REGISTERED NUMBER: SC722921 (Scotland)

TEALLACH RESTAURANTS LIMITED

Report of the Directors and

Unaudited Financial Statements for the Year Ended 31 December 2023

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for the year ended 31 December 2023

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TEALLACH RESTAURANTS LIMITED

Company Information
for the year ended 31 December 2023

Directors:	I G Fyfe S M J Fyfe
Registered office:	McDonald's Restaurants Unit 3, Balmakeith Retail Park, Nairn IV12 5QF
Registered number:	SC722921 (Scotland)
Accountants:	Cooper Parry Advisory Limited CUBO 4th Floor 2 Chamberlain Square Birmingham West Midlands B3 3AX

Report of the Directors
for the year ended 31 December 2023

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

Principal activity
The principal activity of the company in the year under review was that of the operation of McDonald's franchised restaurants.

Directors
The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

I G Fyfe
S M J Fyfe

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

I G Fyfe - Director

13 April 2024

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Teallach Restaurants Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Teallach Restaurants Limited for the year ended 31 December 2023 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at http://www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Teallach Restaurants Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Teallach Restaurants Limited and state those matters that we have agreed to state to the Board of Directors of Teallach Restaurants Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Teallach Restaurants Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Teallach Restaurants Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Teallach Restaurants Limited. You consider that Teallach Restaurants Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Teallach Restaurants Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Cooper Parry Advisory Limited
CUBO 4th Floor
2 Chamberlain Square
Birmingham
West Midlands
B3 3AX

13 April 2024

Income Statement
for the year ended 31 December 2023

	Notes	Year ended 31/12/23 £	Period 11/2/22 to 31/12/22 £
Turnover		**3,337,498**	1,525,616
Cost of sales		**(1,184,849)**	(562,891)
Gross profit		**2,152,649**	962,725
Administrative expenses		**(1,962,083)**	(925,470)
Operating profit	4	**190,566**	37,255
Interest payable and similar expenses		**(39,701)**	(16,549)
Profit before taxation		**150,865**	20,706
Tax on profit	5	**(202,623)**	132,017
(Loss)/profit for the financial year		**(51,758)**	152,723

The notes form part of these financial statements

Balance Sheet
31 December 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	6		**1,123,042**		29,125
Tangible assets	7		**1,374,764**		561,133
Investments	8		**1,250**		1,250
			2,499,056		591,508
Current assets					
Stocks	9	**48,077**		16,269	
Debtors	10	**44,714**		153,642	
Cash at bank and in hand		**703,664**		359,642	
		796,455		529,553	
Creditors					
Amounts falling due within one year	11	**1,216,824**		599,380	
Net current liabilities			**(420,369)**		(69,827)
Total assets less current liabilities			**2,078,687**		521,681
Creditors					
Amounts falling due after more than one year	12		**(1,975,016)**		(370,858)
Provisions for liabilities			**(70,606)**		-
Net assets			**33,065**		150,823
Capital and reserves					
Called up share capital	14		**100**		100
Retained earnings			**32,965**		150,723
Shareholders' funds			**33,065**		150,823

The notes form part of these financial statements

continued...

Balance Sheet - continued
31 December 2023

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 13 April 2024 and were signed on its behalf by:

I G Fyfe - Director

1. Statutory information

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

The presentation currency of the financial statements is the Pound Sterling (£).

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern
The financial statements have been prepared on a going concern basis and no material uncertainties exist that impact on the company's ability to trade.

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

Franchise rights & fees
Franchise rights & fees are being written off evenly over the 20 year term of the Franchise agreements.

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

Short leasehold	- at varying rates on cost
Restaurant equipment	- at varying rates on cost
Office equipment	- at varying rates on cost

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

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 year 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.

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2. **Accounting policies - continued**

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.

Impairment of fixed assets
A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly.Prior impairments are also reviewed for possible reversal at each reporting date.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted cost of the future holiday entitlement so accrued at the Balance Sheet date.

3. **Employees and directors**

	Year ended 31/12/23	Period 11/2/22 to 31/12/22
	£	£
Wages and salaries	**900,321**	445,121
Social security costs	**38,493**	16,351
Other pension costs	**12,017**	4,673
	950,831	466,145

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

	Year ended 31/12/23	Period 11/2/22 to 31/12/22
	143	57

	Year ended 31/12/23	Period 11/2/22 to 31/12/22
	£	£
Directors' remuneration	**28,500**	6,000

4. **Operating profit**

The operating profit is stated after charging:

	Year ended 31/12/23	Period 11/2/22 to 31/12/22
	£	£
Depreciation - owned assets	**104,075**	50,641
Franchise Rights amortisation	**4,583**	-
Franchise fees amortisation	**1,500**	875

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5. Taxation

Analysis of the tax charge/(credit)
The tax charge/(credit) on the profit for the year was as follows:

	Year ended 31/12/23	Period 11/2/22 to 31/12/22
	£	£
Deferred tax	**202,623**	(132,017)
Tax on profit	**202,623**	(132,017)

UK corporation tax has been charged at 25% .

The Finance Act 2021 introduced an increase to the UK's main corporation tax rate to 25%, which became effective from the 1st April 2023 - replacing the previous rate of 19%.

Deferred tax has been calculated at 25%.

6. Intangible fixed assets

	Franchise Rights	Franchise fees	Totals
	£	£	£
Cost			
At 1 January 2023	**-**	**30,000**	**30,000**
Additions	**1,100,000**	**-**	**1,100,000**
At 31 December 2023	**1,100,000**	**30,000**	**1,130,000**
Amortisation			
At 1 January 2023	**-**	**875**	**875**
Amortisation for year	**4,583**	**1,500**	**6,083**
At 31 December 2023	**4,583**	**2,375**	**6,958**
Net book value			
At 31 December 2023	**1,095,417**	**27,625**	**1,123,042**
At 31 December 2022	-	29,125	29,125

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7. **Tangible fixed assets**

	Short leasehold £	Restaurant equipment £	Office equipment £	Totals £
Cost				
At 1 January 2023	9,822	600,157	1,795	611,774
Additions	-	900,250	17,456	917,706
At 31 December 2023	9,822	1,500,407	19,251	1,529,480
Depreciation				
At 1 January 2023	286	50,035	320	50,641
Charge for year	492	101,050	2,533	104,075
At 31 December 2023	778	151,085	2,853	154,716
Net book value				
At 31 December 2023	9,044	1,349,322	16,398	1,374,764
At 31 December 2022	9,536	550,122	1,475	561,133

8. **Fixed asset investments**

	Other investments £
Cost	
At 1 January 2023 and 31 December 2023	1,250
Net book value	
At 31 December 2023	1,250
At 31 December 2022	1,250

Fixed asset investments consists of 1,250 ordinary shares of £1 each in Fries Holding Company Limited, a company registered in Guernsey. The investments are included in the accounts at cost.

9. **Stocks**

	2023 £	2022 £
Food stock	38,310	12,491
Paper stock	7,196	3,535
Non-product stock	2,571	243
	48,077	16,269

10. **Debtors: amounts falling due within one year**

	2023 £	2022 £
Trade debtors	4,701	742
Deferred tax asset	-	132,017
Prepayments	40,013	20,883
	44,714	153,642

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11. **Creditors: amounts falling due within one year**

	2023	2022
	£	£
Bank loans and overdrafts (see note 13)	**174,523**	67,429
Trade creditors	**307,789**	168,368
Social security and other taxes	**18,724**	8,761
VAT	**184,903**	117,629
Other creditors	**98,477**	22,618
Directors' current accounts	**377,424**	169,273
Accrued expenses	**54,984**	45,302
	1,216,824	599,380

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

	2023	2022
	£	£
Bank loans (see note 13)	**1,975,016**	370,858

13. **Loans**

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	**174,523**	67,429
Amounts falling due between one and two years:		
Bank loans - 1-2 years	**349,047**	67,429
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**1,625,969**	303,429

The loans are due for repayment in equal monthly instalments with terms as stated above. They are unsecured with interest charged at rates between 1.2% and 1.7% above the Bank of England base rate, or on a floating rate basis.

14. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
75	Ordinary A	£1	**75**	75
25	Ordinary B	£1	**25**	25
			100	100

15. **Related party disclosures**

During the year, total dividends of £66,000 were paid to the directors .

During the year, the director Mr I G Fyfe charged total interest to the company of £12,000 (2022 - £8,061).

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.