REGISTERED NUMBER: 04437266 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

FOR

A & L RESTAURANTS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTOR:	A H Atefi
SECRETARY:	S P Atefi
REGISTERED OFFICE:	C/O The Accounting Centre First Floor 736 High Road North Finchley London N12 9QD
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 2023

The director presents his strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS
The Directors report that despite an improvement in turnover, significant cost pressures have lead to a fall in margins and operating profits. Trading during the previous year was disrupted by the Coronavirus pandemic.

During the year the company disposed of one of its restaurants for £1,300,000.

The Company's key performance indicators are as follows:

	2023 £	2022 £
Turnover	22,199,506	21,300,052
Gross Profit	14,550,548	14,942,463
Gross Profit %	65.54%	70.15%

The net assets of the company were £3.2million (2022: £2.5million) at the balance sheet date, reflecting the solid position of the company from a solvency 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 Directors have set out below the principal risks facing the business.

The Directors are 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.

Inflation and the cost of living crisis
Global inflationary pressures that have arisen following the outbreak of the war in Ukraine continue to represent the largest risk to the business. These pressures are seen most clearly in relation to:

Food cost inflation
The Company is continually assessing all risks that food cost 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.

Utilities costs
Increasing volatility, uncertainty, cost pressures and general environmental awareness in the UK market has resulted in increased pressure on the company in recent times. To manage and help mitigate the risk associated with these pressures, the company is party to a number of Power Purchase Agreements (PPAs) for the provision of cost-effective clean energy from environmentally friendly energy sources.

Competition
The market in which the Company operates is 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 a result of the positive cash flows from operating activities achieved in the year and expected in future periods, the Directors do not consider liquidity or cashflow risk to be an issue. The Company makes use of bank facilities in order to finance long term capital and refurbishment expenditure. The Directors also continually monitor cash flow forecasts in order to further manage liquidity risk.

Interest rate risk
Considering the debt profile of the Company, increases in interest rates presents a risk. The continued policy of regular rate monitoring and ongoing dialogue with our lenders are in place to help mitigate this risk.

Brexit
The areas where Brexit has impacted our business include the access and cost of both labour and food and we continue to work with our business partners to mitigate this.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control; hence, we are constantly assessing our plans in line with the current environment.

ON BEHALF OF THE BOARD:

A H Atefi - Director

21 December 2023

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2023

The director presents his report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the operation of quick service restaurants.

DIVIDENDS
Interim dividends of £50,000 (2022: £831,239) were paid during the year. The Director does not recommend payment of a final dividend.

FUTURE DEVELOPMENTS
The Company will continue to invest in its restaurants as part of an ongoing programme to upgrade their look and feel with new and enhanced equipment and thereby improve its customers' and employees' experience. This forms part of its ongoing strategy to maintain market share and profitability.

DIRECTOR
A H Atefi held office during the whole of the period from 1 April 2022 to the date of this report.

ENGAGEMENT WITH EMPLOYEES
Diversity and inclusion
The company is fully committed to a policy of treating all existing employees and job applicants equally. Recruitment decisions and the progression of employees within the group are based on merit and not upon any consideration of race, colour, religion, disability, nationality, sex, sexual orientation, marital status or age.

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.

The Company gives full and fair consideration to applications for employment by disabled persons. In the event of employees becoming disabled whilst in service of the company, every effort is made to continue their employment by transfer to alternative duties, if required and by provision of such retraining as is appropriate.

Learning and Development
The company provides employees with regular formal training sessions using e-learning and classroom based training courses including an apprenticeship and management development programmes. To keep employees updated with developments within the company, management uses a digital application available to all employees to inform and engage with employees on a regular basis.

DISCLOSURE IN THE STRATEGIC REPORT
The Company has chosen to make disclosures in relation to financial risk management and other matters considered to be of strategic importance which would otherwise be in the Directors report within the Strategic Report.

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.

ON BEHALF OF THE BOARD:

A H Atefi - Director

21 December 2023

Opinion
We have audited the financial statements of A & L Restaurants Limited (the 'company') for the year ended 31 March 2023 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 2023 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
In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

In performing our work in relation to going concern, we have considered the existing franchise agreements in place and the likelihood of their renewal in future. The company is able to continue as a going concern whilst it has the support of the ultimate franchisor.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence,capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with Directors and other management, and from our commercial knowledge and experience of the sector in which the Company operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental, food hygiene, franchise conditions and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the Franchisor, HMRC and any other relevant regulators as required.

Where we do identify instances of non-compliance, we understand how management and those charged with governance have responded to them, including understanding the remediation actions taken, through enquiry of management and inspection of relevant documentation and correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

21 December 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER		**22,199,506**	21,300,052
Cost of sales		**7,648,958**	6,357,589
GROSS PROFIT		**14,550,548**	14,942,463
Administrative expenses		**14,505,134**	12,965,705
		45,414	1,976,758
Other operating income		**-**	52,090
OPERATING PROFIT	5	**45,414**	2,028,848
Profit on disposal of fixed assets	6	**878,762**	-
		924,176	2,028,848
Interest payable and similar expenses	7	**35,827**	32,666
PROFIT BEFORE TAXATION		**888,349**	1,996,182
Tax on profit	8	**195,374**	400,979
PROFIT FOR THE FINANCIAL YEAR		**692,975**	1,595,203

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Intangible assets	10		**307,288**		374,239
Tangible assets	11		**777,709**		1,681,203
Investments	12		**6,250**		7,500
			1,091,247		2,062,942
CURRENT ASSETS					
Stocks	13	**116,271**		99,548	
Debtors	14	**3,797,676**		1,963,441	
Cash at bank		**586,427**		1,377,849	
		4,500,374		3,440,838	
CREDITORS					
Amounts falling due within one year	15	**2,183,373**		2,220,145	
NET CURRENT ASSETS			**2,317,001**		1,220,693
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,408,248**		3,283,635
CREDITORS					
Amounts falling due after more than one year	16		**(235,156)**		(722,411)
PROVISIONS FOR LIABILITIES	19		**(24,100)**		(55,207)
NET ASSETS			**3,148,992**		2,506,017
CAPITAL AND RESERVES					
Called up share capital	20		**100**		100
Retained earnings	21		**3,148,892**		2,505,917
SHAREHOLDERS' FUNDS			**3,148,992**		2,506,017

The financial statements were approved by the director and authorised for issue on 21 December 2023 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 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	1,741,953	1,742,053
Changes in equity			
Dividends	-	(831,239)	(831,239)
Total comprehensive income	-	1,595,203	1,595,203
Balance at 31 March 2022	100	2,505,917	2,506,017
Changes in equity			
Dividends	-	(50,000)	(50,000)
Total comprehensive income	-	692,975	692,975
Balance at 31 March 2023	100	3,148,892	3,148,992

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	25	**(933,945)**	2,639,256
Interest paid		**(35,827)**	(32,666)
Tax paid		**(476,532)**	(538,264)
Net cash from operating activities		**(1,446,304)**	2,068,326
Cash flows from investing activities			
Purchase of tangible fixed assets		**(134,379)**	(120,858)
Sale of tangible fixed assets		**1,298,749**	-
Sale of fixed asset investments		**1,250**	-
Net cash from investing activities		**1,165,620**	(120,858)
Cash flows from financing activities			
Loan repayments in year		**(460,738)**	(712,536)
Equity dividends paid		**(50,000)**	(831,239)
Net cash from financing activities		**(510,738)**	(1,543,775)
(Decrease)/increase in cash and cash equivalents		**(791,422)**	403,693
Cash and cash equivalents at beginning of year	26	**1,377,849**	974,156
Cash and cash equivalents at end of year	26	**586,427**	1,377,849

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) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Useful economic live of intangible assets
Goodwill and intangible assets are amortised over their useful economic lives and are assessed annually for indications of impairment.

(iii) Treatment of significant capital projects
The allocation of store refurbishment expenditure between capital and revenue is an area that requires judgement on the part of management. Costs are allocated in line with the asset recognition contained within FRS102 and on the basis of all available evidence as to their nature. The management uses professional advisors to assist them with this process.

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, including online sales, 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.

continued...

3. **ACCOUNTING POLICIES - continued**

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.

Financial instruments
The Company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at this value less any provision for impairment.

Government Grants
Government grants are accounted for on an accrual basis.

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.

The carrying value of all short-term financial assets and liabilities are measured at amortised cost.

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.

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.

continued...

3. **ACCOUNTING POLICIES - continued**

Pension costs and other employment costs
(i) Holiday pay

Holiday pay entitlements (where material) 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 company 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.

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**

	2023	2022
	£	£
Wages and salaries	**6,154,401**	5,416,519
Social security costs	**334,407**	280,167
Other pension costs	**65,576**	60,851
	6,554,384	5,757,537

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

	2023	2022
Crew	**559**	495
Management	**22**	19
	581	514

	2023	2022
	£	£
Director's remuneration	**133,359**	133,359

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

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	**617,886**	854,149
Franchise rights amortisation	**58,701**	60,077
Franchise fees amortisation	**8,250**	9,000
Auditors' remuneration	**6,248**	5,950

continued...

6. EXCEPTIONAL ITEMS

	2023	2022
	£	£
Profit on disposal of fixed assets	878,762	-

During the year the company sold a restaurant, along with its associated intangible and tangible assets, for £1,300,000.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	35,827	32,586
HMRC interest	-	80
	35,827	32,666

8. TAXATION

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	226,481	474,078
Deferred tax	(31,107)	(73,099)
Tax on profit	195,374	400,979

UK corporation tax has been charged at 19% (2022 - 19%).

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:

	2023	2022
	£	£
Profit before tax	888,349	1,996,182
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	168,786	379,275
Effects of:		
Expenses not deductible for tax purposes	2,562	-
Income not taxable for tax purposes	(166,965)	-
Depreciation in excess of capital allowances	73,540	94,803
Deferred tax	(31,107)	(73,099)
Franchise rights disposal	148,558	-
Total tax charge	195,374	400,979

9. DIVIDENDS

	2023	2022
	£	£
Ordinary shares of £1 each		
Interim	50,000	831,239

continued...

10. INTANGIBLE FIXED ASSETS

	Franchise rights £	Franchise fees £	Totals £
COST			
At 1 April 2022	1,688,126	180,000	1,868,126
Disposals	(55,000)	(30,000)	(85,000)
At 31 March 2023	1,633,126	150,000	1,783,126
AMORTISATION			
At 1 April 2022	1,371,637	122,250	1,493,887
Amortisation for year	58,701	8,250	66,951
Eliminated on disposal	(55,000)	(30,000)	(85,000)
At 31 March 2023	1,375,338	100,500	1,475,838
NET BOOK VALUE			
At 31 March 2023	257,788	49,500	307,288
At 31 March 2022	316,489	57,750	374,239

11. TANGIBLE FIXED ASSETS

	Plant, machinery and fixtures £	Motor vehicles £	Totals £
COST			
At 1 April 2022	7,745,170	61,346	7,806,516
Additions	134,379	-	134,379
Disposals	(1,626,101)	-	(1,626,101)
At 31 March 2023	6,253,448	61,346	6,314,794
DEPRECIATION			
At 1 April 2022	6,063,967	61,346	6,125,313
Charge for year	617,886	-	617,886
Eliminated on disposal	(1,206,114)	-	(1,206,114)
At 31 March 2023	5,475,739	61,346	5,537,085
NET BOOK VALUE			
At 31 March 2023	777,709	-	777,709
At 31 March 2022	1,681,203	-	1,681,203

12. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 April 2022	7,500
Disposals	(1,250)
At 31 March 2023	6,250
NET BOOK VALUE	
At 31 March 2023	6,250
At 31 March 2022	7,500

13. STOCKS

	2023 £	2022 £
Stocks	116,271	99,548

continued...

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	**151,681**	-
Other debtors	**1,687,195**	-
Directors' current accounts	**1,426,945**	1,426,945
Corporation tax recoverable	**463,757**	463,757
Prepayments and accrued income	**68,098**	72,739
	3,797,676	1,963,441

Balances owed at the year end from third party delivery partners have been classified as trade debtors. In prior periods they were included as outstanding items on the bank.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 17)	**485,837**	459,320
Trade creditors	**673,112**	684,951
Corporation tax	**226,481**	476,532
Social security and other taxes	**476,970**	340,736
Accrued expenses	**320,973**	258,606
	2,183,373	2,220,145

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

	2023	2022
	£	£
Bank loans (see note 17)	**235,156**	722,411

17. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 year	**485,837**	459,320
Amounts falling due between one and two years:		
Bank loans	**235,156**	459,321
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**-**	263,090

The outstanding bank loan is unsecured and is repayable over a total period of 5 years from inception at a floating rate of 2.40% above the Bank of England base rate.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	**357,168**	409,377
Between one and five years	**1,342,792**	1,610,944
In more than five years	**1,543,830**	2,331,539
	3,243,790	4,351,860

The above amounts relate to annual commitments to pay a base rent for leased trading premises.

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19. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Deferred tax		
Accelerated capital allowances	**24,100**	55,207

	Deferred tax £
Balance at 1 April 2022	**55,207**
Credit to Income Statement during year	**(31,107)**
Balance at 31 March 2023	**24,100**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
100	Ordinary	£1	**100**	100

21. RESERVES

	Retained earnings £
At 1 April 2022	**2,505,917**
Profit for the year	**692,975**
Dividends	**(50,000)**
At 31 March 2023	**3,148,892**

22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2023 and 31 March 2022:

	2023 £	2022 £
A H Atefi		
Balance outstanding at start of year	**1,426,945**	1,426,945
Amounts repaid	**-**	-
Amounts written off	**-**	-
Amounts waived	**-**	-
Balance outstanding at end of year	**1,426,945**	1,426,945

The balance is interest free and repayable on demand.

23. RELATED PARTY DISCLOSURES

During the year, total dividends of £50,000 (2022 - £831,239) were paid to the director .

Included within other debtors is a loan of £1,687,195 to a company under common control and with common key management.

The amount is interest free, unsecured and repayable on demand.

24. ULTIMATE CONTROLLING PARTY

The controlling party is A H Atefi.

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25. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit before taxation	**888,349**	1,996,182
Depreciation charges	**684,837**	923,225
Profit on disposal of fixed assets	**(878,762)**	-
Finance costs	**35,827**	32,666
	730,251	2,952,073
Increase in stocks	**(16,723)**	(23,267)
(Increase)/decrease in trade and other debtors	**(1,834,235)**	99,751
Increase/(decrease) in trade and other creditors	**186,762**	(389,301)
Cash generated from operations	**(933,945)**	2,639,256

26. 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 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	**586,427**	**1,377,849**

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	1,377,849	974,156

27. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank	**1,377,849**	**(791,422)**	**586,427**
	1,377,849	**(791,422)**	**586,427**
Debt			
Debts falling due within 1 year	**(459,320)**	**(26,517)**	**(485,837)**
Debts falling due after 1 year	**(722,411)**	**487,255**	**(235,156)**
	(1,181,731)	**460,738**	**(720,993)**
Total	**196,118**	**(330,684)**	**(134,566)**