

REGISTERED NUMBER: 10693377 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements

for the Period 28th March 2017 to 24th December 2017

for

Gastronomy Restaurants Limited

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for the Period 28th March 2017 to 24th December 2017

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Gastronomy Restaurants Limited

Company Information
for the Period 28th March 2017 to 24th December 2017

DIRECTORS:

A Khan
R D Smith
T Subashkaran
P Khan

SECRETARY:

REGISTERED OFFICE:

1st Floor, KFC
Earls Park, Arlington Way
Battlefield Road
Shrewsbury
Shropshire
SY1 4AB

REGISTERED NUMBER:

10693377 (England and Wales)

Strategic Report
for the Period 28th March 2017 to 24th December 2017

The directors present their strategic report for the period 28th March 2017 to 24th December 2017.

REVIEW OF BUSINESS

Gastronomy Restaurants Limited (GRL) was acquired on the 20/11/2017 by Lars GFUK Holdings LTD, the parent company who owns 100% of the shares capital. GRL is currently operating 22 KFC restaurants with projected annual turnover of £30 million.

With the addition of GRL, our total portfolio has grown up to 37 Restaurants. Being part of the KFC franchise model, we will continue to develop by opening and acquiring more restaurants and will keep adding more layers to enable us to serve more customers and to be the best restaurant in the town.

We will keep our restaurants upgraded with all minor and major refurbishments to the latest design so our customers feel welcomed and comfortable in the stores, We will also invest in technology such as upgrading the till systems and so forth. This year we will be upgrading 9 out of GRL's current 22 restaurants.

We are planning to open 8 more restaurants in next 5 years that will create more 400 more job opportunities for the local community. We will accelerate the rollout of our delivery through third party providers.

ON BEHALF OF THE BOARD:

A Khan - Director

17th July 2018

Report of the Directors
for the Period 28th March 2017 to 24th December 2017

The directors present their report with the financial statements of the company for the period 28th March 2017 to 24th December 2017.

INCORPORATION

The company was incorporated on 28th March 2017 .

DIVIDENDS

No dividends will be distributed for the period ended 24th December 2017.

DIRECTORS

The directors who have held office during the period from 28th March 2017 to the date of this report are as follows:

C R Holmes - appointed 28th March 2017 - resigned 20th November 2017
C A Drew - appointed 28th March 2017 - resigned 20th November 2017
Ms S Nelson-Smith - appointed 28th March 2017 - resigned 20th November 2017
A Khan - appointed 20th November 2017
R D Smith - appointed 20th November 2017
T Subashkaran - appointed 20th November 2017
P Khan - appointed 20th November 2017

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Period 28th March 2017 to 24th December 2017

AUDITORS

The auditors, Hammond McNulty LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A Khan - Director

17th July 2018

Report of the Independent Auditors to the Members of
Gastronomy Restaurants Limited

Opinion

We have audited the financial statements of Gastronomy Restaurants Limited (the 'company') for the period ended 24th December 2017 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 24th December 2017 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 UK, including the FRC'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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Gastronomy Restaurants Limited

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 Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Marie Shenton FCCA (Senior Statutory Auditor)
for and on behalf of Hammond McNulty LLP
Statutory Auditor
Bank House
Market Square
Congleton
Cheshire
CW12 1ET

17th July 2018

Gastronomy Restaurants Limited (Registered number: 10693377)

Profit and Loss Account
for the Period 28th March 2017 to 24th December 2017

	Notes	£
TURNOVER		3,841,249
Cost of sales		<u>2,350,092</u>
GROSS PROFIT		1,491,157
Administrative expenses		<u>802,901</u>
OPERATING PROFIT and		
PROFIT BEFORE TAXATION		688,256
Tax on profit	5	<u>160,599</u>
PROFIT FOR THE FINANCIAL PERIOD		527,657
OTHER COMPREHENSIVE INCOME		<u>-</u>
TOTAL COMPREHENSIVE INCOME		
FOR THE PERIOD		<u><u>527,657</u></u>

The notes form part of these financial statements

Gastronomy Restaurants Limited (Registered number: 10693377)

Balance Sheet
24th December 2017

	Notes	£	£
FIXED ASSETS			
Intangible assets	6		815,068
Tangible assets	7		<u>7,885,968</u>
			8,701,036
 CURRENT ASSETS			
Stocks	8	163,722	
Debtors	9	3,754,905	
Cash in hand		<u>66,634</u>	
		3,985,261	
 CREDITORS			
Amounts falling due within one year	10	<u>11,998,040</u>	
NET CURRENT LIABILITIES			<u>(8,012,779)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			688,257
 PROVISIONS FOR LIABILITIES	12		<u>160,599</u>
NET ASSETS			<u>527,658</u>
 CAPITAL AND RESERVES			
Called up share capital	13		1
Retained earnings	14		<u>527,657</u>
SHAREHOLDERS' FUNDS			<u>527,658</u>

The financial statements were approved by the Board of Directors on 17th July 2018 and were signed on its behalf by:

A Khan - Director

R D Smith - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Period 28th March 2017 to 24th December 2017

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	1	-	1
Total comprehensive income	-	527,657	527,657
Balance at 24th December 2017	1	527,657	527,658

The notes form part of these financial statements

Cash Flow Statement
for the Period 28th March 2017 to 24th December 2017

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	3,855,431
Tax paid		<u>(1)</u>
Net cash from operating activities		<u>3,855,430</u>
Cash flows from investing activities		
Purchase of intangible fixed assets		(824,582)
Purchase of tangible fixed assets		<u>(8,017,171)</u>
Net cash from investing activities		<u>(8,841,753)</u>
Cash flows from financing activities		
New loans in year		(3,570,263)
Loan from Parent company		8,623,219
Share issue		<u>1</u>
Net cash from financing activities		<u>5,052,957</u>
Increase in cash and cash equivalents		<u>66,634</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u>66,634</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Period 28th March 2017 to 24th December 2017

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	£
Profit before taxation	688,256
Depreciation charges	<u>140,718</u>
	828,974
Increase in stocks	(163,722)
Increase in trade and other debtors	(184,642)
Increase in trade and other creditors	<u>3,374,821</u>
Cash generated from operations	<u>3,855,431</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 24th December 2017

	24/12/17	28/3/17
	£	£
Cash and cash equivalents	<u>66,634</u>	<u>-</u>

Notes to the Financial Statements
for the Period 28th March 2017 to 24th December 2017

1. STATUTORY INFORMATION

Gastronomy Restaurants Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over the term of the franchise agreement.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Over life of asset
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Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors, bank loans and director's loans.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Directors loans (being repayable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at 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 income and Retained Earnings.

Notes to the Financial Statements - continued
for the Period 28th March 2017 to 24th December 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	836,152
Social security costs	2,475
Other pension costs	4,016
	<u>842,643</u>

The average number of employees during the period was as follows:

Staff	<u>851</u>
	£
Directors' remuneration	<u>-</u>

Notes to the Financial Statements - continued
for the Period 28th March 2017 to 24th December 2017

4. OPERATING PROFIT

The operating profit is stated after charging:

	£
Hire of plant and machinery	14,030
Other operating leases	101,168
Depreciation - owned assets	131,203
Patents and licences amortisation	9,514
Auditors' remuneration	8,000

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	£
Deferred tax	160,599
Tax on profit	160,599

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£
Profit before tax	688,256
Profit multiplied by the standard rate of corporation tax in the UK of 19%	130,769
Effects of:	
Expenses not deductible for tax purposes	1,808
Capital allowances in excess of depreciation	(177,685)
Deferred tax	160,598
Group relief	45,109
Total tax charge	160,599

6. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
Additions	824,582
At 24th December 2017	824,582
AMORTISATION	
Amortisation for period	9,514
At 24th December 2017	9,514
NET BOOK VALUE	
At 24th December 2017	815,068

Notes to the Financial Statements - continued
for the Period 28th March 2017 to 24th December 2017

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
Additions	8,017,171
At 24th December 2017	<u>8,017,171</u>
DEPRECIATION	
Charge for period	131,203
At 24th December 2017	<u>131,203</u>
NET BOOK VALUE	
At 24th December 2017	<u><u>7,885,968</u></u>

8. STOCKS

	£
Stocks	<u>163,722</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Amounts owed by group undertakings	3,570,263
Other debtors	13,873
Prepayments and accrued income	170,769
	<u><u>3,754,905</u></u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	1,967,364
Amounts owed to group undertakings	8,623,219
Social security and other taxes	47,651
VAT	605,672
Other creditors	263,444
Accrued expenses	490,690
	<u><u>11,998,040</u></u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	£
Within one year	1,419,771
Between one and five years	5,464,863
In more than five years	16,390,466
	<u><u>23,275,100</u></u>

Notes to the Financial Statements - continued
for the Period 28th March 2017 to 24th December 2017

12. PROVISIONS FOR LIABILITIES

Deferred tax	£ <u>160,599</u>
	Deferred tax
Provided during period	£ <u>160,599</u>
Balance at 24th December 2017	<u><u>160,599</u></u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
1	Ordinary Share	1	<u><u>1</u></u>

1 Ordinary Share share of 1 was allotted and fully paid for cash at par during the period.

14. RESERVES

	Retained earnings
	£
Profit for the period	<u>527,657</u>
At 24th December 2017	<u><u>527,657</u></u>

15. ULTIMATE PARENT COMPANY

Lars (GFUK) Holdings Limited (incorporated in England and Wales) is regarded by the directors as being the company's ultimate parent company.

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.