

Company registration number: NI027644

J.M.C. Restaurants Limited

Financial statements

31 December 2018

J.M.C. Restaurants Limited

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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
Auditor	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

J.M.C. Restaurants Limited

Strategic report

Year ended 31 December 2018

Review of the business

The principal activity of the company is to carry on and develop the trade of McDonalds Restaurants.

Results and performance

Given the current economic climate, the directors are pleased with the performance in the year and are optimistic as to future prospects. Refurbishment work carried out in late 2017 and 2018 have led to sales growth in the refurbished stores.

Risk management

Effective risk management is a strategic imperative and is a key consideration when making future business decisions for the company.

The directors monitor potential business risks and endeavour to manage those risks through appropriate means including employee involvement, robust financial and business controls and policies. The directors feel

the main financial risk lies in changing consumer trends. The company aims to remain competitive in the fast food market by adapting to consumer demands and continually evolving their product range to suit these demands.

Key Performance indicators (KPI's)

The company has the key performance indicators (KPI's) of increasing sales, gross margins and keeping overheads under control. The directors believe the company can meet the KPI's in the medium term.

This report was approved by the board of directors on 29 March 2019 and signed on behalf of the board by:

John McCollum

Director

J.M.C. Restaurants Limited

Directors report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

John McCollum

Orna McCollum

Dividends

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Future developments

The company recognises the need to constantly review its market offering and will continue to invest and develop internal processes ensuring it maintains a competitive product offering to all customers.

Financial instruments

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 the directors have set out the business review and the financial risk management policy and objectives in the strategic report on page 2.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 29 March 2019 and signed on behalf of the board by:

John McCollum

Director

J.M.C. Restaurants Limited

Independent auditor's report to the members of

J.M.C. Restaurants Limited

Year ended 31 December 2018

Opinion

We have audited the financial statements of J.M.C. Restaurants Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and 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 FRS 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 December 2018 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 auditor's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has 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 directors' report. 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 the returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine is 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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. 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 auditor's report.

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 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.

Peter Gribben (Senior Statutory Auditor)

For and on behalf of

Hill Vellacott

Chartered Accountants and Registered Auditor

22 Great Victoria Street

Belfast

BT2 7BA

29 March 2019

J.M.C. Restaurants Limited**Statement of income and retained earnings****Year ended 31 December 2018**

	Note	2018 £	2017 £
Turnover	4	22,420,858	16,223,160
Cost of sales		(7,218,910)	(5,100,137)
Gross profit		<u>15,201,948</u>	<u>11,123,023</u>
Distribution costs		(8,664,769)	(6,310,030)
Administrative expenses		(5,914,634)	(4,370,881)
Operating profit	5	<u>622,545</u>	<u>442,112</u>
Interest payable and similar expenses	8	(139,250)	(75,211)
Profit before taxation		<u>483,295</u>	<u>366,901</u>
Tax on profit	9	(192,905)	(136,589)
Profit for the financial year and total comprehensive income		<u>290,390</u>	<u>230,312</u>
Dividends declared and paid or payable during the year	10	(259,176)	(135,969)
Retained earnings at the start of the year		<u>889,978</u>	<u>795,635</u>
Retained earnings at the end of the year		<u>921,192</u>	<u>889,978</u>

All the activities of the company are from continuing operations.

J.M.C. Restaurants Limited

Statement of financial position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	3,823,610	4,283,200
Tangible assets	12	5,921,318	4,347,337
		<u>9,744,928</u>	<u>8,630,537</u>
Current assets			
Stocks	13	98,328	94,921
Debtors	14	186,403	197,535
Investments	15	7,500	7,500
Cash at bank and in hand		1,412,018	1,829,493
		<u>1,704,249</u>	<u>2,129,449</u>
Creditors: amounts falling due within one year	17	(4,703,569)	(4,040,289)
Net current liabilities		<u>(2,999,320)</u>	<u>(1,910,840)</u>
Total assets less current liabilities		<u>6,745,608</u>	<u>6,719,697</u>
Creditors: amounts falling due after more than one year	18	(5,553,073)	(5,606,057)
Provisions for liabilities	19	(270,343)	(222,662)
Net assets		<u>922,192</u>	<u>890,978</u>
Capital and reserves			
Called up share capital	23	1,000	1,000
Profit and loss account	24	921,192	889,978
Shareholders funds		<u>922,192</u>	<u>890,978</u>

These financial statements were approved by the board of directors and authorised for issue on 29 March 2019 , and are signed on behalf of the board by:

John McCollum

Director

Company registration number: NI027644

J.M.C. Restaurants Limited**Statement of cash flows****Year ended 31 December 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the financial year		290,390	230,312
<i>Adjustments for:</i>			
Depreciation of tangible assets		467,727	281,138
Amortisation of intangible assets		459,590	289,590
Interest payable and similar expenses		139,250	75,211
Gain/(loss) on disposal of tangible assets		340,678	280,000
Tax on profit		192,905	136,589
Accrued expenses/(income)		127,386	1,081,190
<i>Changes in:</i>			
Stocks		(3,407)	(48,294)
Trade and other debtors		11,132	(91,659)
Trade and other creditors		101,787	368,381
Cash generated from operations		2,127,438	2,602,458
Interest paid		(139,250)	(75,211)
Tax paid		(21,980)	-
Net cash from operating activities		1,966,208	2,527,247
Cash flows from investing activities			
Purchase of tangible assets		(2,382,386)	(2,698,006)
Purchase of intangible assets		-	(3,400,000)
Acquisition of subsidiaries		-	(6,250)
Net cash used in investing activities		(2,382,386)	(6,104,256)
Cash flows from financing activities			
Proceeds from borrowings		257,879	4,538,688
Equity dividends paid		(259,176)	(135,969)
Net cash (used in)/from financing activities		(1,297)	4,402,719
Net increase/(decrease) in cash and cash equivalents		(417,475)	825,710
Cash and cash equivalents at beginning of year	16	1,829,493	1,003,783
Cash and cash equivalents at end of year	16	1,412,018	1,829,493

J.M.C. Restaurants Limited

Notes to the financial statements

Year ended 31 December 2018

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 FRS 102, '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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at

the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

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 companies 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 cannot be made, the life is presumed not to exceed ten 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	-	10 % straight line
Franchise costs	-	5 % straight line

If there is an indication that there has been a significant change in the 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
Motor Vehicles	-	25 % straight line

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. 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 are 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. Turnover

Turnover arises from:

	2018	2017
	£	£
Product sales	21,940,637	15,842,300
Non product sales	480,221	380,860
	<u>22,420,858</u>	<u>16,223,160</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Amortisation of intangible assets	459,590	289,590
Depreciation of tangible assets	467,727	281,138
(Gain)/loss on disposal of tangible assets	340,678	280,000
Cost of stocks recognised as an expense	6,584,934	4,666,478
Impairment of trade debtors	1,013	772
Operating lease rentals	10,338	11,472
Foreign exchange differences	(1,379)	873
Fees payable for the audit of the financial statements	8,500	8,000
	<u></u>	<u></u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
Production staff	718	469
Administrative staff	29	21
	<u>747</u>	<u>490</u>

The aggregate payroll costs incurred during the year were:

	2018	2017
	£	£
Wages and salaries	6,297,977	4,582,886
Social security costs	261,887	186,747
Other pension costs	58,951	30,129
	<u>6,618,815</u>	<u>4,799,762</u>

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	75,000	52,968
	<u>75,000</u>	<u>52,968</u>

8. Interest payable and similar expenses

	2018	2017
	£	£
Bank loans and overdrafts	139,250	75,211
	<u>139,250</u>	<u>75,211</u>

9. Tax on profit

Major components of tax expense

	2018 £	2017 £
Current tax:		
UK current tax expense	145,224	21,980
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	47,681	114,609
	<hr/>	<hr/>
Tax on profit	192,905	136,589
	<hr/>	<hr/>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00 % (2017: 19.00%).

	2018 £	2017 £
Profit before taxation	483,295	366,901
	<hr/>	<hr/>
Profit multiplied by rate of tax	91,826	69,711
Effect of expenses not deductible for tax purposes	-	959
Effect of capital allowances and depreciation	53,398	(48,195)
Effect of different UK tax rates on some earnings	-	(495)
Deferred taxation	47,681	114,609
	<hr/>	<hr/>
Tax on profit	192,905	136,589
	<hr/>	<hr/>

10. Dividends

Equity dividends

	2018 £	2017 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	259,176	135,969
	<hr/>	<hr/>

11. Intangible assets

	Goodwill	Patents, trademarks & licences	Total
	£	£	£
Cost			
At 1 January 2018 and 31 December 2018	4,552,250	87,303	4,639,553
	<u> </u>	<u> </u>	<u> </u>
Amortisation			
At 1 January 2018	342,838	13,515	356,353
Charge for the year	455,225	4,365	459,590
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	798,063	17,880	815,943
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 December 2018	3,754,187	69,423	3,823,610
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017	4,209,412	73,788	4,283,200
	<u> </u>	<u> </u>	<u> </u>

12. Tangible assets

	Freehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2018	2,850,134	2,098,226	7,440	4,955,800
Additions	2,254,484	127,902	-	2,382,386
Disposals	-	(373,315)	-	(373,315)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	5,104,618	1,852,813	7,440	6,964,871
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 January 2018	245,009	356,014	7,440	608,463
Charge for the year	255,231	212,496	-	467,727
Disposals	-	(32,637)	-	(32,637)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	500,240	535,873	7,440	1,043,553
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2018	4,604,378	1,316,940	-	5,921,318
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017	2,605,125	1,742,212	-	4,347,337
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13. Stocks

	2018	2017
	£	£
Finished goods	98,328	94,921
	<hr/>	<hr/>

14. Debtors

	2018	2017
	£	£
Trade debtors	7,779	852
Prepayments and accrued income	126,025	132,399
Other debtors	52,599	64,284
	<hr/>	<hr/>
	186,403	197,535
	<hr/>	<hr/>

15. Investments

	2018	2017
	£	£
Investments in group undertakings	7,500	7,500
	<hr/>	<hr/>

16. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	1,412,018	1,829,493
	<hr/>	<hr/>

17. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	1,387,297	1,076,434
Trade creditors	1,032,912	825,458
Accruals and deferred income	1,411,387	1,284,001
Corporation tax	145,224	21,980
Social security and other taxes	664,604	770,272
Other creditors	62,145	62,144
	4,703,569	4,040,289

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

	2018	2017
	£	£
Bank loans and overdrafts	5,553,073	5,606,057

19. Provisions

	Deferred tax (note 20)	Total
	£	£
At 1 January 2018	222,662	222,662
Additions	47,681	47,681
At 31 December 2018	270,343	270,343

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions (note 19)	270,343	222,662
	<u> </u>	<u> </u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	270,343	222,662
	<u> </u>	<u> </u>

21. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 58,951 (2017: £ 30,129).

22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018	2017
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	7,779	852
Other debtors	52,599	64,284
Cash at bank and in hand	1,412,018	1,829,493
	<u> </u>	<u> </u>
	1,472,396	1,894,629
	<u> </u>	<u> </u>
Financial liabilities measured at amortised cost		
Bank and other loans	6,940,370	6,682,491
Trade creditors	1,032,912	825,458
Other creditors	62,145	62,144
	<u> </u>	<u> </u>
	8,035,427	7,570,093
	<u> </u>	<u> </u>

23. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

24. Reserves

The reserves are an accumulation of historical profits and losses.

25. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	£	£
Not later than 1 year	9,884	8,823
Later than 1 year and not later than 5 years	5,482	13,686
	<u>15,366</u>	<u>22,509</u>

26. Related party transactions

The director, John McCollum , received dividends of £194,382 (2017:£135,969) during the year. The director, Orna McCollum , received dividends of £64,794 (2017:£Nil) during the year. At the year end Orna McCollum owed the company £52,599 (2017:£Nil). The loan is unsecured, interest free and repayable on demand.

27. Key management personnel

The directors are the key management personnel of the company. Their remuneration is disclosed in note 7.

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