REGISTERED NUMBER: 02969279 (England and Wales)

ROBERT HOLDCROFT LIMITED

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2023

Contents of the Financial Statements
for the year ended 31 December 2023

ROBERT HOLDCROFT LIMITED

Company Information
for the year ended 31 December 2023

Directors:	T A Holdcroft R J Holdcroft
Secretary:	T A Holdcroft
Registered office:	Shrubbery House 47 Prospect Hill Redditch Worcestershire B97 4BS
Registered number:	02969279 (England and Wales)
Auditors:	Cooper Parry Group Limited New Derwent House 69-73 Theobalds Road London WC1X 8TA

Strategic Report
for the year ended 31 December 2023

The directors present their strategic report for the year ended 31 December 2023.

Review of business
The company operates thirteen McDonald's franchised restaurants in the West Midlands area, employing over 1,200 members of staff.

As a result of the 2023 menu and marketing strategy, alongside the execution of incremental price rises, the company has seen increased sales growth as the company continues to operate against the backdrop of significant macro-economic challenges.

Given the direct link between our approach to pricing, the external environment and our success in relation to our customers, we will continue to remain close to understanding this relationship and look constantly to evaluate how our internal actions are impacting our customers.

Despite the net current liabilities position, and a fall in net assets from £1.16 million in 2022 to £561k, the strength of the business remains strong and the directors consider the company to have adequate resources to meet liabilities as they fall due.

Key Performance Indicators
Sales for the year amounted £55.50 million, an increase of £15.23 million from 2022 giving an overall sales increase of approximately 37.82%. The growth in sales is predominantly due to a full year of trading from the three stores acquired in 2022.

The gross profit margin is 64.15% compared to 63.85% in 2022 and is in line with expectations.

Future Developments
2023 economic trends are broadly expected to continue into 2024.

As in 2023, sales growth in 2024 will be predominantly driven by year on year pricing benefit. This will particularly benefit Q1 (Quarter 1) before we annualise price moves made in 2023. To counter any potential negative GC (Guest Count) impact from price rises, we have a strong marketing calendar, with particular focus on value at key parts of the year. The calendar also includes a higher number of innovative promotional pies and new McFlurry flavour variants, both of which drove strong incremental sales and visits in 2023. Given the uncertain market environment, we will as ever need to remain flexible and adaptive should we begin to see any risks to this plan.

We also expect to see continued incremental sales benefit in 2024 from the MyMcDonald's application, with a greater customer base engaged with the MyMcDonald's Rewards scheme, and refined CRM communications to encourage customer frequency.

Instores and Drive Thrus are likely to see similar levels and phasing of sales growth in 2024, as we move away from any lingering COVID-19 impact. The percentage of sales and phasing coming through McDelivery is likely to remain stable year on year.

The 2023 pricing strategy has been bold, utilising a front-loaded approach, with five pricing rounds overall. From this, circa 5% MBI (Menu Board Index) benefit will be carried into 2024.

The Price Strategy Group will continue to take a strategic, customer-led approach throughout 2024, for which four price moves are planned. Rather than utilising a front-loaded approach, the price rounds are expected to be more balanced in 2024, with the timing, scale and menu items included in the pricing recommendations leveraging the exciting marketing plan that is in place. As with recent years, the group will remain agile against the backdrop of a challenging external environment.

Principal risks and uncertainties
The company is continually assessing all risks with an aim to mitigate any future threats these may have on the business.

Economic risk
Following some very challenging times, we are optimistic about the economic future. Customer confidence continues to rise and unemployment rates are falling. A cautious approach is still required as real disposable income continues to decline as the cost of living and interest rates continue to rise. Principal risks are increasing commodity prices, increased utility costs and labour rates adding pressure to margins with significant upward movements in interest rates that may also increase costs. The first mentioned risk is controlled by McDonald's collective purchasing initiatives.

The level of borrowing is such that interest rate increases remain manageable.

Supply Chain Inflation
We have continued to work at mitigating the impact of food and paper inflation within our 2024 outlook - this has resulted in further improvement with a range of 3% - 6% food and paper inflation now anticipated for the UK. We are also continuing to see increased levels of cost certainty, with an expectation that circa 40% of our costs will be secured by the end of December.

As with previous outlook, we expect a relatively flat profile through the year. The increases we are expecting continue to be driven by commodity price on particular categories, as well as market labour increases. The focus of McDonald's negotiations remains on assured supply and to put farmers and growers in a position to continue developing alongside the business.

Our 2024 forecast is made up of two elements:
- Baseline inflation of circa 1.5% carry over from 2023 increases.
- In-year inflation of 1.5% - 4.5% on prices negotiated for 2024.

Regulatory risks
The company's operations demand a high level of compliance within a wide range of regulatory requirements. In particular:
- Health and safety
- Hygiene procedures
- Employment laws
- Licensing

The above, along with a number of other areas, are monitored in detail by McDonald's, as being in the fast food industry brings a high level of regulatory concerns.

Consumer taste
Any material changes in the way the consumer views the fast food industry could have an adverse effect on the company. However, this can also work in the opposite direction and could assist the company to achieve growth. As a result, the company focuses, in detail, on recognising demographic trends, ensuring innovation and the use of the freshest and highest quality products through its stores. The company has strict policies to ensure that all stores are maintaining the McDonald's ethos.

Competitors
The fast food market is a very competitive market, with a high number of large competitors trading in the sector. In order to remain as one of the main players, McDonald's have dedicated teams who focus on ensuring they remain a leading company within the market. This allows them to compete with other large fast food chains.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control, hence we are constantly assessing our plans in line with the current environment.

On behalf of the board:

R J Holdcroft - Director

19 December 2024

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 operation of McDonald's restaurants under franchise agreements.

Dividends
Interim dividends per share were paid as follows:

Ordinary A £1 shares	£466.67	- 21 December 2023
Ordinary B £1 shares	£1,400.00	- 21 December 2023

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31 December 2023 will be £ 70,000 .

Research and development
The company does not carry out any independent research and development. However the franchisor, McDonald's Restaurants Limited, carries out its own research and development on behalf of all franchisees. The company makes a contribution towards this through its existing payments to the franchisor.

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

T A Holdcroft
R J Holdcroft

Going concern
The company is in a net current liabilities position at the balance sheet date, however this is a reflection of the nature of the fast food industry and not a reflection of the strength of the business.

The directors have considered the application of the going concern basis of accounting. In doing so they have considered the period from the date of this report until 31 December 2025. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements. However, owing to the uncertainty surrounding the level of financial support being provided by the franchisor, there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Employment of disabled persons
The company operates a policy of giving full & fair consideration to employment applications from disabled persons.

Provision of information to employees
The company has a system for providing employees with information of concern to them. It also consults employees on a regular basis so that their views can be taken into account in making decisions affecting them. It regularly explains to employees the financial and economic factors affecting the performance of the company and makes them aware of the provision of training, career development and employment of disabled employees.

Engagement with employees
Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach the to pay and benefits our employees receive. The health, safety and wellbeing of our employees is one of our primary considerations in the way we do business.

Streamlined energy and carbon reporting
The McDonald's restaurants attributed to the company's greenhouse gas emissions, reportable under SECR from 1st January 2023 - 31st December 2023, were 1,532 tonnes of carbon dioxide equivalent (tCO_2e). These include emissions associated with electricity and natural gas consumption. The number of sites contributing to this report has increased from 12 in 2022 to 13 in 2023. The company's total greenhouse gas emissions decreased by 3.5% compared to revised 2022 figures, because purchased electricity energy consumption (kWh) has decreased by 11.4% and natural gas energy consumption (kWh) has increased by 20.3%, from 2022 to 2023.

Notable factors that could have contributed to the movement in emissions are as follows:
- Increase in productivity (37.5% increase in revenue) which translated to an increase in total energy consumption.
- The number of sites reporting on their emissions changed from 2022 to 2023.

- Revision of methodology to align consumption to McDonald's AI Track energy consumption figures for FY2023.
- The carbon intensity of the grid electricity increased in 2023 for the first time in a few years, by 7%
- The methodology for calculating electricity emissions was adjusted to reflect good practice for the inclusion of electrical transport and distribution of losses (T&D losses) under the SECR regulations.

As per SECR guidelines, the company's emission intensity is calculated as the ratio of annual emissions (tCO2e) to the turnover (in £million). For FY 2023, this resulted in an emission intensity of 27.85 tCO2e per £million, which represents a 29.8% decrease compared to the previous year (39.68 tCO2e per £million).

Greenhouse Gas Emissions

Table 1: Greenhouse gas emissions by year (tCO2e) - location-based

Emissions Source	**2022**	**2022 - revised (a)**	**2023**	**% share**	**% change**
Electricity	1,341	1,464	1,382	90.2	-5.6
Natural Gas	108	108	130	8.5	20.4
Purchased fuel (LPG)	-	-	-	-	-
Refrigerants	-	-	-	-	-
Transportation - direct	5	5	6	0.4	20.0
Transportation - indirect	10	10	14	0.9	40.0
Total Emissions (tC02e)	**1,464**	**1,587**	**1,532**	**100**	**-3.5**
Turnover (£m)	40	40	55	-	37.5
Intensity (tC02e per £m)	**36.60**	**39.68**	**27.85**	**-**	**-29.8**

Location-based reporting uses a national carbon emissions factor to calculate the emissions from the generation of electricity, reflecting the diverse source of electricity generation supplied to the national grid.

(a) The emissions reported for electricity in 2022 has been revised to include Transmission and Distribution losses(T&D) [UK Greenhouse Gas Conversion Factors (publishing.service.gov.uk) page 7 Transport and Distribution].

Table 2: Greenhouse gas emissions by scope (tonnes CO2e) - location-based

Emissions Source	**Scope 1**	**Scope 2**	**Scope 3**	**Total**
Electricity	-	1,272	110	1,382
Natural Gas	130	-	-	130
Purchased fuel (LPG)	-	-	-	-
Refrigerants	-	-	-	-
Transportation	4	2	14	20
Total Emissions (tC02e)	**134**	**1,274**	**124**	**1,532**
Share of Total %	8.8	83.1	8.1	100

Scope 1: Natural gas and purchased fuel (LPG). Scope 2: Electricity (generation). Scope 3: Losses from electricity distribution and transmission (T&D). This only includes emissions reportable under SECR and may not reflect the entire carbon footprint of the organisation.

Energy Consumption

Table 3: Energy consumption per fuel type (kWh)

Emissions Source	**2022**	**2023(b)**	**% share**	**% change**
Electricity	6,934,622	6,134,978	88.6	-11.4
Natural Gas	592,766	713,079	10.3	20.3
Purchased fuel (LPG)	-	-	-	-
Refrigerants	-	-	-	-
Transportation - direct	22,978	24,660	0.4	7.3
Transportation - indirect	38,372	56,079	0.7	46.1
Total	**7,588,738**	**6,937,796**	**100**	**-8.6**

(b) Includes extrapolation carried out by Aligned Incentives.

Boundary, Methodology and Exclusions

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary**[c]**.

This approach captures emissions associated with your operations in the restaurants. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies.

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

Emissions have been calculated using the latest conversion factors provided by the UK Government. No other material omissions from the mandatory reporting scope. For Refrigerant emissions, GWP conversion factors have been used [High-GWP Refrigerants | California Air Resources Board, Greenhouse Gas Inventory Guidance: Fugitive Emissions (epa.gov)]

The company's 2022 electricity emissions have been revised. This update and the inclusion of Transport and Distribution factors for emissions calculation is to reflect good practice in UK reporting as detailed in the GHG Conversion Factors [Greenhouse gas reporting: conversion factors 2023 - GOV.UK (www.gov.uk)]. This revision also incorporates updated conversion factors.

Energy consumption (in kWh) for periods 1st January 2023 - 31st December 2023 have been used to calculate emissions for the company's FY2023, ending in December 2023.

2023 consumption data from McDonald's AI Track were used for the gas, electricity, purchased fuel and refrigerants figures. Gas and electricity consumption includes extrapolation carried out by Aligned Incentives.

[c] An operational control approach to GHG emissions boundary is defined as: "Your organisation has operational control over an operation if it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies at the operation".

Energy Efficiency Initiatives
The company has continued to seek and progress energy efficiency measures, within both the work processes and the use of work equipment. McDonald's are actively taking part in mandatory compliance schemes, such as the Energy Savings Opportunity Scheme, TCFD and considering the implementation of recommendations outlined in the ESOS audit reports.

The following approaches to energy efficiency are being undertaken by McDonald's Restaurants Limited and will be expanded over the following years:
- Baselining resource use by bringing online increased effort to collate the data on a range of resources.
- Implementation Strategy being developed and deployed to create significant energy and carbon reduction.
- Engagement Strategy with the Supply chain to reduce the associated emissions further.
- Developing Metrics and Targets to reflect performance across our portfolio at the most granular level and more in depth data tracking of the use of resources.
- Governance including Board oversight, culture, training and incentives being developed.

Directors' responsibilities statement
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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors
The audit business of Haines Watts Birmingham LLP was acquired by Cooper Parry Group Limited on 14 November 2023. Haines Watts Birmingham LLP has resigned as auditor and Cooper Parry Group Limited has been appointed in its place.

The auditors, Cooper Parry Group Limited, are deemed re-appointed under Section 487(2) of the Companies Act 2006.

On behalf of the board:

R J Holdcroft - Director

19 December 2024

Opinion
We have audited the financial statements of Robert Holdcroft Limited (the 'company') for the year ended 31 December 2023 which comprise the Income Statement, Other Comprehensive Income, 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 31 December 2023 and of its loss for the year 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.

Material uncertainty related to going concern
We draw attention to Note 2 in the financial statements, which indicates that the company incurred a net loss after tax of £529k during the year ended 31 December 2023 and, as of that date, the company's current liabilities exceeded its current assets by £3.82 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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, 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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.

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 Directors' Responsibilities Statement set out on page six, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the industry, we identified that the principal risks of non-compliance related to breaches of health and safety, including food hygiene. We considered the extent to which non-compliance might have a material affect on the financial statements.

We also considered those laws and regulations that have a direct impact on preparation of the financial statements, such as the Companies Act 2006. We examined management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of overriding of controls) and determined that the principal risks were relating to management bias in accounting estimates, in particular those of accrued liabilities and the useful life of tangible assets.

We also discussed with management the possibility of non-compliance with health and safety and food hygiene regulations and reviewed the management controls in place to detect such irregularities. Audit procedures included challenging assumptions made by management in their significant accounting estimates. There are inherent limitations in the Audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions described in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one due to error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

In assessing the potential risks of material misstatement we obtained an understanding of; the entities operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

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.

Nicola Pearson ACA (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

19 December 2024

Income Statement
for the year ended 31 December 2023

	Notes	2023 £	2022 £
Turnover	3	**55,495,678**	40,267,762
Cost of sales		**(19,894,976)**	(14,556,689)
Gross profit		**35,600,702**	25,711,073
Administrative expenses		**(36,064,838)**	(26,533,805)
Operating loss	5	**(464,136)**	(822,732)
Interest receivable and similar income		**10,230**	-
		(453,906)	(822,732)
Interest payable and similar expenses	6	**(323,535)**	(196,330)
Loss before taxation		**(777,441)**	(1,019,062)
Tax on loss	7	**248,893**	167,476
Loss for the financial year		**(528,548)**	(851,586)

The notes form part of these financial statements

Other Comprehensive Income
for the year ended 31 December 2023

	Notes	2023 £	2022 £
Loss for the year		**(528,548)**	(851,586)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(528,548)**	(851,586)

The notes form part of these financial statements

Balance Sheet
31 December 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	9		**4,809,984**		5,077,121
Tangible assets	10		**4,336,480**		4,961,762
Investments	11		**15,000**		15,000
			9,161,464		10,053,883
Current assets					
Stocks	12	**231,889**		274,136	
Debtors	13	**455,792**		525,094	
Cash at bank and in hand		**1,675,047**		2,054,085	
		2,362,728		2,853,315	
Creditors					
Amounts falling due within one year	14	**6,182,367**		5,630,010	
Net current liabilities			**(3,819,639)**		(2,776,695)
Total assets less current liabilities			**5,341,825**		7,277,188
Creditors					
Amounts falling due after more than one year	15		**(4,403,814)**		(5,491,736)
Provisions for liabilities	19		**(376,741)**		(625,634)
Net assets			**561,270**		1,159,818
Capital and reserves					
Called up share capital	20		**100**		100
Retained earnings	21		**561,170**		1,159,718
Shareholders' funds			**561,270**		1,159,818

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2024 and were signed on its behalf by:

R J Holdcroft - Director

Statement of Changes in Equity
for the year ended 31 December 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2022	100	2,275,304	2,275,404
Changes in equity			
Dividends	-	(264,000)	(264,000)
Total comprehensive income	-	(851,586)	(851,586)
Balance at 31 December 2022	100	1,159,718	1,159,818
Changes in equity			
Dividends	-	(70,000)	(70,000)
Total comprehensive income	-	(528,548)	(528,548)
Balance at 31 December 2023	100	561,170	561,270

The notes form part of these financial statements

Cash Flow Statement
for the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	**1,735,718**	2,511,255
Interest paid		**(323,535)**	(196,330)
Tax paid		**-**	5,655
Net cash from operating activities		**1,412,183**	2,320,580
Cash flows from investing activities			
Purchase of intangible fixed assets		**-**	(5,060,515)
Purchase of tangible fixed assets		**(594,392)**	(3,180,040)
Purchase of fixed asset investments		**-**	(5,000)
Interest received		**10,230**	-
Net cash from investing activities		**(584,162)**	(8,245,555)
Cash flows from financing activities			
New loans in year		**-**	6,500,000
Loan repayments in year		**(1,250,980)**	(1,106,493)
Amount introduced by directors		**174,171**	264,000
Amount withdrawn by directors		**(60,250)**	(196,912)
Equity dividends paid		**(70,000)**	(264,000)
Net cash from financing activities		**(1,207,059)**	5,196,595
Decrease in cash and cash equivalents		**(379,038)**	(728,380)
Cash and cash equivalents at beginning of year	2	**2,054,085**	2,782,465
Cash and cash equivalents at end of year	2	**1,675,047**	2,054,085

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 31 December 2023

1. Reconciliation of loss before taxation to cash generated from operations

	2023	2022
	£	£
Loss before taxation	**(777,441)**	(1,019,062)
Depreciation charges	**1,486,811**	1,229,740
Finance costs	**323,535**	196,330
Finance income	**(10,230)**	-
	1,022,675	407,008
Decrease/(increase) in stocks	**42,247**	(145,726)
Decrease/(increase) in trade and other debtors	**69,302**	(193,756)
Increase in trade and other creditors	**601,494**	2,443,729
Cash generated from operations	**1,735,718**	2,511,255

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:

Year ended 31 December 2023

	31/12/23	1/1/23
	£	£
Cash and cash equivalents	**1,675,047**	**2,054,085**

Year ended 31 December 2022

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	2,054,085	2,782,465

3. Analysis of changes in net debt

	At 1/1/23	Cash flow	At 31/12/23
	£	£	£
Net cash			
Cash at bank and in hand	**2,054,085**	**(379,038)**	**1,675,047**
	2,054,085	**(379,038)**	**1,675,047**
Debt			
Debts falling due within 1 year	**(1,250,980)**	**163,058**	**(1,087,922)**
Debts falling due after 1 year	**(5,491,736)**	**1,087,922**	**(4,403,814)**
	(6,742,716)	**1,250,980**	**(5,491,736)**
Total	**(4,688,631)**	**871,942**	**(3,816,689)**

1. **Statutory information**

Robert Holdcroft 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.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern
The company made a net loss of £529k and is in a net current liabilities position at the balance sheet date. However this is a reflection of the nature of the fast food industry and not a reflection of the strength of the business.

The directors have considered the application of the going concern basis of accounting in doing so they have considered the period from the date of this report until 31 December 2025. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. However, owing to the uncertainty surrounding the level of financial support being provided by the franchisor, there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually at the point of sale, the amount of revenue can be reliably measured, it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be reliably measured.

Franchise rights & fees
Franchise rights & fees, being the amounts paid on acquisition of restaurants are being written off evenly over the terms 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
Fixtures and fittings	-	at varying rates on cost
Motor vehicles	-	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.

Cash at bank and in hand
Cash at bank and in hand are basic financial assets comprising of cash in hand, demand deposits with bank, other short-term liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within current liabilities.

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.

continued...

2. **Accounting policies - continued**

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.

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
At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to each asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

continued...

2. **Accounting policies - continued**

Financial instruments
The Company only enters into basic financial instruments 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.

For financial assets measured at amortised cost, the impairment cost is measured at the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the assets effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

Finance costs
Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Dividends
Equity dividends are recognised when they legally become payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Judgements in applying accounting policies and key sources of estimation uncertainty
In the process of applying the company's accounting policies, management are required to make certain estimates and judgements. The key estimates and judgements are as follows:

Depreciation and residual values
The director has reviewed the asset lives and associated residual values of all fixed asset classes, and has concluded that asset lives and residual values are appropriate.

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. **Turnover**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2023	**2022**
	£	**£**
Food	**54,579,144**	39,309,797
Non product	**916,534**	957,965
	55,495,678	40,267,762

The whole of turnover is derived from the United Kingdom.

continued...

4. **Employees and directors**

	2023	2022
	£	£
Wages and salaries	**15,625,512**	10,961,484
Social security costs	**673,584**	409,257
Other pension costs	**269,551**	178,342
	16,568,647	11,549,083

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

	2023	2022
Crew	**1,190**	980
Management	**49**	45
	1,239	1,025

	2023	2022
	£	£
Directors' remuneration	**14,500**	14,500
Directors' pension contributions to money purchase schemes	**39,993**	39,996

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**1**	1

5. **Operating loss**

The operating loss is stated after charging:

	2023	2022
	£	£
Other operating leases	**5,430,039**	4,377,036
Depreciation - owned assets	**1,219,674**	1,110,200
Franchise fees amortisation	**16,917**	13,772
Franchise rights amortisation	**250,220**	105,768
Auditors' remuneration	**9,976**	9,500
Other non- audit services	**21,061**	11,969

6. **Interest payable and similar expenses**

	2023	2022
	£	£
Bank interest	**323,535**	190,675
HMRC interest	**-**	5,655
	323,535	196,330

continued...

7. **Taxation**

Analysis of the tax credit
The tax credit on the loss for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	-	(426,508)
Deferred tax	(248,893)	259,032
Tax on loss	(248,893)	(167,476)

UK corporation tax has been charged at 25% (2022 - 19%).

Reconciliation of total tax credit included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Loss before tax	(777,441)	(1,019,062)
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	(194,360)	(193,622)
Effects of:		
Expenses not deductible for tax purposes	5,637	10,736
Capital allowances in excess of depreciation	-	(263,931)
Depreciation in excess of capital allowances	120,670	-
Deferred revenue write off	-	(14,732)
Deferred taxation	(248,893)	259,032
Losses carried forward	68,053	35,041
Total tax credit	(248,893)	(167,476)

The UK's main corporation tax increased form 19% to 25%, effective from 1 April 2023.

Deferred tax has been calculated at 25% (2022 - 25%).

8. **Dividends**

	2023	2022
	£	£
Ordinary A shares of £1 each		
Interim	35,000	132,000
Ordinary B shares of £1 each		
Interim	35,000	132,000
	70,000	264,000

continued...

9. Intangible fixed assets

	Franchise fees £	Franchise rights £	Totals £
Cost			
At 1 January 2023 and 31 December 2023	**368,340**	**5,021,629**	**5,389,969**
Amortisation			
At 1 January 2023	**150,574**	**162,274**	**312,848**
Amortisation for year	**16,917**	**250,220**	**267,137**
At 31 December 2023	**167,491**	**412,494**	**579,985**
Net book value			
At 31 December 2023	**200,849**	**4,609,135**	**4,809,984**
At 31 December 2022	217,766	4,859,355	5,077,121

10. Tangible fixed assets

	Short leasehold £	Restaurant equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost					
At 1 January 2023	**133,876**	**11,776,982**	**1,776,306**	**105,517**	**13,792,681**
Additions	**-**	**239,578**	**354,814**	**-**	**594,392**
At 31 December 2023	**133,876**	**12,016,560**	**2,131,120**	**105,517**	**14,387,073**
Depreciation					
At 1 January 2023	**96,450**	**7,082,900**	**1,623,580**	**27,989**	**8,830,919**
Charge for year	**1,949**	**880,557**	**305,968**	**31,200**	**1,219,674**
At 31 December 2023	**98,399**	**7,963,457**	**1,929,548**	**59,189**	**10,050,593**
Net book value					
At 31 December 2023	**35,477**	**4,053,103**	**201,572**	**46,328**	**4,336,480**
At 31 December 2022	37,426	4,694,082	152,726	77,528	4,961,762

11. Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2023 and 31 December 2023	**15,000**
Net book value	
At 31 December 2023	**15,000**
At 31 December 2022	15,000

Fixed asset investments consists of 15,000 (2022 - 15,000) ordinary shares of £1 each in Fries Holding Company Limited, a company registered in Guernsey. The investments are included in the accounts at cost.

continued...

12. Stocks

	2023 £	2022 £
Food stock	**163,940**	205,251
Paper stock	**48,938**	53,919
Non product stock	**19,011**	14,966
	231,889	274,136

13. Debtors: amounts falling due within one year

	2023 £	2022 £
Other debtors	**306,639**	383,274
Prepayments	**149,153**	141,820
	455,792	525,094

14. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts (see note 16)	**1,087,922**	1,250,980
Trade creditors	**2,029,118**	1,572,704
Corporation tax	**5,655**	5,655
Social security and other taxes	**187,203**	130,122
VAT	**1,244,578**	1,141,163
Other creditors	**104,594**	122,727
Directors' current accounts	**185,005**	71,084
Accrued expenses	**1,338,292**	1,335,575
	6,182,367	5,630,010

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

	2023 £	2022 £
Bank loans (see note 16)	**4,403,814**	5,491,736

16. Loans

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year or on demand:		
Bank loans	**1,087,922**	1,250,980
Amounts falling due between one and two years:		
Bank loans - 1-2 years	**1,055,310**	1,087,922
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**3,348,504**	4,403,814

The bank loans are unsecured and carry interest at rates between 1.0% and 1.45% over base. The bank loans are repayable over terms of three and five years

continued...

17. **Leasing agreements**

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

	2023	2022
	£	£
Within one year	**1,611,720**	1,547,568
Between one and five years	**6,050,033**	6,081,532
In more than five years	**9,286,126**	10,677,406
	16,947,879	18,306,506

Lease payments recognised as an expense in the year totalled £5,430,039 (2022 - £4,377,036).

The Company's restaurant premises are leased from McDonalds Restaurants Limited under non-cancellable operating leases with expiry terms of more than five years. Rent is calculated as a percentage of sales above base, the above operating lease commitment only relates to base rent. Each restaurant pays its own unique base rent based on its circumstances, with the remainder of the rent being based on the performance of the restaurant.

18. **Financial instruments**

Financial Assets	2023	**2022**
	£	**£**
Financial assets as an equity instrument	15,000	15,000
Financial assets that are debt instruments measured at amortised cost	1,981,686	2,437,358
	1,996,686	2,452,358
Financial Liabilities	9,148,745	9,844,803
	9,148,745	9,844,803

19. **Provisions for liabilities**

	2023	2022
	£	£
Deferred tax	**376,741**	625,634

	Deferred tax
	£
Balance at 1 January 2023	**625,634**
Credit to Income Statement during year	**(248,893)**
Balance at 31 December 2023	**376,741**

20. **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

continued...

21. Reserves

	Retained earnings £
At 1 January 2023	1,159,718
Deficit for the year	(528,548)
Dividends	(70,000)
At 31 December 2023	561,170

22. Related party disclosures

During the year, total dividends of £70,000 (2022 - £264,000) were paid to the directors .

As at the balance sheet date, there is an amount due by the directors of the company totalling £185,005 (2022 - £71,084).

The amount bears no fixed interest rate and is repayable on demand.

23. Ultimate controlling party

The controlling party is R J Holdcroft.