

REGISTERED NUMBER: 05354148 (England and Wales)

Financial Statements
for the Year Ended 31 December 2016
for
Kirkpatrick Restaurants Ltd

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for the Year Ended 31 December 2016**

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Kirkpatrick Restaurants Ltd
Company Information
for the Year Ended 31 December 2016

DIRECTOR: J W Kirkpatrick

REGISTERED OFFICE: Chancery House
30 St Johns Road
Woking
Surrey
GU21 7SA

BUSINESS ADDRESS: 23 Union Street
Aldershot
Hampshire
GU11 1EP

REGISTERED NUMBER: 05354148 (England and Wales)

ACCOUNTANTS: Barnbrook Sinclair
Chartered Accountants
Chancery House
30 St Johns Road
Woking
Surrey
GU21 7SA

**Statement of Financial Position
31 December 2016**

	Notes	31/12/16 £	31/12/15 £
FIXED ASSETS			
Intangible assets	5	53,500	58,000
Tangible assets	6	1,117,806	794,621
Investments	7	5,000	5,000
		<u>1,176,306</u>	<u>857,621</u>
CURRENT ASSETS			
Stocks	8	45,831	39,939
Debtors	9	295,691	191,730
Cash at bank and in hand		<u>469,341</u>	<u>487,398</u>
		810,863	719,067
CREDITORS			
Amounts falling due within one year	10	<u>(1,223,552)</u>	<u>(544,415)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(412,689)</u>	<u>174,652</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		763,617	1,032,273
CREDITORS			
Amounts falling due after more than one year	11	(297,867)	(397,907)
PROVISIONS FOR LIABILITIES		<u>(169,618)</u>	<u>(152,741)</u>
NET ASSETS		<u>296,132</u>	<u>481,625</u>
CAPITAL AND RESERVES			
Called up share capital		200	200
Retained earnings		<u>295,932</u>	<u>481,425</u>
SHAREHOLDERS' FUNDS		<u>296,132</u>	<u>481,625</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Statement of Financial Position - continued
31 December 2016

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 9 June 2017 and were signed by:

J W Kirkpatrick - Director

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

1. STATUTORY INFORMATION

Kirkpatrick Restaurants Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Going concern

The company is in a net current liabilities position at the balance sheet date. After the date of the financial statements, but before the signing of this report, the company secured additional financing to assist with cashflow as a result of the required capital investment in the period.

Having secured this additional finance, the company's director has performed appropriate enquiries and considers that the strength of business performance is sufficient to consider it reasonable that the company will continue in operational existence for the foreseeable future. Accordingly he considers it appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Turnover represents sales of products to customers, excluding value added tax.

Revenues are recognised at the point of sale where food and beverage products are sold to customers in company restaurants and arise from continuing activities derived from its principal activity wholly undertaken within the United Kingdom.

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

Intangible fixed assets

Intangible assets relate to payments made in respect of new franchise arrangements. The cost is being written off over its estimated life of twenty years.

Tangible fixed assets

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

Restaurant equipment	-	Straight line over 10 years, Straight line over 2 years, Straight line over 5 years and Straight line over 3 years
Computer equipment	-	33% 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**

3. 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.

Employee 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.

The costs of short-term employee benefits are recognised as a liability and an expense in the period in which these are incurred.

The holiday year for the company ends at the reporting date and employees are not entitled to carry forward unused holiday. Where holiday is agreed as being able to be carried forward the cost of this holiday pay is accrued for in the balance sheet and charged to the profit or loss in the period to which the holiday entitlement relates.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Stamp duty

The amortisation of stamp duty is calculated to write off the cost in equal instalments over the shorter of the unexpired lease and 20 years.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 208 (2015 - 186).

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

5. INTANGIBLE FIXED ASSETS

	Other intangible assets £
Cost	
At 1 January 2016 and 31 December 2016	<u>90,000</u>
Amortisation	
At 1 January 2016	32,000
Charge for year	<u>4,500</u>
At 31 December 2016	<u>36,500</u>
Net book value	
At 31 December 2016	<u>53,500</u>
At 31 December 2015	<u>58,000</u>

Franchise fees are valued at cost less accumulated depreciation with amortisation calculated to write off the cost in equal instalments over its estimated useful life of twenty years being the period over which the company will derive direct economic benefit from the acquisitions made.

6. TANGIBLE FIXED ASSETS

	Restaurant equipment £	Computer equipment £	Totals £
Cost			
At 1 January 2016	1,450,224	17,078	1,467,302
Additions	<u>498,012</u>	-	<u>498,012</u>
At 31 December 2016	<u>1,948,236</u>	<u>17,078</u>	<u>1,965,314</u>
Depreciation			
At 1 January 2016	661,495	11,186	672,681
Charge for year	<u>172,559</u>	<u>2,268</u>	<u>174,827</u>
At 31 December 2016	<u>834,054</u>	<u>13,454</u>	<u>847,508</u>
Net book value			
At 31 December 2016	<u>1,114,182</u>	<u>3,624</u>	<u>1,117,806</u>
At 31 December 2015	<u>788,729</u>	<u>5,892</u>	<u>794,621</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 20167. **FIXED ASSET INVESTMENTS**

	Other investments £
Cost	
At 1 January 2016	
and 31 December 2016	<u>5,000</u>
Net book value	
At 31 December 2016	<u>5,000</u>
At 31 December 2015	<u>5,000</u>

As part of the franchise arrangements, the company has purchased shares in Fries Holding Company Limited, incorporated in Guernsey, which operates as an insurance captive for the company. No dividends have been received from the company in the period under review. The investment is shown at cost.

8. **STOCKS**

	31/12/16 £	31/12/15 £
Stocks	<u>45,831</u>	<u>39,939</u>

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

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/16 £	31/12/15 £
Trade debtors	180	399
Other debtors	<u>295,511</u>	<u>191,331</u>
	<u>295,691</u>	<u>191,730</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/16 £	31/12/15 £
Bank loans and overdrafts	101,237	99,996
Trade creditors	834,244	232,516
Taxation and social security	178,267	160,492
Other creditors	<u>109,804</u>	<u>51,411</u>
	<u>1,223,552</u>	<u>544,415</u>

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31/12/16 £	31/12/15 £
Bank loans	<u>297,867</u>	<u>397,907</u>

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

12. LEASING AGREEMENTS

The company's restaurant premises are leased from McDonald's Restaurants Limited under non-cancellable operating leases with variable expiry terms of up to 20 years. Lease payments are based on monthly sales income generated and vary substantially. The minimum future lease payments payable under the terms of the leases is £3,525,572.

The director estimates that lease payments based on budgeted sales for the year to 31 December 2017 will be in the region of £1,086,000.

13. RELATED PARTY DISCLOSURES

Included within other creditors are funds due to the company's director of £682 (2015 £40). There is no interest charged on this balance and it is repayable on demand.

14. ULTIMATE CONTROLLING PARTY

The company is controlled by its director, Mr J W Kirkpatrick, who owns all 100% of the company's issued share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.