

Group Strategic Report, Directors' Report and
Consolidated Financial Statements for the Year Ended 30 June 2022
for
Pasco Group Holdings Limited

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for the Year Ended 30 June 2022

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Pasco Group Holdings Limited

Company Information
for the Year Ended 30 June 2022

DIRECTORS:

M Pasco
S Pasco
R Pasco
Mrs S J Pasco

REGISTERED OFFICE:

2nd Floor Grove House
55 Lowlands Road
Harrow
Middlesex
HA1 3AW

REGISTERED NUMBER:

10434421 (England and Wales)

AUDITORS:

RA Audit Services Limited
2nd Floor
Grove House
55 Lowlands Road
Harrow
Middlesex
HA1 3AW

Group Strategic Report
for the Year Ended 30 June 2022

The directors present their strategic report of the company and the group for the year ended 30 June 2022.

REVIEW OF BUSINESS

Pasco Group Holdings Limited is the parent of a group companies. Its subsidiaries operate as a Subway Franchisee in the Bristol and surrounding area and as the development agent on behalf of Subway for Bristol, Somerset, Gloucestershire and Wiltshire.

The key performance indicators for the period ended 30 June 2021 are as follows:

	YE 30.06.22 £	YE 30.06.21 £
Turnover	9,375,689	7,282,561
Operating Profit	2,291,842	322,932
Profit / (Loss) for the financial year	2,213,273	(96,166)
Shareholders' equity	3,147,026	1,153,604

The group has performed broadly in line with the Director's expectation and continues to sustain in a highly competitive fast changing environment and global pandemic environment. During the year the group has continued to perform profitable and the group continues to maintain a healthy balance of reserves to meet its current and long-term liabilities as they fall due.

Furthermore, the business continued to position itself for sustained long-term growth by investing in the staffing structure and providing developmental training across the group.

During the period, three new subsidiaries were incorporated out of which one of the subsidiary was sold to third party in March 2022 which had development agent licence. As a result of this, there will not be any income relating to development agent in the future. In addition, the group is actively looking to sell it's 18 subway stores and investment the funds from sale into property portfolio.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the business are:

Financial risks

The exposure to credit risk is not high as all the group consumer sales are paid for by the customer at the point of order with the payment being made by the major online payment providers typically within 3 days. The rapid receipt of cash from customers also reduces the exposure to risks surrounding cash flows allowing the company to maintain sufficient cash reserves to meet its payments as they fall due. The group monitors the financial risks carefully and has strategies in place to manage these effectively.

Competitive risks

The fast food market is a competitive and over-crowded market, however due to a strong brand and established position in the market place Subway is able to mitigate these risks. Performance is carefully monitored across all stores via a daily review of a specific range of KPIs.

Commercial risks

The principal activity within the group is the managing Subway branches. The main commercial risks facing the business is ensuring the procedures and standards required by Subway are satisfied, so the customer journey is consistent across all the franchises. The business has in place policies and procedures to ensure that on an ongoing basis its commercial risks are carefully monitored and mitigated against.

GOING CONCERN

These financial statements have been prepared on going concern basis even though the group sold its development agent license and is actively looking to sell its stores. The directors have carefully considered the impact of changes in their objectives for the group. The directors are confident that by diversifying the business and investing in property portfolio will make group more profitable and it will continue trading as going concern..

ON BEHALF OF THE BOARD:

R Pasco - Director

22 May 2023

Directors' Report
for the Year Ended 30 June 2022

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity of the ultimate parent company continued to be that of a holding company.

The principal activities of the subsidiaries were that of a restaurant and take-away business and development agent. During the year, the group sold its development agent licence to third party and ceased to receive the income relating to that.

The group also receives rental income from investment property.

DIVIDENDS

During the year, the company paid dividends of £3,900, £20,117 and £150,000 to Ordinary D, Ordinary E and Ordinary Z shares respectively.

FUTURE DEVELOPMENTS

The group has intention of changing the nature of trade and focus on investing in property portfolio.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

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

M Pasco
S Pasco
R Pasco
Mrs S J Pasco

FINANCIAL RISK MANAGEMENT

Interest rate risk

The group borrows from its bankers using terms loans whose tenure depends on the nature of asset and management's view of the future direction on interest rate. The Group and its subsidiaries are mitigating risk by controlling on regular cashflow.

Liquidity risk

the objective of the group in managing liquidity risk is to ensure that it can meet its financial obligation as and when they fall due. The group is in a position to meet its commitments and obligations as they fall due.

Directors' Report
for the Year Ended 30 June 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, RA Audit Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R Pasco - Director

22 May 2023

Opinion

We have audited the financial statements of Pasco Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Emphasis of matter

We draw attention to Note 27 to the financial statements which explains that the directors intend to sell the stores operated by the group and reinvest the funds in property portfolio and expand the business, .therefore the going concern basis of accounting is appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

The client partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify and recognise non-compliance with applicable laws and regulations.

- 1) We identified the laws and regulations applicable to the group through discussions with directors, key management personnel and from our commercial knowledge and experience.
- 2) We focused on specific laws and regulations which we considered may have a direct effect on financial statements or the operations of the group including Companies Act 2006, current taxation legislation, data protection, anti-bribery and money laundering, food safety, employment and health and safety legislation.
- 3) We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.
- 4) Identified laws and regulations were communicated with the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- 1) Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual suspected and alleged fraud and
- 2) Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- 1) Performed analytical procedures to identify any unusual and unexpected relationships,
- 2) Tested journal entries to identify unusual transactions,
- 3) Investigated the rationale behind significant or unusual transactions.

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

- 1) Agreeing financial statements disclosures to underlying supporting documentation.
- 2) Enquiring of management as to actual and potential litigation and claims and
- 3) Reviewing correspondence with HMRC, enquiring of management over health and safety.

Report of the Independent Auditors to the Members of
Pasco Group Holdings Limited

There are inherent limitations in our audit procedures described above. Auditing standards also limit the audit procedures required to identifying non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Abdul Hafeez ACA FCCA (Senior Statutory Auditor)
for and on behalf of RA Audit Services Limited
2nd Floor
Grove House
55 Lowlands Road
Harrow
Middlesex
HA1 3AW

6 June 2023

Consolidated Income Statement
for the Year Ended 30 June 2022

		30.6.22	30.6.21
	Notes	£	as restated £
TURNOVER	4	9,375,689	7,282,561
Cost of sales		<u>6,182,890</u>	<u>4,797,114</u>
GROSS PROFIT		3,192,799	2,485,447
Administrative expenses		<u>1,296,231</u>	<u>2,967,608</u>
		1,896,568	(482,161)
Other operating income	5	422,791	805,093
Gain/loss on revaluation of investments		<u>(27,517)</u>	<u>-</u>
OPERATING PROFIT	7	2,291,842	322,932
Interest payable and similar expenses	9	<u>55,929</u>	<u>49,664</u>
PROFIT BEFORE TAXATION		2,235,913	273,268
Tax on profit	10	<u>22,640</u>	<u>369,434</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,213,273</u>	<u>(96,166)</u>
Profit/(loss) attributable to: Owners of the parent		<u>2,213,273</u>	<u>(96,166)</u>

The notes form part of these financial statements

Consolidated Other Comprehensive Income
for the Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 as restated £
PROFIT/(LOSS) FOR THE YEAR		2,213,273	(96,166)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,213,273	(96,166)
Prior year adjustment	Note 13	(95,807)	(1,583,228)
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		<u>2,117,466</u>	<u>(1,679,394)</u>
Total comprehensive income attributable to: Owners of the parent		<u>2,117,466</u>	<u>(1,679,394)</u>

Consolidated Balance Sheet
30 June 2022

		30.6.22		30.6.21 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	14		3,528,011		4,168,276
Tangible assets	15		1,814,652		1,601,381
Investments	16		-		-
Investment property	17		1,000,000		1,027,517
			<u>6,342,663</u>		<u>6,797,174</u>
CURRENT ASSETS					
Stocks	18	90,956		68,951	
Debtors	19	2,244,451		1,901,577	
Cash at bank and in hand		<u>1,819,547</u>		<u>1,227,712</u>	
		4,154,954		3,198,240	
CREDITORS					
Amounts falling due within one year	20	<u>2,530,207</u>		<u>2,811,551</u>	
NET CURRENT ASSETS			<u>1,624,747</u>		<u>386,689</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,967,410		7,183,863
CREDITORS					
Amounts falling due after more than one year	21		(4,401,228)		(5,509,625)
PROVISIONS FOR LIABILITIES	25		<u>(419,156)</u>		<u>(520,634)</u>
NET ASSETS			<u>3,147,026</u>		<u>1,153,604</u>
CAPITAL AND RESERVES					
Called up share capital	26		1,045,454		1,045,454
Capital redemption reserve			1,680,000		1,380,000
Fair value reserve			294,362		340,200
Retained earnings			<u>127,210</u>		<u>(1,612,050)</u>
			<u>3,147,026</u>		<u>1,153,604</u>

The notes form part of these financial statements

Pasco Group Holdings Limited (Registered number: 10434421)

Consolidated Balance Sheet - continued
30 June 2022

The financial statements were approved by the Board of Directors and authorised for issue on 22 May 2023 and were signed on its behalf by:

R Pasco - Director

The notes form part of these financial statements

Company Balance Sheet
30 June 2022

		30.6.22		30.6.21 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	14		-		-
Tangible assets	15		-		-
Investments	16		5,000,454		5,000,454
Investment property	17		-		-
			<u>5,000,454</u>		<u>5,000,454</u>
CURRENT ASSETS					
Debtors	19	1,442,088		1,518,336	
Cash at bank		<u>71,529</u>		<u>134,448</u>	
		1,513,617		1,652,784	
CREDITORS					
Amounts falling due within one year	20	<u>367,426</u>		<u>574,277</u>	
NET CURRENT ASSETS			<u>1,146,191</u>		<u>1,078,507</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,146,645		6,078,961
CREDITORS					
Amounts falling due after more than one year	21		<u>3,320,000</u>		<u>3,620,000</u>
NET ASSETS			<u>2,826,645</u>		<u>2,458,961</u>
CAPITAL AND RESERVES					
Called up share capital	26		1,045,454		1,045,454
Capital redemption reserve			1,680,000		1,380,000
Retained earnings			<u>101,191</u>		<u>33,507</u>
			<u>2,826,645</u>		<u>2,458,961</u>
Company's profit for the financial year			<u>541,701</u>		<u>244,126</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 May 2023 and were signed on its behalf by:

Mrs S J Pasco - Director

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Total equity £
Balance at 1 July 2020	454	316,944	1,380,000	340,200	2,037,598
Prior year adjustment	-	(1,583,228)	-	-	(1,583,228)
As restated	454	(1,266,284)	1,380,000	340,200	454,370
Changes in equity					
Issue of share capital	1,045,000	-	-	-	1,045,000
Dividends	-	(249,600)	-	-	(249,600)
Total comprehensive income	-	(359)	-	-	(359)
Balance at 30 June 2021	1,045,454	(1,516,243)	1,380,000	340,200	1,249,411
Prior year adjustment	-	(95,807)	-	-	(95,807)
As restated	1,045,454	(1,612,050)	1,380,000	340,200	1,153,604
Changes in equity					
Dividends	-	(174,017)	-	-	(174,017)
Total comprehensive income	-	1,913,273	300,000	(45,838)	2,167,435
Balance at 30 June 2022	1,045,454	127,206	1,680,000	294,362	3,147,022

Company Statement of Changes in Equity
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2020	454	38,981	1,380,000	1,419,435
Changes in equity				
Issue of share capital	1,045,000	-	-	1,045,000
Dividends	-	(249,600)	-	(249,600)
Total comprehensive income	-	244,126	-	244,126
Balance at 30 June 2021	<u>1,045,454</u>	<u>33,507</u>	<u>1,380,000</u>	<u>2,458,961</u>
Changes in equity				
Dividends	-	(174,017)	-	(174,017)
Total comprehensive income	-	241,701	300,000	541,701
Balance at 30 June 2022	<u>1,045,454</u>	<u>101,191</u>	<u>1,680,000</u>	<u>2,826,645</u>

Consolidated Cash Flow Statement
for the Year Ended 30 June 2022

		30.6.22	30.6.21
		£	as restated £
Cash flows from operating activities	Notes		
Cash generated from operations	30	257,014	1,744,804
Interest paid		(47,794)	(45,418)
Interest element of hire purchase payments paid		(8,135)	(4,246)
Tax paid		(99,380)	(64,964)
Net cash from operating activities		<u>101,705</u>	<u>1,630,176</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(4,250)	(7,630)
Purchase of tangible fixed assets		(601,061)	(430,414)
Purchase of fixed asset investments		100	-
Sale of tangible fixed assets		50,792	-
Sale of fixed asset investments		<u>1,751,300</u>	<u>-</u>
Net cash from investing activities		<u>1,196,881</u>	<u>(438,044)</u>
Cash flows from financing activities			
Loan repayments in year		(466,168)	-
Capital repayments in year		(66,567)	(30,982)
Equity dividends paid		<u>(174,017)</u>	<u>(249,600)</u>
Net cash from financing activities		<u>(706,752)</u>	<u>(280,582)</u>
Increase in cash and cash equivalents		<u>591,834</u>	<u>911,550</u>
Cash and cash equivalents at beginning of year	31	1,227,712	316,162
Cash and cash equivalents at end of year	31	<u>1,819,547</u>	<u>1,227,712</u>

The notes form part of these financial statements

Company Cash Flow Statement
for the Year Ended 30 June 2022

		30.6.22	30.6.21
		£	as restated £
Cash flows from operating activities	Notes		
Cash generated from operations	30	(438,902)	134,448
Net cash from operating activities		<u>(438,902)</u>	<u>134,448</u>
Cash flows from investing activities			
Dividends received		<u>550,000</u>	<u>249,600</u>
Net cash from investing activities		<u>550,000</u>	<u>249,600</u>
Cash flows from financing activities			
Equity dividends paid		<u>(174,017)</u>	<u>(249,600)</u>
Net cash from financing activities		<u>(174,017)</u>	<u>(249,600)</u>
(Decrease)/increase in cash and cash equivalents		<u>(62,919)</u>	<u>134,448</u>
Cash and cash equivalents at beginning of year	31	134,448	-
Cash and cash equivalents at end of year	31	<u>71,529</u>	<u>134,448</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2022

1. STATUTORY INFORMATION

Pasco Group Holdings 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 General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Basis of consolidation

The consolidated financial statements incorporate those of Pasco Group Holdings Limited and all of its group subsidiaries. These are the entities the group controls through its power to govern the financial and operating policies so as to obtain economic benefits. Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date control passes. All financial statements are made up to 30 June 2021.

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

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

Cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Turnover

Turnover comprises the fair value of the sale of goods to external customers, net of value added tax, and returns. Revenue is recognised on the sale of goods when the significant risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue on goods delivered is recognised when the customer accepts delivery. Revenue also includes consideration received for acting as an area development agent for subway stores and recognises its income, based on a proportion of underlying sales in the locations where the Company provides 'business development services'.

Goodwill

Positive goodwill relates to amounts capitalized on acquisitions of Triangle, Abbeywood and Southgate branches as of 1 December 2014 within Subway Store Development Ltd. The goodwill has been valued based on an independent third party valuation and is being amortised over its estimated useful life of 10 years. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. The economic life does not exceed 10 years, which the directors believe represents a true and fair view of the economic life, unless a reliable estimate of its useful economic life can be formed.

Goodwill arising on business combination is recognised in the consolidated financial statements. Goodwill calculated is the excess of consideration over the net assets acquired in the combination. Management made a reliable estimate of the useful life of goodwill being amortised over 10 years.

During the year, the amortisation charge has increased from £470,760 to £644,515 due to change in amortisation estimate on goodwill arising on business combination from 14 years to 10 years.

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.

Patents and licences are being amortised evenly over their estimated useful life of seven years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- 15% on cost and 4% on cost
Improvements to property	- 15% on cost
Motor vehicles	- 25% on cost
Computer equipment	- straight line over 3 years and 33% on cost

Government grants

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks have been valued at the lower of cost and estimated selling price less costs to sell.

Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Operating leases

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

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdraft as applicable. Bank overdrafts are shown within borrowings in current liabilities as applicable..

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Equity instruments

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

Preference shares

Redeemable preference shares are classified as liabilities in accordance with section 22 (liabilities and equity) as they are redeemable at the option of the holder and carry a right to a return.

Non - redeemable preference shares are classified as equity in accordance with section 22 (liabilities and equity) as they are non-redeemable shares.

Other operating income

Other operating income includes rent receivable, government grants, insurance claims receivable and other discounts received in the normal course of the business.

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, the directors are required to make judgments estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key Sources of estimation uncertainty

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Useful lives of intangible fixed assets

Intangible fixed assets consist of goodwill and patents and licences. The annual amortisation charge depends on estimated useful economic life of the asset. The directors regularly review the remaining useful life of these assets. Changes in asset's useful economic life can have a significant impact on amortisation charge for the period. Detail of the useful economic life is included in accounting policies. The level of provision required is disclosed in note 14 to the accounts.

Useful lives of tangible fixed assets

The costs of tangible fixed assets less their residual value are depreciated over their estimated useful economic lives which are estimated by the director. Changes in the expected level of usage and technological developments could impact on the useful economic lives of these assets; therefore, further depreciation charges could be revised. The level of provision required is disclosed in note 15 to the accounts.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

4. TURNOVER

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Restaurant and take away business	8,673,909	6,553,603
Development agent	701,780	728,958
	<u>9,375,689</u>	<u>7,282,561</u>

5. OTHER OPERATING INCOME

	30.6.22	30.6.21
	as	restated
	£	£
Rents received	61,524	13,262
Sundry receipts	299,264	491,873
Other income	62,003	299,958
	<u>422,791</u>	<u>805,093</u>

6. EMPLOYEES AND DIRECTORS

	30.6.22	30.6.21
	as	restated
	£	£
Wages and salaries	440,497	433,634
Social security costs	43,721	43,818
Other pension costs	80,926	187,554
	<u>565,144</u>	<u>665,006</u>

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

	30.6.22	30.6.21
	as	restated
Directors	4	136
Admin staff	2	-
Store workers	147	-
	<u>153</u>	<u>136</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 153 (2021 - NIL) .

The average number of employees for the company including the directors were 4 (2021: 4).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

6. EMPLOYEES AND DIRECTORS - continued

	30.6.22	as	30.6.21
	£		restated £
Directors' remuneration	<u>26,000</u>		<u>45,500</u>

7. OPERATING PROFIT

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

	30.6.22	as	30.6.21
	£		restated £
Depreciation - owned assets	300,446		251,957
Depreciation - assets on hire purchase contracts	56,056		55,175
Profit on disposal of fixed assets	(1,770,901)		-
Goodwill amortisation	636,505		463,790
Patents and licences amortisation	8,010		6,970
Auditors' remuneration	<u>11,000</u>		<u>11,000</u>

8. EXCEPTIONAL ITEMS

	30.6.22	as	30.6.21
	£		restated £
Exceptional items	<u>(30,466)</u>		<u>-</u>

Exceptional items include the amounts written off relating to other debtors balance with Make My Blinds Limited, a company connected to the director R Pasco

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.22	as	30.6.21
	£		restated £
Bank interest	14		-
Bank loan interest	47,780		45,418
Hire purchase interest	<u>8,135</u>		<u>4,246</u>
	<u>55,929</u>		<u>49,664</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

10. **TAXATION**

Analysis of the tax charge

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

	30.6.22	as	30.6.21
	£		restated £
Current tax:			
UK corporation tax	169,957		98,218
Deferred tax	(147,317)		271,216
Tax on profit	<u>22,640</u>		<u>369,434</u>

Reconciliation of total tax charge included in profit and loss

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

	30.6.22	as	30.6.21
	£		restated £
Profit before tax	<u>2,235,913</u>		<u>273,268</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	424,823		51,921
Effects of:			
Expenses not deductible for tax purposes	114,939		46,297
Income not taxable for tax purposes	(336,471)		-
Capital allowances in excess of depreciation	(33,334)		-
Deferred tax movement	(147,317)		271,216
Total tax charge	<u>22,640</u>		<u>369,434</u>

11. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

12. **DIVIDENDS**

During the year the group paid dividends amounting to £20,117, £3,900, £150,000 to Ordinary D, Ordinary E and Ordinary Z (2021: £249,600) shares respectively.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

13. **PRIOR YEAR ADJUSTMENT**

In previous year's financial statement, an investment property was incorrectly shown as long leasehold and improvements to property which was being depreciated. In addition, deferred tax asset was shown even though there were no carried forward losses and non-redeemable preference shares were shown as liability instead of equity. A prior year adjustment has been made to include and show them correctly.

Changes to the balance sheet - Group

	£	£	£	As previously reported	Adjustment	As restated at 30.06.2021
Tangible Fixed Assets						
Long Leasehold NBV				1,002,583	(896,571)	106,012
Improvements to property NBV				614,210	(47,241)	566,969
Investment Property					1,027,517	1,027,517
Creditors - due after more than one year						
Other creditors				6,554,625	1,045,000	5,509,625
Provision for liabilities						
Deferred tax				(261,322)	(259,312)	(520,634)
Net Assets				<u>284,213</u>	<u>869,391</u>	<u>1,153,604</u>
Capital and reserves						
Called up share capital				454	1,045,000	1,045,454
Fair value reserve				-	340,200	340,200
Revaluation reserve				420,000	(420,000)	-
Capital redemption reserve				1,380,000	-	1,380,000
Retained earnings				<u>(1,516,243)</u>	<u>(95,807)</u>	<u>(1,612,050)</u>

Reconciliation of changes in equity - Group

	£	£	1 July 2020	30 June 2021
Adjustment to prior period				
Prior period adjustment				(95,807)
Equity as previously reported			<u>454,370</u>	<u>1,249,411</u>
			<u>454,370</u>	<u>1,153,604</u>

There is no effect on corporation tax liability in respect of the above adjustment.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

14. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 July 2021	6,365,054	71,970	6,437,024
Additions	-	4,250	4,250
At 30 June 2022	<u>6,365,054</u>	<u>76,220</u>	<u>6,441,274</u>
AMORTISATION			
At 1 July 2021	2,225,686	43,062	2,268,748
Amortisation for year	636,505	8,010	644,515
At 30 June 2022	<u>2,862,191</u>	<u>51,072</u>	<u>2,913,263</u>
NET BOOK VALUE			
At 30 June 2022	<u>3,502,863</u>	<u>25,148</u>	<u>3,528,011</u>
At 30 June 2021	<u>4,139,368</u>	<u>28,908</u>	<u>4,168,276</u>

15. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 July 2021	182,668	950,748	1,369,306
Additions	197,285	-	376,722
Disposals	-	-	(10,580)
At 30 June 2022	<u>379,953</u>	<u>950,748</u>	<u>1,735,448</u>
DEPRECIATION			
At 1 July 2021	76,656	383,779	628,921
Charge for year	18,504	63,383	175,620
Eliminated on disposal	-	-	(252)
At 30 June 2022	<u>95,160</u>	<u>447,162</u>	<u>804,289</u>
NET BOOK VALUE			
At 30 June 2022	<u>284,793</u>	<u>503,586</u>	<u>931,159</u>
At 30 June 2021	<u>106,012</u>	<u>566,969</u>	<u>740,385</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

15. **TANGIBLE FIXED ASSETS - continued**

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2021	373,685	248,045	170,642	3,295,094
Additions	21,929	-	5,125	601,061
Disposals	-	(82,135)	(8,271)	(100,986)
At 30 June 2022	<u>395,614</u>	<u>165,910</u>	<u>167,496</u>	<u>3,795,169</u>
DEPRECIATION				
At 1 July 2021	318,430	127,556	158,368	1,693,710
Charge for year	34,063	57,259	7,673	356,502
Eliminated on disposal	-	(62,425)	(7,018)	(69,695)
At 30 June 2022	<u>352,493</u>	<u>122,390</u>	<u>159,023</u>	<u>1,980,517</u>
NET BOOK VALUE				
At 30 June 2022	<u>43,121</u>	<u>43,520</u>	<u>8,473</u>	<u>1,814,652</u>
At 30 June 2021	<u>55,255</u>	<u>120,489</u>	<u>12,274</u>	<u>1,601,384</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 July 2021	233,608
Disposals	(82,135)
At 30 June 2022	<u>151,473</u>
DEPRECIATION	
At 1 July 2021	114,323
Charge for year	56,056
Eliminated on disposal	(62,425)
At 30 June 2022	<u>107,954</u>
NET BOOK VALUE	
At 30 June 2022	<u>43,519</u>
At 30 June 2021	<u>119,285</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

16. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1 July 2021
and 30 June 2022

5,000,454

NET BOOK VALUE

At 30 June 2022

5,000,454

At 30 June 2021

5,000,454

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Pasco Group Limited

Registered office: 2nd Floor, Grove House, 55 Lowlands Road, Harrow, Middlesex, HA1 3AW

Nature of business: Investment holding company

	% holding		
Class of shares:			
Ordinary	100.00	30.6.22 £	30.6.22 £
Aggregate capital and reserves		88,821	11,555
Profit/(loss) for the year		<u>627,266</u>	<u>(794)</u>

Pasco Group Retail Limited

Registered office: 2nd Floor, Grove House, 55 Lowlands Road, Harrow, Middlesex, HA1 3AW

Nature of business: Restaurant and take-away

	% holding		
Class of shares:			
Ordinary - indirect	100.00	30.6.22 £	30.6.21 £
Aggregate capital and reserves		700,323	271,179
Profit for the year		<u>679,141</u>	<u>565,072</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

16. **FIXED ASSET INVESTMENTS - continued**

Pasco Group Franchising Limited

Registered office: 2nd Floor, Grove House, 55 Lowlands Road, Harrow, Middlesex, HA1 3AW

Nature of business: Development Agent

Class of shares:	%		
Ordinary - indirect	holding		
	100.00	30.6.22	30.6.21
		£	£
Aggregate capital and reserves		2,259,461	510,860
Profit for the year		<u>2,194,439</u>	<u>359,643</u>

Subway Store Development Limited

Registered office: 2nd Floor, Grove House, 55 Lowlands Road, Harrow, Middlesex, HA1 3AW

Nature of business: Restaurant

Class of shares:	%		
Ordinary - indirect	holding		
	100.00	30.6.22	30.6.21
		£	£
Aggregate capital and reserves		(110,594)	(83,228)
Loss for the year		<u>(110,699)</u>	<u>(83,333)</u>

Pasco Group Commercial Limited

Registered office: 2nd Floor, Grove House, 55 Lowlands Road, Harrow, Middlesex, HA1 3AW

Nature of business: Non-trading

Class of shares:	%	
Ordinary - indirect	holding	
	100.00	30.6.22
		£
Aggregate capital and reserves		(6,463)
Loss for the period/year		<u>(6,563)</u>

Pasco Group Residential Limited

Registered office: 2nd Floor, Grove House, 55 Lowlands Road, Harrow, Middlesex, HA1 3AW

Nature of business: Non-trading

Class of shares:	%	
Ordinary - indirect	holding	
	100.00	30.6.22
		£
Aggregate capital and reserves		(200)
Loss for the period/year		<u>(300)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

16. **FIXED ASSET INVESTMENTS - continued**

AUDIT EXEMPTION OF SUBSIDIARIES

For the financial year ended 30 June 2022, Subway Store Development Limited, Pasco Group Commercial Limited and Pasco Group Residential Limited have has claimed exemption from audit under S479A 2 (d) of the companies act relating to subsidiary companies.

17. **INVESTMENT PROPERTY**

Group

	Total £
FAIR VALUE	
At 1 July 2021	1,027,517
Impairments	(27,517)
At 30 June 2022	<u>1,000,000</u>
NET BOOK VALUE	
At 30 June 2022	<u>1,000,000</u>
At 30 June 2021	<u>1,027,517</u>

18. **STOCKS**

	Group	
	30.6.22	30.6.21 as restated
	£	£
Stocks	<u>90,956</u>	<u>68,951</u>

19. **DEBTORS**

	Group		Company	
	30.6.22	30.6.21 as restated	30.6.22	30.6.21 as restated
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	82,190	158,160	-	-
No description	62,585	-	-	-
Amounts owed by group undertakings	-	-	1,441,975	1,318,223
Other debtors	1,835,510	1,407,212	-	200,000
Prepayments and accrued income	264,166	281,205	113	113
	<u>2,244,451</u>	<u>1,846,577</u>	<u>1,442,088</u>	<u>1,518,336</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

19. **DEBTORS - continued**

	Group		Company	
	30.6.22	30.6.21 as restated	30.6.22	30.6.21 as restated
	£	£	£	£
Amounts falling due after more than one year:				
Other debtors > 1 year	-	55,000	-	-
Aggregate amounts	<u>2,244,451</u>	<u>1,901,577</u>	<u>1,442,088</u>	<u>1,518,336</u>

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

	Group		Company	
	30.6.22	30.6.21 as restated	30.6.22	30.6.21 as restated
	£	£	£	£
Bank loans and overdrafts (see note 22)	771,148	487,876	-	-
Hire purchase contracts (see note 23)	16,173	23,783	-	-
Trade creditors	564,168	789,449	8,340	14,931
Tax	169,988	99,411	-	-
Social security and other taxes	73,049	50,432	-	-
VAT	94,554	48,000	-	-
Other creditors	232,438	728,097	57,232	324,112
Directors' current accounts	300,354	233,734	300,354	233,734
Accruals and deferred income	308,335	350,769	1,500	1,500
	<u>2,530,207</u>	<u>2,811,551</u>	<u>367,426</u>	<u>574,277</u>

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

	Group		Company	
	30.6.22	30.6.21 as restated	30.6.22	30.6.21 as restated
	£	£	£	£
Bank loans (see note 22)	1,010,130	1,759,570	-	-
Preference shares (see note 22)	3,320,000	3,620,000	3,320,000	3,620,000
Hire purchase contracts (see note 23)	71,098	130,055	-	-
	<u>4,401,228</u>	<u>5,509,625</u>	<u>3,320,000</u>	<u>3,620,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

22. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.22	30.6.21 as restated	30.6.22	30.6.21 as restated
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>771,148</u>	<u>487,876</u>	<u>-</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loan due > 1 Year	-	547,559	-	-
Preference shares	<u>3,320,000</u>	<u>3,620,000</u>	<u>3,320,000</u>	<u>3,620,000</u>
	<u>3,320,000</u>	<u>4,167,559</u>	<u>3,320,000</u>	<u>3,620,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>738,432</u>	<u>1,212,011</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>271,698</u>	<u>-</u>	<u>-</u>	<u>-</u>

The 3% Redeemable preference shares have their full particulars set out in the company's articles of association. During the year, 300,000 Redeemable preference shares were redeemed at par. As a result of this, the capital redemption reserve has increased by £300,000.

23. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase 30.6.22 £	as contracts 30.6.21 restated £
Net obligations repayable:		
Within one year	16,173	23,783
Between one and five years	<u>71,098</u>	<u>130,055</u>
	<u>87,271</u>	<u>153,838</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

23. LEASING AGREEMENTS - continued

At 30 June 2022 the group was committed to making the following minimum lease rental payments under non cancellable operating leases:

Within one year: £577,009
Between one and five years : £1,814,703
More than 5 years: £1,666,445

24. SECURED DEBTS

Hire Purchase is in relation to company vehicles and secured against group vehicles.

The group has provided guarantees in respect of outstanding bank loans within the group. The bank loans are secured by way of a debenture including fixed charge over all investment property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital both present and future over all assets and undertaking both present and future dated 23 January 2018. Composite Company unlimited multilateral guarantee dated 18th January 2018 given by Subway Store Development Ltd, Pasco Group Ltd, Pasco Group Retail Ltd, Pasco Group Franchising Ltd and Pasco Group Holdings Ltd. As at 30 June 2022, the outstanding bank loans for the group amounted to £1,781,278 (2021: £2,247, 446).

25. PROVISIONS FOR LIABILITIES

	Group	
	30.6.22	30.6.21
	as	restated
	£	£
Deferred tax	<u>419,156</u>	<u>520,634</u>
Group		
		Deferred tax
		£
Balance at 1 July 2021		520,634
Provided during year		(101,478)
Balance at 30 June 2022		<u>419,156</u>

The deferred tax balance relates to accelerated capital allowances.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

26. CALLED UP SHARE CAPITAL

Allotted, issue and fully paid:		Nominal value:	30.06.22	30.06.21
Number:	Class:		£	£
400	Ordinary shares A	£1	400	400
2	Ordinary shares B	£1	2	2
2	Ordinary shares C	£1	2	2
2	Ordinary shares D	£1	2	2
2	Ordinary shares E	£1	2	2
46	Ordinary shares Z	£1	46	46
1,045,000	6% Non-Redeemable preference shares	£1	1,045,000	1,045,000
			1,045,454	1,45,454

Ordinary shares A and Ordinary shares Z have full voting rights. The rest of the shares do not possess any voting rights.

27. RELATED PARTY DISCLOSURES

Included in accounts is a net debtor balance of include £1,673,703 (2021: £813,271) due from Taupo Group Holdings Limited, a company connected to the directors.

Other debtors include £40,047 (2021: £77,466) due from Make My Blinds Limited, a company connected to R Pasco.

Included in other creditors is directors' current account balance of £300,354 (2021: £233,734). This balance is interest free and repayable on demand.

Company

Included in other creditors is directors' current account balance of £300,354 (2021: £233,734). This balance is interest free and repayable on demand.

Other creditors include £57,232 (2021: £324,112) due to Taupo Group Holdings Limited, a company connected to the directors.

28. POST BALANCE SHEET EVENTS

After the year end, the management has decided to sell its stores and are actively looking for buyers. The future plan for the group is to reinvest the funds from the sell of its stores in property portfolio. As a result of this, the group is still a going concern.

29. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are S P Pasco, R Pasco and Mrs S J Pasco with no one party having overall control.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

30. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**
Group

	30.6.22	30.6.21
	as	restated
	£	£
Profit before taxation	2,235,913	273,268
Depreciation charges	1,001,018	713,846
Profit on disposal of fixed assets	(1,770,901)	-
Loss on revaluation of fixed assets	27,517	-
Finance costs	55,929	49,664
	<u>1,549,476</u>	<u>1,036,778</u>
Increase in stocks	(22,005)	(11,580)
Increase in trade and other debtors	(342,874)	(87,850)
(Decrease)/increase in trade and other creditors	<u>(927,583)</u>	<u>807,456</u>
Cash generated from operations	<u>257,014</u>	<u>1,744,804</u>

Company

	30.6.22	30.6.21
	as	restated
	£	£
Profit before taxation	541,701	244,126
Finance income	(550,000)	(249,600)
	<u>(8,299)</u>	<u>(5,474)</u>
Decrease in trade and other debtors	76,248	543,822
Decrease in trade and other creditors	<u>(506,851)</u>	<u>(403,900)</u>
Cash generated from operations	<u>(438,902)</u>	<u>134,448</u>

31. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statements in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	Group		Company	
Year ended 30 June 2022	30.6.22	1.7.21	30.6.22	1.7.21
	£	£	£	£
Cash and cash equivalents	<u>1,819,547</u>	<u>1,227,712</u>	<u>71,529</u>	<u>134,448</u>
Year ended 30 June 2021	30.6.21	1.7.20	30.6.21	1.7.20
	as restated		as restated	
	£	£	£	£
Cash and cash equivalents	<u>1,227,712</u>	<u>316,162</u>	<u>134,448</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

32. **ANALYSIS OF CHANGES IN NET DEBT**

Group

	At 1.7.21 £	Cash flow £	At 30.6.22 £
Net cash			
Cash at bank and in hand	1,227,712	591,835	1,819,547
	<u>1,227,712</u>	<u>591,835</u>	<u>1,819,547</u>
Debt			
Finance leases	(153,838)	66,567	(87,271)
Debts falling due within 1 year	(487,876)	(283,272)	(771,148)
Debts falling due after 1 year	(5,379,570)	1,049,440	(4,330,130)
	<u>(6,021,284)</u>	<u>832,735</u>	<u>(5,188,549)</u>
Total	<u>(4,793,572)</u>	<u>1,424,570</u>	<u>(3,369,002)</u>

Company

	At 1.7.21 £	Cash flow £	At 30.6.22 £
Net cash			
Cash at bank	134,448	(62,919)	71,529
	<u>134,448</u>	<u>(62,919)</u>	<u>71,529</u>
Debt			
Debts falling due after 1 year	(3,620,000)	300,000	(3,320,000)
	<u>(3,620,000)</u>	<u>300,000</u>	<u>(3,320,000)</u>
Total	<u>(3,485,552)</u>	<u>237,081</u>	<u>(3,248,471)</u>

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