Chartered Accountants

Chamber of Commerce House
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Hill Vellacott

Company registration number: NI027644

J.M.C. Restaurants Limited

Unaudited financial statements

31 December 2016

COMPANIES HOUSE
28 SEP 2017
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J.M.C. Restaurants Limited

Directors and other information

Directors	John McCollum Orna McCollum
Secretary	Orna McCollum
Company number	NI027644
Registered office	McDonalds Restaurant Sprucefield Hillsborough Road Lisburn BT27 5QN
Accountants	Hill Vellacott 22 Great Victoria Street Belfast BT2 7BA
Bankers	HSBC Harvester House 4-8 Adelaide Street Belfast BT2 8GE
Solicitors	A & L Goodbody 6th Floor 42-46 Fountain Street Belfast BT1 5EF

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J.M.C. Restaurants Limited

Report to the board of directors on the preparation of the unaudited statutory financial statements of J.M.C. Restaurants Limited Year ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of J.M.C. Restaurants Limited for the year ended 31 December 2016 which comprise the statement of financial position and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of Chartered Accountants Ireland, we are subject to its ethical and other professional requirements which are detailed at www.charteredaccountants.ie.

This report is made solely to the board of directors of J.M.C. Restaurants Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of J.M.C. Restaurants Limited and state those matters that we have agreed to state to the board of directors of J.M.C. Restaurants Limited as a body, in this report in accordance with the requirements of Chartered Accountants Ireland as detailed at www.charteredaccountants.ie To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than J.M.C. Restaurants Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that J.M.C. Restaurants Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of J.M.C. Restaurants Limited. You consider that J.M.C. Restaurants Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of J.M.C. Restaurants Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Hill Vellacott

Hill Vellacott

22 Great Victoria Street
Belfast
BT2 7BA

30 March 2017

J.M.C. Restaurants Limited

Statement of financial position
31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	6	1,172,790		36,798	
Tangible assets	7	2,210,469		632,736	
			3,383,259		669,534
Current assets					
Stocks		46,627		30,521	
Debtors	8	105,876		67,130	
Investments	9	1,250		1,250	
Cash at bank and in hand		1,003,783		926,410	
		1,157,536		1,025,311	
Creditors: amounts falling due within one year	10	(1,887,897)		(687,515)	
Net current (liabilities)/assets			(730,361)		337,796
Total assets less current liabilities			2,652,898		1,007,330
Creditors: amounts falling due after more than one year	11		(1,748,210)		(229,184)
Provisions for liabilities			(108,053)		(36,532)
Net assets			796,635		741,614
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss account			795,635		740,614
Shareholders funds			796,635		741,614

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The shareholders have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The notes on pages 6 to 11 form part of these financial statements.

Statement of financial position (continued)
31 December 2016

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 30 March 2017, and are signed on behalf of the board by:

John McCollum
Director

Company registration number: NI027644

The notes on pages 6 to 11 form part of these financial statements.

1. General information

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is McDonalds Restaurant, Sprucefield, Hillsborough Road, Lisburn, BT27 5QN.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

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

Turnover

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

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

Taxation

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

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

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

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Intangible assets

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

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

Amortisation

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

Goodwill	- 20%	straight line
Franchise	- 5%	straight line

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

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

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

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

Depreciation

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

Alterations to premises	- 5%	straight line
Plant and machinery	- 10%	straight line
Fittings fixtures and equipment	- 10%	reducing balance
Motor vehicles	- 25%	reducing balance

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

Impairment

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

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

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

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

Stocks

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

Provisions

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

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

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

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

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Staff costs

The average number of persons employed by the company during the year, including the directors was 269 (2015: 165).

5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2016	2015
	£	£
Amortisation of intangible assets	60,269	2,165
Depreciation of tangible assets	90,502	67,650

6. Intangible assets

	Goodwill	Franchise fees	Total
	£	£	£
Cost			
At 1 January 2016	-	43,292	43,292
Additions	1,152,250	44,011	1,196,261
At 31 December 2016	1,152,250	87,303	1,239,553
Amortisation			
At 1 January 2016	-	6,494	6,494
Charge for the year	57,613	2,656	60,269
At 31 December 2016	57,613	9,150	66,763
Carrying amount			
At 31 December 2016	1,094,637	78,153	1,172,790
At 31 December 2015	-	36,798	36,798

7. Tangible assets

	Alterations to property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2016	660,927	1,077,939	40,149	7,440	1,786,455
Additions	548,196	1,134,126	-	-	1,682,322
Disposals	-	(890,834)	(40,149)	-	(930,983)
At 31 December 2016	1,209,123	1,321,231	-	7,440	2,537,794
Depreciation					
At 1 January 2016	132,185	973,945	40,149	7,440	1,153,719
Charge for the year	35,330	55,172	-	-	90,502
Disposals	-	(876,747)	(40,149)	-	(916,896)
At 31 December 2016	167,515	152,370	-	7,440	327,325
Carrying amount					
At 31 December 2016	1,041,608	1,168,861	-	-	2,210,469
At 31 December 2015	528,742	103,994	-	-	632,736

8. Debtors

	2016	2015
	£	£
Trade debtors	1,274	1,120
Other debtors	104,602	66,010
	105,876	67,130

9. Investments

	2016	2015
	£	£
Investment in group undertakings	1,250	1,250

10. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	395,593	66,269
Trade creditors	1,189,359	243,321
Corporation tax	-	76,648
Social security and other taxes	89,825	198,336
Other creditors	213,120	102,941
	1,887,897	687,515

11. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	1,748,210	229,184

12. Controlling party

The company is controlled by John McCollum.