

**Kram Restaurants Limited**  
**Financial Statements**  
**24 December 2017**



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24/09/2018 #37  
COMPANIES HOUSE

**MANEELY Mc CANN**  
Chartered Accountants & statutory auditor  
Aisling House  
50 Stranmillis Embankment  
Belfast  
BT9 5FL

# **Kram Restaurants Limited**

## **Financial Statements**

**Period from 5 December 2016 to 24 December 2017**

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**Kram Restaurants Limited**  
**Officers and Professional Advisers**

<b>The board of directors</b>	Mrs L E Herbert Mr A G Purnell Mr M A Herbert Mr J Carlisle
<b>Company secretary</b>	Mr A G Purnell
<b>Registered office</b>	Harleyford Estate Henley Road Marlow Buckinghamshire SL7 2DX
<b>Auditor</b>	Maneely Mc Cann Chartered Accountants & statutory auditor Aisling House 50 Stranmillis Embankment Belfast BT9 5FL
<b>Bankers</b>	Danske Bank Donegall Square West Belfast BT1 6JS  Lloyds 45 High Street Maidenhead Berkshire SL6 1JL
<b>Solicitors</b>	DWF (Northern Ireland) LLP Jefferson House 42 Queen Street Belfast BT1 6HL

# **Kram Restaurants Limited**

## **Strategic Report**

**Period from 5 December 2016 to 24 December 2017**

### **Principal activities and business review**

The principal activity of the company during the year continues to be that of the provision of fast food services under franchises with Kentucky Fried Chicken (Great Britain) Limited.

The company's revenues are generated by fast food sales. The company operates throughout England.

Overall the directors are satisfied with the company's results for the period. The KFC franchise business continues to trade strongly. The key performance indicators that management monitored on a monthly basis during the year were as follows:

- store by store growth compared to prior period
- food costs as a percentage of sales
- labour costs as a percentage of sales
- labour hours used on a weekly, store by store basis compared to sales achieved and same week prior year.

The company is well placed to deal with any uncertainties that may arise and the directors are involved in prudent business planning and working closely with the company's key stakeholders. The directors continue to seek opportunities for investment and development that fit with the company's strategic objectives.

The company's actual result for the year is an operating profit of £1.16m (2016: £1.26m) and a profit on ordinary activities before tax of £1.16m (2016: £1.26m). At the year end net assets of the company were £4.5m (2016: £3.6m).

### **Future developments**

The directors continue to seek opportunities for investment and development that fit with the company's strategic objectives.

### **Principal risks and uncertainties**

The KFC business is sensitive to consumer spending habits, inflation and increased costs which include wages, energy costs and direct costs. The directors however focus strongly on managing and mitigating these risks as well as exploring new opportunities for the business.

### **Financial risk management**

The company's operations expose it to a variety of financial risks in respect to its use of financial instruments that include liquidity risk and interest rate risk. Credit risk is negligible as the company does not make any credit sales.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub committee. The policies are set and reviewed by the directors, and are implemented by the company's finance team. The main risks are summarised below:

#### **Liquidity risk**

The company actively maintains a mixture of long-term and short-term finance to ensure sufficient liquidity available for operations and any planned expansions.

#### **Interest rate risk**

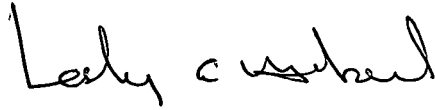
The company finances its operations through a combination of bank overdrafts and loans from related parties, and has a policy of maintaining debt at competitive rates to ensure a reasonable degree of certainty over future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

# **Kram Restaurants Limited**

## **Strategic Report** *(continued)*

**Period from 5 December 2016 to 24 December 2017**

This report was approved by the board of directors on 29 June 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Leah E Herbert', written in a cursive style.

Mrs L E Herbert  
Director

Registered office:  
Harleyford Estate  
Henley Road  
Marlow  
Buckinghamshire  
SL7 2DX

# **Kram Restaurants Limited**

## **Directors' Report**

### **Period from 5 December 2016 to 24 December 2017**

The directors present their report and the financial statements of the company for the period ended 24 December 2017.

#### **Directors**

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

Mrs L E Herbert

Mr A G Purnell

Mr M A Herbert

Mr J Carlisle

(Appointed 4 July 2017)

#### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

#### **Events after the end of the reporting period**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Kram Restaurants Limited**

## **Directors' Report** *(continued)*

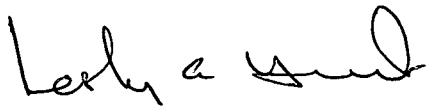
**Period from 5 December 2016 to 24 December 2017**

### **Auditor**

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

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

This report was approved by the board of directors on 29 June 2018 and signed on behalf of the board by:



Mrs L E Herbert  
Director

Registered office:  
Harleyford Estate  
Henley Road  
Marlow  
Buckinghamshire  
SL7 2DX

# **Kram Restaurants Limited**

## **Independent Auditor's Report to the Members of Kram Restaurants Limited**

**Period from 5 December 2016 to 24 December 2017**

### **Opinion**

We have audited the financial statements of Kram Restaurants Limited (the 'company') for the period ended 24 December 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 24 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.



# **Kram Restaurants Limited**

## **Independent Auditor's Report to the Members of Kram Restaurants Limited** (continued)

**Period from 5 December 2016 to 24 December 2017**

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# **Kram Restaurants Limited**

## **Independent Auditor's Report to the Members of Kram Restaurants Limited** *(continued)*

**Period from 5 December 2016 to 24 December 2017**

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

# **Kram Restaurants Limited**

## **Independent Auditor's Report to the Members of Kram Restaurants Limited** *(continued)*

### **Period from 5 December 2016 to 24 December 2017**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Cathal Maneely (Senior Statutory Auditor)

For and on behalf of  
Maneely Mc Cann  
Chartered Accountants & statutory auditor  
Aisling House  
50 Stranmillis Embankment  
Belfast  
BT9 5FL

29 June 2018

# Kram Restaurants Limited

## Statement of Income and Retained Earnings

Period from 5 December 2016 to 24 December 2017

	Note	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
<b>Turnover</b>	<b>4</b>	<b>7,539,999</b>	<b>6,783,499</b>
Cost of sales		<u>4,094,862</u>	<u>3,548,309</u>
<b>Gross profit</b>		<b>3,445,137</b>	<b>3,235,190</b>
Administrative expenses		<u>2,281,500</u>	<u>1,978,892</u>
<b>Operating profit</b>	<b>5</b>	<b>1,163,637</b>	<b>1,256,298</b>
Interest receivable	<b>8</b>	<b>100</b>	<b>4,392</b>
Interest payable	<b>9</b>	<u><b>66</b></u>	<u><b>4,880</b></u>
<b>Profit before taxation</b>		<b>1,163,671</b>	<b>1,255,810</b>
Taxation on ordinary activities	<b>10</b>	<u><b>260,416</b></u>	<u><b>234,972</b></u>
<b>Profit for the financial period and total comprehensive income</b>		<u><b>903,255</b></u>	<u><b>1,020,838</b></u>
Dividends paid and payable	<b>11</b>	<b>–</b>	<b>(120,000)</b>
<b>Retained earnings at the start of the period</b>		<u><b>3,594,202</b></u>	<u><b>2,693,364</b></u>
<b>Retained earnings at the end of the period</b>		<u><b>4,497,457</b></u>	<u><b>3,594,202</b></u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

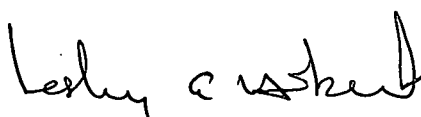
# Kram Restaurants Limited

## Statement of Financial Position

24 December 2017

	Note	24 Dec 17 £	4 Dec 16 £
<b>Fixed assets</b>			
Intangible assets	12	151,864	177,828
Tangible assets	13	<u>1,190,498</u>	<u>1,352,209</u>
		<b>1,342,362</b>	<b>1,530,037</b>
<b>Current assets</b>			
Stocks	14	45,692	31,512
Debtors	15	3,661,479	2,673,607
Cash at bank and in hand		<u>484,855</u>	<u>615,859</u>
		<b>4,192,026</b>	<b>3,320,978</b>
<b>Creditors: amounts falling due within one year</b>	16	<u>975,129</u>	<u>1,179,224</u>
<b>Net current assets</b>		<b>3,216,897</b>	<b>2,141,754</b>
<b>Total assets less current liabilities</b>		<b>4,559,259</b>	<b>3,671,791</b>
<b>Provisions</b>			
Taxation including deferred tax	17	<u>60,802</u>	<u>76,589</u>
<b>Net assets</b>		<b><u>4,498,457</u></b>	<b><u>3,595,202</u></b>
<b>Capital and reserves</b>			
Called up share capital	21	1,000	1,000
Profit and loss account	22	<u>4,497,457</u>	<u>3,594,202</u>
<b>Shareholders funds</b>		<b><u>4,498,457</u></b>	<b><u>3,595,202</u></b>

These financial statements were approved by the board of directors and authorised for issue on 29 June 2018, and are signed on behalf of the board by:



Mrs L E Herbert  
Director

Company registration number: 05165526

# **Kram Restaurants Limited**

## **Notes to the Financial Statements**

**Period from 5 December 2016 to 24 December 2017**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Harleyford Estate, Henley Road, Marlow, Buckinghamshire, SL7 2DX.

### **2. Statement of compliance**

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

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Banner Dell Limited which can be obtained from Marina Buildings, Harleyford Estate, Henley Road, Marlow, Buckinghamshire, England, SL7 2DX. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: No cash flow statement has been presented for the company.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

# **Kram Restaurants Limited**

## **Notes to the Financial Statements *(continued)***

### **Period from 5 December 2016 to 24 December 2017**

#### **3. Accounting policies *(continued)***

##### **Income tax *(continued)***

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

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

##### **Operating Leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### **Intangible assets**

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

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

##### **Amortisation**

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

Goodwill	-	5% straight line
Franchise Licenses	-	10% straight line

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

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# **Kram Restaurants Limited**

## **Notes to the Financial Statements *(continued)***

### **Period from 5 December 2016 to 24 December 2017**

#### **3. Accounting policies *(continued)***

##### **Tangible assets *(continued)***

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

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

Leasehold Improvements	-	over the term of the lease
Fixtures, fittings & equipment	-	15% of the written down value

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.



# Kram Restaurants Limited

## Notes to the Financial Statements *(continued)*

Period from 5 December 2016 to 24 December 2017

### 3. Accounting policies *(continued)*

#### Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### Defined contribution plans

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### 4. Turnover

Turnover arises from:

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
Sale of goods	<u>7,539,999</u>	<u>6,783,499</u>

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

# Kram Restaurants Limited

## Notes to the Financial Statements *(continued)*

### Period from 5 December 2016 to 24 December 2017

#### 5. Operating profit

Operating profit or loss is stated after charging:

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
Amortisation of intangible assets	25,964	25,962
Depreciation of tangible assets	313,807	188,923
Operating lease rentals	<u>219,984</u>	<u>201,854</u>

#### 6. Auditor's remuneration

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
Fees payable for the audit of the financial statements	<u>8,142</u>	<u>3,783</u>

#### 7. Particulars of employees

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

	24 Dec 17 No.	4 Dec 16 No.
Distribution staff	110	100
Administrative staff	—	3
Management staff	<u>22</u>	<u>4</u>
	<u>132</u>	<u>107</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
Wages and salaries	1,692,629	1,380,559
Social security costs	115,736	95,502
Other pension costs	<u>7,616</u>	<u>389</u>
	<u>1,815,981</u>	<u>1,476,450</u>

#### 8. Interest receivable

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
Interest on cash and cash equivalents	<u>100</u>	<u>4,392</u>

# Kram Restaurants Limited

## Notes to the Financial Statements *(continued)*

Period from 5 December 2016 to 24 December 2017

### 9. Interest payable

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
Other interest payable and similar charges	<u>66</u>	<u>4,880</u>

### 10. Taxation on ordinary activities

#### Major components of tax expense

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
<b>Current tax:</b>		
UK current tax expense	273,527	276,664
Adjustments in respect of prior periods	–	(29,074)
Interest on tax	<u>2,676</u>	<u>607</u>
Total current tax	<u>276,203</u>	<u>248,197</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(15,787)</u>	<u>(13,225)</u>
<b>Taxation on ordinary activities</b>	<u>260,416</u>	<u>234,972</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	Period from 5 Dec 16 to 24 Dec 17 £	Period from 30 Nov 15 to 4 Dec 16 £
Profit on ordinary activities before taxation	<u>1,163,671</u>	<u>1,255,810</u>
Profit on ordinary activities by rate of tax	221,097	251,162
Adjustment to tax charge in respect of prior periods	285	(29,074)
Effect of capital allowances and depreciation	48,292	25,502
Effect of different UK tax rates on some earnings	3,852	–
Deferred Tax	<u>(15,787)</u>	<u>(13,225)</u>
Interest on tax	<u>2,677</u>	<u>607</u>
Tax on profit	<u>260,416</u>	<u>234,972</u>

### 11. Dividends

	24 Dec 17 £	4 Dec 16 £
Dividends paid during the period (excluding those for which a liability existed at the end of the prior period )	<u>–</u>	<u>120,000</u>

# Kram Restaurants Limited

## Notes to the Financial Statements *(continued)*

Period from 5 December 2016 to 24 December 2017

### 12. Intangible assets

	Goodwill £	Franchise Licences £	Total £
<b>Cost</b>			
At 5 December 2016 and 24 December 2017	<u>340,000</u>	<u>89,644</u>	<u>429,644</u>
<b>Amortisation</b>			
At 5 December 2016	204,000	47,816	<b>251,816</b>
Charge for the period	<u>17,000</u>	<u>8,964</u>	<u>25,964</u>
At 24 December 2017	<u>221,000</u>	<u>56,780</u>	<u>277,780</u>
<b>Carrying amount</b>			
At 24 December 2017	<u>119,000</u>	<u>32,864</u>	<u>151,864</u>
At 4 December 2016	<u>136,000</u>	<u>41,828</u>	<u>177,828</u>

### 13. Tangible assets

	Leasehold Improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 5 December 2016	1,140,100	2,101,193	<b>3,241,293</b>
Additions	<u>–</u>	<u>152,096</u>	<u>152,096</u>
At 24 December 2017	<u>1,140,100</u>	<u>2,253,289</u>	<u>3,393,389</u>
<b>Depreciation</b>			
At 5 December 2016	569,866	1,319,218	<b>1,889,084</b>
Charge for the period	<u>50,927</u>	<u>262,880</u>	<u>313,807</u>
At 24 December 2017	<u>620,793</u>	<u>1,582,098</u>	<u>2,202,891</u>
<b>Carrying amount</b>			
At 24 December 2017	<u>519,307</u>	<u>671,191</u>	<u>1,190,498</u>
At 4 December 2016	<u>570,234</u>	<u>781,975</u>	<u>1,352,209</u>

### 14. Stocks

	24 Dec 17 £	4 Dec 16 £
Finished goods	<u>45,692</u>	<u>31,512</u>

### 15. Debtors

	24 Dec 17 £	4 Dec 16 £
Amounts owed by group undertakings	3,576,418	2,591,982
Prepayments and accrued income	84,708	81,395
Other debtors	<u>353</u>	<u>230</u>
	<u>3,661,479</u>	<u>2,673,607</u>

# Kram Restaurants Limited

## Notes to the Financial Statements *(continued)*

### Period from 5 December 2016 to 24 December 2017

#### 15. Debtors *(continued)*

The debtors above include the following amounts falling due after more than one year:

	24 Dec 17	4 Dec 16
	£	£
Amounts owed by group undertakings	<u>3,576,418</u>	<u>2,591,982</u>

#### 16. Creditors: amounts falling due within one year

	24 Dec 17	4 Dec 16
	£	£
Trade creditors	211,790	282,095
Accruals and deferred income	58,412	81,570
Corporation tax	273,110	492,444
Social security and other taxes	270,868	172,440
Other creditors	160,949	150,675
	<u>975,129</u>	<u>1,179,224</u>

#### 17. Provisions

	Deferred tax (note 18) £
At 5 December 2016	76,589
Charge against provision	<u>(15,787)</u>
<b>At 24 December 2017</b>	<u><b>60,802</b></u>

#### 18. Deferred tax

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

	24 Dec 17	4 Dec 16
	£	£
Included in provisions (note 17)	<u>60,802</u>	<u>76,589</u>

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

	24 Dec 17	4 Dec 16
	£	£
Accelerated capital allowances	<u>60,802</u>	<u>76,589</u>

#### 19. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £7,616 (2016: £389).

# Kram Restaurants Limited

## Notes to the Financial Statements *(continued)*

Period from 5 December 2016 to 24 December 2017

### 20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	24 Dec 17 £	4 Dec 16 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>4,061,626</u>	<u>2,592,212</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>(916,717)</u>	<u>(1,097,653)</u>

### 21. Called up share capital

Issued, called up and fully paid

	24 Dec 17		4 Dec 16	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 22. Reserves

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

### 23. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	24 Dec 17 £	4 Dec 16 £
Not later than 1 year	161,834	160,019
Later than 1 year and not later than 5 years	647,334	640,074
Later than 5 years	<u>1,215,608</u>	<u>1,273,394</u>
	<u>2,024,776</u>	<u>2,073,487</u>

### 24. Contingencies

Bank loans and overdrafts of the group are secured by way of fixed and floating charges on the company's assets, and by a composite debenture between group companies.

### 25. Events after the end of the reporting period

On 14 February 2018, KFC restaurants in England, Scotland and Wales transitioned to a new distributor and experienced supply availability issues which have resulted in closures of restaurants or restrictions in the availability of products sold. At the time of signing, all restaurants had reopened (and were operating on a full menu). This event is not anticipated to have an effect on the going concern of the Company.

# **Kram Restaurants Limited**

## **Notes to the Financial Statements** *(continued)*

**Period from 5 December 2016 to 24 December 2017**

### **26. Related party transactions**

#### **Control:**

The company is a wholly owned subsidiary of Kram Management Limited, a company incorporated in England and Wales. Mrs LE Herbert, director, owns 20% of the share capital of Kram Management Limited, and JRC Holdings Limited, a company incorporated in England and Wales, owns 80% of the share capital of Kram Management Limited. JRC Holdings Limited is a wholly owned subsidiary of Scotco Central Limited, a company incorporated in England and Wales. Scotco Central Limited is a wholly owned subsidiary of Scotco (Eastern) Limited, a company incorporated in Scotland. Scotco (Eastern) Limited is a wholly owned subsidiary of Banner Dell Limited, a company incorporated in England and Wales. Mrs L E Herbert is the sole shareholder of Banner Dell Limited and as such is considered to be the company's ultimate controlling party.

#### **Transactions**

The company has taken advantage of the exemption from disclosing related party transactions with group companies, in accordance with Financial Reporting Standard No 102 Section 33, Related Party Disclosures.

### **27. Controlling party**

Banner Dell Limited, a company incorporated in England and Wales is the company's ultimate parent company. Copies of the consolidated financial statements for Banner Dell Limited may be obtained from Marina Buildings, Harleyford Estate, Henley Road, Marlow, Buckinghamshire, England, SL7 2DX.