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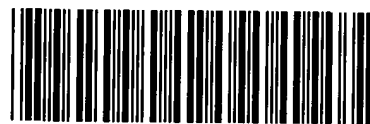
**ALDERFORCE SC LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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**ALDERFORCE SC LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Mr Raja Jameel Adil
<b>Company secretary</b>	Mr Mohammed Adil
<b>Registered number</b>	8932017
<b>Registered office</b>	34-36 London Road Wembley Middlesex HA9 7EX
<b>Independent auditors</b>	Hurkan Sayman & Co Chartered Accountants & Statutory Auditor 291 Green Lanes Palmers Green London N13 4XS

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**ALDERFORCE SC LIMITED**

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## ALDERFORCE SC LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

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#### Introduction

The Director aims to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end by reflection of the size and non-complex nature of the business.

#### Business review

During the year the company operated 10 KFC franchised restaurants throughout Scotland and represented the first complete 12 months of operations. The company continued to focus on sales and gross profit margin growth throughout the year. This was aided through an ever improving KFC menu as well as a strong focus on staff training.

#### Principal risks and uncertainties

The principal risks of the company are changes in consumer spending habits and the entry of new competitors within geographical areas in which the company operates. The company continues to monitor this and KFC has continued to evolve its menu and set appropriate recommended prices.

#### Financial key performance indicators

Financial Key Performance Indicators for the stores are level of sales and cost of sales.

The company's turnover has increased in the year to £12,814,846 compared to £6,489,288 where the company operated its stores for a period of 6 months and 9 days.

The gross profit of the company has increased to £4,771,333 (2015: £2,486,638) and the gross profit percentage has decreased from 37.2% to 38.3%.

#### Other key performance indicators

The principal non-financial key performance indicator is the performance against inspections by Kentucky Fried Chicken, and the company continues to achieve satisfactory performance throughout the year.

This report was approved by the board on 23 November 2016 and signed on its behalf.



**Mr Mohammed Adil**  
Secretary

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## ALDERFORCE SC LIMITED

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### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

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The director presents his report and the financial statements for the year ended 31 March 2016.

#### Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is satisfied that he gives 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 for the Company's financial statements 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 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £897,671 (2015 - loss £1,334,502).

No dividend has been recommended for the year ended 31 March 2016.

#### Director

The director who served during the year was:

Mr Raja Jameel Adil

#### Future developments

The results for the year and the financial position at the year end were considered satisfactory by the Director who expects continued growth and store openings in the foreseeable future.

#### Employee involvement

The company's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

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## ALDERFORCE SC LIMITED

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### DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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#### Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retiring employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

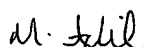
#### Post balance sheet events

Following the company year end two further KFC stores were acquired in Braehead and Govan and are now trading profitably.

#### Auditors

The auditors, Hurkan Sayman & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 November 2016 and signed on its behalf.



Mr Mohammed Adil  
Secretary

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## ALDERFORCE SC LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALDERFORCE SC LIMITED

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We have audited the financial statements of Alderforce Sc Limited for the year ended 31 March 2016, set out on pages 6 to 27. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 Director's Responsibilities Statement on page 2, the director is responsible for the preparation of 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 Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit or loss 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements.

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**ALDERFORCE SC LIMITED**

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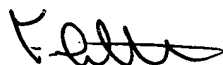
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALDERFORCE SC LIMITED  
(CONTINUED)**

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**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.



Mr Ertan Hurer BSc FCA (Senior Statutory Auditor)

for and on behalf of  
**Hurkan Sayman & Co**

Chartered Accountants  
Statutory Auditor

291 Green Lanes  
Palmers Green  
London  
N13 4XS

Date: 23 NOVEMBER 2016



**ALDERFORCE SC LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

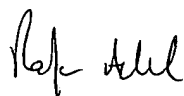
	Note	2016 £	2015 £
Turnover	4	12,814,846	6,489,288
Cost of sales		(8,043,513)	(4,002,650)
<b>Gross profit</b>		<b>4,771,333</b>	<b>2,486,638</b>
Administrative expenses		(3,552,817)	(1,979,470)
Exceptional administrative expenses		-	(2,158,272)
<b>Operating profit/(loss)</b>	5	<b>1,218,516</b>	<b>(1,651,104)</b>
Interest payable and expenses	8	(80,262)	(27,802)
<b>Profit/(loss) before tax</b>		<b>1,138,254</b>	<b>(1,678,906)</b>
Tax on profit/(loss)	9	(240,583)	344,404
<b>Profit/(loss) for the year</b>		<b>897,671</b>	<b>(1,334,502)</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>897,671</b>	<b>(1,334,502)</b>

**ALDERFORCE SC LIMITED**  
**REGISTERED NUMBER: 8932017**

**BALANCE SHEET**  
**AS AT 31 MARCH 2016**

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Intangible assets	11		277,160		292,142
Tangible assets	12		919,708		894,045
			<u>1,196,868</u>		<u>1,186,187</u>
<b>Current assets</b>					
Stocks	13	70,343		8,813	
Debtors: amounts falling due within one year	14	1,727,702		1,515,971	
Cash at bank and in hand	15	282,225		663	
		<u>2,080,270</u>		<u>1,525,447</u>	
Creditors: amounts falling due within one year	16	(1,521,042)		(1,726,531)	
<b>Net current assets/(liabilities)</b>			<u>559,228</u>		<u>(201,084)</u>
<b>Total assets less current liabilities</b>			<u>1,756,096</u>		<u>985,103</u>
Creditors: amounts falling due after more than one year	17		(2,042,827)		(2,309,461)
<b>Provisions for liabilities</b>					
Other provisions	22	(150,000)		(10,044)	
			<u>(150,000)</u>		<u>(10,044)</u>
<b>Net liabilities</b>			<u>(436,731)</u>		<u>(1,334,402)</u>
<b>Capital and reserves</b>					
Called up share capital	23		100		100
Profit and loss account	24		(436,831)		(1,334,502)
			<u>(436,731)</u>		<u>(1,334,402)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
23 November 2016



**Mr Raja Jameel Adil**

Director

The notes on pages 12 to 27 form part of these financial statements.

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**ALDERFORCE SC LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2015	100	(1,334,502)	(1,334,402)
<b>Comprehensive income for the year</b>			
Profit for the year	-	897,671	897,671
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	897,671	897,671
<b>Total transactions with owners</b>	-	-	-
<b>At 31 March 2016</b>	<b>100</b>	<b>(436,831)</b>	<b>(436,731)</b>

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ALDERFORCE SC LIMITED

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2014	100	-	100
<b>Comprehensive income for the period</b>			
Loss for the period	-	(1,334,502)	(1,334,502)
<b>Other comprehensive income for the period</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	(1,334,502)	(1,334,502)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 March 2015</b>	<b>100</b>	<b>(1,334,502)</b>	<b>(1,334,402)</b>

The notes on pages 12 to 27 form part of these financial statements.

**ALDERFORCE SC LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	897,671	(1,334,502)
<b>Adjustments for:</b>		
Amortisation of intangible assets	14,982	7,491
Depreciation of tangible assets	229,227	99,727
Loss on disposal of tangible assets	8,785	-
Interest paid	80,262	27,802
Taxation	240,583	(344,404)
(Increase) in stocks	(61,529)	(8,813)
(Increase) in debtors	(453,039)	(1,171,566)
(Decrease)/increase in creditors	(72,496)	1,327,610
Increase in provisions	139,956	10,044
<b>Net cash generated from operating activities</b>	<b>1,024,402</b>	<b>(1,386,611)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	(299,633)
Purchase of tangible fixed assets	(263,674)	(993,773)
<b>Net cash from investing activities</b>	<b>(263,674)</b>	<b>(1,293,406)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	100
New secured loans	-	2,567,396
Repayment of loans	(257,918)	-
Interest paid	(80,264)	(27,802)
<b>Net cash used in financing activities</b>	<b>(338,182)</b>	<b>2,539,694</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>422,546</b>	<b>(140,323)</b>

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ALDERFORCE SC LIMITED

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STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016

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	2016 £	2015 £
Cash and cash equivalents at beginning of year	(140,323)	-
<b>Cash and cash equivalents at the end of year</b>	<b>282,223</b>	<b>(140,323)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	282,223	663
Bank overdrafts	-	(140,986)
	<b>282,223</b>	<b>(140,323)</b>

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## ALDERFORCE SC LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 1.2 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### Sale of goods

Revenue from the sale of food, beverages and merchandise is recognised at the point of sale.

##### 1.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Goodwill	-	1	year
Franchise fees	-	20	years

##### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1. Accounting policies (continued)**

**1.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method and reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the term of lease - 8.5 years
Fixtures and fittings	- 20% reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**1.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable 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.

**1.8 Financial instruments**

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1. Accounting policies (continued)**

**1.8 Financial instruments (continued)**

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

**1.9 Creditors**

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

**1.10 Finance costs**

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

**1.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

**1.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**1.13 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

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## ALDERFORCE SC LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. Accounting policies (continued)

##### 1.14 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 Statement of Comprehensive Income in the year that the Company 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.

##### 1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 1.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

#### 2. General information

The company is incorporated in England and Wales and its registered office is at 34-36 London Road, Wembley, HA9 7EX.

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**ALDERFORCE SC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the process of applying its accounting policies, the company is required to make certain estimates, judgemental and assumptions that it believes are reasonable based on the information available. These judgemental, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the group evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The estimated useful economic lives of fixtures, fittings and equipment are based on management's judgment and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively.

**4. Turnover**

All turnover arose within the United Kingdom.

**5. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	229,227	99,727
Amortisation of intangible assets, including goodwill	14,982	2,165,763
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,000	8,000
Other operating lease rentals	1,005,700	531,914
Defined contribution pension cost	12,824	5,895
	<u>1,074,733</u>	<u>2,701,309</u>

During the year, no director received any emoluments (2015 - £NIL).

**6. Auditors' remuneration**

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	12,000	8,000
	<u>12,000</u>	<u>8,000</u>
	<u>-</u>	<u>-</u>

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**ALDERFORCE SC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**7. Employees**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,818,159</b>	<b>1,409,022</b>
Social security costs	<b>101,252</b>	<b>58,807</b>
Cost of defined contribution scheme	<b>12,824</b>	<b>5,895</b>
	<b>2,932,235</b>	<b>1,473,724</b>

The average monthly number of employees, including the director, during the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Head Office & Management	<b>13</b>	<b>22</b>
Restaurant	<b>327</b>	<b>320</b>
	<b>340</b>	<b>342</b>

**8. Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>79,531</b>	<b>27,469</b>
Other loan interest payable	<b>731</b>	<b>333</b>
	<b>80,262</b>	<b>27,802</b>

**ALDERFORCE SC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**9. Taxation**

	2016 £	2015 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	224,183	(344,404)
Changes to tax rates	16,400	-
<b>Total deferred tax</b>	240,583	(344,404)
<b>Taxation on profit/(loss) on ordinary activities</b>	240,583	(344,404)

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,138,254	(1,678,906)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	227,651	(352,570)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,757	4,387
Capital allowances for year/period in excess of depreciation	14,954	3,779
Adjustments to tax charge in respect of prior periods	(3,779)	-
<b>Total tax charge for the year/period</b>	240,583	(344,404)

**Factors that may affect future tax charges**

The company has tax losses carried forward of £904,185 to offset against future taxable trade profits.

**ALDERFORCE SC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Exceptional items**

	<b>2016 £</b>	<b>2015 £</b>
Amortisation of acquired goodwill	-	2,158,272
	<u>-</u>	<u>2,158,272</u>

**11. Intangible assets**

	<b>Franchise fees £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2015	299,633	2,158,272	2,457,905
At 31 March 2016	<u>299,633</u>	<u>2,158,272</u>	<u>2,457,905</u>
<b>Amortisation</b>			
At 1 April 2015	7,491	2,158,272	2,165,763
Charge for the year	14,982	-	14,982
At 31 March 2016	<u>22,473</u>	<u>2,158,272</u>	<u>2,180,745</u>
<b>Net book value</b>			
At 31 March 2016	<u>277,160</u>	<u>-</u>	<u>277,160</u>
At 31 March 2015	<u>292,142</u>	<u>-</u>	<u>292,142</u>

**ALDERFORCE SC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**12. Tangible fixed assets**

	Short-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2015	5,676	988,097	993,773
Additions	-	263,674	263,674
Disposals	-	(10,000)	(10,000)
At 31 March 2016	<u>5,676</u>	<u>1,241,771</u>	<u>1,247,447</u>
<b>Depreciation</b>			
At 1 April 2015	346	99,382	99,728
Charge for period on owned assets	657	228,569	229,226
Disposals	-	(1,215)	(1,215)
At 31 March 2016	<u>1,003</u>	<u>326,736</u>	<u>327,739</u>
<b>Net book value</b>			
At 31 March 2016	<u>4,673</u>	<u>915,035</u>	<u>919,708</u>
At 31 March 2015	<u>5,330</u>	<u>888,715</u>	<u>894,045</u>

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Short leasehold	4,673	5,330
	<u>4,673</u>	<u>5,330</u>

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**ALDERFORCE SC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**13. Stocks**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<b>70,343</b>	<b>8,813</b>
	<b>70,343</b>	<b>8,813</b>

**14. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>7,313</b>	<b>4,110</b>
Other debtors	<b>1,414,557</b>	<b>973,339</b>
Prepayments and accrued income	<b>202,011</b>	<b>194,118</b>
Deferred taxation	<b>103,821</b>	<b>344,404</b>
	<b>1,727,702</b>	<b>1,515,971</b>

**15. Cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>282,223</b>	<b>663</b>
Less: bank overdrafts	<b>-</b>	<b>(140,986)</b>
	<b>282,223</b>	<b>(140,323)</b>



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**ALDERFORCE SC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**16. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Bank overdrafts	-	140,986
Bank loans	266,651	257,935
Trade creditors	634,006	724,089
Taxation and social security	445,287	345,774
Other creditors	14,762	69,520
Accruals and deferred income	160,336	188,227
	<u>1,521,042</u>	<u>1,726,531</u>

**17. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Bank loans	2,042,827	2,309,461
	<u>2,042,827</u>	<u>2,309,461</u>

**Secured loans**

Bank loans are secured by way of a fixed and floating charge over all the assets and undertaking of Alderforce Sc Limited, including all present and future freehold and leasehold property, book and other debts, chattels and goodwill and uncalled capital, both present and future.

**18. Creditors**

The aggregate amount of liabilities repayable wholly or in part more than five year after the balance sheet date is £885,419.

Loans are repayable in equal monthly instalments and interest is charged at 2.75% above the Bank of England Base Rate.

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**ALDERFORCE SC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**19. Loans**

Analysis of the maturity of loans is given below:

	<b>2016 £</b>	<b>2015 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>266,651</b>	<b>257,935</b>
	<b>266,651</b>	<b>257,935</b>
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>275,448</b>	<b>266,652</b>
	<b>275,448</b>	<b>266,652</b>
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>881,960</b>	<b>853,797</b>
	<b>881,960</b>	<b>853,797</b>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	<b>885,419</b>	<b>1,189,012</b>
	<b>885,419</b>	<b>1,189,012</b>
	<b>2,309,478</b>	<b>2,567,396</b>

**ALDERFORCE SC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**20. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	282,223	663
Financial assets that are debt instruments measured at amortised cost	1,421,869	977,449
	<u>1,704,092</u>	<u>978,112</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(3,118,578)	(3,690,218)
	<u>(3,118,578)</u>	<u>(3,690,218)</u>

Financial assets measured at amortised cost comprise of banks and cash balances, trade debtors, loans due from related parties and other debtors.

Financial Liabilities measured at amortised cost comprise of bank loans and overdrafts, loans due from related companies, accruals and other creditors.

**21. Deferred taxation**

	2016 £
At beginning of year	344,404
Charged to the profit or loss	(10,967)
Utilised in year	(229,615)
<b>At end of year</b>	<u>103,822</u>

The deferred tax asset is made up as follows:

	2016 £
Accelerated capital allowances	(77,016)
Tax losses carried forward	180,837
	<u>103,821</u>

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ALDERFORCE SC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

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**21. Deferred taxation (continued)**

Deferred tax assets carried forward in respect of tax losses are expected to be fully utilised in the next financial year. During the next financial year £18,872 deferred tax liabilities carried forward in respect of accelerated capital allowances are expected to be charged.

**22 Provisions**

	Dilapidation provisions £
At 1 April 2015	10,044
Charged to the profit or loss	139,956
<b>At 31 March 2016</b>	<b>150,000</b>

Provision for dilapidation costs are recorded on the date in which leasehold properties are altered and the liability of repair is crystallised. Provisions are capitalised and depreciated over the period of the lease, being between one and eighteen and a half years remaining.

**23. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100

**24. Reserves**

**Profit and loss account**

Profit and loss account – includes all current and prior period retained profits and losses.

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**ALDERFORCE SC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**25. Commitments under operating leases**

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	1,005,700	1,005,700
Later than 1 year and not later than 5 years	2,407,650	2,923,100
Later than 5 years	3,405,490	3,895,740
	<u>6,818,840</u>	<u>7,824,540</u>

**26. Related party transactions**

Included within other debtors at the year end is a loan amount of £392,486 (2015: £392,486) due from Erindale Limited, a company under common control. The loan has arisen from inter company funding and is unsecured, repayable on demand and free of interest.

Included within other debtors at the year end is a loan amount of £200,000 (2015: £500,000) due from Alderforce Limited, a company under common control. The loan has arisen from inter company funding and is unsecured, repayable on demand and free of interest.

Included within other debtors at the year end is a loan amount of £616,792 (2015: £nil) due from Erindale Sc Limited, a company under common control. The loan has arisen from inter company funding and is unsecured, repayable on demand and free of interest.

Included within other debtors at the year end is a loan amount of £200,943 (2015: £nil) due from Cuppacoff Sc Limited, a company under common control. The loan has arisen from inter company funding and is unsecured, repayable on demand and free of interest.

Included within other debtors at the year end is a loan amount of £726 (2015: due to £67,773) due from Adil Catering Limited. The companies are related due to the ultimate controlling parties being immediate family members. The loan has arisen from inter company funding and is unsecured, repayable on demand and free of interest.

Included within administration charges for the year are rental charges from Erindale Limited of £150,000 (2015: £81,388) in respect of two properties that the company traded from in the year. No amounts are owed at the year end in respect of rental charges.

**27. Controlling party**

Throughout the current and previous year the company has been under the control of its Director and 100% shareholder, Mr Raja Jameel Adil.

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**ALDERFORCE SC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**28. First time adoption of FRS 102**

The 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.