

COMPANY REGISTRATION NUMBER: 09455044

Tafzalhshah Limited
Filleted Unaudited Financial Statements
For the year ended
31 December 2017

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Tafzalhshah Limited

Financial Statements

Year ended 31 December 2017

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Tafzalhshah Limited

Statement of Financial Position

31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	482,242	508,795
Tangible assets	6	1,022,384	810,410
Investments	7	2,500	2,500
		<u>1,507,126</u>	<u>1,321,705</u>
Current assets			
Stocks		42,369	25,611
Debtors	8	185,167	20,479
Cash at bank and in hand		968,210	729,951
		<u>1,195,746</u>	<u>776,041</u>
Creditors: amounts falling due within one year	9	<u>(938,686)</u>	<u>(685,544)</u>
Net current assets		<u>257,060</u>	<u>90,497</u>
Total assets less current liabilities		<u>1,764,186</u>	<u>1,412,202</u>
Creditors: amounts falling due after more than one year	10	<u>(1,309,907)</u>	<u>(1,123,096)</u>
Provisions		<u>(101,880)</u>	<u>(62,466)</u>
Net assets		<u>352,399</u>	<u>226,640</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		352,397	226,638
Shareholders funds		<u>352,399</u>	<u>226,640</u>

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

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

The statement of financial position
continues on the following page.

The notes on pages 3 to 8 form part of these financial statements.

Tafzalshah Limited

Statement of Financial Position (continued)

31 December 2017

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on21/01/18..... and are signed on behalf of the board by:



S H Shah
Director

Company registration number: 09455044

Tafzalhshah Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 19 Stapper Green, Wilsden, Bradford, West Yorkshire, BD15 0HQ.

2. Statement of compliance

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

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

(b) Revenue recognition

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

Revenue from sale of goods is recognised at the point of sale to the customer.

(c) Current and deferred tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, 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 be paid or recovered 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.

(d) Operating leases

The company's restaurant premises are leased from McDonald's Restaurant Limited under non-cancellable operating leases with expiry terms of more than five years. The rental payments are calculated on a monthly basis and are substantially based on annual sales income generated.

Tafzalhshah Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

(e) Goodwill

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

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

(f) Intangible assets

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

(g) Amortisation

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

Amortisation is calculated by reference to terms of property lease periods and franchise agreements subject to a maximum of 20 years.

Goodwill	-	20 years straight line
SDLT and Franchise Fee	-	20 years straight line

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

(h) Tangible assets

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

(i) 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:

Restaurant equipment	-	10 years straight line
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(j) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Tafzalhshah Limited**Notes to the Financial Statements (continued)****Year ended 31 December 2017****3. Accounting policies (continued)****(k) 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 stock to its present location and condition.

(l) 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.

(m) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

(n) 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.

4. Employees

The average number of persons employed by the company during the year amounted to 230 (2016: 188).

Tafzalhshah Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

5. Intangible assets

	Goodwill £	SDLT and Franchise Fee £	Total £
Cost			
At 1 January 2017 and 31 December 2017	<u>453,383</u>	<u>77,710</u>	<u>531,093</u>
Amortisation			
At 1 January 2017	19,015	3,283	22,298
Charge for the year	<u>22,667</u>	<u>3,886</u>	<u>26,553</u>
At 31 December 2017	<u>41,682</u>	<u>7,169</u>	<u>48,851</u>
Carrying amount			
At 31 December 2017	<u>411,701</u>	<u>70,541</u>	<u>482,242</u>
At 31 December 2016	<u>434,368</u>	<u>74,427</u>	<u>508,795</u>

6. Tangible assets

	Plant and machinery etc. £
Cost	
At 1 January 2017	875,298
Additions	389,798
Disposals	<u>(75,501)</u>
At 31 December 2017	<u>1,189,595</u>
Depreciation	
At 1 January 2017	64,888
Charge for the year	110,418
Disposals	<u>(8,095)</u>
At 31 December 2017	<u>167,211</u>
Carrying amount	
At 31 December 2017	<u>1,022,384</u>
At 31 December 2016	<u>810,410</u>

7. Investments

	Trade investment £
Cost	
At 1 January 2017 and 31 December 2017	<u>2,500</u>
Impairment	
At 1 January 2017 and 31 December 2017	<u>-</u>

Tafzalhshah Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

7. Investments (continued)

	Trade investment £
Carrying amount At 31 December 2017	<u>2,500</u>
At 31 December 2016	<u>2,500</u>

8. Debtors

	2017 £	2016 £
Prepayments	39,743	20,479
Other debtors	<u>145,424</u>	<u>-</u>
	<u>185,167</u>	<u>20,479</u>

The debtors above include the following amounts falling due after more than one year:

	2017 £	2016 £
Other debtors	<u>118,195</u>	<u>-</u>

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	229,274	144,061
Trade creditors	272,588	232,176
Accruals	276,771	173,143
Social security and other taxes	<u>160,053</u>	<u>136,164</u>
	<u>938,686</u>	<u>685,544</u>

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

	2017 £	2016 £
Bank loans and overdrafts	1,104,966	794,071
Director loan accounts	<u>204,941</u>	<u>329,025</u>
	<u>1,309,907</u>	<u>1,123,096</u>

Included within creditors: amounts falling due after more than one year is an amount of £63,251 (2016: £192,406) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Tafzalshah Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

11. Operating leases

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

	2017 £	2016 £
Not later than 1 year	1,362,000	1,178,763
Later than 1 year and not later than 5 years	5,448,000	4,715,052
Later than 5 years	17,706,000	16,572,026
	<u>24,516,000</u>	<u>22,465,841</u>

The company's restaurant premises are leased from McDonalds Restaurants Limited under non-cancellable operating leases expiring after more than five years. It is not possible to quantify the commitments due under the leases because of the variable basis of the rental payments. Rent is calculated as a percentage of sales above base and therefore the operating lease commitment relates to base rent only. The directors estimate that the total rental payments over the whole lease term will be in the region of £24,516,000.

12. Related party transactions

During the year the director made a loan to the company. Interest was charged on the loan at a commercial rate in the year ended 31 December 2017. At the year ended 31 December 2017, the balance due to the director totalled £204,941 (2016 - £329,025). The loan is not repayable before 31 December 2018.