

COMPANY REGISTRATION NUMBER: 08242572

Mayor Restaurants Limited
Unaudited Financial Statements
For the year ended
31 December 2016

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Mayor Restaurants Limited

Financial Statements

Year ended 31 December 2016

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Mayor Restaurants Limited

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	6	60,068	63,751
Tangible assets	7	763,815	794,299
Investments	8	2,500	2,500
		<u>826,383</u>	<u>860,550</u>
Current assets			
Stocks	9	21,048	17,466
Debtors	10	79,867	68,028
Cash at bank and in hand		484,438	500,940
		<u>585,353</u>	<u>586,434</u>
Creditors: amounts falling due within one year	11	<u>813,167</u>	<u>716,575</u>
Net current liabilities		<u>227,814</u>	<u>130,141</u>
Total assets less current liabilities		<u>598,569</u>	<u>730,409</u>
Creditors: amounts falling due after more than one year	12	274,067	402,728
Provisions			
Taxation including deferred tax		91,879	98,068
Net assets		<u>232,623</u>	<u>229,613</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		232,523	229,513
Shareholders funds		<u>232,623</u>	<u>229,613</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 9 form part of these financial statements.

Mayor Restaurants Limited

Statement of Financial Position (continued)

31 December 2016

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors 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 directors acknowledge their 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 on 31 December 2016, and are signed on behalf of the board by:


Mr. M. O'Reilly
Director

01/04/17

Company registration number: 08242572

Mayor Restaurants Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1 Royal Birkdale Way, Fairway Village, Normanton, West Yorkshire, WF6 1WH.

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) Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

(c) 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.

(d) 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.

Mayor Restaurants Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

(e) 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.

(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.

SDLT and Franchise fee amortisation	-	Shorter of head lease term or 20 years
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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:

Leasehold property improvements	-	20 years straight line
Plant and machinery	-	Between 5 and 8 years

(j) Investments

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

Mayor Restaurants Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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.

4. Employees

The average number of persons employed by the company during the year, including the directors, amounted to 267 (2015: 264).

5. Profit before taxation

Profit before taxation is stated after charging:

	2016	2015
	£	£
Amortisation of intangible assets	3,683	3,684
Depreciation of tangible assets	<u>173,006</u>	<u>154,853</u>

Mayor Restaurants Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

6. Intangible assets

	SDLT and franchise fees £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>72,152</u>
Amortisation	
At 1 January 2016	8,401
Charge for the year	<u>3,683</u>
At 31 December 2016	<u>12,084</u>
Carrying amount	
At 31 December 2016	<u>60,068</u>
At 31 December 2015	<u>63,751</u>

7. Tangible assets

	Leasehold property improve- ments £	Plant and machinery £	Total £
Cost			
At 1 January 2016	–	1,105,885	1,105,885
Additions	132,151	42,283	174,434
Disposals	–	(77,649)	(77,649)
At 31 December 2016	<u>132,151</u>	<u>1,070,519</u>	<u>1,202,670</u>
Depreciation			
At 1 January 2016	–	311,586	311,586
Charge for the year	6,608	166,398	173,006
Disposals	–	(45,737)	(45,737)
At 31 December 2016	<u>6,608</u>	<u>432,247</u>	<u>438,855</u>
Carrying amount			
At 31 December 2016	<u>125,543</u>	<u>638,272</u>	<u>763,815</u>
At 31 December 2015	–	794,299	<u>794,299</u>

8. Investments

	Trade investments £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>2,500</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>–</u>

Mayor Restaurants Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

8. Investments (continued)

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

9. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>21,048</u>	<u>17,466</u>

10. Debtors

	2016 £	2015 £
Other debtors	<u>79,867</u>	<u>68,028</u>

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

	2016 £	2015 £
Other debtors	<u>21,414</u>	<u>26,178</u>

11. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	127,073	124,232
Trade creditors	226,033	216,118
Corporation tax	36,500	–
Social security and other taxes	205,124	212,153
Directors loan account	127,892	110,800
Other creditors	<u>90,545</u>	<u>53,272</u>
	<u>813,167</u>	<u>716,575</u>

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

	2016 £	2015 £
Bank loans and overdrafts	<u>274,067</u>	<u>402,728</u>

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2015: £43,964) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Mayor Restaurants Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

13. Operating leases

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

	2016 £	2015 £
Not later than 1 year	997,000	905,000
Later than 1 year and not later than 5 years	3,988,000	3,620,000
Later than 5 years	10,967,000	10,860,000
	<u>15,952,000</u>	<u>15,385,000</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, which are substantially based on annual sales income generated. The directors estimate that the total annual rental payments for the year to 31 December 2016 will be in the region of £997,000.

14. Related party transactions

During the year the directors made loans to the company. Interest was charged on these loans at a commercial rate in the year ended 31 December 2016. The loan is repayable on demand. At the year ended 31 December 2016, the balance due to the directors totalled £127,892 (2015 - £110,800).

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

Mayor Restaurants Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

15. Transition to FRS 102 (continued)

Reconciliation of equity

	1 January 2015			31 December 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	867,851	–	867,851	860,550	–	860,550
Current assets	532,983	–	532,983	586,434	–	586,434
Creditors: amounts falling due within one year	(593,976)	(73,950)	(667,926)	(605,775)	(110,800)	(716,575)
Net current liabilities	(60,993)	(73,950)	(134,943)	(19,341)	(110,800)	(130,141)
Total assets less current liabilities	806,858	(73,950)	732,908	841,209	(110,800)	730,409
Creditors: amounts falling due after more than one year	(580,260)	73,950	(506,310)	(513,528)	110,800	(402,728)
Provisions	(54,200)	–	(54,200)	(98,068)	–	(98,068)
Net assets	172,398	–	172,398	229,613	–	229,613
Capital and reserves	172,398	–	172,398	229,613	–	229,613

Reconciliation of profit or loss for the year

No transitional adjustments were required.

In preparing the accounts for the year ended 31 December 2016, the directors have, in accordance with FRS 102, reclassified certain loan balances from amounts falling due after more than one year to amounts falling due within one year.