5,323,161	
CREDITORS					
Amounts falling due within one year	15	**3,139,530**		3,780,169	
NET CURRENT ASSETS			**814,440**		1,542,992
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,060,968**		7,362,408
CREDITORS					
Amounts falling due after more than one year	16		**(2,331,610)**		(3,004,216)
PROVISIONS FOR LIABILITIES	19		**(222,108)**		(229,840)
NET ASSETS			**3,507,250**		4,128,352
CAPITAL AND RESERVES					
Called up share capital	20		**100**		100
Retained earnings	21		**3,507,150**		4,128,252
SHAREHOLDERS' FUNDS			**3,507,250**		4,128,352

The financial statements were approved by the director on 13 November 2019 and were signed by:

A H Atefi - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	100	4,565,513	4,565,613
Changes in equity			
Dividends	-	(154,565)	(154,565)
Total comprehensive income	-	(282,696)	(282,696)
Balance at 31 March 2018	100	4,128,252	4,128,352
Changes in equity			
Dividends	-	(839,770)	(839,770)
Total comprehensive income	-	218,668	218,668
Balance at 31 March 2019	100	3,507,150	3,507,250

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	26	**371,896**	2,399,790
Interest paid		**(48,443)**	(20,351)
Interest element of hire purchase payments paid		-	(452)
Tax paid		-	(108,764)
Net cash from operating activities		**323,453**	2,270,223
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(6,298)
Purchase of tangible fixed assets		**(597,171)**	(3,014,780)
Sale of fixed asset investments		-	1,592,400
Net cash from investing activities		**(597,171)**	(1,428,678)
Cash flows from financing activities			
New loans in year		-	2,737,000
Loan repayments in year		**(661,549)**	(362,504)
Capital repayments in year		**(1,333)**	(2,194)
Amount introduced by directors		**272,499**	-
Amount withdrawn by directors		-	(1,590,000)
Equity dividends paid		**(839,770)**	(154,565)
Net cash from financing activities		**(1,230,153)**	627,737
(Decrease)/increase in cash and cash equivalents		**(1,503,871)**	1,469,282
Cash and cash equivalents at beginning of year	27	**3,489,893**	2,020,611
Cash and cash equivalents at end of year	27	**1,986,022**	3,489,893

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

A&L Restaurants Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

There are no specific judgements, apart from those involving estimates as detailed below, that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates can differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

(i) Depreciation and residual values

The Director has reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

(ii) Impairment of intangible assets

The company assess the impairment of intangible assets subject to amortisation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could indicate impairment include the following:

Significant underperformance relative to historical or projected future operating results.

Significant changes in the matter or the use of the acquired assets or the strategy for the overall business.

Significant negative industry or economic trends.

(iii) Impairment of investments

The company assess the impairment of investments whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could indicate impairment include the following:

Significant underperformance relative to historical or projected future operating results.

Significant changes in the matter or the use of the acquired assets or the strategy for the overall business.

Significant negative industry or economic trends.

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3. ***ACCOUNTING POLICIES - continued***

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and value added taxes.

Sales of goods are recognised on sale to the customer, which is considered to be the point of sale and when the significant risks and rewards of the goods have been passed to the customer.

Franchise rights and franchise fees
Goodwill relates to franchise rights purchased and is amortised over the period of the franchise agreement.

Franchise fees are amortised over the period of the franchise agreement.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property	
Improvements	- Straight line over 7-10 years
Plant and machinery	- Straight line over 7-10 years
Fixtures and fittings	- Straight line over 5 years
Motor Vehicles	- Straight line over 3 years
Computer Equipment	- Straight line over 4 years

Stocks
Stocks are valued at the lower of cost and selling price, after making due allowance for impairment of obsolete or slow moving items. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties, transport and handling directly attributable to bringing the stock to its present location and condition.

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3. **ACCOUNTING POLICIES - continued**

Financial instruments
A financial asset held as an equity instrument is recognised initially at the transaction price (including transaction costs).

At the end of each reporting period, unlisted equity investments are recorded at fair value, where appropriate, or at cost less impairment if their fair value cannot be reliably measured. Objective evidence of the impairment of financial assets is assessed at each period end and any impairment loss recognised in the profit or loss immediately. Impairment loss is calculated as the difference between the carrying amount of the instrument and the best estimate of the cash flows expected to be derived from the asset (including sales proceeds if sold) at the balance sheet date.

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

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

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

Cash and cash equivalents
Cash and cash equivalents in the balance sheet represents cash in hand and deposits with financial institutions without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Short-term debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss under operating expenses.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

Finance Costs
Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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3. **ACCOUNTING POLICIES - continued**

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different *from those in which they are recognised in financial statements. Deferred tax is measured using tax rates* and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits
The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

(i) Short Term Benefits

Short term benefits, including holiday pay (where material) and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Pension Scheme

The company operates a defined contribution pension scheme for its employees. The contributions are recognised as an expense when they are due. Amounts not paid are shown as a creditor on the balance sheet. *The assets of the scheme are held separately from the group in independently administered funds*

Operating leases
The company's restaurant premises are leased from the franchisor under a non-cancellable lease with an expiry term of more than five years. The rental payments are calculated on a monthly basis and are substantially based on annual sales income generated. The aggregate benefit of the lease incentives is recognised over the term of the lease.

Borrowing costs
All borrowing costs are recognised in the Profit and Loss Account in the period in which they are incurred.

Provisions for liabilities
Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

4. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	**6,136,861**	5,459,236
Social security costs	**438,955**	290,789
Other pension costs	**50,266**	31,473
	6,626,082	5,781,498

The average number of employees during the year was as follows:

	2019	2018
Crew	**609**	527
Management	**31**	35
	640	562

4. EMPLOYEES AND DIRECTORS - continued

	2019	2018
	£	£
Director's remuneration	**18,460**	18,000

The Director is considered to be the key management for the purpose of disclosure under FRS102.

5. OPERATING PROFIT/(LOSS)

The operating profit (2018 - operating loss) is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	**1,098,495**	783,807
Franchise rights amortisation	**62,564**	62,539
Franchise fees amortisation	**9,000**	9,000
Auditors' remuneration	**5,250**	5,000

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2019	2018
	£	£
Provision for investments	**-**	130,000

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	**48,443**	20,351
Hire purchase interest	**-**	452
	48,443	20,803

8. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	**83,893**	(33,856)
Deferred tax	**(7,732)**	62,162
Tax on profit/(loss)	**76,161**	28,306

continued...

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit/(loss) before tax	**294,829**	(254,390)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	**56,018**	(48,334)
Effects of:		
Expenses not deductible for tax purposes	-	24,700
Capital allowances in excess of depreciation	-	(8,529)
Depreciation in excess of capital allowances	**27,875**	-
Utilisation of tax losses	-	32,163
Adjustments to tax charge in respect of previous periods	-	(33,856)
Deferred tax	**(7,732)**	62,162
Total tax charge	**76,161**	28,306

9. DIVIDENDS

	2019	2018
	£	£
Ordinary shares of £1 each		
Interim	**839,770**	154,565

10. INTANGIBLE FIXED ASSETS

	Franchise rights	Franchise fees	Totals
	£	£	£
COST			
At 1 April 2018			
and 31 March 2019	**1,737,893**	**180,000**	**1,917,893**
AMORTISATION			
At 1 April 2018	**1,163,190**	**86,250**	**1,249,440**
Amortisation for year	**62,564**	**9,000**	**71,564**
At 31 March 2019	**1,225,754**	**95,250**	**1,321,004**
NET BOOK VALUE			
At 31 March 2019	**512,139**	**84,750**	**596,889**
At 31 March 2018	574,703	93,750	668,453

continued...

11. TANGIBLE FIXED ASSETS

	Plant, machinery and fixtures £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2018	**7,811,981**	**717,046**	**61,346**	**8,590,373**
Additions	**582,198**	**14,973**	**-**	**597,171**
At 31 March 2019	**8,394,179**	**732,019**	**61,346**	**9,187,544**
DEPRECIATION				
At 1 April 2018	**2,951,710**	**470,358**	**27,342**	**3,449,410**
Charge for year	**1,013,669**	**66,077**	**18,749**	**1,098,495**
At 31 March 2019	**3,965,379**	**536,435**	**46,091**	**4,547,905**
NET BOOK VALUE				
At 31 March 2019	**4,428,800**	**195,584**	**15,255**	**4,639,639**
At 31 March 2018	4,860,271	246,688	34,004	5,140,963

12. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 April 2018	**140,000**
Disposals	**(130,000)**
At 31 March 2019	**10,000**
PROVISIONS	
At 1 April 2018	**130,000**
Eliminated on disposal	**(130,000)**
At 31 March 2019	**-**
NET BOOK VALUE	
At 31 March 2019	**10,000**
At 31 March 2018	10,000

The £130,000 disposal relates to an investment in the subsidiary A&L Restaurants (ALR) LLP, which was dissolved on 25/9/18.

13. STOCKS

	2019 £	2018 £
Stocks	**91,669**	97,327

Stock recognised within cost of sales as an expense during the year were £6,946,661 (2018: £5,667,331).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	**-**	1,083
Directors' current accounts	**1,308,970**	1,581,469
Corporation tax recoverable	**425,415**	33,856
Prepayments and accrued income	**141,894**	119,533
	1,876,279	1,735,941

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 17)	**671,777**	660,720
Hire purchase contracts (see note 18)	**-**	1,333
Trade creditors	**962,152**	857,668
Corporation tax	**475,452**	-
Social security and other taxes	**90,836**	66,751
VAT	**429,399**	470,949
Accrued expenses	**509,914**	1,722,748
	3,139,530	3,780,169

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

	2019	2018
	£	£
Bank loans (see note 17)	**2,331,610**	3,004,216

17. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 year	**671,777**	660,720
Amounts falling due between one and two years:		
Bank loans	**671,777**	660,720
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**1,350,138**	1,611,456
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans >5 years payable by instalments	**309,695**	732,040
	309,695	732,040

The bank loans are unsecured and are repayable over a total period of 5-7 years from inception at floating rates of 1.45% and 1.90% above the Bank of England base rate.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	**-**	1,333

18. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	**455,453**	529,795
Between one and five years	**1,364,545**	1,473,582
In more than five years	**3,332,311**	3,678,728
	5,152,309	5,682,105

19. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	**222,108**	229,840

	Deferred tax
	£
Balance at 1 April 2018	**229,840**
Credit to Income Statement during year	**(7,732)**
Balance at 31 March 2019	**222,108**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2019**	2018
			£	£
100	Ordinary	£1	**100**	100

21. RESERVES

	Retained earnings
	£
At 1 April 2018	**4,128,252**
Profit for the year	**218,668**
Dividends	**(839,770)**
At 31 March 2019	**3,507,150**

22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2019 and 31 March 2018:

	2019	2018
	£	£
A H Atefi		
Balance outstanding at start of year	**1,581,469**	(8,531)
Amounts advanced	**-**	1,590,000
Amounts repaid	**(272,499)**	-
Amounts written off	**-**	-
Amounts waived	**-**	-
Balance outstanding at end of year	**1,308,970**	1,581,469

The balance is interest free and repayable on demand.

continued...

23. **RELATED PARTY DISCLOSURES**

During the year, total dividends of £839,770 (2018 - £154,565) were paid to the director.

24. **POST BALANCE SHEET EVENTS**

Subsequent to the year end the company sold 2 restaurants for a combined total proceeds of £3,000,000, taking the store total from 8 to 6.

25. **ULTIMATE CONTROLLING PARTY**

The controlling party is A H Atefi.

26. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit/(loss) before taxation	**294,829**	(254,390)
Depreciation charges	**1,170,059**	855,347
Amount written off investment	**-**	130,000
Finance costs	**48,443**	20,803
	1,513,331	751,760
Decrease/(increase) in stocks	**5,658**	(21,212)
(Increase)/decrease in trade and other debtors	**(21,278)**	38,711
(Decrease)/increase in trade and other creditors	**(1,125,815)**	1,630,531
Cash generated from operations	**371,896**	2,399,790

27. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31.3.19	**1.4.18**
	£	**£**
Cash and cash equivalents	**1,986,022**	**3,489,893**

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	3,489,893	2,020,611