

Company registration number 06390957 (England and Wales)

**DESKLODGE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# DESKLODGE LIMITED

## COMPANY INFORMATION

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<b>Director</b>	T Ball
<b>Secretary</b>	H Romain
<b>Company number</b>	06390957
<b>Registered office</b>	Deskldodge House 2 Redcliffe Way Bristol United Kingdom BS1 6NL
<b>Auditor</b>	Gravita ABG LLP 30 City Road London EC1Y 2AB

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# DESKLODGE LIMITED

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# **DESKLODGE LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The director presents the strategic report for the year ended 31 December 2022.

#### **Business Review**

##### **Post-covid**

After a tough year in 2021, 2022 saw a return to a sense of normality. After almost two years of lockdowns, we were very pleased to welcome our members back, and to re-build our community.

DeskLodge ("DL") were able to implement price increases to existing contracts during the year. During this period, costs were monitored carefully, and restricted where possible to protect working capital. Once the government lockdowns were finally over, we undertook a round of new staff to increase the number of excellent people that we employ. DL has also looked after its staff during the economic crisis by increasing salaries quarterly in line with inflation. This was done to give them one less thing to worry about, so they could focus on helping us look after our members and because it was the right thing to do.

DL was also able to recommence the socials that are held twice per month, and other activities. These opportunities to build community are really helpful to many, but particularly to those one-person businesses as they provide some "work" colleagues to interact with, and thereby often improve mental health.

##### **Innovation**

DL continued to find companies very interested in our "part-time offices" and "day offices" as a solution to staff wanting to continue working in a hybrid manner. A "part-time office" is a private office, complete with screens and power on each desk. These let a company book an office for a certain number of regular days each week, and then the staff have the option to use the hotdesking areas the rest of the week or work from home.

This innovation led to DL being one of three finalists nationwide in the FlexSA industry awards for Service Innovation (Alongside being a national finalist for Workspace Design with Reading and the winner of Excellence in Customer Service for South West England). Our experience is that it really helps companies to be in a space for brief periods to start with to see the benefits, and clients often progress from day-offices to a regular part-time office to a normal, full-time office.

These products are more intensive on staff time, but more profitable when full. More importantly, they allow us to have a (currently unique in Bristol) offering, which attracts companies who are likely to grow with us. Having the option of a part-time office also serves as a "holding pattern" for companies waiting for a full-time office with us, giving fewer voids and fewer client losses when we cannot help them immediately.

DeskLodge also held its first family fun day, with stalls, entertainment and food in the parking area at DeskLodge House, Bristol. This was a great opportunity for children / families to see where the work happens – and great fun was had by all. This is another way to help grow the community at DeskLodge House, to reinforce that where you work matters and will be repeated!

##### **Existing locations**

DeskLodge House continued to be our flagship location, alongside a smaller area at One Castle Park in Bristol.

Due to changes within the Landlord at Basingstoke, we were offered five year's profit as a lump sum to exit the site – whilst passing on the offices and companies who were with us. Basingstoke proved to be too car dependent as it was further from the station than our usual model, and had very limited parking. This also gave us the opportunity to move and open a location in Reading, which is on the Paddington main line from London, the same line as Bristol, offering better connections between our locations.

# DESKLODGE LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Business Review

#### New Locations

In Reading, we have taken two floors in a building very close to the railway station on the Caversham side. The fitout took longer than usual due to availability of suppliers, but very worthwhile as the comment from one well known viewer was that "it's the best one yet". As a new town for us, the take up has been slower than hoped, but we are working on this and on creating a template for future towns.

In March 2022, we also signed a lease for a wonderful building in the heart of Bristol, now known as Beacon Tower. The agreement with the landlord included a complete refurbishment of the building by them before we move in. Initially this progressed well, but due to a number of unforeseen issues, the Landlord has been delayed in handing over the keys, and from a target date of July 2022 we only got the keys in April 2023! Our build team have been hard at work in advance, and have in store many props, and set pieces ready to install. This is a new strategy which should make our fitout quicker and smoother.

#### Future locations

The delays to the new location Beacon Tower have impacted profit for the year – as well as having a knock-on effect in delaying future growth. However, DL has used this time to develop our leadership team to be in a good position to catch up when conditions permit. DL are always on the lookout for good locations to expand into, so watch our website for where we will pop up next! DL seeks locations that are near to railway stations, promoting the use of public transport, and also provides bike storage and showers to encourage walking or cycling to work.

#### Strategic management

DL now has a strong senior leadership team who meet weekly with daily update calls. They also have quarterly reviews of long-term and short-term goals and to set the strategy for the next quarter.

DL recognises the importance of its staff and their role in the creation of the right atmosphere at each of its locations. Staff are carefully selected, and once established are encouraged to develop their skills and progress within the company. DL offer both internal and external training to help staff develop – which is commented on almost daily in public Google reviews.

DeskLodge is in the process of becoming B-Corp certified, the predicted grading is currently in excess of 100 points. This represents areas across Environmental, Social and Governance ("ESG") and signifies the accomplishments in our impact.

Examples include an average of 4.5% of our overall waste going to land fill, water conservation processes to minimise water usage. Sovereign House were recognised nationally and accredited "Green Apple Environment Award". Active EMS with over 90 social and environmental targets are being implemented throughout the business. Discounts of services and free event space offered to non-profit businesses. In addition DeskLodge is a Living Wage employer, as well as all employees having private health care, and £500 to put towards personal growth

In terms of the longer goals, the business plan is to open approx. 17 new locations in the southwest over the next 8 years; being a mixture of larger and smaller venues. DL are aiming to provide the best working experience for the small business community. "It looks like work, feels like fun: this is *hybrid working 2023*". This growth is expected to be funded by a mix of revenue and short-term debt. Our balance sheet is in a strong position to support this – but we are open to selling equity if required.

# **DESKLODGE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **Principal Risks and Uncertainties**

#### **Further lockdowns?**

DL learnt a huge amount during the unexpected lockdowns, and would be in a better position should they occur again. DL is geared to allow tenants to increase or decrease office space with relative ease and is always looking for new ideas to suit the market, such as the part time offices mentioned above.

#### **Competitors**

There are several other serviced office providers in Bristol, however the style of DeskLodge, and the desire to build a community for the residents seems to be popular and to clearly differentiate DeskLodge from competitors.

During the recent quieter periods, a lot of work has been undertaken on the DL branding and reviewing all our communications and publicity to further differentiate ourselves.

#### **Growth**

In terms of seeking new locations, care will be taken to examine possible sites considering the experience gained from existing locations. DL will review local communities to assess whether the DL brand and desire for community will be received well.

#### **Finance**

Last year DeskLodge had hoped to seek a more efficient mortgage for the DeskLodge House property (owned by subsidiary Ringstead 201 Ltd). However, with the economic uncertainty, the rise in mortgage interest, and also the delays to the Beacon Tower location, the decision was taken to extend the current facility with Stondon Capital to June 2024. Once Beacon Tower is up and running, replacement finance will be considered.

The loan with Stondon Capital includes covenants for EBITDA and Debt Ratio, and DL have been fully compliant with these for the whole year.

# DESKLODGE LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Financial Results and Key Performance Indicators

#### Profit and Loss

Turnover for the year for the group was £3.2m from 2.5 locations. This is up 11.3% from the previous year [2021: £2.9m].

In addition to this turnover, the group also received compensation for the early surrender of the lease at Basing View, Basingstoke, totalling £612k. This compensation was recognised in full during the year. EBITDA figures are £1.6m (inclusive of compensation), and £1.0m without compensation. The figure without compensation is almost the same as last year. [2021: £0.9m; without compensation]

After operating costs for the locations, and all overheads have been allocated, the company has posted pre-tax profits before interest of £1.1m [2021: £2.1m].

The pre-tax operating profit margin for the year is 16% (2021: 9%) (Figures excluding compensation). Although there was a small increase in turnover this has been offset by the increase in costs of leases ended and taking on new locations.

#### Financial Position

The group is showing £686k in the bank, a decrease of 26% compared to the previous year [2021: £926k].

Current assets are valued at £1m, [2021: £1.2m]. Fixed assets are valued at £6.7m [2021: £6.9m].

There are current liabilities of £4.1m, [2021: £5.1m]; Non-current liabilities of £nil [2021: £nil].

Net assets remain strong at £3.2m, an increase of 26% compared to the previous year [2021: £2.5m].

The debt ratio remains strong at 0.59:1. A small improvement on the previous year of 0.69:1. and reflects the continuing strong financial position of DL.

The long-term liabilities from leases for the group are £700k which includes one new lease at Sovereign House, Reading.

#### Financial forecast

In terms of the budget going forwards DL expect for 2023: Pre-tax Profits of £750k; EBITDA of £1.0m; and approx. £388k in the bank; and net assets of £3.3m. Based on 3.5 locations equivalent, with only a small contribution from Beacon Tower by the end of the year.

On behalf of the board

T Ball  
**Director**

28 June 2023

# DESKLODGE LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The director presents his annual report and financial statements for the year ended 31 December 2022.

#### Principal activities

The principal activity of the company and group continued to be that of serviced office space.

#### Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

#### Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

T Ball

#### Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

T Ball

**Director**

28 June 2023



# DESKLODGE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DESKLODGE LIMITED

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#### Opinion

We have audited the financial statements of Deskldodge Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 2022 and of the group's profit 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

# DESKLODGE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DESKLODGE LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the parent 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 director either intends to liquidate the parent company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's 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 auditor's 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.

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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

### ***The extent to which the audit was considered capable of detecting irregularities including fraud:***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including, but not limited to, laws covering the Companies Act 2006 and relevant taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant documentation; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## **DESKLODGE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DESKLODGE LIMITED**

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We assessed the susceptibility of the group and company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- understanding the business model as part of the control and business environment;
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates and judgements identified in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing documentation and enquiring with the company of actual and potential non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **DESKLODGE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DESKLODGE LIMITED**

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#### **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 auditor's 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.

**John Donohoe FCA (Senior Statutory Auditor)**  
**For and on behalf of Gravita ABG LLP**

28 June 2023

**Chartered Accountants**  
**Statutory Auditor**

30 City Road  
London  
EC1Y 2AB

## DESKLODGE LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	3,173,286	2,851,861
Cost of sales		(70,852)	(101,829)
<b>Gross profit</b>		<b>3,102,434</b>	<b>2,750,032</b>
Administrative expenses		(2,660,152)	(2,564,510)
Other operating income		665,461	1,987,999
<b>Operating profit</b>	<b>5</b>	<b>1,107,743</b>	<b>2,173,521</b>
Interest receivable and similar income	9	6,012	396
Interest payable and similar expenses	10	(331,823)	(361,452)
<b>Profit before taxation</b>		<b>781,932</b>	<b>1,812,465</b>
Tax on profit	11	(127,140)	(491,975)
<b>Profit for the financial year</b>	<b>22</b>	<b>654,792</b>	<b>1,320,490</b>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# DESKLODGE LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		6,742,621		6,871,640
<b>Current assets</b>					
Debtors	15	314,554		317,439	
Cash at bank and in hand		686,424		926,321	
		<u>1,000,978</u>		<u>1,243,760</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(4,114,423)</u>		<u>(5,100,407)</u>	
<b>Net current liabilities</b>			<u>(3,113,445)</u>		<u>(3,856,647)</u>
<b>Total assets less current liabilities</b>			3,629,176		3,014,993
<b>Provisions for liabilities</b>					
Provisions	18	92,042		142,888	
Deferred tax liability	19	<u>370,479</u>		<u>360,242</u>	
			<u>(462,521)</u>		<u>(503,130)</u>
<b>Net assets</b>			<u>3,166,655</u>		<u>2,511,863</u>
<b>Capital and reserves</b>					
Called up share capital	21		131		131
Share premium account	22		106,403		106,403
Profit and loss reserves	22		<u>3,060,121</u>		<u>2,405,329</u>
<b>Total equity</b>			<u>3,166,655</u>		<u>2,511,863</u>

The financial statements were approved and signed by the director and authorised for issue on 28 June 2023

T Ball  
Director

Company registration number 06390957 (England and Wales)

# DESKLODGE LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	12	704,701	707,930
Investments	13	10	10
		<u>704,711</u>	<u>707,940</u>
<b>Current assets</b>			
Debtors	15	6,372,844	6,478,643
Cash at bank and in hand		685,483	925,743
		<u>7,058,327</u>	<u>7,404,386</u>
<b>Creditors: amounts falling due within one year</b>	16	(4,241,264)	(5,205,267)
<b>Net current assets</b>		<u>2,817,063</u>	<u>2,199,119</u>
<b>Total assets less current liabilities</b>		<u>3,521,774</u>	<u>2,907,059</u>
<b>Provisions for liabilities</b>			
Provisions	18	92,042	142,888
Deferred tax liability	19	370,479	360,242
		<u>(462,521)</u>	<u>(503,130)</u>
<b>Net assets</b>		<u><u>3,059,253</u></u>	<u><u>2,403,929</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	131	131
Share premium account	22	106,403	106,403
Profit and loss reserves	22	2,952,719	2,297,395
<b>Total equity</b>		<u><u>3,059,253</u></u>	<u><u>2,403,929</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £655,324 (2021 - £1,397,106 profit).

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

The financial statements were approved and signed by the director and authorised for issue on 28 June 2023

T Ball  
Director

Company registration number 06390957 (England and Wales)

# DESKLODGE LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	131	106,403	1,084,839	1,191,373
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year	-	-	1,320,490	1,320,490
Balance at 31 December 2021	131	106,403	2,405,329	2,511,863
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year	-	-	654,792	654,792
Balance at 31 December 2022	131	106,403	3,060,121	3,166,655



## DESKLODGE LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 DECEMBER 2022*

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	131	106,403	900,289	1,006,823
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	1,397,106	1,397,106
Balance at 31 December 2021	131	106,403	2,297,395	2,403,929
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	655,324	655,324
Balance at 31 December 2022	131	106,403	2,952,719	3,059,253

# DESKLODGE LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	1,265,672	1,713,123
Interest paid		(331,823)	(361,452)
Income taxes paid		(289,463)	(86,227)
<b>Net cash inflow from operating activities</b>		<u>644,386</u>	<u>1,265,444</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(395,295)	(112,325)
Proceeds from disposal of tangible fixed assets		-	16,086
Interest received		6,012	5,017
Other income received from investments		-	(4,621)
<b>Net cash used in investing activities</b>		<u>(389,283)</u>	<u>(95,843)</u>
<b>Financing activities</b>			
Repayment of borrowings		(495,000)	(550,000)
<b>Net cash used in financing activities</b>		<u>(495,000)</u>	<u>(550,000)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(239,897)</u>	<u>619,601</u>
Cash and cash equivalents at beginning of year		<u>926,321</u>	<u>306,720</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>686,424</u></u>	<u><u>926,321</u></u>

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### 1 Accounting policies

#### Company information

Deskldodge Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Deskldodge House, 2 Redcliffe Way, Bristol, United Kingdom, BS1 6NL.

The group consists of Deskldodge Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Deskldodge Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### 1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% and 10% straight line
Plant and equipment	20% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.12 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 to be 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.

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Dilapidation provision

The Company is engaged in lease arrangements. As part of the lease arrangements, the company is responsible for the cost of replacing, reinstalling or rectifying the assets where there is a present contractual or statutory requirement. The dilapidations provision is based on the future expected repair costs required to restore the leased building to their fair condition at the end of their respective lease term.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Provision of serviced office space	3,173,286	2,851,861
	<u>          </u>	<u>          </u>
	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	6,012	396
Grants received	-	59,378
	<u>          </u>	<u>          </u>

### 4 Other operating income

Included in other operating income is £612,500 (2021 - £1,920,000) for compensation received for the early surrender of a lease.

### 5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(59,378)
Depreciation of owned tangible fixed assets	495,539	636,227
Loss on disposal of tangible fixed assets	28,775	44,148
Operating lease charges	333,763	309,695
	<u>          </u>	<u>          </u>

### 6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	40,500	8,750
	<u>          </u>	<u>          </u>



# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
11	14	11	14

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	374,950	363,348	374,950	363,348
Social security costs	34,527	29,477	34,527	29,477
Pension costs	13,691	13,324	13,691	13,324
	423,168	406,149	423,168	406,149

### 8 Director's remuneration

	2022 £	2021 £
Remuneration for qualifying services	70,144	58,650

### 9 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Other interest income	6,012	5,017
Total interest revenue	6,012	5,017

### 10 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	331,823	361,452

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 11 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	131,088	269,993
Adjustments in respect of prior periods	(14,185)	-
Total current tax	116,903	269,993
<b>Deferred tax</b>		
Origination and reversal of timing differences	10,237	221,982
Total tax charge	127,140	491,975

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	781,932	1,812,465
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	148,567	344,368
Tax effect of expenses that are not deductible in determining taxable profit	15,854	1,379
Tax effect of income not taxable in determining taxable profit	(128,536)	(342,000)
Permanent capital allowances in excess of depreciation	(6,130)	(3,412)
Other permanent differences	-	75,044
Deferred tax adjustments in respect of prior years	-	114,632
Loss on disposal of fixed assets	5,467	301,964
Chargeable gain	95,866	-
Deferred tax	10,237	-
Adjustment in respect of prior year	(14,185)	-
Taxation charge	127,140	491,975

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	6,332,995	1,765,433	5,000	8,103,428
Additions	-	371,100	24,195	395,295
Disposals	-	(377,755)	-	(377,755)
At 31 December 2022	6,332,995	1,758,778	29,195	8,120,968
<b>Depreciation and impairment</b>				
At 1 January 2022	140,288	1,087,167	4,333	1,231,788
Depreciation charged in the year	130,139	364,024	1,376	495,539
Eliminated in respect of disposals	-	(348,980)	-	(348,980)
At 31 December 2022	270,427	1,102,211	5,709	1,378,347
<b>Carrying amount</b>				
At 31 December 2022	6,062,568	656,567	23,486	6,742,621
At 31 December 2021	6,192,707	678,266	667	6,871,640
<b>Company</b>				
	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	43,495	1,765,433	5,000	1,813,928
Additions	-	371,100	24,195	395,295
Disposals	-	(377,755)	-	(377,755)
At 31 December 2022	43,495	1,758,778	29,195	1,831,468
<b>Depreciation and impairment</b>				
At 1 January 2022	14,498	1,087,167	4,333	1,105,998
Depreciation charged in the year	4,349	364,024	1,376	369,749
Eliminated in respect of disposals	-	(348,980)	-	(348,980)
At 31 December 2022	18,847	1,102,211	5,709	1,126,767
<b>Carrying amount</b>				
At 31 December 2022	24,648	656,567	23,486	704,701
At 31 December 2021	28,997	678,266	667	707,930

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	10	10

#### Movements in fixed asset investments Company

##### Cost or valuation

At 1 January 2022 and 31 December 2022	10
--	----

##### Carrying amount

At 31 December 2022	10
At 31 December 2021	10

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Ringstead 201 Limited	Desk Lodge House, Redcliffe Way, Bristol, BS1 6NL	Ordinary	100.00

### 15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	89,580	28,588	89,580	28,588
Corporation tax recoverable	19,470	-	19,470	-
Amounts owed by group undertakings	-	-	-	6,180,018
Other debtors	70,080	54,285	70,080	54,285
Prepayments and accrued income	135,424	234,566	116,696	215,752
	<u>314,554</u>	<u>317,439</u>	<u>295,826</u>	<u>6,478,643</u>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	6,077,018	-
	<u>-</u>	<u>-</u>	<u>6,077,018</u>	<u>-</u>
<b>Total debtors</b>	<u>314,554</u>	<u>317,439</u>	<u>6,372,844</u>	<u>6,478,643</u>

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	17	2,705,000	3,200,000	2,705,000	3,200,000
Trade creditors		415,876	488,094	405,205	488,094
Corporation tax payable		116,903	269,993	87,522	207,961
Other taxation and social security		71,840	106,512	42,398	77,069
Other creditors		540,160	933,956	736,495	1,130,291
Accruals and deferred income		264,644	101,852	264,644	101,852
		<u>4,114,423</u>	<u>5,100,407</u>	<u>4,241,264</u>	<u>5,205,267</u>

### 17 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other loans	<u>2,705,000</u>	<u>3,200,000</u>	<u>2,705,000</u>	<u>3,200,000</u>
Payable within one year	<u>2,705,000</u>	<u>3,200,000</u>	<u>2,705,000</u>	<u>3,200,000</u>

As at 31 December 2022, Stondon Capital Limited holds a fixed and floating charge over property assets of group companies. The loan incurs interest at 10% per annum.

After the year end the company extended its current facility with Stondon Capital to June 2024.

### 18 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Dilapidations	<u>92,042</u>	<u>142,888</u>	<u>92,042</u>	<u>142,888</u>

Movements on provisions:

Group	Dilapidations £
At 1 January 2022	142,888
Additional provisions in the year	(50,846)
At 31 December 2022	<u>92,042</u>

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Provisions for liabilities

(Continued)

Company	£
At 1 January 2022	142,888
Additional provisions in the year	(50,846)
At 31 December 2022	92,042

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Group</b>		
Fixed asset timing differences	122,972	112,735
Roll over relief	247,507	247,507
	370,479	360,242
	Liabilities 2022 £	Liabilities 2021 £
<b>Company</b>		
Fixed asset timing differences	122,972	112,735
Roll over relief	247,507	247,507
	370,479	360,242
	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Liability at 1 January 2022	360,242	360,242
Charge to profit or loss	10,237	10,237
Liability at 31 December 2022	370,479	370,479

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 20 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	13,691	13,324

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 21 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £.00002 each	6,530,191	6,530,191	131	131

### 22 Reserves

#### Profit and loss reserves

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

### 23 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	321,880	275,246	910,886	864,252
Between two and five years	735,293	679,741	3,091,317	3,035,765
In over five years	-	492,512	1,518,506	2,600,024
	1,057,173	1,447,499	5,520,709	6,500,041

### 24 Controlling party

The ultimate controlling party is Tom Ball.

# DESKLODGE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 25 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	654,792	1,320,490
<b>Adjustments for:</b>		
Taxation charged	127,140	491,975
Finance costs	331,823	361,452
Investment income	(6,012)	(396)
Loss on disposal of tangible fixed assets	28,775	44,148
Depreciation and impairment of tangible fixed assets	495,539	640,513
(Decrease)/increase in provisions	(50,846)	142,888
<b>Movements in working capital:</b>		
(Increase)/Decrease in debtors	22,355	598,754
Increase/(Decrease) in creditors	(337,894)	(1,886,701)
<b>Cash generated from operations</b>	<b>1,265,672</b>	<b>1,713,123</b>

### 26 Analysis of changes in net debt - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	926,321	(239,897)	686,424
Borrowings excluding overdrafts	(3,200,000)	495,000	(2,705,000)
	<b>(2,273,679)</b>	<b>255,103</b>	<b>(2,018,576)</b>



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.