

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended
31 December 2016
for
LEVEN VALE RESTAURANTS LIMITED**

FRIDAY



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COMPANIES HOUSE

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for the Year Ended 31 December 2016**

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LEVEN VALE RESTAURANTS LIMITED

**Company Information
for the Year Ended 31 December 2016**

DIRECTORS:

S W Tomlin
Mrs D M Tomlin

REGISTERED OFFICE:

12 Britannia Way
Clyde Shopping Centre
Clydebank
West Dunbartonshire
G81 2RZ

REGISTERED NUMBER:

SC153540 (Scotland)

AUDITORS:

WDM Associates (Statutory Auditors)
Oakfield House
378 Brandon Street
Motherwell
ML1 1XA

**Strategic Report
for the Year Ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The results for the year show an operating profit of £310,655. (2015 £190,866)

PRINCIPAL RISKS AND UNCERTAINTIES

We believe that the company can meet its key business risks of competition. In addition, it is McDonalds policy to monitor each stores performance on a monthly basis to manage these risks.

FUTURE OUTLOOK

The company has already invested over £1m to re-image and modernise two of the 6 stores, commenced in November 2015. This will be part of the Mcdonalds " Shop of the Future " program.

A further 3 stores will be re-imaged in 2017 and the last store in 2018, a total anticipated investment of over £2m.

This will result in improved customer service and a greater choice of chicken and premium beef options.

The stores will also encourage more card payments, and remote ordering via Apps. A further £25,000 will be invested on staff training to manage these new improvements.

We believe that the company is well positioned to strengthen its position in the market place.

ON BEHALF OF THE BOARD:



S W Tomlin - Director

6 June 2017

**Report of the Directors
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of restaurant proprietors.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

S W Tomlin
Mrs D M Tomlin

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of 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 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.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


LEVEN VALE RESTAURANTS LIMITED (REGISTERED NUMBER: SC153540)

**Report of the Directors
for the Year Ended 31 December 2016**

AUDITORS

The auditors, WDM Associates (Statutory Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'S W Tomlin', is written over a faint horizontal line.

S W Tomlin - Director

6 June 2017

Report of the Independent Auditors to the Members of Leven Vale Restaurants Limited

We have audited the financial statements of Leven Vale Restaurants Limited for the year ended 31 December 2016 on pages seven to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Leven Vale Restaurants Limited**

Matters on which we are required to report by exception

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

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



G Bonomy (Senior Statutory Auditor)

for and on behalf of WDM Associates (Statutory Auditors)

Oakfield House

378 Brandon Street

Motherwell

ML1 1XA

6 June 2017

LEVEN VALE RESTAURANTS LIMITED (REGISTERED NUMBER: SC153540)

**Income Statement
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
TURNOVER		15,114,487	13,768,193
Cost of sales		(4,494,408)	(4,200,232)
GROSS PROFIT		10,620,079	9,567,961
Administrative expenses		(10,309,424)	(9,377,095)
OPERATING PROFIT	4	310,655	190,866
Interest receivable and similar income		1,585	1,077
		312,240	191,943
Interest payable and similar expenses	5	(18,413)	(24,790)
PROFIT BEFORE TAXATION		293,827	167,153
Tax on profit	6	(58,765)	(33,962)
PROFIT FOR THE FINANCIAL YEAR		235,062	133,191

The notes form part of these financial statements

LEVEN VALE RESTAURANTS LIMITED (REGISTERED NUMBER: SC153540)

Other Comprehensive Income
for the Year Ended 31 December 2016

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		235,062	133,191
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>235,062</u>	<u>133,191</u>

The notes form part of these financial statements

LEVEN VALE RESTAURANTS LIMITED (REGISTERED NUMBER: SC153540)

**Statement of Financial Position
31 December 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	7	1,108,428	1,262,910
Tangible assets	8	1,685,056	1,625,135
Investments	9	-	-
		<u>2,793,484</u>	<u>2,888,045</u>
CURRENT ASSETS			
Stocks	10	60,113	62,865
Debtors	11	22,556	26,766
Cash at bank and in hand		1,156,205	933,804
		<u>1,238,874</u>	<u>1,023,435</u>
CREDITORS			
Amounts falling due within one year	12	(2,342,176)	(2,194,385)
NET CURRENT LIABILITIES		<u>(1,103,302)</u>	<u>(1,170,950)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,690,182</u>	<u>1,717,095</u>
CREDITORS			
Amounts falling due after more than one year	13	(561,280)	(800,171)
PROVISIONS FOR LIABILITIES	16	(161,223)	(184,307)
NET ASSETS		<u><u>967,679</u></u>	<u><u>732,617</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	100	100
Retained earnings	18	967,579	732,517
SHAREHOLDERS' FUNDS		<u><u>967,679</u></u>	<u><u>732,617</u></u>

The financial statements were approved by the Board of Directors on 6 June 2017 and were signed on its behalf by:



S W Tomlin - Director



Mrs D M Tomlin - Director

The notes form part of these financial statements

LEVEN VALE RESTAURANTS LIMITED (REGISTERED NUMBER: SC153540)

**Statement of Changes in Equity
for the Year Ended 31 December 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	100	599,326	599,426
Changes in equity			
Total comprehensive income	-	133,191	133,191
Balance at 31 December 2015	100	732,517	732,617
Changes in equity			
Total comprehensive income	-	235,062	235,062
Balance at 31 December 2016	100	967,579	967,679

The notes form part of these financial statements

LEVEN VALE RESTAURANTS LIMITED (REGISTERED NUMBER: SC153540)

**Statement of Cash Flows
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,356,842	1,276,470
Interest paid		(18,413)	(24,790)
Tax paid		(4,965)	(15,614)
Net cash from operating activities		<u>1,333,464</u>	<u>1,236,066</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(568,277)	(649,320)
Interest received		1,585	1,077
Net cash from investing activities		<u>(566,692)</u>	<u>(648,243)</u>
Cash flows from financing activities			
New loans in year		-	700,000
Loan repayments in year		(396,287)	(413,931)
Amount introduced by directors		87,956	1
Amount withdrawn by directors		(233,212)	(314,487)
Net cash from financing activities		<u>(541,543)</u>	<u>(28,417)</u>
Increase in cash and cash equivalents		<u>225,229</u>	<u>559,406</u>
Cash and cash equivalents at beginning of year	2	875,585	316,179
Cash and cash equivalents at end of year	2	<u><u>1,100,814</u></u>	<u><u>875,585</u></u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
for the Year Ended 31 December 2016**

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

	2016	2015
	£	£
Profit before taxation	293,827	167,153
Depreciation charges	662,838	666,281
Finance costs	18,413	24,790
Finance income	(1,585)	(1,077)
	<u>973,493</u>	<u>857,147</u>
Decrease/(increase) in stocks	2,752	(2,652)
Decrease/(increase) in trade and other debtors	4,210	(3,118)
Increase in trade and other creditors	<u>376,387</u>	<u>425,093</u>
Cash generated from operations	<u><u>1,356,842</u></u>	<u><u>1,276,470</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	1,156,205	933,804
Bank overdrafts	(55,391)	(58,219)
	<u><u>1,100,814</u></u>	<u><u>875,585</u></u>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	933,804	428,728
Bank overdrafts	(58,219)	(112,549)
	<u><u>875,585</u></u>	<u><u>316,179</u></u>

**Notes to the Financial Statements
for the Year Ended 31 December 2016**

1. STATUTORY INFORMATION

Leven Vale Restaurants Limited is a private company, limited by shares, registered in Scotland. 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.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1995, is being amortised evenly over its estimated useful life of twenty years.

Further goodwill, being the amount paid in connection with the purchase of a business in 2004, is being written off evenly over its estimated useful life of twenty years.

Goodwill purchased in 2013 is being written off over 10 years over the remaining term of the franchise agreement.

Intangible assets

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

Franchise fee are being amortised evenly over their estimated useful life of nil years.

Other intangible asset

The Captive Insurance Scheme Share Purchase was purchased in 2001 and has to be written off over the remainder of the franchise term. It is therefore being written off evenly over 15 years.

Tangible fixed assets

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

Equipment	- 10% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 15% on cost

Stocks

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

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

3. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	4,282,478	3,886,099
Social security costs	156,750	170,869
Other pension costs	64,597	61,733
	<u>4,503,825</u>	<u>4,118,701</u>

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

	2016	2015
Directors	2	2
Managers	20	19
Staff	462	440
	<u>484</u>	<u>461</u>

	2016 £	2015 £
Directors' remuneration	<u>56,000</u>	<u>56,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	508,356	510,826
Goodwill amortisation	143,982	143,660
Franchise fee amortisation	10,500	10,500
Auditors' remuneration	7,660	6,085
	<u>570,500</u>	<u>771,071</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank loan interest	18,413	24,790
	<u>18,413</u>	<u>24,790</u>

6. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	81,849	4,965
Over provision for prior year	-	272
Total current tax	81,849	5,237
Deferred tax	(23,084)	28,725
Tax on profit	<u>58,765</u>	<u>33,962</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £	Franchise fee £	Totals £
COST			
At 1 January 2016			
and 31 December 2016	1,591,538	120,000	1,711,538
AMORTISATION			
At 1 January 2016	424,093	24,535	448,628
Amortisation for year	143,982	10,500	154,482
At 31 December 2016	568,075	35,035	603,110
NET BOOK VALUE			
At 31 December 2016	1,023,463	84,965	1,108,428
At 31 December 2015	1,167,445	95,465	1,262,910

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

8. TANGIBLE FIXED ASSETS

	Equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2016	2,081,222	1,569,084	19,387	3,669,693
Additions	90,750	477,527	-	568,277
	<u>2,171,972</u>	<u>2,046,611</u>	<u>19,387</u>	<u>4,237,970</u>
At 31 December 2016				
DEPRECIATION				
At 1 January 2016	1,111,533	914,393	18,632	2,044,558
Charge for year	234,216	273,781	359	508,356
	<u>1,345,749</u>	<u>1,188,174</u>	<u>18,991</u>	<u>2,552,914</u>
At 31 December 2016				
NET BOOK VALUE				
At 31 December 2016	<u>826,223</u>	<u>858,437</u>	<u>396</u>	<u>1,685,056</u>
At 31 December 2015	<u>969,689</u>	<u>654,691</u>	<u>755</u>	<u>1,625,135</u>

9. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2016 and 31 December 2016	<u>7,500</u>
PROVISIONS	
At 1 January 2016 and 31 December 2016	<u>7,500</u>
NET BOOK VALUE	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

10. STOCKS

	2016 £	2015 £
Goods for resale	<u>60,113</u>	<u>62,865</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	3,404	2,731
Prepayments	19,152	24,035
	<u>22,556</u>	<u>26,766</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 14)	266,090	426,314
Trade creditors	862,819	446,797
Tax	81,849	4,965
Social security and other taxes	5,961	59,715
VAT	176,941	225,634
Other creditors	11,690	8,001
Directors' current accounts	447,483	592,739
Accrued expenses	489,343	430,220
	<u>2,342,176</u>	<u>2,194,385</u>

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

	2016	2015
	£	£
Bank loans (see note 14)	<u>561,280</u>	<u>800,171</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	55,391	58,219
Bank loans	210,699	368,095
	<u>266,090</u>	<u>426,314</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>184,670</u>	<u>241,150</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>376,610</u>	<u>465,395</u>

Amounts falling due in more than five years:

LEVEN VALE RESTAURANTS LIMITED (REGISTERED NUMBER: SC153540)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

14. LOANS - continued

	2016 £	2015 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	-	93,626
	<u> </u>	<u> </u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	55,391	58,219
Bank loans	771,979	1,168,266
	<u> </u>	<u> </u>
	827,370	1,226,485
	<u> </u>	<u> </u>

The bank overdraft and loan are secured by a bond and floating charge over the whole of the assets of the company.

16. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax		
Accelerated capital allowances	161,223	137,965
Deferred tax	-	46,342
	<u> </u>	<u> </u>
	161,223	184,307
	<u> </u>	<u> </u>
		Deferred tax
		£
Balance at 1 January 2016		184,307
Capital allowances in excess of related depreciation		(23,084)
		<u> </u>
Balance at 31 December 2016		161,223
		<u> </u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
100	Ordinary	£1	100	100
			<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

18. RESERVES

	Retained earnings £
At 1 January 2016	732,517
Profit for the year	235,062
	<hr/>
At 31 December 2016	967,579
	<hr/>

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits repayable on demand to a director subsisted during the years ended 31 December 2016 and 31 December 2015:

	2016 £	2015 £
S W Tomlin		
Balance outstanding at start of year	(592,739)	(907,226)
Amounts advanced	233,212	314,487
Amounts repaid	(87,957)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(447,484)</u>	<u>(592,739)</u>

20. ULTIMATE CONTROLLING PARTY

The controlling party is S W Tomlin.

The company was under the control of both shareholders, S & D Tomlin, throughout the whole year.