

Company Registration No. 02180521 (England and Wales)

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

KLSA

Chartered Accountants

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SME FAST FOODS LIMITED

COMPANY INFORMATION

Directors	Mr M F Esmail Mrs S B Esmail
Secretary	Mrs S B Esmail
Company number	02180521
Registered office	145 Uxbridge Road Money Hill Rickmansworth Herts WD3 2DW
Auditors	KLSA LLP 28 - 30 St John's Square London EC1M 4DN
Bankers	Royal Bank of Scotland 354 Station Road, Harrow Middlesex HA1 2XZ

SME FAST FOODS LIMITED

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SME FAST FOODS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 1 APRIL 2012

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

Principal activities and review of the business

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

Results and dividends

The results for the period are set out on page 5

The directors do not recommend payment of an ordinary dividend

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

SME FAST FOODS LIMITED

DIRECTORS' REPORT (CONTINUED)

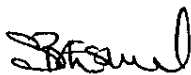
FOR THE PERIOD ENDED 1 APRIL 2012

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.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption.

On behalf of the board



Mrs S B Esmail

Director

26 September 2012

SME FAST FOODS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SME FAST FOODS LIMITED

We have audited the financial statements of SME Fast Foods Limited for the period ended 1 April 2012 set out on pages 5 to 15. 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 - 2, 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.

SME FAST FOODS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SME FAST FOODS LIMITED

Matters on which we are required to report by exception

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

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

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

SME FAST FOODS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 1 APRIL 2012

	Notes	2012 £	2011 £
Turnover	2	1,863,612	1,828,960
Cost of sales		(627,562)	(583,635)
Gross profit		1,236,050	1,245,325
Administrative expenses		(920,751)	(874,362)
Other operating income		40,995	38,830
Operating profit	3	356,294	409,793
Interest payable and similar charges	4	(7,037)	(5,104)
Profit on ordinary activities before taxation		349,257	404,689
Tax on profit on ordinary activities	5	(94,860)	(121,446)
Profit for the period	15	254,397	283,243

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

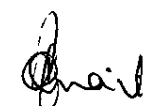
SME FAST FOODS LIMITED

BALANCE SHEET

AS AT 1 APRIL 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	6	-		2,750	
Tangible assets	7 and 8	1,778,456		1,793,501	
		<u>1,778,456</u>		<u>1,796,251</u>	
Current assets					
Stocks	9	11,122		8,334	
Debtors	10	119,220		117,873	
Cash at bank and in hand		1,266,133		813,946	
		<u>1,396,475</u>		<u>940,153</u>	
Creditors: amounts falling due within one year	11	(939,476)		(743,197)	
Net current assets		<u>456,999</u>		<u>196,956</u>	
Total assets less current liabilities		<u>2,235,455</u>		<u>1,993,207</u>	
Creditors amounts falling due after more than one year	12	(198,206)		(205,504)	
Provisions for liabilities	13	(41,114)		(45,965)	
		<u>1,996,135</u>		<u>1,741,738</u>	
Capital and reserves					
Called up share capital	14	100		100	
Revaluation reserve	15	197,862		197,862	
Profit and loss account	15	1,798,173		1,543,776	
Shareholders' funds	16	<u>1,996,135</u>		<u>1,741,738</u>	

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



Mr M F Esmail
Director

Company Registration No. 02180521

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 APRIL 2012

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 the cost of buildings
Land and buildings Leasehold	Over the term of the lease
Fixtures, fittings & equipment	7 50% reducing balance

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 Stock

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

1 7 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

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

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	2011
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	2,750	7,500
Depreciation of tangible assets	28,750	28,952
Fees payable to the company's auditor for the audit of the company's annual accounts	2,200	2,000

4 Interest payable

	2012	2011
	£	£
On other loans wholly repayable within five years	7,037	5,104

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

5	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	99,711	123,446
	Total current tax	99,711	123,446
	Deferred tax		
	Deferred tax charge/credit current year	(4,851)	(2,000)
		94,860	121,446
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	349,257	404,689
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	90,807	113,313
	Effects of		
	Non deductible expenses	1,027	2,045
	Depreciation add back	8,190	9,350
	Capital allowances	(2,644)	(2,380)
	Other tax adjustments	2,331	1,118
		8,904	10,133
	Current tax charge for the period	99,711	123,446

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

6 Intangible fixed assets

	Goodwill £
Cost	
At 28 March 2011 & at 1 April 2012	150,000
Amortisation	
At 28 March 2011	147,250
Charge for the period	2,750
At 1 April 2012	150,000
Net book value	
At 1 April 2012	-
At 27 March 2011	2,750

7 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 28 March 2011	714,777	540,321	646,818	1,901,916
Additions	-	-	13,706	13,706
At 1 April 2012	714,777	540,321	660,524	1,915,622
Depreciation				
At 28 March 2011	19,843	48,037	444,536	512,416
Charge for the period	7,148	5,403	16,199	28,750
At 1 April 2012	26,991	53,440	460,735	541,166
Net book value				
At 1 April 2012	687,786	486,881	199,789	1,374,456
At 27 March 2011	694,934	492,284	202,283	1,389,501

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

8 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 28 March 2011 & at 1 April 2012	404,000
Net book value	
At 1 April 2012	404,000
At 27 March 2011	404,000

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 £206,136 (2011 - £206,136)

9 Stocks	2012 £	2011 £
Consumables	11,122	8,334

10 Debtors	2012 £	2011 £
Amounts owed by parent and fellow subsidiary undertakings	107,234	107,234
Other debtors	6,261	4,914
Prepayments and accrued income	5,725	5,725
	119,220	117,873

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

11 Creditors amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	34,999	62,700
Trade creditors	48,283	44,206
Amounts owed to parent and fellow subsidiary undertakings	548,368	413,809
Amounts owed to subsidiary undertakings	921	-
Corporation tax	226,538	123,446
Other taxes and social security costs	69,123	69,045
Other creditors	5,067	12,583
Accruals and deferred income	6,177	17,408
	<u>939,476</u>	<u>743,197</u>
12 Creditors: amounts falling due after more than one year	2012 £	2011 £
Bank loans	<u>198,206</u>	<u>205,504</u>
Analysis of loans		
Wholly repayable within five years	<u>233,205</u>	<u>268,204</u>
	<u>233,205</u>	<u>268,204</u>
Included in current liabilities	<u>(34,999)</u>	<u>(62,700)</u>
	<u>198,206</u>	<u>205,504</u>
Loan maturity analysis		
In more than one year but not more than two years	34,999	62,700
In more than two years but not more than five years	<u>163,207</u>	<u>142,804</u>

The bank loans and overdraft 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.

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

13 Provisions for liabilities

	Deferred tax liability £
Balance at 28 March 2011	45,965
Profit and loss account	(4,851)
Balance at 1 April 2012	<u>41,114</u>

The deferred tax liability is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>41,114</u>	<u>45,965</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 £26,922 (2011: £30,152) would be payable if the properties were sold at these values.

14 Share capital

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

15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 28 March 2011	197,862	1,543,776
Profit for the period	-	254,397
Balance at 1 April 2012	<u>197,862</u>	<u>1,798,173</u>

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

16 Reconciliation of movements in shareholders' funds	2012 £	2011 £
Profit for the financial period	254,397	283,243
Opening shareholders' funds	1,741,738	1,458,495
	<u> </u>	<u> </u>
Closing shareholders' funds	1,996,135	1,741,738
	<u> </u>	<u> </u>

17 Contingent liabilities

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

18 Employees

Number of employees

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

	2012 Number	2011 Number
Management staff	2	2
Operational staff	29	26
	<u> </u>	<u> </u>
	31	28
	<u> </u>	<u> </u>

Employment costs

	2012 £	2011 £
Wages and salaries	358,241	350,702
Social security costs	19,388	21,428
	<u> </u>	<u> </u>
	377,629	372,130
	<u> </u>	<u> </u>

19 Control

In the opinion of the directors, the immediate parent company is SME Investments Ltd and the ultimate parent company is SME Group Plc, both companies are registered in England and Wales

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

SME FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2012

20 Related party relationships and transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard Number 8 from the requirements to make disclosures of transactions with entities that are part of the group on the grounds that voting rights in the company are 100% controlled within the group headed by SME Group Plc and the company is included in the consolidated financial statements