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A & A CAPITAL LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

Company No: 5468683

A & A CAPITAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Company registration number:

5468683

Registered office:

Jubilee House
7-9 The Oaks
Ruislip
Middlesex HA4 7LF

Director:

Alim A Janmohamed

Bankers:

NatWest Bank Plc
PO Box 12258
1 Princes Street
London EC2R 8PA

Solicitors:

ReedSmith LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2RS

Auditor:

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

A & A CAPITAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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A & A CAPITAL LIMITED

REPORT OF THE DIRECTOR

The director presents his report together with financial statements for the year ended 30 June 2015.

Principal activities

The company operates franchise fast food outlets in the Bristol area, which represent the company's principal activity as caterers and snack bar owners.

Results

There was a loss for the year amounting to £162,888 (2014: £178,128).

The director cannot recommend payment of dividends.

Director

Mr. Alim A Janmohamed was sole director of the company throughout the period under review.

Director's responsibilities for the financial statements

The director is responsible for preparing 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 laws). Under company law the director must not approve the financial statements unless he is satisfied they give a true and fair view of the state of affairs 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 judgments and estimates that are reasonable and prudent;
- * state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A & A CAPITAL LIMITED

REPORT OF THE DIRECTOR

Director's responsibilities for the financial statements (continued)

In so far as the director is aware:

- * there is no relevant information of which the company's auditor is unaware; and
- * the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.

Small company exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed by



A A Janmohamed
Director

18th March 2016

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF A & A CAPITAL LIMITED

We have audited the financial statements of A & A Capital Limited for the year ended 30 June 2015 which comprise the principal accounting policies, the profit and loss account, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of director's responsibilities on pages 1 and 2, the director is responsible for preparing the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- * give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its loss for the year then ended;
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to small entities; and
- * have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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; or
- * the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Director's report.



Amrish Shah, FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
LONDON

21 March 2016

A & A CAPITAL LIMITED

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008).

The director has reviewed the principal accounting policies of the company and considers that they are the most appropriate for the company. The principal accounting policies have remained unchanged from the previous year and are set out below.

Going concern

The financial statements have been prepared under the going concern basis. The director has committed to financially support the entity, if required, however he has undertaken a review of the future financing requirements for the ongoing operation of the company and is satisfied that sufficient facilities have been secured to meet its working capital requirements for at least 12 months from the signing of these financial statements.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided excluding VAT.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write down the cost or valuation of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Short leasehold premises	- period of lease
Fixtures, fittings and equipment	- 10 years and over period of lease
Motor vehicles	- 5 years

Intangible fixed assets

Purchased goodwill on the acquisition of restaurants as going concerns is amortised on a straight line basis over its estimated useful life of ten years, being the length of the franchise agreements acquired.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

A & A CAPITAL LIMITED

PRINCIPAL ACCOUNTING POLICIES

Leased assets

No assets are held under finance leases or hire purchase contracts.

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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Pensions

The company made contributions to certain employees' Personal Pension Plans. Contributions payable for the year are charged to profit and loss account as incurred.

A & A CAPITAL LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £	2014 £
Turnover	1	3,462,071	3,200,679
Cost of sales		<u>(908,981)</u>	<u>(931,255)</u>
Gross profit		2,553,090	2,269,424
Other operating costs		(2,713,450)	(2,440,579)
Other operating income		<u>6,472</u>	<u>5,526</u>
Operating loss	1	(153,888)	(165,629)
Interest receivable and similar income		14	11
Interest payable and similar charges	3	<u>(9,014)</u>	<u>(12,510)</u>
Loss on ordinary activities before taxation	1	(162,888)	(178,128)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the financial year	13	<u><u>(162,888)</u></u>	<u><u>(178,128)</u></u>

All transactions arise from continuing operations.

There were no recognised gains or losses other than the loss for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

A & A CAPITAL LIMITED
Company no. 5468683

BALANCE SHEET AT 30 JUNE 2015

	Note	2015	2014
		£	£
Fixed assets			
Intangible assets	5	177,328	212,930
Tangible assets	6	<u>506,681</u>	<u>577,338</u>
		684,009	790,268
Current assets			
Stocks	7	19,153	18,345
Debtors	8	177,122	173,883
Cash in hand		<u>10,447</u>	<u>28,192</u>
		206,722	220,420
Creditors: amounts falling due within one year	9	<u>(1,314,616)</u>	<u>(1,179,377)</u>
Net current liabilities		(1,107,894)	(958,957)
Total assets less current liabilities		<u>(423,885)</u>	<u>(168,689)</u>
Creditors: amounts falling due after more than one year	10	<u>(92,307)</u>	<u>(184,615)</u>
		<u>(516,192)</u>	<u>(353,304)</u>
Capital and reserves			
Called up share capital	11	100	100
Share premium account	12	499,970	499,970
Profit and loss account	13	<u>(1,016,262)</u>	<u>(853,374)</u>
Shareholder's deficit	14	<u>(516,192)</u>	<u>(353,304)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the director and authorised for issue on 18th March 2016 and signed on their behalf by:



A A Janmohamed

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

A & A CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and loss on ordinary activities before taxation are derived from the principal activities of the company as caterers and snack bar owners.

Operating loss is stated after:	2015 £	2014 £
Auditors' remuneration - audit services	8,750	8,000
Depreciation and amortisation		
Goodwill	35,602	35,602
Tangible fixed assets	80,339	79,834
Amounts payable under operating leases	<u>129,875</u>	<u>130,520</u>

2 DIRECTORS AND EMPLOYEES

Staff costs during the year amounted to:	2015 £	2014 £
Wages and salaries	1,251,767	1,143,698
Social security costs	51,344	48,266
Pension contributions	3,994	-
	<u>1,307,105</u>	<u>1,191,964</u>

The director received no remuneration during the year (2014: £Nil) for the services to the company.

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
On bank loans and overdrafts	8,851	12,373
Other interest	163	137
	<u>9,014</u>	<u>12,510</u>

4 TAX ON ORDINARY ACTIVITIES

There is no taxation liability (2014: £nil) owing to the losses suffered.

The tax assessed for the period differs from the standard rate of corporation tax in the United Kingdom at 20% (2014: 20%). The differences are explained as follows:

	2015 £	2014 £
Loss on ordinary activities before taxation	<u>(162,888)</u>	<u>(178,128)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom at 20% (2014: 20%)	(32,600)	(35,750)
Effect of:		
Expenses not deductible for tax purposes	3,600	4,500
Differences between capital allowances for period and depreciation charges	12,500	12,000
Losses carried forward	<u>16,500</u>	<u>19,250</u>
	<u>-</u>	<u>-</u>

A & A CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2015

4 TAX ON ORDINARY ACTIVITIES

A deferred tax asset amounting to approximately £92,500 (2014: £76,000) in respect of losses carried forward has not been recognised as the recognition criteria of Financial Reporting Standard 19 "Deferred Tax" have not been met.

5 INTANGIBLE FIXED ASSETS

	Purchased goodwill
	£
Purchased goodwill - Cost	
At 1 July 2014 and at 30 June 2015	<u>356,023</u>
Amortisation	
At 1 July 2014	143,093
Charge for the year	<u>35,602</u>
At 30 June 2015	<u>178,695</u>
Net book amount	
At 30 June 2015	<u><u>177,328</u></u>
Net book amount	
At 30 June 2014	<u><u>212,930</u></u>

6 TANGIBLE FIXED ASSETS

	Leasehold premises	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2014	292,018	712,042	6,320	1,010,380
Additions during year	-	4,882	4,800	9,682
At 30 June 2015	<u>292,018</u>	<u>716,924</u>	<u>11,120</u>	<u>1,020,062</u>
Depreciation				
At 1 July 2014	149,368	280,546	3,128	433,042
Provided during year	<u>17,965</u>	<u>60,153</u>	<u>2,221</u>	<u>80,339</u>
At 30 June 2015	<u>167,333</u>	<u>340,699</u>	<u>5,349</u>	<u>513,381</u>
Net book amount				
At 30 June 2015	<u><u>124,685</u></u>	<u><u>376,225</u></u>	<u><u>5,771</u></u>	<u><u>506,681</u></u>
Net book amount				
At 30 June 2014	<u><u>142,650</u></u>	<u><u>431,496</u></u>	<u><u>3,192</u></u>	<u><u>577,338</u></u>

7 STOCKS

	2015	2014
	£	£
Raw food stock	<u><u>19,153</u></u>	<u><u>18,345</u></u>

A & A CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2015**

8	DEBTORS	2015 £	2014 £
	Trade debtors	48,253	39,691
	Other debtors	66,618	66,833
	Prepayments	62,251	67,359
		<u>177,122</u>	<u>173,883</u>
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2015 £	2014 £
	Bank loan and overdrafts	179,001	192,513
	Trade creditors	327,363	322,286
	Social security and other taxation	82,577	68,951
	Director's current account	7,877	7,877
	Other creditors	579,840	484,310
	Accruals and deferred income	137,958	103,440
		<u>1,314,616</u>	<u>1,179,377</u>
10	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2015 £	2014 £
	Bank loan	<u>92,307</u>	<u>184,615</u>
	Borrowings are repayable as follows:	2015 £	2014 £
	Within one year	179,001	192,513
	After one and within two years	92,307	92,308
	After two and within five years	-	92,307
		<u>271,308</u>	<u>377,128</u>

The bank loan carries an interest rate of 2.75% above LIBOR and is repayable by quarterly instalments of £23,077.

The bank loan and overdraft are secured by way of fixed and floating charges on the assets of the company.

A & A CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2015**

11	SHARE CAPITAL	2015	2014
		£	£
	Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid 100 ordinary shares of £1	<u>100</u>	<u>100</u>
12	SHARE PREMIUM ACCOUNT		£
	At 1 July 2014 and at 30 June 2015		<u>499,970</u>
13	PROFIT AND LOSS ACCOUNT		£
	At 1 July 2014		(853,374)
	Loss for the year		(162,888)
	At 30 June 2015		<u>(1,016,262)</u>
14	RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S DEFICIT	2015	2014
		£	£
	Loss for the financial year	(162,888)	(178,128)
	Shareholder's deficit at 1 July 2014	<u>(353,304)</u>	<u>(175,176)</u>
	Shareholder's deficit at 30 June 2015	<u>(516,192)</u>	<u>(353,304)</u>
15	LEASING COMMITMENTS		
	Operating lease payments amounting to £131,850 (2014: £92,500) are due within one year. The leases to which these amounts relate expire as follows:		
		Land and Buildings	
		2015	2014
		£	£
	In two to five years	44,000	-
	In five years or more	<u>87,850</u>	<u>92,500</u>
16	CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES		
	The company had no capital commitments or contingent liabilities at 30 June 2015 or 30 June 2014.		

A & A CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

17 CONTROLLING RELATED PARTY

Mr. A A Janmohamed is the controlling related party by virtue of his 100% ownership of the company's issued share capital.

18 RELATED PARTY TRANSACTIONS

Year end balances with entities in which Mr Mr A A Janmohamed is also a director are detailed below:

	2015	2014
	£	£
Amounts due to:		
Demipower Limited	541,415	428,862
Demipower (1991) Limited	379	379
Tiamat Limited	<u>35,000</u>	<u>35,000</u>

The above balances are interest free and unsecured. The balances represent inter company funding between the related parties.

In addition, at 30 June 2015 £7,877 (2014: £7,877) was owed to the director. The movement on the director's current account balance is due to short term funding arrangements made to the company. The amount is interest free and unsecured.

A & A CAPITAL LIMITED**DETAILED TRADING PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	£	£	£	£
Income				
Sales		3,462,071		3,200,679
Less:				
Opening stock	18,345		19,109	
Food and beverages	749,913		776,538	
Packaging and delivery	159,876		153,953	
	<u>928,134</u>		<u>949,600</u>	
Closing stock	<u>(19,153)</u>		<u>(18,345)</u>	
		908,981		931,255
Gross profit		<u>2,553,090</u>		<u>2,269,424</u>
Rental income less agents' fees		6,472		5,526
Interest received		14		11
		<u>2,559,576</u>		<u>2,274,961</u>
Less:				
Administration expenses				
Wages and national insurance	1,303,111		1,191,964	
Staff pension contributions	3,994		-	
Staff training and welfare	12,064		8,375	
Uniforms and sundry expenses	7,263		4,037	
Telephone and internet costs	19,705		14,498	
Printing, postage and stationery	11,161		10,737	
	<u>1,357,298</u>		<u>1,229,611</u>	
Establishment expenses				
Rent and service charges	129,875		130,520	
Rates and water	26,836		38,738	
Light and heat	95,255		107,083	
Insurance	11,978		13,174	
Repairs and maintenance	76,755		60,031	
Kitchen utensils	7,782		10,993	
	<u>348,481</u>		<u>360,539</u>	
Selling and marketing expenses				
Royalties	208,268		192,370	
Advertising, marketing and promotional costs	302,081		200,420	
Laundry, cleaning and refuse collection	38,670		38,162	
Delivery costs	114,503		114,057	
Subscriptions	281		350	
Donations	-		2,082	
Travel expenses	266		862	
Motor and bike expenses	58,212		51,126	
	<u>722,281</u>		<u>599,429</u>	

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

A & A CAPITAL LIMITED**DETAILED TRADING PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	£	£	£	£
Financial and professional expenses				
Audit, accountancy and financial consultancy	9,000		8,000	
Licences, inspection and legal fees	34,615		21,736	
Computer costs	26,402		21,730	
Bank charges	10,491		10,124	
Credit card, web and voucher charges	81,484		64,208	
Cash collection charges	6,006		6,125	
Bank interest	8,851		12,373	
Other interest	163		137	
Till shortages and thefts	1,451		3,641	
	<u>178,463</u>		<u>148,074</u>	
Depreciation and amortisation				
Goodwill	35,602		35,602	
Leasehold premises	17,965		19,819	
Plant, fixtures, fittings and equipment	60,153		58,751	
Motor vehicles	2,221		1,264	
	<u>115,941</u>		<u>115,436</u>	
		<u>2,722,464</u>		<u>2,453,089</u>
Loss for the year before taxation		<u>(162,888)</u>		<u>(178,128)</u>

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