

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

FOR

M & C RESTAURANTS LIMITED

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for the year ended 31 December 2016

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M & C RESTAURANTS LIMITED

COMPANY INFORMATION
for the year ended 31 December 2016

DIRECTORS: M Mohammadi

SECRETARY: Mrs C Mohammadi

REGISTERED OFFICE: Unit 1 Dowding Way
Dowding Way
Tunbridge Wells
Kent
TN2 3UY

REGISTERED NUMBER: 06165894 (England and Wales)

BALANCE SHEET
31 December 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	4	2,332	4,665
Tangible assets	5	<u>1,230,313</u>	<u>748,002</u>
		<u>1,232,645</u>	<u>752,667</u>
CURRENT ASSETS			
Stocks		21,242	21,460
Debtors	6	106,678	95,776
Cash at bank and in hand		<u>668,828</u>	<u>432,670</u>
		<u>796,748</u>	<u>549,906</u>
CREDITORS			
Amounts falling due within one year	7	<u>(555,040)</u>	<u>(464,505)</u>
NET CURRENT ASSETS		<u>241,708</u>	<u>85,401</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,474,353	838,068
CREDITORS			
Amounts falling due after more than one year	8	<u>(504,764)</u>	<u>(51,945)</u>
PROVISIONS FOR LIABILITIES	9	<u>(115,602)</u>	<u>(106,844)</u>
NET ASSETS		<u>853,987</u>	<u>679,279</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Retained earnings		<u>853,887</u>	<u>679,179</u>
SHAREHOLDERS' FUNDS		<u>853,987</u>	<u>679,279</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

M & C RESTAURANTS LIMITED (REGISTERED NUMBER: 06165894)

BALANCE SHEET - continued
31 December 2016

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 23 September 2017 and were signed on its behalf by:

M Mohammadi - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016**

1. STATUTORY INFORMATION

M & C 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The impact on the financial statements from transition to FRS 102 has been disclosed in the notes to the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include the useful economic life of intangible and tangible fixed assets, the depreciation and amortisation of these assets.

Turnover

Turnover represents the fair value of consideration received or receivable net of VAT and trade discounts. Revenue from the sale of goods/services is recognised at the point of sale.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1997. Each franchise was being amortised evenly over its estimated useful life of 13 and 20 years up to 31 December 2015. Under FRS 102 Section 1A, from 1 January 2016 goodwill is being amortised evenly over its remaining useful life of 2 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

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

Franchise lease	- over the period of the lease
Captive insurance scheme share	- not provided
Improvements to property	- over the period of the lease
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 15% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

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 between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Impairment policy

At each balance sheet date, the company reviews the carrying amount of its assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 125 (2015 - 125).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2016	
and 31 December 2016	<u>93,602</u>
AMORTISATION	
At 1 January 2016	88,937
Amortisation for year	<u>2,333</u>
At 31 December 2016	<u>91,270</u>
NET BOOK VALUE	
At 31 December 2016	<u>2,332</u>
At 31 December 2015	<u>4,665</u>

5. TANGIBLE FIXED ASSETS

	Franchise lease £	Captive insurance scheme share £	Improvements to property £
COST			
At 1 January 2016	40,561	2,500	276,786
Additions	-	-	199,143
At 31 December 2016	<u>40,561</u>	<u>2,500</u>	<u>475,929</u>
DEPRECIATION			
At 1 January 2016	39,201	-	116,148
Charge for year	680	-	27,820
At 31 December 2016	<u>39,881</u>	<u>-</u>	<u>143,968</u>
NET BOOK VALUE			
At 31 December 2016	<u>680</u>	<u>2,500</u>	<u>331,961</u>
At 31 December 2015	<u>1,360</u>	<u>2,500</u>	<u>160,638</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

5. TANGIBLE FIXED ASSETS - continued

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2016	1,194,202	59,924	19,154	1,593,127
Additions	<u>416,723</u>	<u>-</u>	<u>29,950</u>	<u>645,816</u>
At 31 December 2016	<u>1,610,925</u>	<u>59,924</u>	<u>49,104</u>	<u>2,238,943</u>
DEPRECIATION				
At 1 January 2016	633,150	46,134	10,492	845,125
Charge for year	<u>123,337</u>	<u>8,447</u>	<u>3,221</u>	<u>163,505</u>
At 31 December 2016	<u>756,487</u>	<u>54,581</u>	<u>13,713</u>	<u>1,008,630</u>
NET BOOK VALUE				
At 31 December 2016	<u>854,438</u>	<u>5,343</u>	<u>35,391</u>	<u>1,230,313</u>
At 31 December 2015	<u>561,052</u>	<u>13,790</u>	<u>8,662</u>	<u>748,002</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	96,572	65,467
Other debtors	<u>10,106</u>	<u>30,309</u>
	<u>106,678</u>	<u>95,776</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts	149,685	126,667
Trade creditors	48	8,036
Taxation and social security	261,256	243,831
Other creditors	<u>144,051</u>	<u>85,971</u>
	<u>555,040</u>	<u>464,505</u>

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

	2016 £	2015 £
Bank loans	<u>504,764</u>	<u>51,945</u>

9. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>115,602</u>	<u>106,844</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

9. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2016	106,844
Accelerated capital allowances	8,758
Balance at 31 December 2016	<u>115,602</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2016 £	2015 £
100	Ordinary	1	<u>100</u>	<u>100</u>

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2016 and 31 December 2015:

	2016 £	2015 £
M Mohammadi and Mrs C Mohammadi		
Balance outstanding at start of year	16,773	60,416
Amounts advanced	131,014	84,672
Amounts repaid	(147,787)	(128,315)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>16,773</u>

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is M Mohammadi due to the fact that he owns 75% of the issued share capital.

13. FIRST YEAR ADOPTION

On transition to FRS 102 the entity's accounting policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.