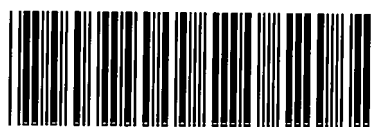


**DPSK LIMITED**  
**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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# **DPSK LIMITED**

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**DPSK LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**DIRECTORS:**

S S Kandola  
G Dhaliwal

**REGISTERED OFFICE:**

Fortune House  
Crabtree Office Village  
Eversley Way  
Egham  
Surrey  
TW20 8RY

**REGISTERED NUMBER:**

08966461 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Piers Harrison

**INDEPENDENT AUDITORS:**

BDO LLP  
Mortlock House  
Station Road  
Histon  
Cambridge  
Cambridgeshire  
CB24 9NP

**DPSK LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their strategic report for the year ended 31 March 2018.

**REVIEW OF BUSINESS**

The directors aim to present a balanced and comprehensive review of the developments and performance of the business during the year and its position at the year end. This review is consistent with the size and complexity of the business and is written in the context of the risks and uncertainties faced by the business.

Throughout the year the company's trade continued to be that of providing goods and services in respect of a take-away food business, under a contract.

During the year the company continued to grow organically. The company was also able to open 13 new stores throughout the year. These new stores were funded from cash reserves and £13m of additional bank loans.

The company continues to generate positive cash flows from its operating activities and was able to repay £12.7m of bank loan finance and £15.8m of other loans during the year.

The directors consider that the key financial performance indicators are those that communicate the financial performance and strengths of the company as a whole, these being Turnover and Profitability.

Turnover increased by 10.5% this year to £104.7m (2017: £94.8m). Profit for the year, before taxation, depreciation and amortisation charges increased by 1.4% to £18.1m (2017: £17.8m).

As explained in note three to the financial statements the company has net current liabilities at the balance sheet date. The directors expect the company will continue to be able to meet its liabilities as they fall due.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company faces a number of risk and uncertainties that may have an adverse impact on the Company's operation, performance, future prospects and the ability to deliver its targets.

The risks and uncertainties described represent those which the directors consider to be the most significant in achieving the potential success of the Company. These principal risks do not comprise all of the risks associated with the company and are not set out in any order of priority.

Damage to the brand

The success of the Company is based on the operation of the master franchisor's brand. If any significant external events were to occur that impacted the integrity of this brand, this could result in financial performance declining. The directors believe that strong branding and continual product development will help the Company to mitigate these risks.

The master franchisor regularly performs operations evaluation reporting which rates the performance of the store across a number of measures based on a points and star system. The Company helps to maintain store performance through a strong internal structure of responsible staff and regular communication concerning any issues.

Liquidity

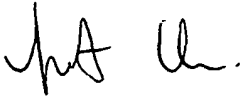
To manage the working capital needs of the business and to finance the Company's expansion plans, the Company is reliant on being able to arrange and maintain sufficient financing. Should this become a problem, it could delay the momentum of new stores or could threaten the Company's ability to continue as a going concern.

**DPSK LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

Staff retention and recruitment

The Company is reliant on its key management in particular and staff for the operation of its business and expansion of the business. The Company's ability to recruit, retain and motivate suitably qualified and experienced staff is important for the Company's success.

**ON BEHALF OF THE BOARD:**



.....  
S S Kandola - Director

Date: ..... 31-10-2018 .....

## **DPSK LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was related to take-away food outlets.

#### **DIVIDENDS**

No dividends were distributed for the year ended 31 March 2018.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

S S Kandola  
G Dhaliwal

#### **EMPLOYMENT POLICIES**

The Company is committed to the principle of equal opportunity in employment. The Company recruits and selects applicants for employment based solely on a person's qualifications and suitability for the position, whilst bearing in mind equality and diversity. It is the Company's policy to recruit the most capable person available for each position.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employees are encouraged to participate in the success of the business through performance related remuneration. All management and staff are expected to communicate fully the ongoing performance of their own area of responsibility.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Company maintains insurance against certain liabilities, which could arise from negligent act or a breach of duty by its directors and officers in the discharge of their duties.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**DPSK LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2018**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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

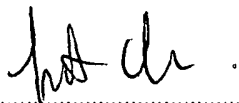
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, BDO LLP, were appointed during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
S S Kandola - Director

Date: 31-10-2018 .....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DPSK LIMITED**

### **Opinion**

We have audited the financial statements of DPSK Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and 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 March 2018 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.

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DPSK LIMITED**

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, 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 controls 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 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DPSK LIMITED**

**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.

 BDO LLP

Piers Harrison (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
Mortlock House  
Station Road  
Histon  
Cambridge  
Cambridgeshire  
CB24 9NP

Date: 1 November 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**DPSK LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

		31.3.18	31.3.17 as restated £
	Notes	£	
<b>TURNOVER</b>	4	104,740,310	94,755,147
Cost of sales		<u>83,348,305</u>	<u>73,151,432</u>
<b>GROSS PROFIT</b>		21,392,005	21,603,715
Administrative expenses		<u>24,123,951</u>	<u>23,921,667</u>
		(2,731,946)	(2,317,952)
Other operating income		<u>133,500</u>	<u>89,000</u>
<b>OPERATING LOSS</b>	7	(2,598,446)	(2,228,952)
Interest payable and similar expenses	9	<u>2,103,718</u>	<u>2,406,076</u>
<b>LOSS BEFORE TAXATION</b>		(4,702,164)	(4,635,028)
Tax on loss	10	<u>-</u>	<u>1,322,554</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(4,702,164)</u>	<u>(5,957,582)</u>

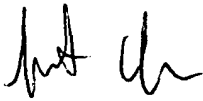
The notes form part of these financial statements

**DPSK LIMITED (REGISTERED NUMBER: 08966461)**

**STATEMENT OF FINANCIAL POSITION  
31 MARCH 2018**

	Notes	31.3.18		31.3.17	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	12		130,378,859		149,678,006
Tangible assets	13		19,715,078		15,151,140
Investments	14		<u>168,737</u>		<u>168,737</u>
			150,262,674		164,997,883
<b>CURRENT ASSETS</b>					
Debtors	15	6,799,853		3,522,355	
Cash at bank and in hand		<u>3,338,812</u>		<u>3,426,993</u>	
		10,138,665		6,949,348	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>27,696,612</u>		<u>20,573,138</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(17,557,947)</u>		<u>(13,623,790)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			132,704,727		151,374,093
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		<u>25,786,782</u>		<u>39,753,984</u>
<b>NET ASSETS</b>			<u>106,917,945</u>		<u>111,620,109</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		125,001,000		125,001,000
Retained earnings	22		<u>(18,083,055)</u>		<u>(13,380,891)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>106,917,945</u>		<u>111,620,109</u>

The financial statements were approved by the Board of Directors on 31-10-2018 and were signed on its behalf by:



.....  
S S Kandola - Director

The notes form part of these financial statements

**DPSK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Accumulated losses £	Total equity £
<b>Balance at 1 April 2016</b>	1,000	(7,423,309)	(7,422,309)
<b>Changes in equity</b>			
Issue of share capital	125,000,000	-	125,000,000
Total comprehensive loss	<u>-</u>	<u>(5,957,582)</u>	<u>(5,957,582)</u>
<b>Balance at 31 March 2017</b>	<u>125,001,000</u>	<u>(13,380,891)</u>	<u>111,620,109</u>
<b>Changes in equity</b>			
Total comprehensive loss	<u>-</u>	<u>(4,702,164)</u>	<u>(4,702,164)</u>
<b>Balance at 31 March 2018</b>	<u>125,001,000</u>	<u>(18,083,055)</u>	<u>106,917,945</u>

The notes form part of these financial statements

## **DPSK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

#### **1. STATUTORY INFORMATION**

DPSK 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 functional and presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements contain information about DPSK Limited as an individual company. DPSK is a subsidiary of GDSK Limited, a company registered in England and Wales.

#### **2. STATEMENT OF COMPLIANCE**

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.

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

##### **Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

##### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

##### **Preparation of consolidated financial statements**

The financial statements contain information about DPSK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, GDSK Limited, Fortune House, Eversley Way, Egham, Surrey, TW20 8RY.

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**3. ACCOUNTING POLICIES - continued**

**Turnover**

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

Turnover is recognised when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met.

Turnover represents amounts receivable for the provision of the company's principal activity wholly undertaken in the United Kingdom.

**Sale of goods**

Revenue from sales to the service operator is recognised on delivery to the store.

**Sale of services**

Revenue arising for store services is recognised over the period the service relates to.

**Royalties**

Royalty income is based on store sales made by the service operator, these are recognised as the income is earned.

**Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business in 2014 and further acquisitions in 2015, 2016 and 2017.

Goodwill recognised at acquisition is measured at cost less accumulated amortisation and accumulated impairments losses. Goodwill is amortised on a straight-line basis over its useful life of 10 years.

Goodwill amortisation is included in administrative expenses in the Statement of Comprehensive Income.

**Intangible assets**

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

Franchise fees are being amortised evenly over their estimate useful life of ten years.

Intangible asset amortisation is included in administrative expenses in the Statement of Comprehensive Income.

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation of a tangible fixed assets begins when it is in the location and condition necessary available for the use intended.

Tangible fixed asset depreciation is included in administrative expenses in the Statement of Comprehensive Income.

Depreciation is provided at the following annual rates in order to write of the cost less estimated residual value of each asset over its estimated useful life.

Leasehold improvements	- 10% on reducing balance
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Company contributions payable to the company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

**Leasing commitments and lease premiums**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Lease premiums incurred are carried forward and released to the Statement of Comprehensive Income on a straight line basis over the term of lease.



**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**3. ACCOUNTING POLICIES - continued**

**Impairment of non-financial assets**

At each reporting date non-financial assets not carried at fair value, like intangible assets and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**3. ACCOUNTING POLICIES - continued**

**Going concern**

At the balance sheet date the Company had net current liabilities.

The directors have considered the cashflow requirements of the Company for a period of twelve months from the date of approval of these financial statements and are satisfied that sufficient financial resources will continue to be made available and that the Company will be able to meet its debts as they fall due. Accordingly these financial statements have been prepared on a going concern basis.

**Significant judgements and estimates**

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying value of assets and liabilities. The directors' judgement, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that considered to be applicable. Due to the inherent sensitivity involved in making judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised prospectively.

The directors' have made key assumptions regarding the expected useful life of tangible fixed assets, these being depreciated at the rates documented in the accounting policies. The expected useful life for each asset class has been determined by the director's expectation for the store operating life and their experience of the industry. Stores are regularly maintained with store refits occurring when necessary to decrease ongoing maintenance costs and to refresh the store.

As the Company undertakes further growth of the sites it operates, professional costs are incurred. These costs where applicable to a new store opening are capitalised, otherwise they are treated as abortive legal costs in the Statement of Comprehensive Income. The directors review any unassigned costs and make an assessment based on the information available concerning the stage of development.

Key assumptions have also been made in respect of the calculation of leasing agreements. The commitment disclosed in the notes has been calculated to the earliest break point in the agreement.

The directors' have made key assumptions to determine whether there are any indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.

The directors' have made key assumptions to determine whether there are any indicators of impairment of the amounts due from group undertakings. Factors taken into consideration in reaching such a decision include a review of the net assets and cash position of each company and also making appropriate enquiry of the directors of that entity.

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**4. 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:

	31.3.18	31.3.17
	£	£
Sale of goods	52,525,309	45,773,848
Sale of services	20,495,685	17,899,213
Royalties	<u>31,719,316</u>	<u>31,082,086</u>
	<u><u>104,740,310</u></u>	<u><u>94,755,147</u></u>

The turnover and loss before taxation are attributable to the principal activity wholly undertaken in the United Kingdom.

**5. EMPLOYEES AND DIRECTORS**

	31.3.18	31.3.17
	£	£
Wages and salaries	3,377,901	3,484,713
Social security costs	369,860	364,747
Other pension costs	<u>26,907</u>	<u>20,865</u>
	<u><u>3,774,668</u></u>	<u><u>3,870,325</u></u>

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

	31.3.18	31.3.17
Directors	2	2
Employees	<u>95</u>	<u>109</u>
	<u><u>97</u></u>	<u><u>111</u></u>

**6. DIRECTORS' EMOLUMENTS**

	31.3.18	31.3.17
	£	£
Directors' remuneration	26,000	26,108
Directors' pension contributions to money purchase schemes	<u>260</u>	<u>261</u>

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

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**7. OPERATING LOSS**

The operating loss is stated after charging:

	31.3.18	31.3.17
	£	£
Depreciation - owned assets	3,377,070	3,128,290
Loss on disposal of fixed assets	-	2,335
Goodwill amortisation	19,343,376	19,284,234
Franchise fees amortisation	30,771	22,896
Operating lease rentals - land & buildings	<u>4,716,926</u>	<u>4,282,732</u>

**8. AUDITORS' REMUNERATION**

	31.3.18	31.3.17
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	12,000	12,700
Other non- audit services	<u>-</u>	<u>23,250</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.3.18	31.3.17
	£	£
Loan Interest	<u>2,103,718</u>	<u>2,406,076</u>

**10. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	31.3.18	31.3.17
	£	£
Deferred tax:		
Origination and reversal of timing differences	<u>-</u>	<u>1,322,554</u>
Tax on loss	<u>-</u>	<u>1,322,554</u>

UK corporation tax has been charged at 19% (2017 - 20%).

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**10. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	31.3.18 £	31.3.17 £
Loss before tax	<u>(4,702,164)</u>	<u>(4,635,028)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(893,411)	(927,006)
Effects of:		
Expenses not deductible for tax purposes	-	50,574
Amortisation of Goodwill	686,083	742,757
Remediation relief	-	(11,528)
Under provided deferred tax	207,328	145,203
Reversal of deferred tax asset	<u>-</u>	<u>1,322,554</u>
Total tax charge	<u>-</u>	<u>1,322,554</u>

The company has tax losses of approximately £7m (2017: £6.8m) to carry forward subject to the approval of HMRC.

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. Due to uncertainty concerning the recoverability of the tax losses carried forward, no deferred tax asset has been recognised.

**11. PRIOR YEAR ADJUSTMENT**

A prior year adjustment was made to move costs of £6,720,354 from administration expenses to cost of sales. This adjustment was made as a result of reviewing the prior split of costs and noting that amounts had been incorrectly classified however there has been no change in the operating profit for the prior year, or to net assets at 31 March 2017 as a result of this change.

**12. INTANGIBLE FIXED ASSETS**

	Goodwill £	Franchise fees £	Totals £
<b>COST</b>			
At 1 April 2017	193,252,995	251,462	193,504,457
Additions	<u>-</u>	<u>75,000</u>	<u>75,000</u>
At 31 March 2018	<u>193,252,995</u>	<u>326,462</u>	<u>193,579,457</u>
<b>AMORTISATION</b>			
At 1 April 2017	43,796,805	29,646	43,826,451
Amortisation for year	<u>19,343,376</u>	<u>30,771</u>	<u>19,374,147</u>
At 31 March 2018	<u>63,140,181</u>	<u>60,417</u>	<u>63,200,598</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>130,112,814</u>	<u>266,045</u>	<u>130,378,859</u>
At 31 March 2017	<u>149,456,190</u>	<u>221,816</u>	<u>149,678,006</u>

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**13. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2017	8,167,906	13,806,751	19,500	21,994,157
Additions	<u>5,147,744</u>	<u>2,793,264</u>	<u>-</u>	<u>7,941,008</u>
At 31 March 2018	<u>13,315,650</u>	<u>16,600,015</u>	<u>19,500</u>	<u>29,935,165</u>
<b>DEPRECIATION</b>				
At 1 April 2017	1,046,035	5,796,169	813	6,843,017
Charge for year	<u>976,061</u>	<u>2,396,337</u>	<u>4,672</u>	<u>3,377,070</u>
At 31 March 2018	<u>2,022,096</u>	<u>8,192,506</u>	<u>5,485</u>	<u>10,220,087</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>11,293,554</u>	<u>8,407,509</u>	<u>14,015</u>	<u>19,715,078</u>
At 31 March 2017	<u>7,121,871</u>	<u>8,010,582</u>	<u>18,687</u>	<u>15,151,140</u>

**14. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>168,737</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>168,737</u>
At 31 March 2017	<u>168,737</u>

**Subsidiary undertakings**

The Company's investment at the statement of financial position date includes the following dormant companies:

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Proportion of ordinary share capital held</u>	<u>Registered office</u>
More Fun Selling Pizza Limited	England	100%	Kingfisher House, No. 11 Hoffmanns Way, Chelmsford, CM1 1GU
Tri-County Pizza Limited	England	100%	Lordsmill Gate, Lordsmill Street, Chesterfield, S41 7RW
C And N Wilson Limited	Scotland	100%	Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ
DP Franchise (NW) Limited	England	100%	Kingfisher House, No. 11 Hoffmanns Way, Chelmsford, CM1 1GU
Peakcrown Limited	England	100%	Kingfisher House, No. 11 Hoffmanns Way, Chelmsford, CM1 1GU
Vision Ten Limited	England	100%	Kingfisher House, No. 11 Hoffmanns Way, Chelmsford, CM1 1GU

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>31.3.18</b>	<b>31.3.17</b>
	£	£
Trade debtors	3,055,281	662,986
Other debtors	877,569	812,125
Prepayments and accrued income	<u>2,867,003</u>	<u>2,047,244</u>
	<u><b>6,799,853</b></u>	<u><b>3,522,355</b></u>
 <b>16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	 <b>31.3.18</b>	 <b>31.3.17</b>
	£	£
Bank loans and overdrafts (see note 18)	11,840,624	12,073,768
Trade creditors	3,393,719	2,644,493
Amounts owed to group undertakings	3,302,778	3,402,778
Amounts owed to related parties	8,715,051	972,652
Tax	407	407
Social security and other taxes	84,090	80,188
VAT	179,991	1,367,576
Other creditors	162,152	13,476
Accrued expenses	<u>17,800</u>	<u>17,800</u>
	<u><b>27,696,612</b></u>	<u><b>20,573,138</b></u>
 <b>17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	 <b>31.3.18</b>	 <b>31.3.17</b>
	£	£
Bank loans (see note 18)	17,233,143	16,649,870
Other loans (see note 18)	7,279,114	23,104,114
Other creditors - 2-5 years	643,525	-
Other creditors - >5 years	<u>631,000</u>	<u>-</u>
	<u><b>25,786,782</b></u>	<u><b>39,753,984</b></u>
 <b>18. LOANS</b>		
An analysis of the maturity of loans is given below:		
	<b>31.3.18</b>	<b>31.3.17</b>
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u><b>11,840,624</b></u>	<u><b>12,073,768</b></u>
 Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u><b>7,756,416</b></u>	<u><b>8,084,557</b></u>
 Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u><b>9,476,727</b></u>	<u><b>8,565,313</b></u>

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**18. LOANS - continued**

	31.3.18 £	31.3.17 £
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans	<u>7,279,114</u>	<u>23,104,114</u>

The bank loans bear interest at an average rate of 2.39% (2017: 2.23%) above the bank of England base rate per annum. These loans are repayable by monthly installments with repayment terms remaining of 1 to 5 years.

Other loans bear interest at a rate of 8% above the bank of England base rate, and are repayable in full, 10 years from the date of the advance. During the period under review, the Company made capital repayments of £15.8m towards other loans.

**19. LEASING AGREEMENTS**

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

	31.3.18 £	31.3.17 £
Within one year	4,356,914	4,096,656
Between one and five years	15,216,118	14,505,121
In more than five years	<u>14,485,890</u>	<u>14,227,196</u>
	<u>34,058,922</u>	<u>32,828,973</u>

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.18 £	31.3.17 £
Bank loans	<u>29,073,767</u>	<u>28,723,638</u>

The bank loans are secured by way of composite company multilateral guarantees provided by a number of related companies and a debenture dated 11 January 2016.

The debenture includes a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and a first floating charge over all assets and undertakings both present and future.

Other loans are unsecured and interest bearing.

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.18 £	31.3.17 £
125,001,000	Ordinary	£1	<u>125,001,000</u>	<u>125,001,000</u>



# DPSK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2018

### 21. CALLED UP SHARE CAPITAL - continued

125,000,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the previous year to 31 March 2017.

Each share is entitled to one vote in any circumstance. Each share has equal rights to dividends and each share is entitled to participate in a distribution arising from a wind up of the company.

### 22. RESERVES

	Retained earnings £
At 1 April 2017	(13,380,891)
Deficit for the year	<u>(4,702,164)</u>
At 31 March 2018	<u>(18,083,055)</u>

Called up share capital - represents the nominal value of shares that have been issued.

Retained earnings - includes all current retained profits and losses.

### 23. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separate from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. Contributions payable to the fund at the year end by the Company and included in other creditors are £Nil (2017: £3,773).

	31.3.18 £	31.3.17 £
Contributions payable by the Company for the year	<u>26,907</u>	<u>20,865</u>

### 24. ULTIMATE PARENT COMPANY

GDSK Limited is regarded by the directors as being the company's ultimate parent company.

A Company registered in England and Wales. The registered office is Kingfisher House, 11 Hoffmanns Way, Chelmsford, Essex, CM1 1GU.

A copy of the consolidated financial statements is available from Companies House.

### 25. OTHER FINANCIAL COMMITMENTS

The Company is party to an limited multilateral guarantee in respect of the bank borrowings of a number of related companies.

However, as at the year ends of 2018 and 2017 none of those related companies had any bank borrowings.

**DPSK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**26. RELATED PARTY DISCLOSURES**

**Companies with common directors**

	31.3.18	31.3.17
	£	£
Sales made to a related party	104,740,310	94,755,147
Management charge to a related party	133,500	89,000
Amounts recharged to a related party	121,121	-
Amounts owed to related parties	(8,715,051)	(972,652)
Owed by related parties included in trade debtors	3,055,280	662,986
Owed by related parties included in other debtors	221,504	321,724
Owed by related parties included in accrued income	<u>1,100,000</u>	<u>1,813,650</u>

The amounts shown above concern transactions with other companies in which Mr S Kandola and Mr G Dhaliwal are directors and have a controlling interest.

**27. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is S S Kandola.

**28. ACQUISITIONS**

During the previous year the company acquired the trade and assets of two competitors. The net assets acquired were as follows:

	£
Tangible Fixed Assets	150,961
Consideration	<u>2,723,000</u>
Goodwill	<u>2,572,039</u>