

REGISTERED NUMBER: 10303138 (England and Wales)

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
TH UK & IRELAND LIMITED**



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FOR THE YEAR ENDED 31 DECEMBER 2021**

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TH UK & IRELAND LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:

G Dhaliwal
J S Dhillon
S S Kandola
K J Hydes
A Di Silvio
T T Santelmo

REGISTERED OFFICE:

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

REGISTERED NUMBER:

10303138 (England and Wales)

AUDITORS:

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The directors aim to present a balanced and comprehensive review of the developments and performance of the company during the period and its position at the period 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.

The company's trade continued to be that of providing goods and services in respect of fast food and drink restaurants. We aim to deliver quality products with a range of price points to ensure value for all customers. We continue to monitor macroeconomic conditions and ensure that our new product development and innovation, marketing and pricing strategies respond to changing market conditions.

The directors are pleased with the results for the year despite Covid lockdowns at various points of the year. The company adhered to all the regulations given by the government during this time and managed to retain most of its staff with the help of Coronavirus Job retention scheme.

16 new restaurants were successfully opened in the year and added to the company's portfolio.

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. Compared to the prior year the turnover of the company increased by 137.9% and the earnings before interest, tax, depreciation and amortisation (EBITDA) for the financial year improved by 13.7 times compared to last year demonstrating substantial positive trajectory for the company.

FUTURE DEVELOPMENTS

The Quick Service Restaurant industry remains a strongly competitive environment. We continue to invest in new restaurants and are continually looking at innovative concepts which will increase our sales revenue and market share. We will continue to open more restaurants in the coming years.

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces a number of risks and uncertainties which may have an adverse impact on its operations, performance, future targets and the ability to deliver its targets. The risks and uncertainties noted below do not comprise all of the risks associated with the company and are not set out in any order of priority.

Financial Instruments

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, liquidity and cash flow is not material for the assessment of the assets, liabilities and financial position of the company.

Interest Rate Risk

The company finances its operations through investment and generated cash flows. As a result, there is minimal risk associated in this area.

Competition

The company operates in a very competitive and fragmented market which is constantly bringing new concepts and products to the expanding customer base, however we believe that the company offers a unique brand and products that gives us a competitive advantage.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRINCIPAL RISKS AND UNCERTAINTIES - CONTINUED

COVID-19

From an operational perspective, our response to COVID-19 has been in-line with U.K. Government guidance, and we have implemented new 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.

Damage to the Brand

The success of the Company is based on the operation of the brand which is an international 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.

GOING CONCERN ASSESSMENT

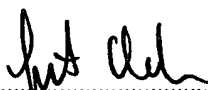
These financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the company.

At the date of approving these financial statements, the impact of all principal risks and uncertainties on the company's trading performance is continually being assessed.

The company has prepared budgets and forecasts for the next twelve months, which consider changes in trading conditions increase in operations and their impact of cashflow from operating, investing, and financing activities.

The directors have considered the cashflow requirements of the company for a period of at least 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 and fund its growth as they fall due.

ON BEHALF OF THE BOARD:


.....
S S Kandola - Director

Date: 10/5/22

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their first report with the financial statements of the company for the year ending 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing goods and services in respect of fast food and drink restaurants.

The following stores were opened in the year to 31 December 2021:

Coleraine (NI)	25/01/2021
Harlow (England)	05/05/2021
Sheffield (England)	24/06/2021
Chester (England)	31/07/2021
Washington Galleries (England)	09/08/2021
Perth (Scotland)	16/08/2021
Boldon (England)	18/10/2021
Wednesfield (England)	20/10/2021
Leeds (England)	08/11/2021
Gloucester (England)	16/11/2021
Dunfermline (Scotland)	22/11/2021
Boucher Road (NI)	07/12/2021
Thurrock (England)	10/12/2021
Broughton (England)	13/12/2021
Northampton (England)	16/12/2021
Bangor (NI)	20/12/2021

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

POST BALANCE SHEET EVENTS

After the year end the company allotted additional share capital following an agreed change to the joint venture agreement. Details of this have been included in note 17 and 22. As the share allotment occurred after the year end, no adjustments are required to the share capital of the company at the year end. The receipt of funds received before the year end has been included within other reserves as an advance investment receipt.

DIRECTORS

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

G Dhaliwal
J S Dhillon
S S Kandola
K J Hydes

Other changes in directors holding office are as follows:

D C Shear - resigned 30 April 2021
A Di Silvio - appointed 30 April 2021

T T Santelmo was appointed as a director after 31 December 2021 but prior to the date of this report.

E Mayer ceased to be a director after 31 December 2021 but prior to the date of this report.

BUSINESS REVIEW

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 2 and 3 of these financial statements.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 and growth 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 the 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.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

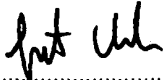
TH UK & IRELAND LIMITED (REGISTERED NUMBER: 10303138)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Date: 10/6/22
.....

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TH UK & IRELAND 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 December 2021 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.

We have audited the financial statements of TH UK and Ireland Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of changes in Equity and Statement of Cash Flows, 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 remain 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 annual report 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 TH UK & IRELAND 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TH UK & IRELAND LIMITED**

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to TH UK & Ireland 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 assessments.

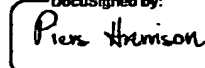
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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

13 June 2022
Date:

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

TH UK & IRELAND LIMITED (REGISTERED NUMBER: 10303138)

**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER		46,041,922	19,353,412
Cost of sales		39,909,381	18,210,312
GROSS PROFIT		6,132,541	1,143,100
Administrative expenses		9,857,972	4,462,847
		(3,725,431)	(3,319,747)
Other operating income	4	670,742	1,412,567
OPERATING LOSS	6	(3,054,689)	(1,907,180)
Interest payable and similar expenses	8	-	45
LOSS BEFORE TAXATION		(3,054,689)	(1,907,225)
Tax on loss	9	(391,874)	-
LOSS FOR THE FINANCIAL YEAR		(2,662,815)	(1,907,225)

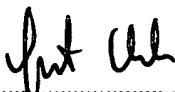
The notes form part of these financial statements

TH UK & IRELAND LIMITED (REGISTERED NUMBER: 10303138)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	393,144	170,879
Tangible assets	11	34,405,078	13,830,860
		<u>34,798,222</u>	<u>14,001,739</u>
CURRENT ASSETS			
Stocks	12	2,554,224	824,853
Debtors	13	6,987,756	2,019,535
Cash at bank and in hand	14	2,124,156	4,618,241
		<u>11,666,136</u>	<u>7,462,629</u>
CREDITORS			
Amounts falling due within one year	15	13,755,968	6,192,163
NET CURRENT (LIABILITIES)/ASSETS		<u>(2,089,832)</u>	<u>1,270,466</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,708,390</u>	<u>15,272,205</u>
PROVISIONS FOR LIABILITIES	17	<u>216,000</u>	<u>117,000</u>
NET ASSETS		<u><u>32,492,390</u></u>	<u><u>15,155,205</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	2,500	1,000
Share premium	19	51,997,500	31,999,000
Other reserves	19	5,000,000	5,000,000
Retained earnings	19	(24,507,610)	(21,844,795)
SHAREHOLDERS' FUNDS		<u><u>32,492,390</u></u>	<u><u>15,155,205</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 10/06/2022 and were signed on its behalf by:


S S Kandola - Director

The notes form part of these financial statements

TH UK & IRELAND LIMITED (REGISTERED NUMBER: 10303138)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
Balance at 1 January 2020	1,000	(19,937,570)	31,999,000	-	12,062,430
Changes in equity					
Advance receipt for share issue	-	-	-	5,000,000	5,000,000
Total comprehensive loss	-	(1,907,225)	-	-	(1,907,225)
Balance at 31 December 2020	<u>1,000</u>	<u>(21,844,795)</u>	<u>31,999,000</u>	<u>5,000,000</u>	<u>15,155,205</u>
Changes in equity					
Increase in share capital	1,500	-	19,998,500	-	20,000,000
Advance receipt for share issue	-	-	-	5,000,000	5,000,000
Total comprehensive loss	-	(2,662,815)	-	-	(2,662,815)
Transfer to share capital	-	-	-	(375)	(375)
Transfer to share premium	-	-	-	(4,999,625)	(4,999,625)
Balance at 31 December 2021	<u>2,500</u>	<u>(24,507,610)</u>	<u>51,997,500</u>	<u>5,000,000</u>	<u>32,492,390</u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,685,989	1,607,566
Interest paid		-	(45)
Net cash from operating activities		<u>1,685,989</u>	<u>1,607,521</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(235,787)	(44,455)
Purchase of tangible fixed assets		(23,944,287)	(3,688,350)
Net cash from investing activities		<u>(24,180,074)</u>	<u>(3,732,805)</u>
Cash flows from financing activities			
Share issue		15,000,000	-
Advance receipt of afterdate share issue		5,000,000	5,000,000
Net cash from financing activities		<u>20,000,000</u>	<u>5,000,000</u>
(Decrease)/increase in cash and cash equivalents		<u>(2,494,085)</u>	<u>2,874,716</u>
Cash and cash equivalents at beginning of year	2	<u>4,618,241</u>	<u>1,743,525</u>
Cash and cash equivalents at end of year	2	<u><u>2,124,156</u></u>	<u><u>4,618,241</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
	2021	2020
	£	£
Loss before taxation	(3,054,689)	(1,907,225)
Depreciation charges	3,469,070	1,928,640
Profit on disposal of fixed assets	-	(1,710)
Amortisation of intangible fixed assets	13,522	7,616
Finance costs	-	45
	<u>427,903</u>	<u>27,366</u>
Increase in stocks	(1,729,371)	(224,601)
Increase in trade and other debtors	(4,576,347)	(267,102)
Increase in trade and other creditors	<u>7,563,804</u>	<u>2,071,903</u>
Cash generated from operations	<u><u>1,685,989</u></u>	<u><u>1,607,566</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	<u><u>2,124,156</u></u>	<u><u>4,618,241</u></u>

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	<u><u>4,618,241</u></u>	<u><u>1,743,525</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
Net cash			
Cash at bank and in hand	<u>4,618,241</u>	<u>(2,494,085)</u>	<u>2,124,156</u>
	<u>4,618,241</u>	<u>(2,494,085)</u>	<u>2,124,156</u>
Total	<u><u>4,618,241</u></u>	<u><u>(2,494,085)</u></u>	<u><u>2,124,156</u></u>

4. FINANCING ACTIVITIES

Included within the cash at bank balance at the year end is an amount of £5,000,000 which concerns an advance receipt for a share issue that was allotted after the year 31 December 2021 year end. Further details are included within note 17 & 22 of the notes to the financial statements.

Similarly in the 31 December 2020 comparative and included within the cash at bank balance at the year was an amount of £5,000,000. This concerned an advance receipt for a share issue that was allotted on 15 January 2021 which was after the previous year end. As shown per note 18 & 19 this amount has been converted to share capital and share premium in the 31 December 2021 accounts.

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

TH UK & Ireland 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 (£).

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.

These financial statements cover TH UK & Ireland Limited as a single entity.

Going Concern

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

At the date of approving these financial statements, the impact of all principal risks and uncertainties on the company's trading performance is continually being assessed.

The company has prepared budgets and forecasts for the next twelve months, which consider changes in trading conditions increase in operations and their impact of cashflow from operating, investing, and financing activities.

The directors have considered the cashflow requirements of the company for a period of at least 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 and fund its growth as they fall due.

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.

Tangible fixed assets

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES - continued

New store development

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.

Lease commitments

Key assumptions have also been made in respect of the calculation of leasing agreements. Commitments have been calculated up to the earliest break date or term of the agreement.

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 the United Kingdom, revenue is recognised at the date the goods and services are provided to the customer.

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 estimated useful life of twenty years.

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

Tangible fixed assets

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

Improvements to property	- 10% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

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 assets include assets under construction which are not depreciated. Upon completion, the depreciation rates above will be applied to write the cost over the assets expected useful life.

Tangible fixed asset depreciation is included in administrative expenses in the statement of comprehensive income.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the income statement in the same period as the related expenditure.

Stocks

Stocks are measured at the lower of cost and net realisable value to complete and sell. Cost is calculated on a first in, first out basis (FIFO) and includes all costs of purchase and other costs incurred in bringing the stocks to their present location and condition. Allowances for obsolete and slow moving items are provided for.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leasing commitments

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

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 the statement or comprehensive income.

Stocks are also assessed for impairment at each reporting date. The carrying amount of each item of stock, or group of similar items, is compared with its selling price less costs to complete and sell. If an item of inventory or group of similar items is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately 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 statement of comprehensive income.

4. OTHER OPERATING INCOME

	2021 £	2020 £
Rents received	-	17,308
Other income	116,316	198,602
Grant income	554,426	1,196,657
	<u>670,742</u>	<u>1,412,567</u>

Government grants

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 authorities and the UK Government to provide assistance to businesses during the pandemic. There are no conditions attached to these grants.

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	15,554,982	8,100,576
Social security costs	1,032,358	484,168
Other pension costs	178,686	103,404
	<u>16,766,026</u>	<u>8,600,140</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5. EMPLOYEES AND DIRECTORS - continued

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

	2021	2020
Directors	6	6
Employees	1,027	537
	<u>1,033</u>	<u>543</u>

	2021 £	2020 £
Directors' remuneration	222,591	201,177
Directors' pension contributions to money purchase schemes	<u>2,156</u>	<u>3,128</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	201,769	178,500
Pension contributions to money purchase schemes	<u>1,319</u>	<u>2,577</u>

6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	3,469,069	1,928,639
Profit on disposal of fixed assets	-	(1,710)
Franchise fees amortisation	13,522	7,616
Auditors' remuneration	42,065	34,213
Operating leases	<u>3,664,759</u>	<u>2,261,407</u>

7. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>42,065</u>	<u>34,213</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Other interest paid	<u>-</u>	<u>45</u>

TH UK & IRELAND LIMITED (REGISTERED NUMBER: 10303138)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. TAXATION

Analysis of the tax credit

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

	2021 £	2020 £
Current tax:		
Prior year tax	(391,874)	-
Tax on loss	<u>(391,874)</u>	<u>-</u>

UK corporation tax was charged at 19% in 2020.

Reconciliation of total tax credit 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:

	2021 £	2020 £
Loss before tax	<u>(3,054,689)</u>	<u>(1,907,225)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(580,391)	(362,373)
Effects of:		
Expenses not deductible for tax purposes	1,875	3,686
Adjustments to tax charge in respect of previous periods	(391,874)	-
Deferred tax asset not recognised	<u>578,516</u>	<u>358,687</u>
Total tax credit	<u>(391,874)</u>	<u>-</u>

The company has approximately £24.7m (2020: £20.7m) of taxable losses carried forward.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. INTANGIBLE FIXED ASSETS

	Franchise fees £
COST	
At 1 January 2021	193,069
Additions	235,787
At 31 December 2021	428,856
AMORTISATION	
At 1 January 2021	22,190
Amortisation for year	13,522
At 31 December 2021	35,712
NET BOOK VALUE	
At 31 December 2021	393,144
At 31 December 2020	170,879

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2021	8,899,732	6,915,609	2,617,444
Additions	3,575,468	5,193,234	6,568,757
At 31 December 2021	12,475,200	12,108,843	9,186,201
DEPRECIATION			
At 1 January 2021	2,169,776	3,152,530	474,103
Charge for year	813,115	1,495,147	1,146,036
At 31 December 2021	2,982,891	4,647,677	1,620,139
NET BOOK VALUE			
At 31 December 2021	9,492,309	7,461,166	7,566,062
At 31 December 2020	6,729,956	3,763,079	2,143,341

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Assets under construction £	Totals £
COST			
At 1 January 2021	133,783	1,141,814	19,708,382
Additions	14,000	8,691,828	24,043,287
At 31 December 2021	147,783	9,833,642	43,751,669
DEPRECIATION			
At 1 January 2021	81,113	-	5,877,522
Charge for year	14,771	-	3,469,069
At 31 December 2021	95,884	-	9,346,591
NET BOOK VALUE			
At 31 December 2021	51,899	9,833,642	34,405,078
At 31 December 2020	52,670	1,141,814	13,830,860

12. STOCKS

	2021 £	2020 £
Finished goods	2,554,224	824,853

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,469,234	508,862
Amounts owed by related parties	41,316	10,044
Other debtors	1,541,414	766,497
Tax	391,874	-
VAT	2,268,362	264,120
Accrued income	310,072	135,509
Prepayments	965,484	334,503
	6,987,756	2,019,535

14. CASH AT BANK AND IN HAND

	2021 £	2020 £
Bank account	2,104,756	4,611,591
Cash in hand	19,400	6,650
	2,124,156	4,618,241

TH UK & IRELAND LIMITED (REGISTERED NUMBER: 10303138)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	5,740,648	2,807,582
Amounts owed to related parties	905,953	541,286
Social security and other taxes	372,960	148,361
Other creditors	133,999	133,999
Accrued expenses	6,602,408	2,560,935
	<u>13,755,968</u>	<u>6,192,163</u>

16. LEASING AGREEMENTS

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

	2021 £	2020 £
Within one year	3,991,510	2,416,732
Between one and five years	15,446,113	8,330,960
In more than five years	20,920,563	8,306,806
	<u>40,358,186</u>	<u>19,054,498</u>

17. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Other provisions	<u>216,000</u>	<u>117,000</u>
		Dilapidati on £
Balance at 1 January 2021		117,000
Provided during year		99,000
Balance at 31 December 2021		<u>216,000</u>

Dilapidation provisions are expected to be utilised within the lease term applicable, unless existing store leases are renewed.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2021 £	2020 £
100	Ordinary A	£1	100	100
2,400	Ordinary B	£1	2,400	900
			<u>2,500</u>	<u>1,000</u>

1,500 Ordinary B shares of £1 each were allotted as fully paid at a premium of 13333.33 per share during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

18. CALLED UP SHARE CAPITAL - continued

Share issue after year end

After the balance sheet date the company allotted 375 B Shares. The amount paid per share was £13,333 and each share has a nominal value of £1. The amount due from this share issue was received in the year under review but prior to the share issue. An amount of £5,000,000 is included within other reserves.

Voting rights

The holders of 50% or more of the A Shares and B Shares shall be entitled to appoint two directors. Otherwise, on a show of hands every shareholder shall have one vote for each share of which he is the holder. Shares rank equally for dividends, distributions and capital and are not liable to be redeemed.

19. RESERVES

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 January 2021	(21,844,795)	31,999,000	5,000,000	15,154,205
Deficit for the year	(2,662,815)			(2,662,815)
Cash share issue	-	19,998,500	-	19,998,500
Advance receipt of share issue	-	-	5,000,000	5,000,000
Transfer to share capital	-	-	(375)	(375)
Transfer to share premium	-	-	(4,999,625)	(4,999,625)
At 31 December 2021	<u>(24,507,610)</u>	<u>51,997,500</u>	<u>5,000,000</u>	<u>32,489,890</u>

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

Share premium account - includes any premiums received on issue of share capital.

Retained earnings - includes all current retained profits and losses.

Other reserves - Other reserves - includes a receipt of funds in respect of the share issue after the year end explained in note 17.

20. 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 (2020: £nil).

	2021 £	2020 £
Contributions payable by the company for the year	<u>178,686</u>	<u>103,404</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

21. RELATED PARTY DISCLOSURES

Other related parties

	2021	2020
	£	£
Purchases	4,350,479	2,303,733
Amount due from related party	41,316	10,044
Amount due to related party	905,953	541,286

The amounts included above concern transactions with another company in which Mr S Kandola and Mr G Dhaliwal are directors and have a controlling interest.

There are also transactions concerning Tim Hortons Restaurants International GMBH.

There are no terms and conditions attached to the amounts owing which are unsecured.

Guarantees

DPSK Limited, a company in which Mr S Kandola and Mr G Dhaliwal are directors with a controlling interest has provided guarantees of £660,000 which covers rental guarantee of a leasehold property.

22. POST BALANCE SHEET EVENTS

On 22 December 2021, the Joint Venture agreement was amended by both parties in which additional optional capital contributions were agreed by the investors.

As per note 17, the company allotted 375 additional B shares in the company after the year end. The value of the investment of £5,000,000 was received before the end of the 31 December 2021 year end.

Since the share capital was allotted after the year end, no changes have been made to the share capital shown. As the investment made is non refundable and has been executed after the year end, the receipt has been included within other reserves and noted as an advance share receipt in these financial statements.

On the date of the share allotment, the amount paid of £5,000,000 will transfer to share capital of £375 and £4,999,625 to share premium.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is S S Kandola.