

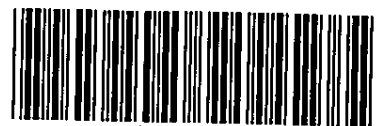
Company Registration No. 01865021 (England and Wales)

**FAZAL FAST FOODS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 1 APRIL 2012**

**KLSA**

Chartered Accountants

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# FAZAL FAST FOODS LIMITED

## COMPANY INFORMATION

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|--------------------------|----------------------------------------------------------------------------|
| <b>Directors</b>         | Mr M F Esmail<br>Mrs S B Esmail                                            |
| <b>Secretary</b>         | Mrs S B Esmail<br>Mr A M Esmail<br>Mr S M Esmail                           |
| <b>Company number</b>    | 01865021                                                                   |
| <b>Registered office</b> | 237 High Road<br>Uxbridge<br>Middlesex UB8 1LE                             |
| <b>Auditors</b>          | KLSA LLP<br>28 - 30 St John's Square<br>London<br>EC1M 4DN                 |
| <b>Bankers</b>           | Royal Bank of Scotland<br>354 Station Road, Harrow<br>Middlesex<br>HA1 2XZ |

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# FAZAL FAST FOODS LIMITED

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# **FAZAL FAST FOODS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 1 APRIL 2012**

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The directors present their report and financial statements for the period ended 1 April 2012

#### **Principal activities and review of the business**

The principal activities of the company in the period under review were that of operating franchise restaurants

#### **Business Review**

The results for the period under review and the financial position at the period end were considered satisfactory by the directors. The company's objective is to achieve sustainable rates of growth and returns through a combination of organic growth and acquisition of new outlets

As shown in the company's profit and loss account set out on page 6, the company made a profit after tax of £526,114 (2011 - £597,384)

The company's balance sheet on page 8 shows that its financial position remains strong with net assets valued at £2,573,496 (2011 - £2,155,383)

#### **Key performance indicators**

The board monitors progress on the overall company strategy and the individual strategic elements by reference to a number of key performance indicators. The key financial performance indicators of the company are gross profit margins and turnover

The gross profit of the company for the period under review was £3,582,126 (2011 - £3,724,988), producing a satisfactory gross margin of 65% (2011 - 68%) on a turnover of £5,511,141 (2011 - £5,481,120)

The key non financial performance indicators are adherence to a high quality of operational standards set by the franchisors and stakeholder relationships

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. Risks are reviewed by the directors and appropriate processes put in place to monitor and mitigate them. The key business risks affecting the company are set out below -

#### **Competition**

The company operates in a highly competitive market particularly around service offering, price and product quality. There is a risk that we will not meet our customers expectations. In order to mitigate this risk, the marketing teams from the franchisor monitor market offerings and pricing on an ongoing basis and the company, through the franchisor, undertakes regular 'mystery guest' visits to all our restaurants to ensure menu offering and customer service are maintained to a high standard

#### **Employees**

The company's performance depends largely on its managers and staff. The resignation of key individuals and the inability to recruit people with the right experience and skills could adversely impact the company's results. To mitigate these issues the company have invested in a training programme for all staff to maintain high service levels and have a number of schemes linked to the company's results that are designed to reward and retain key individuals

#### **Business**

The company has an established base of suppliers and prides itself on the quality of its products. The company could be adversely affected by food safety and food-borne illnesses affecting the food chain. In order to mitigate this, the company purchases its food supplies from accredited suppliers

# **FAZAL FAST FOODS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 1 APRIL 2012**

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#### **Results and dividends**

The results for the period are set out on page 6

An interim ordinary dividend was paid amounting to £108,000 (2011 £108,000) The directors do not recommend payment of a final dividend

#### **Future developments**

The directors aim to continue with the management policies which has resulted in the company's steady growth in recent years

The outlook for 2013 is reasonably encouraging with the director being optimistic that the current performance can be maintained

#### **Directors**

The following directors have held office since 28 March 2011

Mr M F Esmail

Mrs S B Esmail

#### **Auditors**

The auditors, KLSA LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

# **FAZAL FAST FOODS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

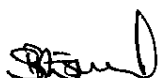
***FOR THE PERIOD ENDED 1 APRIL 2012***

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mrs S B Esmail

**Director**

26 September 2012

# **FAZAL FAST FOODS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF FAZAL FAST FOODS LIMITED**

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We have audited the financial statements of Fazal Fast Foods Limited for the period ended 1 April 2012 set out on pages 6 to 17. 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).

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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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 Annual Report to identify material inconsistencies with the audited financial statements. 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:

- give a true and fair view of the state of the company's affairs as at 1 April 2012 and of its profit for the period 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# **FAZAL FAST FOODS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF FAZAL FAST FOODS LIMITED**

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#### **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

**Shilpa Chheda (Senior Statutory Auditor)**

**for and on behalf of KLSA LLP**

**Chartered Accountants**

**Statutory Auditor**

**28 - 30 St John's Square**

**London**

**EC1M 4DN**

**26 September 2012**

# FAZAL FAST FOODS LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE PERIOD ENDED 1 APRIL 2012**

|                                               | Notes | 2012<br>£   | 2011<br>£   |
|-----------------------------------------------|-------|-------------|-------------|
| Turnover                                      | 2     | 5,511,141   | 5,481,120   |
| Cost of sales                                 |       | (1,929,015) | (1,756,132) |
| Gross profit                                  |       | 3,582,126   | 3,724,988   |
| Administrative expenses                       |       | (3,110,686) | (2,929,995) |
| Other operating income                        |       | 82,791      | 80,173      |
| Operating profit                              | 3     | 554,231     | 875,166     |
| Other interest receivable and similar income  | 4     | 26          | -           |
| Interest payable and similar charges          | 5     | (15,667)    | (22,476)    |
| Profit on ordinary activities before taxation |       | 538,590     | 852,690     |
| Tax on profit on ordinary activities          | 6     | (12,476)    | (255,307)   |
| Profit for the period                         | 17    | 526,114     | 597,383     |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

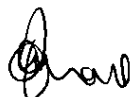
# FAZAL FAST FOODS LIMITED

## BALANCE SHEET

AS AT 1 APRIL 2012

|                                                                | Notes    | 2012<br>£          | £ | 2011<br>£          | £ |
|----------------------------------------------------------------|----------|--------------------|---|--------------------|---|
| <b>Fixed assets</b>                                            |          |                    |   |                    |   |
| Tangible assets                                                | 9 and 10 | 3,612,724          |   | 3,599,461          |   |
| <b>Current assets</b>                                          |          |                    |   |                    |   |
| Stocks                                                         | 11       | 24,722             |   | 39,534             |   |
| Debtors                                                        | 12       | 180,048            |   | 183,335            |   |
| Cash at bank and in hand                                       |          | 1,398,409          |   | 992,564            |   |
|                                                                |          | <u>1,603,179</u>   |   | <u>1,215,433</u>   |   |
| <b>Creditors: amounts falling due within one year</b>          | 13       | <u>(2,239,377)</u> |   | <u>(2,007,092)</u> |   |
| <b>Net current liabilities</b>                                 |          | <u>(636,198)</u>   |   | <u>(791,659)</u>   |   |
| <b>Total assets less current liabilities</b>                   |          | 2,976,526          |   | 2,807,802          |   |
| <b>Creditors: amounts falling due after more than one year</b> | 14       | (248,709)          |   | (490,462)          |   |
| <b>Provisions for liabilities</b>                              | 15       | <u>(154,321)</u>   |   | <u>(161,957)</u>   |   |
|                                                                |          | <u>2,573,496</u>   |   | <u>2,155,383</u>   |   |
| <b>Capital and reserves</b>                                    |          |                    |   |                    |   |
| Called up share capital                                        | 16       | 100                |   | 100                |   |
| Revaluation reserve                                            | 17       | 75,442             |   | 75,442             |   |
| Profit and loss account                                        | 17       | 2,497,954          |   | 2,079,841          |   |
| <b>Shareholders' funds</b>                                     | 18       | <u>2,573,496</u>   |   | <u>2,155,383</u>   |   |

Approved by the Board and authorised for issue on 26 September 2012



Mr M F Esmail  
Director

Company Registration No 01865021

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 1 APRIL 2012**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### **1.4 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

|                                |                               |
|--------------------------------|-------------------------------|
| Land and buildings Freehold    | 2% on cost of buildings       |
| Land and buildings Leasehold   | Over the life of the lease    |
| Fixtures, fittings & equipment | 7 50% reducing balance method |

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

#### **1.6 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### **1.7 Stock**

Stock is valued at the lower of cost and net realisable value

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

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### 1 Accounting policies (continued)

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

#### 1.9 Going concern

The financial statements have been prepared on a going concern basis as the group has sufficient resources and assets to meet its liabilities

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

| 3 Operating profit                                                                   | 2012<br>£ | 2011<br>£ |
|--------------------------------------------------------------------------------------|-----------|-----------|
| Operating profit is stated after charging                                            |           |           |
| Amortisation of intangible assets                                                    | -         | 3,050     |
| Depreciation of tangible assets                                                      | 109,918   | 108,901   |
| Operating lease rentals                                                              | 295,425   | 278,160   |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 8,000     | 7,000     |

| 4 Investment income | 2012<br>£ | 2011<br>£ |
|---------------------|-----------|-----------|
| Bank interest       | 26        | -         |
|                     | 26        | -         |

| 5 Interest payable           | 2012<br>£ | 2011<br>£ |
|------------------------------|-----------|-----------|
| On bank loans and overdrafts | 15,667    | 22,476    |

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

| 6 | Taxation                                                                                                                  | 2012<br>£        | 2011<br>£      |
|---|---------------------------------------------------------------------------------------------------------------------------|------------------|----------------|
|   | <b>Domestic current year tax</b>                                                                                          |                  |                |
|   | U K corporation tax                                                                                                       | 23,923           | 258,519        |
|   | Adjustment for prior years                                                                                                | (3,811)          | -              |
|   | <b>Total current tax</b>                                                                                                  | <u>20,112</u>    | <u>258,519</u> |
|   | <b>Deferred tax</b>                                                                                                       |                  |                |
|   | Deferred tax charge/credit current year                                                                                   | (7,636)          | (3,212)        |
|   |                                                                                                                           | <u>12,476</u>    | <u>255,307</u> |
|   | <b>Factors affecting the tax charge for the period</b>                                                                    |                  |                |
|   | Profit on ordinary activities before taxation                                                                             | <u>538,590</u>   | <u>852,690</u> |
|   | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%) | <u>140,033</u>   | <u>238,753</u> |
|   | Effects of                                                                                                                |                  |                |
|   | Non deductible expenses                                                                                                   | 377              | 1,461          |
|   | Depreciation add back                                                                                                     | 28,579           | 31,346         |
|   | Capital allowances                                                                                                        | (15,806)         | (15,524)       |
|   | Other tax adjustments                                                                                                     | (133,071)        | 2,483          |
|   |                                                                                                                           | <u>(119,921)</u> | <u>19,766</u>  |
|   | <b>Current tax charge for the period</b>                                                                                  | <u>20,112</u>    | <u>258,519</u> |
| 7 | <b>Dividends</b>                                                                                                          | 2012<br>£        | 2011<br>£      |
|   | Ordinary interim paid                                                                                                     | <u>108,000</u>   | <u>108,000</u> |

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

### 8 Intangible fixed assets

|                                    | Goodwill<br>£ |
|------------------------------------|---------------|
| <b>Cost</b>                        |               |
| At 28 March 2011 & at 1 April 2012 | 61,000        |
| <b>Amortisation</b>                |               |
| At 28 March 2011 & at 1 April 2012 | 61,000        |
| <b>Net book value</b>              |               |
| At 1 April 2012                    | -             |
| At 27 March 2011                   | -             |

### 9 Tangible fixed assets

|                          | Land and<br>buildings<br>Freehold<br>£ | Land and<br>buildings<br>Leasehold<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Total<br>£ |
|--------------------------|----------------------------------------|-----------------------------------------|-------------------------------------------|------------|
| <b>Cost or valuation</b> |                                        |                                         |                                           |            |
| At 28 March 2011         | 2,716,968                              | 320,108                                 | 1,738,735                                 | 4,775,811  |
| Additions                | -                                      | -                                       | 123,181                                   | 123,181    |
| At 1 April 2012          | 2,716,968                              | 320,108                                 | 1,861,916                                 | 4,898,992  |
| <b>Depreciation</b>      |                                        |                                         |                                           |            |
| At 28 March 2011         | 224,395                                | 145,985                                 | 945,970                                   | 1,316,350  |
| Charge for the period    | 27,168                                 | 15,680                                  | 67,070                                    | 109,918    |
| At 1 April 2012          | 251,563                                | 161,665                                 | 1,013,040                                 | 1,426,268  |
| <b>Net book value</b>    |                                        |                                         |                                           |            |
| At 1 April 2012          | 2,465,405                              | 158,443                                 | 848,876                                   | 3,472,724  |
| At 27 March 2011         | 2,492,573                              | 174,123                                 | 792,765                                   | 3,459,461  |

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

### 10 Tangible fixed assets

|                                    | Investment<br>properties<br>£ |
|------------------------------------|-------------------------------|
| <b>Cost or valuation</b>           |                               |
| At 28 March 2011 & at 1 April 2012 | 140,000                       |
| <b>Net book value</b>              |                               |
| At 1 April 2012                    | 140,000                       |
| At 27 March 2011                   | 140,000                       |

The investment properties were valued as at 27 March 2009 by R Whitley & Co , Chartered Surveyors, on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £64,558 (2011 - £64,558)

| 11 Stocks   | 2012<br>£ | 2011<br>£ |
|-------------|-----------|-----------|
| Consumables | 24,722    | 39,534    |

| 12 Debtors                                                | 2012<br>£ | 2011<br>£ |
|-----------------------------------------------------------|-----------|-----------|
| Trade debtors                                             | 409       | -         |
| Amounts owed by parent and fellow subsidiary undertakings | 112,067   | 102,443   |
| Other debtors                                             | 39,135    | 21,576    |
| Prepayments and accrued income                            | 28,437    | 59,316    |
|                                                           | 180,048   | 183,335   |

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

| 13 Creditors: amounts falling due within one year             | 2012<br>£        | 2011<br>£        |
|---------------------------------------------------------------|------------------|------------------|
| Bank loans and overdrafts                                     | 241,895          | 380,400          |
| Trade creditors                                               | 324,852          | 232,503          |
| Amounts owed to parent and fellow subsidiary undertakings     | 1,379,956        | 871,779          |
| Corporation tax                                               | 23,923           | 255,922          |
| Other taxes and social security costs                         | 218,156          | 202,534          |
| Other creditors                                               | 38,180           | 39,477           |
| Accruals and deferred income                                  | 12,415           | 24,477           |
|                                                               | <u>2,239,377</u> | <u>2,007,092</u> |
| <br>14 Creditors amounts falling due after more than one year | <br>2012<br>£    | <br>2011<br>£    |
| Bank loans                                                    | <u>248,709</u>   | <u>490,462</u>   |
| <br>Analysis of loans                                         |                  |                  |
| Wholly repayable within five years                            | <u>490,604</u>   | <u>870,862</u>   |
|                                                               | 490,604          | 870,862          |
| Included in current liabilities                               | <u>(241,895)</u> | <u>(380,400)</u> |
|                                                               | <u>248,709</u>   | <u>490,462</u>   |
| <br>Loan maturity analysis                                    |                  |                  |
| In more than one year but not more than two years             | 125,575          | 275,365          |
| In more than two years but not more than five years           | <u>119,134</u>   | <u>215,097</u>   |

The bank loans and overdrafts are secured by a fixed charge over the freehold properties and by a debenture over the other assets of the company. The loans are subject to commercial rates of interest. The repayment terms of the bank loans range from monthly and quarterly payments of interest and/or capital and interest.

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2012

### 15 Provisions for liabilities

|                          | Deferred tax<br>liability<br>£ |
|--------------------------|--------------------------------|
| Balance at 28 March 2011 | 161,957                        |
| Profit and loss account  | (7,636)                        |
|                          | <u>154,321</u>                 |
| Balance at 1 April 2012  | <u>154,321</u>                 |

The deferred tax liability is made up as follows

|                                | 2012<br>£      | 2011<br>£      |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | <u>154,321</u> | <u>161,957</u> |

No provision has been made for deferred tax on revaluation of properties as the company had not entered into a binding agreement to sell the revalued properties at the period end. A tax liability of £37,768 (2011 £36,315) would be payable if the properties were sold at these values.

### 16 Share capital

|                                    | 2012<br>£  | 2011<br>£  |
|------------------------------------|------------|------------|
| Allotted, called up and fully paid |            |            |
| 100 Ordinary shares of £1 each     | <u>100</u> | <u>100</u> |

### 17 Statement of movements on reserves

|                          | Revaluation<br>reserve<br>£ | Profit and<br>loss<br>account<br>£ |
|--------------------------|-----------------------------|------------------------------------|
| Balance at 28 March 2011 | 75,442                      | 2,079,840                          |
| Profit for the period    | -                           | 526,114                            |
| Dividends paid           | -                           | (108,000)                          |
|                          | <u>75,442</u>               | <u>2,497,954</u>                   |
| Balance at 1 April 2012  | <u>75,442</u>               | <u>2,497,954</u>                   |

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 1 APRIL 2012**

| <b>18 Reconciliation of movements in shareholders' funds</b> | <b>2012</b> | <b>2011</b> |
|--------------------------------------------------------------|-------------|-------------|
|                                                              | <b>£</b>    | <b>£</b>    |
| Profit for the financial period                              | 526,114     | 597,383     |
| Dividends                                                    | (108,000)   | (108,000)   |
| Net addition to shareholders' funds                          | 418,114     | 489,383     |
| Opening shareholders' funds                                  | 2,155,383   | 1,666,000   |
| Closing shareholders' funds                                  | 2,573,496   | 2,155,383   |

## 19 Contingent liabilities

The company has given cross guarantees to the bankers of the holding company and group subsidiary undertakings

## 20 Financial commitments

At 1 April 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 1 April 2013

|                               | <b>Land and buildings</b> |             |
|-------------------------------|---------------------------|-------------|
|                               | <b>2012</b>               | <b>2011</b> |
|                               | <b>£</b>                  | <b>£</b>    |
| Operating leases which expire |                           |             |
| In over five years            | 299,000                   | 275,170     |

The operating lease rentals for Unit 4/5 St Ann's Shopping Centre are based on turnover. The future commitments in respect of this unit have therefore been based on the turnover for the current year being the best estimate.

# FAZAL FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

### 21 Employees

#### Number of employees

The average monthly number of employees (including directors) during the period was

|                   | 2012<br>Number | 2011<br>Number |
|-------------------|----------------|----------------|
| Management        | 3              | 3              |
| Operational staff | 124            | 111            |
|                   | <u>127</u>     | <u>114</u>     |

#### Employment costs

|                       | 2012<br>£        | 2011<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,130,302        | 1,056,622        |
| Social security costs | 56,561           | 57,234           |
|                       | <u>1,186,863</u> | <u>1,113,856</u> |

### 22 Control

In the opinion of the directors, the immediate parent company is SME Holdings Limited and the ultimate parent company is SME Group Plc , both registered in England and Wales

The smallest group for which Fazal Fast Foods Limited is a member for which group financial statements are prepared is SME Holdings Limited. The largest such group is SME Group Plc, whose copies can be obtained from Charlwood House, The Runway, South Ruislip, Middlesex HA4 6SE

# **FAZAL FAST FOODS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### ***FOR THE PERIOD ENDED 1 APRIL 2012***

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#### **23 Related party relationships and transactions**

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the immediate parent company or any wholly owned subsidiary undertaking of the group

During the period, the company paid management fees of £330,668 (2011 - £328,867) to SME Group Plc, the ultimate parent company. At the period end, the balance payable to SME Group Plc is £1,048,654 (2011 - £651,852)

During the period, the company paid rent of £295,425 (2011 £278,160) to wholly owned subsidiary undertakings of the group

At the period end, the balance receivable from non-wholly owned subsidiary undertakings of the group amounted to £22,230 (2011 £22,000). This balance is shown in note 12 under the category 'Amount due from parent and fellow subsidiary undertakings'. The remaining balance of £89,837 (2011 £61,218) is due from wholly owned subsidiary undertakings of the group

At the period end, the balance payable to non-wholly owned subsidiary undertakings of the group amounted to £3,375 (2011 nil). This balance is shown in note 13 under the category 'Amount due from parent and fellow subsidiary undertakings'. The remaining balance of £3,639 (2011 £61,218) is due to wholly owned subsidiary undertakings of the group