

Strategic Report,
Report of the Director and
Financial Statements
for the Year Ended 31 March 2022
for
Alderforce SC Limited

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for the Year Ended 31 March 2022

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Alderforce SC Limited
Company Information
for the Year Ended 31 March 2022

DIRECTOR: R J Adil

SECRETARY: M Adil

REGISTERED OFFICE: 34-36 London Road
Wembley
Middlesex
HA9 7EX

REGISTERED NUMBER: 08932017 (England and Wales)

AUDITORS: Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

Strategic Report
for the Year Ended 31 March 2022

The director presents his strategic report for the year ended 31 March 2022.

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and our position at the year end by reflection of the size and non-complex nature of the business.

REVIEW OF BUSINESS

During the year, the company continued to operate as a KFC franchisee.

The Director is pleased to report an increase in turnover and profits showing a strong recovery off the back of a challenging couple of years impacted by COVID-19. This was the first full year of trade where all stores were open. The results for the year are encouraging and demonstrate the resilience of the KFC brand as well as the British economy.

Turnover in the year increased from £16,446,164 to £22,175,168 as a result of the full year opening of restaurants, an increased demand in our drive-thru stores and home deliveries. Our operating profit decreased to £1,455,657 (2021: £1,551,382) due to a focus on carrying out repairs and refreshers to the stores during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Other risks

The Director continues to assess risk arising from food and wage inflation by budgeting and reducing wastage and targeting sales growth to counter act reducing margins.

Financial key performance indicators

Financial key performance indicators for the stores are the level of turnover, gross profit and EBITDA.

Turnover: £22,175,168 (2021: £16,446,164)

Gross profit: £6,394,714 (2021: £4,697,031)

EBITDA: £1,916,062 (2021: £2,225,854)

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.

ON BEHALF OF THE BOARD:

R J Adil - Director

3 February 2023

**Report of the Director
for the Year Ended 31 March 2022**

The director presents his report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The company's principle activity is that of operating as a KFC franchisee.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2022.

The profit for the year, after taxation, amounted to £1,118,404 (2021: £1,176,762).

The Director has recommended that no dividends be paid in respect of the current year.

FUTURE DEVELOPMENTS

As a result of the impact of COVID-19 the company has identified the importance and strength of both the offering of delivery and operating drive thru stores. The Director continues to look for future store openings which will maximise these opportunities.

Stores will continue to be refurbished in order to meet KFC guidelines and remain at a high standard.

DIRECTOR

R J Adil held office during the whole of the period from 1 April 2021 to the date of this report.

FINANCIAL INSTRUMENTS

The company uses a variety of financial instruments, including cash, inter-company debt and trade creditors that arise from its operations. The main purpose of these financial instruments are to provide working capital for the company's operations.

The company is financed with appropriate short-term finance to match the need of the business and enable the company to utilise its working capital in the most effective way.

ENGAGEMENT WITH EMPLOYEES

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 the information bulletins and reports which seeks to achieve a common awareness on the part of all employees of the financial economic factors affecting the company's performance.

Disabled employees

The company's policy 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 to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

DISCLOSURE IN THE STRATEGIC REPORT

Information previously included in the director's report in respect of the business review, key performance indicators and principal risks and uncertainties can now be found in the strategic report in accordance with S414C(11) of the Companies Act 2006.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

Report of the Director
for the Year Ended 31 March 2022

STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Wright Vigar Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R J Adil - Director

3 February 2023

Report of the Independent Auditors to the Members of
Alderforce SC Limited

Opinion

We have audited the financial statements of Alderforce SC Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of
Alderforce SC Limited

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on pages three and four, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals.
- Assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Paul Colcomb FCCA (Senior Statutory Auditor)
for and on behalf of Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

3 February 2023

Income Statement
for the Year Ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER		22,175,168	16,446,164
Cost of sales		<u>15,780,454</u>	<u>11,749,133</u>
GROSS PROFIT		6,394,714	4,697,031
Administrative expenses		<u>5,128,678</u>	<u>3,813,391</u>
		1,266,036	883,640
Other operating income		<u>189,621</u>	<u>667,742</u>
OPERATING PROFIT	4	<u>1,455,657</u>	<u>1,551,382</u>
Interest receivable and similar income		<u>-</u>	<u>27</u>
		1,455,657	1,551,409
Interest payable and similar expenses	5	<u>50,722</u>	<u>55,595</u>
PROFIT BEFORE TAXATION		<u>1,404,935</u>	<u>1,495,814</u>
Tax on profit	6	<u>286,531</u>	<u>319,052</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,118,404</u></u>	<u><u>1,176,762</u></u>

Alderforce SC Limited (Registered number: 08932017)

**Other Comprehensive Income
for the Year Ended 31 March 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,118,404	1,176,762
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,118,404</u>	<u>1,176,762</u>

The notes form part of these financial statements

Alderforce SC Limited (Registered number: 08932017)

Balance Sheet
31 March 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	7		116,557		150,328
Tangible assets	8		<u>1,924,786</u>		<u>2,214,839</u>
			2,041,343		2,365,167
CURRENT ASSETS					
Stocks	9	96,575		42,485	
Debtors	10	5,647,597		4,602,796	
Cash at bank and in hand		<u>2,408,466</u>		<u>908,010</u>	
		8,152,638		5,553,291	
CREDITORS					
Amounts falling due within one year	11	<u>3,942,291</u>		<u>2,464,798</u>	
NET CURRENT ASSETS			<u>4,210,347</u>		<u>3,088,493</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,251,690		5,453,660
CREDITORS					
Amounts falling due after more than one year	12		(2,030,930)		(2,330,664)
PROVISIONS FOR LIABILITIES	15		<u>(324,069)</u>		<u>(344,709)</u>
NET ASSETS			<u>3,896,691</u>		<u>2,778,287</u>
CAPITAL AND RESERVES					
Called up share capital	16		100		100
Retained earnings	17		<u>3,896,591</u>		<u>2,778,187</u>
SHAREHOLDERS' FUNDS			<u>3,896,691</u>		<u>2,778,287</u>

The financial statements were approved by the director and authorised for issue on 3 February 2023 and were signed by:

R J Adil - Director

Statement of Changes in Equity
for the Year Ended 31 March 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	100	1,601,425	1,601,525
Changes in equity			
Total comprehensive income	-	1,176,762	1,176,762
Balance at 31 March 2021	100	2,778,187	2,778,287
Changes in equity			
Total comprehensive income	-	1,118,404	1,118,404
Balance at 31 March 2022	100	3,896,591	3,896,691

Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	2,438,915	857,984
Tax paid		(506,077)	(95,296)
Net cash from operating activities		<u>1,932,838</u>	<u>762,688</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(81,205)	(49,062)
Interest received		-	27
Net cash from investing activities		<u>(81,205)</u>	<u>(49,035)</u>
Cash flows from financing activities			
Loan repayments in year		(300,455)	(74,293)
Interest paid		(50,722)	(55,595)
Net cash from financing activities		<u>(351,177)</u>	<u>(129,888)</u>
Increase in cash and cash equivalents		<u>1,500,456</u>	<u>583,765</u>
Cash and cash equivalents at beginning of year	2	908,010	324,245
Cash and cash equivalents at end of year	2	<u>2,408,466</u>	<u>908,010</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2022

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

	2022	2021
	£	£
Profit before taxation	1,404,935	1,495,814
Depreciation charges	405,029	620,467
Loss on disposal of fixed assets	-	6,545
Finance costs	50,722	55,595
Finance income	-	(27)
	<u>1,860,686</u>	<u>2,178,394</u>
(Increase)/decrease in stocks	(54,090)	9,894
Increase in trade and other debtors	(1,044,803)	(1,193,904)
Increase/(decrease) in trade and other creditors	<u>1,677,122</u>	<u>(136,400)</u>
Cash generated from operations	<u><u>2,438,915</u></u>	<u><u>857,984</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>2,408,466</u>	<u>908,010</u>

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>908,010</u>	<u>324,245</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>908,010</u>	<u>1,500,456</u>	<u>2,408,466</u>
	<u>908,010</u>	<u>1,500,456</u>	<u>2,408,466</u>
Debt			
Debts falling due within 1 year	(259,774)	721	(259,053)
Debts falling due after 1 year	<u>(2,330,664)</u>	<u>299,734</u>	<u>(2,030,930)</u>
	<u>(2,590,438)</u>	<u>300,455</u>	<u>(2,289,983)</u>
Total	<u><u>(1,682,428)</u></u>	<u><u>1,800,911</u></u>	<u><u>118,483</u></u>

Notes to the Financial Statements
for the Year Ended 31 March 2022

1. STATUTORY INFORMATION

Alderforce SC 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 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised on a systematic basis over the periods that the change in lease payments is intended to compensate. This is conditional on:

- the change in lease payments resulting in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affecting only payments originally due on or before 30 June 2022;
- there being no significant change to other terms and conditions of the lease.

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 ten years.

The estimated useful lives range as follows:

Franchise fees - 10 years

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.

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 - 20 years

Motor vehicles - 25% reducing balance

Fixtures and fittings - 20% reducing balance

Computer equipment - 20% straight line

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 profit or loss.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Interest income

Interest income is recognised in profit or loss using the effective interest method.

Finance costs

Finance costs are charged to profit or loss 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.

Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Stocks

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

Financial instruments

The Company only enters into basic financial instrument 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 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.

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 of the recoverable amount, 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.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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.

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 profit or loss 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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

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.

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.

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.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the 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.

Dilapidation provisions are added to the book value of the assets at the point of fitting out a store and is depreciated through the Statement of Comprehensive Income over the term of the lease.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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, judgements and assumptions that it believes are reasonable based on the information available. These judgements, 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 company 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.

Management has made judgment over the following accounting policies:

- The estimated useful economic lives of fixtures, fittings and equipment; and
- Dilapidation provisions which are calculated by management based on their expectations of costs in reference to store type and size.

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	5,076,825	4,209,438
Social security costs	258,596	191,360
Other pension costs	57,020	58,305
	<u>5,392,441</u>	<u>4,459,103</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. EMPLOYEES AND DIRECTORS - continued

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

	2022	2021
Head office and management	2	4
Restaurant	544	380
	<u>546</u>	<u>384</u>
	2022	2021
	£	£
Director's remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	371,258	586,697
Loss on disposal of fixed assets	-	6,545
Franchise fees amortisation	33,771	33,770
Auditors' remuneration	34,100	16,000
Auditors' remuneration for non audit work	<u>1,700</u>	<u>2,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank loan interest	50,759	55,330
Other interest on overdue tax	(37)	265
	<u>50,722</u>	<u>55,595</u>

6. TAXATION

Analysis of the tax charge

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	307,171	353,020
Deferred tax	(20,640)	(33,968)
Tax on profit	<u>286,531</u>	<u>319,052</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

7. INTANGIBLE FIXED ASSETS

	Franchise fees £
COST	
At 1 April 2021	
and 31 March 2022	<u>337,704</u>
AMORTISATION	
At 1 April 2021	187,376
Amortisation for year	<u>33,771</u>
At 31 March 2022	<u>221,147</u>
NET BOOK VALUE	
At 31 March 2022	<u>116,557</u>
At 31 March 2021	<u>150,328</u>

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Office and Computer equipment £	Totals £
COST					
At 1 April 2021	1,224,128	3,688,563	23,208	9,581	4,945,480
Additions	-	81,205	-	-	81,205
At 31 March 2022	<u>1,224,128</u>	<u>3,769,768</u>	<u>23,208</u>	<u>9,581</u>	<u>5,026,685</u>
DEPRECIATION					
At 1 April 2021	780,935	1,934,515	14,813	378	2,730,641
Charge for year	<u>27,180</u>	<u>340,063</u>	<u>2,099</u>	<u>1,916</u>	<u>371,258</u>
At 31 March 2022	<u>808,115</u>	<u>2,274,578</u>	<u>16,912</u>	<u>2,294</u>	<u>3,101,899</u>
NET BOOK VALUE					
At 31 March 2022	<u>416,013</u>	<u>1,495,190</u>	<u>6,296</u>	<u>7,287</u>	<u>1,924,786</u>
At 31 March 2021	<u>443,193</u>	<u>1,754,048</u>	<u>8,395</u>	<u>9,203</u>	<u>2,214,839</u>

9. STOCKS

	2022 £	2021 £
Food, beverages and packaging	<u>96,575</u>	<u>42,485</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	232,103	258,036
Other debtors	5,121,920	4,097,896
Grants receivable	-	15,350
Prepayments and accrued income	<u>293,574</u>	<u>231,514</u>
	<u>5,647,597</u>	<u>4,602,796</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 13)	259,053	259,774
Trade creditors	2,825,590	1,295,030
Tax	154,113	353,020
Social security and other taxes	78,903	46,359
VAT	41,959	-
Other creditors	348,171	184,920
Accruals and deferred income	234,502	325,695
	<u>3,942,291</u>	<u>2,464,798</u>

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

	2022	2021
	£	£
Bank loans (see note 13)	<u>2,030,930</u>	<u>2,330,664</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>259,053</u>	<u>259,774</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>262,782</u>	<u>267,127</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,338,192</u>	<u>1,537,743</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>429,956</u>	<u>525,794</u>

14. LEASING AGREEMENTS

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

	2022	2021
	£	£
Within one year	982,440	1,005,000
Between one and five years	3,408,823	3,152,000
In more than five years	5,981,405	5,352,000
	<u>10,372,668</u>	<u>9,509,000</u>

15. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	94,069	114,709
Other provisions	230,000	230,000
	<u>324,069</u>	<u>344,709</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

15. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Other provisions £
Balance at 1 April 2021	114,709	230,000
Credit to Income Statement during year	(20,640)	-
Balance at 31 March 2022	<u>94,069</u>	<u>230,000</u>

Provision for dilapidation costs are recorded on the date in which the 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 ten years remaining.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022 £	2021 £
Number:	Class:			
100	Ordinary	1	<u>100</u>	<u>100</u>

17. RESERVES

	Retained earnings £
At 1 April 2021	2,778,187
Profit for the year	<u>1,118,404</u>
At 31 March 2022	<u>3,896,591</u>

18. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £57,020 (2021: £58,305). Contributions totalling £11,012 (2021: £1,355) were payable to the fund at the balance sheet date and are included in creditors.

19. RELATED PARTY DISCLOSURES

Related party loans

Included within Other Debtors at the year end are loan amounts of £5,121,920 (£4,003,410) due from companies under common control. The loans have arisen from inter company funding in the current and prior years. The loans are unsecured, repayable on demand and free of interest.

Included within Other Creditors at the year end are loan amounts of £155,273 (£149,046) due to companies under common control. The loans have arisen from inter company funding in the current and prior years. The loans are unsecured, repayable on demand and free of interest.

Related party transactions

Included within administration charges for the year and office and retail rental charges of £531,613 (2021: £434,000) charged by companies under common control. Included within trade creditors at the year end is a balance of £121,851 (2021: £460,865) relating to the rental charges.

20. ULTIMATE CONTROLLING PARTY

The controlling party is R J Adil.

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.