

**REGISTERED NUMBER: 08966461 (England and Wales)**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
DPSK LIMITED**



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FOR THE YEAR ENDED 31 MARCH 2022**

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**DPSK LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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)

**INDEPENDENT AUDITORS :**

BDO LLP  
Newton House  
Cambridge Business Park  
Cambridge  
Cambridgeshire  
CB4 0WZ

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their strategic report for the year ended 31 March 2022.

**REVIEW OF BUSINESS**

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

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 contracts with an operating company.

During the year the Company continued to grow. The Company was also able to open 13 new stores throughout the year which were funded from cash reserves. The Company also purchased another company called KDL Pizzas Limited which added 11 more stores to its portfolio. These stores were subsequently hived up to DPSK Limited on the acquisition date.

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

Turnover increased by 11.2% this year to £174m (2021: £156.5m). Profitability, which for these purposes is measured as profit or loss before taxation, after adding back depreciation and amortisation charges was £51.2m (2021: £55.4m).

The Statement of Financial position for the year ended 31 March 22 continued to demonstrate a strong position with Shareholders' Funds of £75.2m (2021: £77.2m)

Creditors falling due after one year are £1.1m (2021: £1.1m) demonstrating no substantial long-term encumbrances on the Company.

Cash in Bank had also increased to £20.9m (2021: £5.3m)

**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.

Franchise agreement compliance

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. Evaluation reporting measures a stores performance on a number of key aspects, such as food safety, product quality and customer service. Should a store under perform consistently, the master franchisor has the authority to apply special measures to a store which could restrict future new stores openings. Ultimately, the store franchise could be reassigned to a new franchisee.

The Company helps to maintain store performance through a strong internal structure of responsible staff and regular communication concerning any issues.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

**PRINCIPAL RISKS AND UNCERTAINTIES - CONTINUED**

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.

COVID-19

The uncertainty surrounding the impact of the Covid-19 pandemic has reduced substantially. However the Company will keep implementing measures to ensure the safe welfare of our employees and customers. Our supply chain is stable, and we are confident we can meet the fast-changing environment.

Management are confident that the measures introduced, and experience gained, will mean any future impact should be less severe and disruptive and that the company will be able to mitigate the risk effectively and take opportunities arising from it to grow and strengthen the business.

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.

Cost of Living and Energy Crisis

Till now the Company has been able to mitigate the risks embedded in the current economic environment. The company will keep an eye on these and continue to address any future risks.

Going Concern

These financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the Company.

The Company has prepared budgets and forecasts for the next twelve months, which consider changes in trading conditions. These demonstrate that the Company has the financial strength to cope with any uncertainties that may continue.

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.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

**SECTION 172(1) DIRECTORS STATEMENT OF COMPLIANCE**

The revised UK Corporate Governance Code (2018 Code) was published in July 2018 and applies to accounting periods beginning on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 (2018 MRR) require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 (S172) when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company. The directors welcome the direction of the UK Financial Reporting Council (FRC). This S172 statement explains how the Company directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the Company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the Company during the financial year.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

As required by section 172 of the UK's Companies Act, a Director of the Company should act in the way they consider most likely to promote the success of the Company and benefit its shareholders. In doing so the directors have given due regard to consequences of the any decisions in the long term, the interest of the Company's employees, the Company's business relationships with customers, suppliers, and other shareholders, the impact of the Company's operation on the community and environment and its reputation of high standards of business conduct. The following is an overview of how the board has performed its duties during the year.

**GENERAL CONFIRMATION OF DIRECTORS' DUTIES**

The Company's board has a clear framework for determining the matters within its remit. Certain financial and strategic decisions have been determined to identify matters requiring Board consideration and approval. When making decisions, each director ensures that he acts in the way he considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard to other stakeholders.

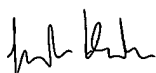
**KEY DIRECTOR DECISIONS**

During the year, tablets were installed in every store with staff training modules to complete online. This enables and incentivises employees to invest in their training. The training courses are linked to the employees HR portal and are essential to complete for promotion within the Company.

**ENGAGEMENT WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHERS**

The directors of the business and other leadership staff within operations and finance have regular contact with employees, customers, suppliers, and stakeholders. Which ensures mutually beneficial business relationships are maintained. An example of such engagement with employees has been given in the paragraph above. Regular feedback is received from various parties and as operators of a global brand the directors always try to ensure as well as improve the product quality, consumer experience, delivery standards and perceived value for money.

**ON BEHALF OF THE BOARD:**

  
.....  
S S Kandola - Director

Date: 17/03/2023  
.....

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report with the financial statements of the Company for the year ended 31 March 2022.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

Dividends of £25,000,000 were declared for the year ended 31 March 2022.

Dividends of £47,500,000 were distributed for the year ended 31 March 2021.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

S S Kandola  
G Dhaliwal

**CASHFLOW RISK**

The Company has continued to manage its cash flows in the year. In order to maintain liquidity to ensure that sufficient funds are available, the Company regularly reviews any present obligations and prepares cash flow forecasts to consider any changes in operations.

**CREDIT RISK**

The Company's principal financial assets are tangible fixed assets, cash and trade/other debtors. The directors consider there to be little or no risk in respect of balances with any third parties that would impact the availability of credit for the Company.

**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.

**BUSINESS REVIEW**

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 2 to 4 of these financial statements.

**ENGAGEMENT WITH EMPLOYEES**

During the year, the directors have developed various modes of engagement with its employees. Few examples of these include Online modules for continuous learning and development which help them grow in their careers, various competition like "pizza making /quality" to promote a wholesome experience for the employees, various awards given to employees at the annual awards to recognise and reward the employees for their hard work during the year.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2022**

**ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS**

The directors of the business and other leadership within the operations and finance teams have regular contact with the customers, suppliers, and other stakeholders within the business to ensure a mutually beneficial business relationship. Regular feedback is received from various parties and as operators of a global brand the directors always try to ensure as well as improve the product quality, product delivery and the perceived of value for money.

**STREAMLINED ENERGY AND CARBON REPORTING**

As DPSK Limited is a large Company that meets the qualification criteria, the SECR framework requires the Company to report energy usage information and any energy efficiency action taken in the period under review.

The energy consumed by the Company in the period ending 31 March 2022 and 31 March 2021 is less than 40,000 kwh. Therefore the entity qualifies as a low energy user and is exempt from reporting under these regulations.

**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.

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.



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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2022**

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

  
.....  
S S Kandola - Director

17/03/2023  
Date: .....

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

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its 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.

We have audited the financial statements of DPSK Limited ("the Company") for the year ended 31 March 2022 which comprise 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Conclusions relating to going concern

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

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 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.

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

### Other information

The Directors are responsible for the other information. The other information comprises the information 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.

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.

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

### **Other Companies Act 2006 reporting**

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

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

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 Directors' 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, 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 control as the Directors determine 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 Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **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.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

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:

The objectives of our audit, in respect to irregularities, including fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; to respond appropriately to fraud or suspected fraud identified during the audit, to obtain audit evidence regarding compliance with provisions of applicable laws and regulations, and to respond appropriately to any non-compliance identified. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

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

### Auditor's responsibilities for the audit of the financial statements - continued

- We obtained an understanding of the legal and regulatory frameworks that are applicable to DPSK Limited. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006), labour regulations and tax in the United Kingdom.

- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and review of material legal costs in the period.

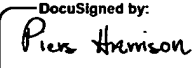
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility to fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the processes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and review of key areas of estimation uncertainty and judgement for example impairment assessment.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

### 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.

DocuSigned by:  
  
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Piers Harrison (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
Cambridge

21 March 2023  
Date: .....

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

**STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**


	Notes	2022 £	2021 £
<b>TURNOVER</b>	4	174,043,115	156,501,430
Cost of sales		119,175,524	100,314,954
<b>GROSS PROFIT</b>		54,867,591	56,186,476
Administrative expenses		26,497,731	23,576,232
		28,369,860	32,610,244
Other operating income	5	539,853	585,338
<b>OPERATING PROFIT</b>	8	28,909,713	33,195,582
Interest receivable and similar income	10	12,000	-
		28,921,713	33,195,582
Interest payable and similar expenses	11	91,426	112,695
<b>PROFIT BEFORE TAXATION</b>		28,830,287	33,082,887
Tax on profit	12	5,860,468	7,006,059
<b>PROFIT FOR THE FINANCIAL YEAR</b>		22,969,819	26,076,828

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 MARCH 2022

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	14	68,247,692	72,250,792
Tangible assets	15	19,643,465	18,681,258
Investments	16	3,384,911	-
		<u>91,276,068</u>	<u>90,932,050</u>
<b>CURRENT ASSETS</b>			
Debtors	17	3,812,524	2,549,598
Cash at bank and in hand	18	20,949,389	5,349,842
		<u>24,761,913</u>	<u>7,899,440</u>
<b>CREDITORS</b>			
Amounts falling due within one year	19	39,790,649	20,515,655
<b>NET CURRENT LIABILITIES</b>		<u>(15,028,736)</u>	<u>(12,616,215)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>76,247,332</u>	<u>78,315,835</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	20	1,055,399	1,093,721
<b>NET ASSETS</b>		<u>75,191,933</u>	<u>77,222,114</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	24	5,000,000	5,000,000
Retained earnings	25	70,191,933	72,222,114
<b>SHAREHOLDERS' FUNDS</b>		<u>75,191,933</u>	<u>77,222,114</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17/03/2023 and were signed on its behalf by:

  
S S Kandola - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2020</b>	5,000,000	93,645,286	98,645,286
<b>Changes in equity</b>			
Dividends	-	(47,500,000)	(47,500,000)
Total comprehensive income	-	26,076,828	26,076,828
<b>Balance at 31 March 2021</b>	<u>5,000,000</u>	<u>72,222,114</u>	<u>77,222,114</u>
<b>Changes in equity</b>			
Dividends	-	(25,000,000)	(25,000,000)
Total comprehensive income	-	22,969,819	22,969,819
<b>Balance at 31 March 2022</b>	<u>5,000,000</u>	<u>70,191,933</u>	<u>75,191,933</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**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 (£).

Amounts in these financial statements are rounded to the nearest Pound Sterling (£).

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.

**Going concern**

These financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the Company.

The Company has prepared budgets and forecasts for the next twelve months, which consider changes in trading conditions. 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. These demonstrate that the Company has the financial strength to cope with any uncertainties that may continue.

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

The Company has taken advantage of the following disclosure exemption 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; AND
- the requirements of section 11 Basic Financial Instruments paragraphs 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.

**Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**3. ACCOUNTING POLICIES - continued**

**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' judgements, 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.

Store development costs

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.

Leasing commitments

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.

Impairment of non-financial assets

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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

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 is being amortised over the directors' estimate of its useful life of 10 years since acquisition. The directors considered that the goodwill should be amortised over the minimum franchise license period. This being a 10 year license period but is expected to be renewed for the franchised stores.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES - continued

**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

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**3. ACCOUNTING POLICIES - continued****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.

**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 in the Statement of Comprehensive Income.

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 the Statement of Comprehensive Income.

**4. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the Company.

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

	2022 £	2021 £
Sale of goods	68,841,936	62,339,228
Sale of services	37,015,219	24,830,407
Royalties	68,185,960	69,331,795
	<u>174,043,115</u>	<u>156,501,430</u>

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

**5. OTHER OPERATING INCOME**

	2022 £	2021 £
Rents received	40,914	79,200
Management charge	498,939	421,569
Government grants	-	84,569
	<u>539,853</u>	<u>585,338</u>

Under the package of support measures from the UK Government in response to the COVID-19 pandemic. The Coronavirus Job Retention Scheme was set up to support businesses who placed some or all of their workers on a temporary leave of absence, 'furlough'. Employers were entitled to claim a proportion of their 'furloughed workers' salaries from the Government.

The above grants received have been made available by local Government to provide assistance to businesses during the pandemic.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**6. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	12,931,795	2,736,685
Social security costs	1,421,209	334,385
Other pension costs	273,305	79,294
	<u>14,626,309</u>	<u>3,150,364</u>

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

	2022	2021
Directors	2	2
Operational	<u>291</u>	<u>69</u>
	<u>293</u>	<u>71</u>

**7. DIRECTORS' EMOLUMENTS**

	2022	2021
	£	£
Directors' remuneration	1,525,355	26,978
Directors' pension contributions to money purchase schemes	<u>18,628</u>	<u>794</u>

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

	2022	2021
	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	869,190	15,978
Pension contributions to money purchase schemes	<u>9,736</u>	<u>464</u>

**8. OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	2,970,072	2,993,821
Goodwill amortisation	19,406,768	19,343,376
Franchise fees amortisation	32,646	32,646
Operating lease rentals - land & buildings	5,633,081	6,035,359
Other operating leases	<u>254,265</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**9. AUDITORS' REMUNERATION**

	2022 £	2021 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>37,545</u>	<u>34,763</u>

**10. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022 £	2021 £
Interest receivable from group companies	<u>12,000</u>	<u>-</u>

**11. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022 £	2021 £
Loan interest	<u>91,426</u>	<u>112,695</u>

**12. TAXATION****Analysis of the tax charge**

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

	2022 £	2021 £
Current tax:		
UK corporation tax	<u>5,860,468</u>	<u>7,006,059</u>
Tax on profit	<u>5,860,468</u>	<u>7,006,059</u>

UK corporation tax has been charged at 19% (2021 - 19%).

**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:

	2022 £	2021 £
Profit before tax	<u>28,830,287</u>	<u>33,082,887</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	5,477,755	6,285,749
Effects of:		
Expenses not deductible for tax purposes	16,459	20,476
Capital allowances in excess of depreciation	(282,040)	-
Depreciation in excess of capital allowances	-	27,889
Amortisation of Goodwill	698,127	686,083
Remediation relief	(4,407)	(1,069)
Structural buildings allowance	(11,324)	-
Timing of accruals tax treatment	-	(13,069)
Adjustment of capital expenditure	(34,102)	-
Total tax charge	<u>5,860,468</u>	<u>7,006,059</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**12. TAXATION - continued**

The Company has tax losses of approximately £2.2m (2021: £2.2m) 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.

**13. DIVIDENDS**

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	25,000,000	47,500,000

As at the balance sheet date £13,000,000 dividends were still payable to shareholders.

**14. INTANGIBLE FIXED ASSETS**

	Goodwill £	Franchise fees £	Totals £
<b>COST</b>			
At 1 April 2021	193,252,995	326,462	193,579,457
On acquisition of subsidiary	15,425,619	-	15,425,619
Transfer on hive up	10,695	-	10,695
	<u>208,689,309</u>	<u>326,462</u>	<u>209,015,771</u>
At 31 March 2022	208,689,309	326,462	209,015,771
<b>AMORTISATION</b>			
At 1 April 2021	121,170,309	158,356	121,328,665
Amortisation for year	19,406,768	32,646	19,439,414
	<u>140,577,077</u>	<u>191,002</u>	<u>140,768,079</u>
At 31 March 2022	140,577,077	191,002	140,768,079
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>68,112,232</u>	<u>135,460</u>	<u>68,247,692</u>
At 31 March 2021	<u>72,082,686</u>	<u>168,106</u>	<u>72,250,792</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

## 15. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2021	19,439,066	19,569,328	19,500	39,027,894
Additions	1,645,665	1,618,606	-	3,264,271
Transfer on hive up	331,337	306,891	29,780	668,008
At 31 March 2022	21,416,068	21,494,825	49,280	42,960,173
<b>DEPRECIATION</b>				
At 1 April 2021	6,193,107	14,139,941	13,588	20,346,636
Charge for year	1,428,146	1,540,448	1,478	2,970,072
At 31 March 2022	7,621,253	15,680,389	15,066	23,316,708
<b>NET BOOK VALUE</b>				
At 31 March 2022	13,794,815	5,814,436	34,214	19,643,465
At 31 March 2021	13,245,959	5,429,387	5,912	18,681,258

## 16. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
<b>COST</b>	
Additions	18,810,530
Transfer on hive up	(15,425,619)
At 31 March 2022	3,384,911
<b>NET BOOK VALUE</b>	
At 31 March 2022	3,384,911

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**KDL Pizzas Limited**

Registered office: Fortune House, Crabtree Office Village, Eversley Way, Egham, TW20 8RY

Nature of business: Take-away food outlets

Class of shares:	%
Ordinary	holding 100.00

On 16 March 2022 DPSK Limited acquired the entire share capital of KDL Pizzas Limited. The trade and net assets of the company were subsequently hived up into DPSK Limited.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Amounts owed by group undertakings	837,000	625,000
Amounts owed by related parties	1,186,487	587,668
Other debtors	308,017	132,110
Tax	122,353	-
Prepayments and accrued income	1,358,667	1,204,820
	<u>3,812,524</u>	<u>2,549,598</u>

**18. CASH AT BANK AND IN HAND**

	2022	2021
	£	£
Bank account	20,933,889	5,336,842
Cash in hand	15,500	13,000
	<u>20,949,389</u>	<u>5,349,842</u>

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	3,632,615	3,210,777
Amounts owed to group undertakings	19,880,728	3,506,017
Amounts owed to related parties	3,894,675	1,546,089
Tax	6,298,957	7,006,059
Social security and other taxes	271,646	81,713
VAT	1,645,056	4,854,997
Other creditors	2,467,257	265,003
Accrued expenses	1,699,715	45,000
	<u>39,790,649</u>	<u>20,515,655</u>

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Other loans (see note 21)	149,114	149,114
Other creditors - 2-5 years	736,253	699,161
Other creditors - >5 years	170,032	245,446
	<u>1,055,399</u>	<u>1,093,721</u>

**21. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans	<u>149,114</u>	<u>149,114</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

21. **LOANS - continued**

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. The repayment date being September 2024.

22. **LEASING AGREEMENTS**

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

	2022 £	2021 £
Within one year	4,015,586	4,161,220
Between one and five years	11,715,375	12,794,804
In more than five years	8,898,875	9,766,576
	<u>24,629,836</u>	<u>26,722,600</u>

23. **SECURED DEBTS**

A debenture dated 27 June 2018 was held by Lloyds Bank PLC. The security includes a fixed and floating charge over all freehold, leasehold or immovable property of the Company.

24. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
5,000,000	Ordinary	£1	<u>5,000,000</u>	<u>5,000,000</u>

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.

25. **RESERVES**

	Retained earnings £
At 1 April 2021	72,222,114
Profit for the year	22,969,819
Dividends	<u>(25,000,000)</u>
At 31 March 2022	<u>70,191,933</u>

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

Retained earnings - includes all current retained profits and losses.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**26. 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 £8,829 (2021: £830).

	2022	2021
	£	£
Contributions payable by the Company for the year	<u>273,305</u>	<u>79,294</u>

**27. 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.

**28. OTHER FINANCIAL COMMITMENTS**

At the balance sheet date, the company had in place indemnity and guarantees in total of £5,856,991 (2021: £6,797,158). Of this amount £1,270,000 (2021: £3,090,000) concerned indemnity facilities in place, a rent guarantee of £1,523,808 (2021: £1,650,792) and other trade debt guarantees of £3,063,183 (2021: £2,056,366).

**29. RELATED PARTY DISCLOSURES**

**Companies with common directors**

	2022	2021
	£	£
Sales made to a related party	174,043,115	156,501,430
Management charge to a related party	498,939	421,569
Amounts recharged to a related party	352,431	274,248
Amounts owed to related parties	3,894,675	1,546,089
Amounts owed by related parties	<u>1,186,487</u>	<u>587,668</u>

**30. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is S S Kandola.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**31. ACQUISITIONS**

On 17 March 2022, the company acquired 100% of KDL Pizzas Limited, a company registered in England & Wales which operates take away food outlets, for £18,810,530 consideration.

In calculating the goodwill arising on acquisition, the fair value of net assets of KDL Pizzas Limited was not considered to be significantly different to the book value and accordingly no revaluation adjustments were made.

	Fair Value £
<u>Fixed assets</u>	
Tangible	668,008
Intangible	10,695
<u>Current assets</u>	
Stocks	62,507
Debtors	3,658,638
Cash at bank and in hand	5,228
<b>Total assets</b>	<b>4,405,076</b>
<u>Creditors</u>	
Due within one year	1,005,361
Provisions	14,804
<b>Net assets</b>	<b>3,384,911</b>
Goodwill (note 14)	15,425,619
<b>Total purchase consideration (including expenses of £104,049)</b>	<b>18,810,530</b>
Purchase consideration settled in cash	15,393,240
Cash and cash equivalents in subsidiary acquired	(5,228)
<b>Cash outflow on acquisition</b>	<b>15,380,012</b>
Consideration payable to acquired entity and included within intercompany creditors	1,176,047
Consideration still payable and included in other creditors	2,246,471