Registered number: 10692875

KZ CATERING LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018

COMPANY INFORMATION

Directors	Daniel Babar Zaman (appointed 15 January 2018) Haider Zaman (appointed 15 January 2018) Skandar Zaman (appointed 15 January 2018) Christopher Alexander Drew (resigned 15 January 2018) Christopher Robert Holmes (resigned 15 January 2018) Sarah Nelson-smith (resigned 15 January 2018)
Registered number	10692875
Registered office	291 Green Lanes London N13 4XS
Independent auditors	Hurkan Sayman & Co Chartered Accountants 291 Green Lanes Palmers Green London N13 4XS

KZ CATERING LTD

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STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JUNE 2018

Introduction

KZ Catering Limited was incorporated on 27 March 2017 and following a hive down of business assets into the company on 15 January 2018, trading commenced on that date as a KFC Franchisee.

Business review

During the period under review the company began operating strongly. On 14 February 2018, the company was required to transition to a new distributor which resulted in limited deliveries where the company experienced a period of trade with limited menus and a short period of store closures. The overall affect on the business resulted in a reduction of sales and profits. This has been partially offset in the year by way of a distribution of a compensation fund to franchisees.

Despite the unforeseen issues experienced by the company in respect of the change in distributor, the Directors consider the overall performance of the business encouraging and are please to report strong profits for the period under review.

Principal risks and uncertainties

The principal risks to the company are changes to consumer habits, entry of new competitors within geographical areas in which the company operates and changes in government controls and policies towards the fast food industry. Both Kentucky Fried Chicken and the company monitor these, maintain a marketing policy, evolve store menus and set appropriate recommended prices to smooth these fluctuations.

Financial key performance indicators

Financial Key Performance Indicators of the stores are the level of sales, cost of sales and profit on ordinary activity before taxation.

Turnover for the period is £2,665,413;

Gross profit for the period is £923,169; and

Profit on ordinary activities before taxation for the period is £387,531.

Other key performance indicators

The principal non-key performance indicator is the performance against inspections and standards set by Kentucky Fried Chicken (franchisor) and the company continues to achieve a strong performance throughout the period.

This report was approved by the board on 18 October 2018 and signed on its behalf.

Daniel Babar Zaman
Director

DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2018

The directors present their report and the financial statements for the period ended 30 June 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The profit for the period, after taxation, amounted to £349,723.

No ordinary dividends were paid in the period. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the period were:

Daniel Babar Zaman (appointed 15 January 2018)
Haider Zaman (appointed 15 January 2018)
Skandar Zaman (appointed 15 January 2018)
Christopher Alexander Drew (resigned 15 January 2018)
Christopher Robert Holmes (resigned 15 January 2018)
Sarah Nelson-smith (resigned 15 January 2018)

Future developments

The Directors continue to identify sites to either develop or acquire and look to adhere to the structured programme of store refreshers and image enhancements as required by the franchisor.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2018

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Hurkan Sayman & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 October 2018 and signed on its behalf.

Skandar Zaman
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KZ CATERING LTD

Opinion

We have audited the financial statements of KZ Catering Ltd (the 'Company') for the period ended 30 June 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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.

Hasan Hurer BSc ACA (Senior Statutory Auditor)

for and on behalf of
Hurkan Sayman & Co

Chartered Accountants

291 Green Lanes
Palmers Green
London
N13 4XS

18 October 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	Note	2018 £
Turnover	4	**2,665,413**
Cost of sales		**(1,742,244)**
Gross profit		**923,169**
Administrative expenses		**(784,907)**
Other operating income	5	**249,269**
Operating profit	6	**387,531**
Tax on profit	9	**(37,808)**
Profit for the financial period		**349,723**

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 11 to 23 form part of these financial statements.

KZ CATERING LTD
REGISTERED NUMBER: 10692875

BALANCE SHEET
AS AT 30 JUNE 2018

	Note		2018 £
Fixed assets			
Intangible assets	10		**7,508,838**
Tangible assets	11		**1,248,769**
			8,757,607
Current assets			
Stocks	12	**38,738**	
Debtors: amounts falling due within one year	13	**570,517**	
Cash at bank and in hand		**1,337,438**	
		1,946,693	
Creditors: amounts falling due within one year	14	**(10,325,301)**	
Net current (liabilities)/assets			**(8,378,608)**
Total assets less current liabilities			**378,999**
Provisions for liabilities			
Other provisions	17	**(29,275)**	
			(29,275)
Net assets			**349,724**
Capital and reserves			
Called up share capital	18		**1**
Profit and loss account	19		**349,723**
			349,724

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 October 2018.

Haider Zaman
Director

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018

	Called up share capital £	Profit and loss account £	Total equity £
Profit and comprehensive income for the period			
Profit for the period	**-**	**349,723**	**349,723**
Total profit and comprehensive income for the period	**-**	**349,723**	**349,723**
Shares issued during the period	**1**	**-**	**1**
At 30 June 2018	**1**	**349,723**	**349,724**

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018

	2018 £
Cash flows from operating activities	
Profit for the financial period	**349,723**
Adjustments for:	
Amortisation of intangible assets	**292,830**
Depreciation of tangible assets	**79,148**
Taxation charge	**37,808**
(Increase)/decrease in stocks	**(38,738)**
(Increase)/decrease in debtors	**(509,111)**
Increase in creditors	**1,160,992**
Increase in amounts owed to groups	**9,065,095**
Increase in provisions	**29,275**
Net cash generated from operating activities	**10,467,022**
Cash flows from investing activities	
Purchase of intangible fixed assets	**(7,801,668)**
Purchase of tangible fixed assets	**(1,327,917)**
Net cash from investing activities	**(9,129,585)**
Cash flows from financing activities	
Issue of ordinary shares	**1**
Net cash used in financing activities	**1**
Net increase in cash and cash equivalents	**1,337,438**
Cash and cash equivalents at the end of period	**1,337,438**
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	**1,337,438**
	1,337,438

The notes on pages 11 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

1. General information

KZ Catering Limited is a private company limited by share capital, incorporated in England and Wales, registration number 10692875. The address of its registered office is 291 Green Lanes, London N13 4XS.

The company's principal activity is that of a KFC franchisee.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of food, beverages and merchandise is recognised at the point of sale.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Franchise fees	-	10	years

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over 20 years straight line
Fixtures, fittings and equipment	- 20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the process of applying its accounting policies, the company is required to make certain estimates, judgments and assumption that it believes are reasonable based on the information available. These judgments, estimates and assumptions affect the amount of assets and liabilities at the date of the financial statement and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which is recognised in the period in which the facts that give rise to the revision becomes known.

Management has made judgment over the following accounting policies

- The estimated economic lives of fixtures, fittings and equipment;

- The estimated economic life of goodwill; and

- Dilapidation provisions which are calculated by management based on their expectations of costs in reference to store type and size.

4. Turnover

The whole of the turnover is attributable to the sale of goods in the year.

All turnover arose within the United Kingdom.

5. Other operating income

	2018 £
Other operating income	**249,269**
	249,269

6. Operating profit

The operating profit is stated after charging:

	2018 £
Other operating lease rentals	**141,111**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

7. Auditors' remuneration

	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,000
Fees payable to the Company's auditor and its associates in respect of:	
All other services	1,000
	1,000

8. Employees

Staff costs were as follows:

	2018 £
Wages and salaries	578,066
Social security costs	28,895
Cost of defined contribution scheme	8,011
	614,972

The average monthly number of employees, including the directors, during the period was as follows:

	2018 No.
Restaurant staff	108

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

9. Taxation

	2018 £
Corporation tax	
Current tax on profits for the year	**99,214**
	99,214
Total current tax	**99,214**
Deferred tax	
Origination and reversal of timing differences	**(61,406)**
Total deferred tax	**(61,406)**
Taxation on profit on ordinary activities	**37,808**

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2018 £
Profit on ordinary activities before tax	**387,531**
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	**73,631**
Effects of:	
Non-tax deductible amortisation of goodwill and impairment	**54,733**
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**950**
Depreciation for period in excess of capital allowances	**2,301**
Short term timing difference leading to an increase (decrease) in taxation	**(61,407)**
Group relief	**(32,400)**
Total tax charge for the period	**37,808**

Factors that may affect future tax charges

9. Taxation (continued)

The Corporation Tax main rate for 1 July 2017 is set at 19% and it is set at this rate until 31 March 2020. At Budget 2016, the government announced a reduction to the corporation tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%. This will reduce the company's future tax charge accordingly.

10. Intangible assets

	Franchise fees	Goodwill	Total
	£	£	£
Cost			
Additions	**126,889**	**7,674,779**	**7,801,668**
At 30 June 2018	**126,889**	**7,674,779**	**7,801,668**
Amortisation			
Charge for the year	**4,763**	**288,067**	**292,830**
At 30 June 2018	**4,763**	**288,067**	**292,830**
Net book value			
At 30 June 2018	**122,126**	**7,386,712**	**7,508,838**

11. Tangible fixed assets

	Short-term leasehold property	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
Additions	**741,994**	**585,923**	**1,327,917**
At 30 June 2018	**741,994**	**585,923**	**1,327,917**
Depreciation			
Charge for the period on owned assets	**26,346**	**52,802**	**79,148**
At 30 June 2018	**26,346**	**52,802**	**79,148**
Net book value			
At 30 June 2018	**715,648**	**533,121**	**1,248,769**

12. Stocks

	2018
	£
Food, beverages and consumables	**38,738**
	38,738

Stock recognised in cost of sales during the period as an expense was £834,958 .

13. Debtors

	2018
	£
Trade debtors	**9,774**
Other debtors	**308,501**
Prepayments and accrued income	**190,836**
Deferred taxation	**61,406**
	570,517

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

14. Creditors: Amounts falling due within one year

	2018 £
Trade creditors	**636,501**
Amounts owed to group undertakings	**9,065,095**
Corporation tax	**99,214**
Other taxation and social security	**238,992**
Other creditors	**1,706**
Accruals and deferred income	**283,793**
	10,325,301

15. Financial instruments

	2018 £
Financial assets	
Financial assets measured at fair value through profit or loss	**1,337,438**
Financial assets that are debt instruments measured at amortised cost	**318,274**
Financial assets that are equity instruments measured at cost less impairment	**-**
	1,655,712
Financial liabilities	
Financial liabilities measured at amortised cost	**(9,987,095)**

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, loans due from related parties and other debtors.

Financial liabilities measured at amortised cost comprise of accruals, trade creditors, related party creditors and other creditors.

16. Deferred taxation

	2018 £
Charged to the profit or loss	61,406
At end of year	61,406

The deferred tax asset is made up as follows:

	2018 £
Difference on tax written down values over assets	61,406
	61,406

17. Provisions

	Dilapidation provision £
Charged to profit or loss	29,275
At 30 June 2018	29,275

Provisions for dilapidation costs are recorded on the date in which the leasehold properties are altered and the liability of repair is crystallised. The provision is expected to be utilised on the expiry of the lease where the company has not been able to renew the expired lease or the company wishes to close a store.

18. Share capital

	2018 £
Allotted, called up and fully paid	
1 Ordinary share of £1.00	1

During the year 1 Ordinary shares of £1 was allotted, called up and fully paid.

19. Reserves

Profit and loss account

Profit and loss account includes all current and prior period retained profit and losses less distributions.

20. Contingent liabilities

There is an intercompany guarantee in place over the bank borrowings in SBR South Limited. The total amount of borrowing secured over the assets of the Company at the period end was £9,245,841.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,011. Contributions totaling £1,706 were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £
Not later than 1 year	**227,625**
Later than 1 year and not later than 5 years	**798,000**
Later than 5 years	**824,300**
	1,849,925

23. Related party transactions

The company has taken advantage of paragraph 33.1A of FRS 102 in respect of the non-disclosure of related party transactions within the group as KZ Catering Limited is a 100% subsidiary company of SBR South Limited and consolidated group accounts are prepared.

Included within Other Debtors at the period end is a loan amount due to SBR Retail Limited of £307,676. The loan is unsecured, free of interest and repayable on demand. The companies are related as they are under common control.

24. Controlling party

Until the 15 January 2018 the company's immediate parent was Kentucky Fried Chicken (Great Britain) Limited, incorporated in England and Wales. The ultimate parent company was Yum! Brands, Inc, incorporated in United States of America.

After 15 January 2018 the company's immediate and ultimate parent is SBR South Limited, incorporated in England and Wales. Group financial statements can be obtained from 112 Southampton Row, Bloomsbury, London WC1B 4BL

The ultimate controlling parties are the Directors; Haider Zaman, Daniel Zaman and Skander Zaman.

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.