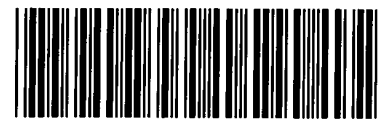


Registered number: 04437266

A & L RESTAURANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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A & L RESTAURANTS LIMITED

COMPANY INFORMATION

Director	A Atefi
Company secretary	S Atefi
Registered number	04437266
Registered office	736 High Road North Finchley London N12 9XD
Independent auditors	PKF Cooper Parry Group Limited Statutory Auditors One Central Boulevard Blythe Valley Business Park Shirley West Midlands B90 8BG

A & L RESTAURANTS LIMITED

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A & L RESTAURANTS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Introduction

The director presents his strategic report on the company for the year ended 31 March 2017.

Business review

The director presents a review of the development and performance of the business during the year and its position at the year-end. My review is consistent with the size and nature of my business and is written in the context of risks and uncertainties I face.

As an operator of a chain of quick service restaurants, I consider my key performance indicators to be turnover and gross profit.

The year ended 31 March 2017 has returned satisfactory results, with an increase in turnover 2.2% (2016 - 2.3%) due to general upturn in the markets and the gross margin has increase by 0.6 % (2016 - decreased by 0.18%).

An integral part of my re-imaging strategy is through the environment of the culture and development of my people. This ongoing process will help myself overcome the challenges I face within the changing environment and circumstances.

During the year I continued my policy of significant capital re-investment to improve and enhance my customers experience in my restaurants and this was further evidenced during 2017 when three of my restaurants were modernised to create the "Experience of the Future" to improve the experience of both my customers and people by enabling an easy, enjoyable and personalised experience.

A & L RESTAURANTS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks

The director has set out below the principal risks facing the business.

The directors are of the opinion that a thorough risk management process is adopted which involves a formal review of all risks identified below. Where possible, processes are in place to mitigate such risks.

Economic downturn

The success of the business is reliant on consumer spending.

In response to this continuous risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies will be modified to reflect the new market conditions.

Food cost inflation

The company is continually assessing all risks that food costs inflation may bring with the aim to mitigate future threats this may have on the business.

Wage cost inflation

The company is continually affected by wage cost inflation and pressures within the labour market. The company monitors the market to ensure complete compliance with labour market regulations, and maintains employment policies, remuneration and benefits packages that are designed to be competitive with other companies, as well as providing employees with fulfilling career opportunities.

Competition

The market in which the company operates is highly competitive. As a result, the company is subject to a high level of price sensitivities in its consumer-led market. Policies of constantly assessing our pricing strategy and ongoing market research are in place to mitigate such risks.

Going Concern

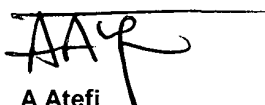
The directors have adopted the going concern basis in preparing the annual report and accounts. This is on the basis of the strength of the operations and profitability of the business.

Financial key performance indicators

As operator of a chain of quick service restaurants, we consider our key performance indicators to be turnover and gross profit margin.

Please refer to the business review.

19 December 2017 and signed on its behalf.


A Atefi
Director

A & L RESTAURANTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

The director presents his report and the financial statements for the year ended 31 March 2017.

Director's responsibilities statement

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £314,203 (2016 - £1,266,687).

Interim dividends for the year ended 31 March 2017 were paid amounting to £54,000 (2016 -£28,000)

Director

The director who served during the year was:

A Atefi

Future developments

The company will continue with the strategy to grow by engaging in restaurant refurbishments.

Employee involvement

The company ensures communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and future prospects.

A & L RESTAURANTS LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Disabled employees

The company gives full and fair consideration to applications for employment by disabled persons. In the event of employees becoming disabled whilst in service of the company, every effort is made to continue their employment by transfer to alternative duties, if required and by provision of such re training as is appropriate.

Disclosure of information to auditors

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

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

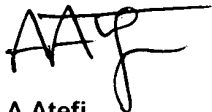
Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, PKF Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 December 2017 and signed on its behalf.



A Atefi
Director

A & L RESTAURANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A & L RESTAURANTS LIMITED

We have audited the financial statements of A & L Restaurants Limited for the year ended 31 March 2017, set out on pages 7 to 28. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Director and Auditors

As explained more fully in the Director's Responsibilities Statement on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Basis for disclaimer of opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2017 and of the Group's 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.

A & L RESTAURANTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A & L RESTAURANTS LIMITED
(CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

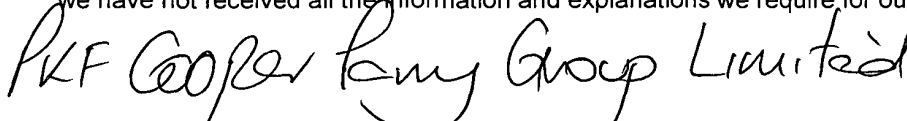
In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Director's Report.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



Gavin Whitehouse, BSocSc FCA (Senior Statutory Auditor)
for and on behalf of

PKF Cooper Parry Group Limited

Statutory Auditors

One Central Boulevard

Blythe Valley Business Park

Shirley

West Midlands

B90 8BG

19 December 2017

A & L RESTAURANTS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	4	15,989,253	15,640,403
Cost of sales		(4,862,106)	(4,853,552)
Gross profit		<u>11,127,147</u>	<u>10,786,851</u>
Administrative expenses		(10,730,380)	(9,902,152)
Other operating income	5	11,955	491,478
Operating profit	6	408,722	1,376,177
Interest payable and similar expenses	10	(8,888)	(1,200)
Profit before tax		<u>399,834</u>	<u>1,374,977</u>
Tax on profit	11	(85,631)	(108,290)
Profit for the financial year		<u><u>314,203</u></u>	<u><u>1,266,687</u></u>
Profit for the year attributable to:			
Owners of the parent		<u>314,203</u>	1,266,687
		<u><u>314,203</u></u>	<u><u>1,266,687</u></u>

The notes on pages 13 to 28 form part of these financial statements.

A & L RESTAURANTS LIMITED
REGISTERED NUMBER: 04437266

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	13	733,694	774,944
Tangible assets	14	2,909,990	1,596,582
Investments	15	142,400	140,000
		<u>3,786,084</u>	<u>2,511,526</u>
Current assets			
Stocks		76,115	70,880
Debtors: amounts falling due within one year	17	1,749,327	1,687,504
Cash at bank and in hand	18	2,020,611	1,583,516
		<u>3,846,053</u>	<u>3,341,900</u>
Creditors: amounts falling due within one year		<u>(1,879,541)</u>	<u>(1,357,205)</u>
Net current assets		1,966,512	1,984,695
Total assets less current liabilities		5,752,596	4,496,221
Creditors: amounts falling due after more than one year		(1,019,305)	-
Provisions for liabilities			
Deferred tax	21	(167,678)	(190,811)
Net assets		<u><u>4,565,613</u></u>	<u><u>4,305,410</u></u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account		4,565,513	4,305,310
		<u><u>4,565,613</u></u>	<u><u>4,305,410</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2017.


A Atefi
 Director

The notes on pages 13 to 28 form part of these financial statements.

A & L RESTAURANTS LIMITED
REGISTERED NUMBER: 04437266

COMPANY BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	13	733,694	774,944
Tangible assets	14	2,909,990	1,596,582
Investments	15	1,732,400	140,000
		<u>5,376,084</u>	<u>2,511,526</u>
Current assets			
Stocks		76,115	70,880
Debtors	17	159,327	1,687,504
Cash at bank and in hand		2,020,611	1,583,516
		<u>2,256,053</u>	<u>3,341,900</u>
Creditors: amounts falling due within one year		<u>(1,879,541)</u>	<u>(1,357,205)</u>
Net current assets		<u>376,512</u>	<u>1,984,695</u>
Total assets less current liabilities		<u>5,752,596</u>	<u>4,496,221</u>
Creditors: amounts falling due after more than one year		(1,019,305)	-
Provisions for liabilities			
Deferred taxation	21	<u>(167,678)</u>	<u>(190,811)</u>
Net assets		<u><u>4,565,613</u></u>	<u><u>4,305,410</u></u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account brought forward		4,305,310	3,066,623
Profit for the year		314,203	1,266,687
Other changes in the profit and loss account		<u>(54,000)</u>	<u>(28,000)</u>
Profit and loss account carried forward		<u>4,565,513</u>	<u>4,305,310</u>
		<u><u>4,565,613</u></u>	<u><u>4,305,410</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2017.


A Atefi
 Director

A & L RESTAURANTS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 April 2016	100	4,305,310	4,305,410	4,305,410
Comprehensive income for the year				
Profit for the year	-	314,203	314,203	314,203
Total comprehensive income for the year	-	314,203	314,203	314,203
Dividends: Equity capital	-	(54,000)	(54,000)	(54,000)
Total transactions with owners	-	(54,000)	(54,000)	(54,000)
At 31 March 2017	100	4,565,513	4,565,613	4,565,613

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

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 31 March 2016	100	3,066,623	3,066,723	3,066,723
Comprehensive income for the year				
Profit for the year	-	1,266,687	1,266,687	1,266,687
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	1,266,687	1,266,687	1,266,687
Dividends: Equity capital	-	(28,000)	(28,000)	(28,000)
Total transactions with owners	-	(28,000)	(28,000)	(28,000)
At 31 March 2016	100	4,305,310	4,305,410	4,305,410

The notes on pages 13 to 28 form part of these financial statements.

A & L RESTAURANTS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	100	4,305,310	4,305,410
Comprehensive income for the year			
Profit for the year	-	314,204	314,204
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	314,204	314,204
Contributions by and distributions to owners			
Dividends: Equity capital	-	(54,000)	(54,000)
Total transactions with owners	-	(54,000)	(54,000)
At 31 March 2017	100	4,565,514	4,565,614

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2015	100	3,066,623	3,066,723
Comprehensive income for the year			
Profit for the year	-	1,266,687	1,266,687
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,266,687	1,266,687
Contributions by and distributions to owners			
Dividends: Equity capital	-	(28,000)	(28,000)
Total transactions with owners	-	(28,000)	(28,000)
At 31 March 2016	100	4,305,310	4,305,410

The notes on pages 13 to 28 form part of these financial statements.

A & L RESTAURANTS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	314,203	1,266,687
Adjustments for:		
Amortisation of intangible assets	71,250	69,750
Depreciation of tangible assets	543,334	417,227
Interest paid	8,888	1,200
Taxation charge	85,631	108,290
(Increase)/decrease in stocks	(5,233)	5,924
(Increase)/decrease in debtors	(59,387)	2,004
Decrease in amounts owed by joint ventures	1,587,564	-
Increase/(decrease) in creditors	179,739	(431,445)
Corporation tax (paid)	(40,830)	(260,622)
Net cash generated from operating activities	<u>2,685,159</u>	<u>1,179,015</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(30,000)	-
Purchase of tangible fixed assets	(1,856,742)	(628,174)
Purchase of unlisted and other investments	(1,592,400)	(130,000)
Net cash from investing activities	<u>(3,479,142)</u>	<u>(758,174)</u>
Cash flows from financing activities		
New secured loans	1,398,000	-
Repayment of loans	(107,561)	(317,817)
Repayment of/new finance leases	3,527	-
Dividends paid	(54,000)	(28,000)
Interest paid	(8,888)	(1,200)
Net cash used in financing activities	<u>1,231,078</u>	<u>(347,017)</u>
Net increase in cash and cash equivalents	<u>437,095</u>	<u>73,824</u>
Cash and cash equivalents at beginning of year	1,583,516	1,509,692
Cash and cash equivalents at the end of year	<u><u>2,020,611</u></u>	<u><u>1,583,516</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,020,611	1,583,516
	<u><u>2,020,611</u></u>	<u><u>1,583,516</u></u>

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

A & L Restaurants is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£). (which is the functional currency of the company). The financial statements are for a period of 52 weeks ended 31 March 2017 (2016: 52 weeks ended 31 March 2016).

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Revenue

Revenue represents the total amount receivable in the ordinary course of business for catering services excluding value added tax.

2.3 Intangible fixed assets

Acquired goodwill and licence fees are initially recorded at cost. After recognition, under the cost model, intangible fixed assets are measured at cost less any accumulated amortisation.

Amortisation is calculated to write off the cost in equal instalments over the length of the franchise agreement (20 Years).

Goodwill and intangible assets are assessed for impairment if events of changes in circumstances indicate that the carrying values may not be recoverable.

2.4 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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.

The estimated useful lives range as follows:

Equipment	- 14.28% - 20% on cost
Motor vehicles	- 20% on cost
Fixtures and fittings	- 20% - 25% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling prices less costs to complete and sell. Cost is based on the cost of purchase.

2.7 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.

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.8 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 Consolidated 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 Group's cash management.

2.9 Fixed asset investments

Investments held as fixed assets are stated at cost.

2.10 Financial instruments

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

2.11 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.

2.12 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account 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.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.14 Operating leases: the Company as Lessee

The company's restaurant premises are leased under a non-cancellable lease with expiry term of more than five years. The rental payments are calculated on a monthly basis and are substantially based on annual sales income generated.

2.15 Pensions

Contributions to defined contribution personal pension schemes are charged to the profit and loss account in the period.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated Profit and Loss Account in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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

In the process of applying the company's accounting policies, management are required to make certain estimates and judgements. The key estimates and judgements are as follows:

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Impairment of non-current assets

The company assesses the impairment of intangible assets subject to amortisation whenever events of changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could indicate an impairment review include the following:

Significant underperformance relative to historical or projected future operating results.

Significant changes in the manner or the use of the acquired assets or the strategy for the overall business

Significant negative industry or economic trends.

A & L RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2017	2016
	£	£
Miscellaneous income	11,955	20,016
Correction of accounting error	-	471,462
	<u>11,955</u>	<u>491,478</u>

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	543,334	417,228
Amortisation of intangible assets, including goodwill	71,250	69,750
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	7,250	5,000
Operating leases- property	1,681,128	1,675,899
Defined contribution pension cost	<u>30,613</u>	<u>30,710</u>

7. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>7,250</u>	<u>5,000</u>

A & L RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Employees

Staff costs, including director's remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	4,679,477	4,399,283
Social security costs	233,205	196,741
Cost of defined contribution scheme	30,613	30,710
	<u>4,943,295</u>	<u>4,626,734</u>

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

	2017	2016
	No.	No.
Production staff	514	670
Management	31	33
	<u>545</u>	<u>703</u>

9. Director's remuneration

	2017	2016
	£	£
Director's emoluments	18,438	18,418
	<u>18,438</u>	<u>18,418</u>

10. Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	8,888	1,200
	<u>8,888</u>	<u>1,200</u>

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	108,764	40,830
Adjustments in respect of previous periods	-	5,288
	<u>108,764</u>	<u>46,118</u>
Total current tax	<u>108,764</u>	<u>46,118</u>
Deferred tax		
Origination and reversal of timing differences	(23,133)	62,172
Total deferred tax	<u>(23,133)</u>	<u>62,172</u>
Taxation on profit on ordinary activities	<u>85,631</u>	<u>108,290</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>399,834</u>	<u>1,374,977</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	79,967	274,995
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,780	1,953
Utilisation of tax losses	-	(184,000)
Adjustments to tax charge in respect of prior periods	-	5,288
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(4,003)
Change in provisions leading to an increase (decrease) in the tax charge	<u>(16,116)</u>	<u>14,057</u>
Total tax charge for the year	<u>85,631</u>	<u>108,290</u>

A & L RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Taxation (continued)

Factors that may affect future tax charges

Company tax rates have reduced to 19% from 1 April 2017 and set to reduce further to 17% from 1 April 2020, as provided by the Finance Act 2017.

12. Dividends

	2017 £	2016 £
Dividends paid	54,000	28,000
	<u>54,000</u>	<u>28,000</u>

13. Intangible assets

Group and Company

	Goodwill and licence fees £
Cost	
At 1 April 2016	1,881,595
Additions	30,000
At 31 March 2017	<u>1,911,595</u>
Amortisation	
At 1 April 2016	1,106,651
Charge for the year	71,250
At 31 March 2017	<u>1,177,901</u>
Net book value	
At 31 March 2017	<u>733,694</u>
At 31 March 2016	<u>774,944</u>

A & L RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Tangible fixed assets

Group

	Equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2016	3,054,332	40,466	624,053	3,718,851
Additions	1,761,452	20,880	74,410	1,856,742
Transfers between classes	(6,101)	-	6,101	-
At 31 March 2017	<u>4,809,683</u>	<u>61,346</u>	<u>704,564</u>	<u>5,575,593</u>
Depreciation				
At 1 April 2016	1,833,056	2,697	286,516	2,122,269
Charge for the year	443,495	9,137	90,702	543,334
At 31 March 2017	<u>2,276,551</u>	<u>11,834</u>	<u>377,218</u>	<u>2,665,603</u>
Net book value				
At 31 March 2017	<u>2,533,132</u>	<u>49,512</u>	<u>327,346</u>	<u>2,909,990</u>
At 31 March 2016	<u>1,221,276</u>	<u>37,769</u>	<u>337,537</u>	<u>1,596,582</u>

A & L RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2016	3,054,332	40,466	624,053	3,718,851
Additions	1,761,452	20,880	74,410	1,856,742
Transfers between classes	(6,101)	-	6,101	-
At 31 March 2017	<u>4,809,683</u>	<u>61,346</u>	<u>704,564</u>	<u>5,575,593</u>
Depreciation				
At 1 April 2016	1,833,056	2,697	286,516	2,122,269
Charge for the year on owned assets	443,495	9,137	90,702	543,334
At 31 March 2017	<u>2,276,551</u>	<u>11,834</u>	<u>377,218</u>	<u>2,665,603</u>
Net book value				
At 31 March 2017	<u>2,533,132</u>	<u>49,512</u>	<u>327,346</u>	<u>2,909,990</u>
At 31 March 2016	<u>1,221,276</u>	<u>37,769</u>	<u>337,537</u>	<u>1,596,582</u>

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. Fixed asset investments

Group

Unlisted
investments
£

Cost or valuation

At 1 April 2016	140,000
Additions	2,400
At 31 March 2017	<u>142,400</u>

Net book value

At 31 March 2017	<u>142,400</u>
At 31 March 2016	<u>140,000</u>

Company

Unlisted
investments
£

Cost or valuation

At 1 April 2016	140,000
Additions	1,592,400
At 31 March 2017	<u>1,732,400</u>

Net book value

At 31 March 2017	<u>1,732,400</u>
At 31 March 2016	<u>140,000</u>

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

16. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Finished goods and goods for resale	76,115	70,880	76,115	70,880
	<u>76,115</u>	<u>70,880</u>	<u>76,115</u>	<u>70,880</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	1,670	2,516	1,670	2,516
Amounts owed by joint ventures and associated undertakings	-	1,587,564	-	1,587,564
Other debtors	1,631,250	-	41,250	-
Prepayments and accrued income	116,407	97,424	116,407	97,424
	<u>1,749,327</u>	<u>1,687,504</u>	<u>159,327</u>	<u>1,687,504</u>

18. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	2,020,611	1,583,516	2,020,611	1,583,516
	<u>2,020,611</u>	<u>1,583,516</u>	<u>2,020,611</u>	<u>1,583,516</u>

A & L RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

19. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	272,015	-	272,015	-
Trade creditors	673,871	627,727	673,871	627,727
Corporation tax	108,764	40,830	108,764	40,830
Other taxation and social security	378,462	367,177	378,462	367,177
Obligations under finance lease and hire purchase contracts	2,646	-	2,646	-
Other creditors	8,532	8,068	8,531	8,069
Accruals and deferred income	435,251	313,403	435,251	313,403
	<u>1,879,541</u>	<u>1,357,205</u>	<u>1,879,540</u>	<u>1,357,206</u>

20. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	1,018,424	-	1,018,424	-
Net obligations under finance leases and hire purchase contracts	881	-	881	-
	<u>1,019,305</u>	<u>-</u>	<u>1,019,305</u>	<u>-</u>

21. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	(190,811)	(128,639)
Charged to profit or loss	23,133	(62,172)
At end of year	<u>(167,678)</u>	<u>(190,811)</u>

A & L RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

21. Deferred taxation (continued)

Company

	2017 £	2016 £
At beginning of year	(190,811)	(128,639)
Charged to profit or loss	23,133	(62,172)
At end of year	<u>(167,678)</u>	<u>(190,811)</u>

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Accelerated capital allowances	(167,678)	(190,811)	(167,678)	(190,811)
	<u>(167,678)</u>	<u>(190,811)</u>	<u>(167,678)</u>	<u>(190,811)</u>

22. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

23. Contingent liabilities

The company is a member of Cophet LLP and is liable to contribute to the assets of the LLP in the event of a winding up before 1 April 2021. The maximum liability in relation to this undertaking is £790,000. The company does not believe that a winding up of the LLP is probable and has not made provision for this liability at 31 March 2017.

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently adjusted funds. The pension costs charged, represents contributions payable by the company to the funds and amounted to £30,613 (2016: £30,710) in respect of the managers and crew contributions.

A & L RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

25. Commitments under operating leases

At 31 March 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2017 £	2016 £
Not later than 1 year	606,468	606,468
Later than 1 year and not later than 5 years	1,895,790	2,091,894
Later than 5 years	2,645,170	2,851,534
	<u>5,147,428</u>	<u>5,549,896</u>

26. Transactions with directors

A Atefi is the ultimate director and shareholder of A & L Restaurants Limited and Food Galaxy Limited. There is a loan from A & L Restaurants Limited to Food Galaxy Limited, the balance outstanding at 31 March 2017 was £Nil (2016: £1,587,564) which is repayable on demand. All transactions were undertaken at arm's length.

27. Related party transactions

Key management personnel remuneration comprises only director's remuneration and is disclosed in note 9.

As at 31 March 2017 there is a directors loan account between the company and A. Atefi. The balance due to A. Atefi was £8,532 (2016: £8,069).

During the year the company paid a dividend of £54,000 to A. Atefi (2016 - £28,000).

On 20 July 2016, the company acquired an interest in A & L Restaurants (ALR) LLP from Tashira Limited. As part of the consideration, Tashira Limited novated an outstanding loan due to The Sahal 2013 Settlement No 15 (the settlement) to the company. As a result the company owed £1,590,000 to the settlement, the primary interest in which is held by A & L Restaurants (ALR) LLP. The loan accrued interest at a rate of 4% per annum.

On 20 July 2016, the company novated the loan such that the company assumed liability to A. Atefi and he is now indebted to the settlement for an amount of £1,590,000. Interest is charged on this amount at the lower of 5% and 4% above the Bank of England rate. During the year interest was charged amounting to £Nil.

28. Controlling party

The company is under the ultimate control of A. Atefi who owns 100% of the issued ordinary share capital.