

Group Strategic Report, Directors' Report and  
Consolidated Financial Statements for the Year Ended 30 June 2023  
for  
Pasco Group Holdings Limited

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Pasco Group Holdings Limited

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for the Year Ended 30 June 2023

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Pasco Group Holdings Limited

Company Information  
for the Year Ended 30 June 2023

**DIRECTORS:**

M 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

## Pasco Group Holdings Limited

### Group Strategic Report for the Year Ended 30 June 2023

The directors present their strategic report of the company and the group for the year ended 30 June 2023.

#### **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 2023 are as follows:

	YE 30.06.23 £	YE 30.06.22 £
Turnover	9,469,653	9,375,689
Operating (Loss)/Profit	(890,466)	2,291,842
(Loss) / Profit for the financial year	(971,620)	2,213,273
Shareholders' equity	2,196,044	3,147,026

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.

#### **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.

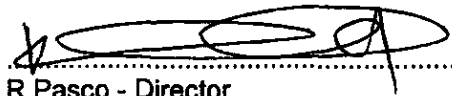
Pasco Group Holdings Limited

Group Strategic Report  
for the Year Ended 30 June 2023

**GOING CONCERN**

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

**ON BEHALF OF THE BOARD:**



.....

R Pasco - Director

Date: ..... 23/03/2024 .....

## Pasco Group Holdings Limited

### Directors' Report for the Year Ended 30 June 2023

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2023.

#### **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 £10,101 to Ordinary C shares, £23,994 to Ordinary E shares and £10,000 to Ordinary Z shares.

During previous 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 management recognises that a new generation of guests expect to access the brand in a various ways and for that access to be easy and free of barriers. Management is pursuing avenues to extend our guest's choice of access by continuously developing strong partnership with complementary consumer businesses and expanding delivery services.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2022 to the date of this report.

M Pasco  
R Pasco  
Mrs S J Pasco

Other changes in directors holding office are as follows:

S Pasco ceased to be a director after 30 June 2023 but prior to the date of this report.

#### **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.

Pasco Group Holdings Limited

Directors' Report  
for the Year Ended 30 June 2023

**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.

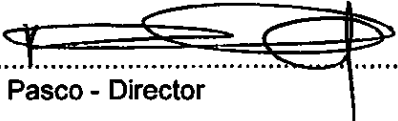
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

Date: 23/03/2024

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

**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 2023 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 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.



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

**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.

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

**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 company 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 company 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 company'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.

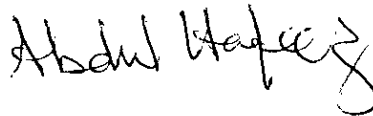
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion

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](http://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 FCA FCCA (Senior Statutory Auditor)  
for and on behalf of RA Audit Services Limited  
2nd Floor  
Grove House  
55 Lowlands Road  
Harrow  
Middlesex  
HA1 3AW



Date: .....28/03/2024

Pasco Group Holdings Limited

Consolidated Income Statement  
for the Year Ended 30 June 2023

	Notes	30.6.23 £	30.6.22 £
<b>TURNOVER</b>	4	9,469,653	9,375,689
Cost of sales		7,112,515	6,125,772
<b>GROSS PROFIT</b>		2,357,138	3,249,917
Administrative expenses		3,263,448	1,353,349
		(906,310)	1,896,568
Other operating income	5	15,844	422,791
Gain/loss on revaluation of investments		-	(27,517)
<b>OPERATING (LOSS)/PROFIT</b>	7	(890,466)	2,291,842
Interest payable and similar expenses	9	94,666	55,929
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(985,132)	2,235,913
Tax on (loss)/profit	10	(13,512)	22,640
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(971,620)	2,213,273
(Loss)/profit attributable to: Owners of the parent		(971,620)	2,213,273

The notes form part of these financial statements

Pasco Group Holdings Limited

Consolidated Other Comprehensive Income  
for the Year Ended 30 June 2023

	Notes	30.6.23 £	30.6.22 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		(971,620)	2,213,273
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(971,620)</u>	
Prior year adjustment			<u>(95,807)</u>
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>			<u>2,117,466</u>
Total comprehensive income attributable to: Owners of the parent		<u>(971,620)</u>	<u>2,117,466</u>

The notes form part of these financial statements

Pasco Group Holdings Limited (Registered number: 10434421)

Consolidated Balance Sheet  
30 June 2023

	Notes	30.6.23		30.6.22	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	13		2,884,621		3,528,011
Tangible assets	14		1,648,132		1,814,652
Investments	15		-		-
Investment property	16		1,537,710		1,000,000
			<u>6,070,463</u>		<u>6,342,663</u>
<b>CURRENT ASSETS</b>					
Stocks	17	91,830		90,956	
Debtors	18	2,994,337		2,244,451	
Cash at bank and in hand		468,238		1,819,547	
		<u>3,554,405</u>		<u>4,154,954</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	19	2,750,384		2,530,207	
<b>NET CURRENT ASSETS</b>			<u>804,021</u>		<u>1,624,747</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,874,484</u>		<u>7,967,410</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	20		(4,293,434)		(4,401,228)
<b>PROVISIONS FOR LIABILITIES</b>	24		(385,006)		(419,156)
<b>NET ASSETS</b>			<u><u>2,196,044</u></u>		<u><u>3,147,026</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	25		1,045,454		1,045,454
Capital redemption reserve			1,680,000		1,680,000
Fair value reserve			315,000		294,362
Retained earnings			(844,410)		127,210
			<u><u>2,196,044</u></u>		<u><u>3,147,026</u></u>

The notes form part of these financial statements

Pasco Group Holdings Limited (Registered number: 10434421)

Consolidated Balance Sheet - continued  
30 June 2023

The financial statements were approved by the Board of Directors and authorised for issue on  
.....28/03/2024..... and were signed on its behalf by:

  
.....  
R Pasco - Director

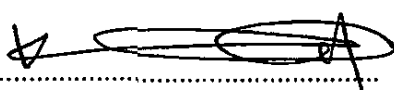
The notes form part of these financial statements

**Pasco Group Holdings Limited (Registered number: 10434421)**

**Company Balance Sheet**  
**30 June 2023**

	Notes	30.6.23 £	30.6.22 £
<b>FIXED ASSETS</b>			
Intangible assets	13	-	-
Tangible assets	14	-	-
Investments	15	5,000,454	5,000,454
Investment property	16	-	-
		<u>5,000,454</u>	<u>5,000,454</u>
<b>CURRENT ASSETS</b>			
Debtors	18	1,481,188	1,442,088
Cash at bank		33,036	71,529
		<u>1,514,224</u>	<u>1,513,617</u>
<b>CREDITORS</b>			
Amounts falling due within one year	19	<u>372,733</u>	<u>367,426</u>
<b>NET CURRENT ASSETS</b>		<u>1,141,491</u>	<u>1,146,191</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,141,945</u>	<u>6,146,645</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	20	<u>3,320,000</u>	<u>3,320,000</u>
<b>NET ASSETS</b>		<u><u>2,821,945</u></u>	<u><u>2,826,645</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	25	1,045,454	1,045,454
Capital redemption reserve		1,680,000	1,680,000
Retained earnings		96,491	101,191
		<u>2,821,945</u>	<u>2,826,645</u>
<b>Company's profit for the financial year</b>		<u><u>39,395</u></u>	<u><u>541,701</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/03/2024 and were signed on its behalf by:

  
R Pasco - Director

The notes form part of these financial statements



Pasco Group Holdings Limited

Consolidated Statement of Changes in Equity  
for the Year Ended 30 June 2023

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Total equity £
<b>Balance at 1 July 2021</b>	1,045,454	(1,516,239)	1,380,000	340,200	1,249,415
Prior year adjustment	-	(95,807)	-	-	(95,807)
As restated	1,045,454	(1,612,046)	1,380,000	340,200	1,153,608
<b>Changes in equity</b>					
Dividends	-	(174,017)	-	-	(174,017)
Total comprehensive income	-	1,913,273	300,000	(45,838)	2,167,435
<b>Balance at 30 June 2022</b>	1,045,454	127,210	1,680,000	294,362	3,147,026
<b>Changes in equity</b>					
Total comprehensive income	-	(971,620)	-	20,638	(950,982)
<b>Balance at 30 June 2023</b>	1,045,454	(844,410)	1,680,000	315,000	2,196,044

The notes form part of these financial statements

Pasco Group Holdings Limited

Company Statement of Changes in Equity  
for the Year Ended 30 June 2023

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 July 2021</b>	1,045,454	33,507	1,380,000	2,458,961
<b>Changes in equity</b>				
Dividends	-	(174,017)	-	(174,017)
Total comprehensive income	-	241,701	300,000	541,701
<b>Balance at 30 June 2022</b>	1,045,454	101,191	1,680,000	2,826,645
<b>Changes in equity</b>				
Dividends	-	(44,095)	-	(44,095)
Total comprehensive income	-	39,395	-	39,395
<b>Balance at 30 June 2023</b>	1,045,454	96,491	1,680,000	2,821,945

The notes form part of these financial statements

Pasco Group Holdings Limited

Consolidated Cash Flow Statement  
for the Year Ended 30 June 2023

	Notes	30.6.23 £	30.6.22 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	(148,552)	257,014
Interest paid		(87,442)	(47,794)
Interest element of hire purchase payments paid		(7,224)	(8,135)
Tax paid		5,210	(99,380)
Net cash from operating activities		(238,008)	101,705
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(934)	(4,250)
Purchase of tangible fixed assets		(213,978)	(601,061)
Purchase of fixed asset investments		-	100
Purchase of investment property		(537,710)	-
Sale of tangible fixed assets		45,615	50,792
Sale of fixed asset investments		-	1,751,300
Net cash from investing activities		(707,007)	1,196,881
<b>Cash flows from financing activities</b>			
Loan repayments in year		(444,242)	(466,168)
Capital repayments in year		37,948	(66,567)
Equity dividends paid		-	(174,017)
Net cash from financing activities		(406,294)	(706,752)
(Decrease)/increase in cash and cash equivalents		(1,351,309)	591,834
Cash and cash equivalents at beginning of year	29	1,819,547	1,227,712
Cash and cash equivalents at end of year	29	468,238	1,819,547

The notes form part of these financial statements

Pasco Group Holdings Limited

Company Cash Flow Statement  
for the Year Ended 30 June 2023

	Notes	30.6.23 £	30.6.22 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	(38,493)	(438,902)
Net cash from operating activities		<u>(38,493)</u>	<u>(438,902)</u>
<b>Cash flows from investing activities</b>			
Dividends received		<u>44,095</u>	<u>550,000</u>
Net cash from investing activities		<u>44,095</u>	<u>550,000</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		<u>(44,095)</u>	<u>(174,017)</u>
Net cash from financing activities		<u>(44,095)</u>	<u>(174,017)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(38,493)</u>	<u>(62,919)</u>
<b>Cash and cash equivalents at beginning of year</b>	29	71,529	134,448
<b>Cash and cash equivalents at end of year</b>	29	<u><u>33,036</u></u>	<u><u>71,529</u></u>

The notes form part of these financial statements

**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 2023.

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.

**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 on receivable basis, based on a proportion of underlying sales in the locations where the Company provides 'business development services'.

**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.

**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.

**Patents and licences**

Patents and licences relate to payments made for the right to discharge the operation of the franchise. They are amortised to the Income Statement over their estimated economic useful life.

**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

**Investment property**

Investment property which is property held to earn rentals and/or for capital appreciation is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss account.

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks includes unused raw materials and consumables at the year end. Raw materials and consumables are valued at the lower of cost and net realisable value. Cost is based on the purchase cost on a first in, first out basis. Cost of raw materials is determined by reference to the standard quantity in issue to each restaurant.

**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.

**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..



**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 13 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 14 to the accounts.

Pasco Group Holdings Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

**4. TURNOVER**

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

	2023	2022
	£	£
Turnover analysed by class of business		
Restaurant and take away business	9,412,846	8,673,909
Property rental	56,807	-
Development agent	-	701,780
	<u>9,469,653</u>	<u>9,375,689</u>

**5. OTHER OPERATING INCOME**

	30.6.23	30.6.22
	£	£
Rents received	-	61,524
Sundry receipts	15,844	299,264
Other income	-	62,003
	<u>15,844</u>	<u>422,791</u>

**6. EMPLOYEES AND DIRECTORS**

	30.6.23	30.6.22
	£	£
Wages and salaries	2,781,970	2,521,600
Social security costs	178,028	190,961
Other pension costs	33,811	80,926
	<u>2,993,809</u>	<u>2,793,487</u>

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

	30.6.23	30.6.22
Directors	4	4
Admin staff	2	2
Store workers	200	147
	<u>206</u>	<u>153</u>

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

	30.6.23	30.6.22
	£	£
Directors' remuneration	<u>31,200</u>	<u>26,000</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

**7. OPERATING (LOSS)/PROFIT**

The operating loss (2022 - operating profit) is stated after charging/(crediting):

	30.6.23	30.6.22
	£	£
Depreciation - owned assets	316,732	300,446
Depreciation - assets on hire purchase contracts	48,292	56,056
Profit on disposal of fixed assets	(19,266)	(1,770,901)
Goodwill amortisation	636,505	636,505
Patents and licences amortisation	7,819	8,010
Auditors' remuneration	11,201	11,000
	<u>          </u>	<u>          </u>

**8. EXCEPTIONAL ITEMS**

	30.6.23	30.6.22
	£	£
Exceptional items	<u>(25,506)</u>	<u>(30,466)</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.6.23	30.6.22
	£	£
Bank interest	-	14
Bank loan interest	78,147	47,780
Interest payable	9,295	-
Hire purchase interest	7,224	8,135
	<u>94,666</u>	<u>55,929</u>

**10. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	30.6.23	30.6.22
	£	£
Current tax:		
UK corporation tax	-	169,957
Deferred tax	<u>(13,512)</u>	<u>(147,317)</u>
Tax on (loss)/profit	<u>(13,512)</u>	<u>22,640</u>

Pasco Group Holdings Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

**10. TAXATION - continued**

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	30.6.23 £	30.6.22 £
(Loss)/profit before tax	(985,132)	2,235,913
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(187,175)	424,823
Effects of:		
Expenses not deductible for tax purposes	5,216	114,939
Income not taxable for tax purposes	(16,597)	(336,471)
Capital allowances in excess of depreciation	-	(33,334)
Depreciation in excess of capital allowances	8,486	-
Utilisation of tax losses	62,277	-
Deferred tax movement	(13,512)	(147,317)
Group adjustments	127,793	-
Total tax (credit)/charge	(13,512)	22,640

**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**

	30.6.23 £	30.6.22 £
shares of each Interim	-	174,017

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
<b>COST</b>			
At 1 July 2022	6,365,054	76,220	6,441,274
Additions	-	934	934
At 30 June 2023	6,365,054	77,154	6,442,208
<b>AMORTISATION</b>			
At 1 July 2022	2,862,191	51,072	2,913,263
Amortisation for year	636,505	7,819	644,324
At 30 June 2023	3,498,696	58,891	3,557,587
<b>NET BOOK VALUE</b>			
At 30 June 2023	2,866,358	18,263	2,884,621
At 30 June 2022	3,502,863	25,148	3,528,011

14. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 July 2022	379,953	950,748	1,735,448
Additions	4,472	-	111,407
Disposals	-	-	(8,040)
Reclassification/transfer	-	-	-
At 30 June 2023	384,425	950,748	1,838,815
<b>DEPRECIATION</b>			
At 1 July 2022	95,160	447,162	804,289
Charge for year	23,898	49,429	206,410
Eliminated on disposal	-	-	(4,518)
Reclassification/transfer	-	-	-
At 30 June 2023	119,058	496,591	1,006,181
<b>NET BOOK VALUE</b>			
At 30 June 2023	265,367	454,157	832,634
At 30 June 2022	284,793	503,586	931,159

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

14. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2022	395,614	165,910	167,496	3,795,169
Additions	-	95,000	3,099	213,978
Disposals	-	(99,399)	(126,553)	(233,992)
Reclassification/transfer	-	49,699	-	49,699
At 30 June 2023	395,614	211,210	44,042	3,824,854
<b>DEPRECIATION</b>				
At 1 July 2022	352,493	122,390	159,023	1,980,517
Charge for year	34,469	48,291	2,527	365,024
Eliminated on disposal	-	(79,387)	(123,738)	(207,643)
Reclassification/transfer	-	38,824	-	38,824
At 30 June 2023	386,962	130,118	37,812	2,176,722
<b>NET BOOK VALUE</b>				
At 30 June 2023	8,652	81,092	6,230	1,648,132
At 30 June 2022	43,121	43,520	8,473	1,814,652

**14. TANGIBLE FIXED ASSETS - continued**

**Group**

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

	Motor vehicles £
<b>COST</b>	
At 1 July 2022	151,473
Additions	95,000
Disposals	(99,399)
Reclassification/transfer	49,699
	<hr/>
At 30 June 2023	196,773
	<hr/>
<b>DEPRECIATION</b>	
At 1 July 2022	107,954
Charge for year	48,292
Eliminated on disposal	(79,387)
Reclassification/transfer	38,824
	<hr/>
At 30 June 2023	115,683
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 June 2023	81,090
	<hr/>
At 30 June 2022	43,519
	<hr/>

**15. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakin £
<b>COST</b>	
At 1 July 2022 and 30 June 2023	5,000,454
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 June 2023	5,000,454
	<hr/>
At 30 June 2022	5,000,454
	<hr/>

Pasco Group Holdings Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

**15. FIXED ASSET INVESTMENTS - continued**

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

Class of shares:	% holding	30.6.23	30.6.22
Ordinary	100.00	£	£
Aggregate capital and reserves		41,574	88,821
(Loss)/profit for the year		(3,152)	627,266

**Pasco Group Retail Limited**

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

Nature of business: Restaurant and take-away

Class of shares:	% holding	30.6.23	30.6.22
Ordinary - indirect	100.00	£	£
Aggregate capital and reserves		429,314	700,323
(Loss)/profit for the year		(247,015)	679,141

**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:	% holding	30.6.23	30.6.22
Ordinary - indirect	100.00	£	£
Aggregate capital and reserves		2,256,256	2,268,923
(Loss)/profit for the year		(33,305)	2,203,901



Pasco Group Holdings Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

15. **FIXED ASSET INVESTMENTS - continued**

**Subway Store Development Limited**

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

Nature of business: Restaurant

	% holding	30.6.23	30.6.22
Class of shares:		£	£
Ordinary - indirect	100.00	(144,794)	(110,594)
Aggregate capital and reserves		(34,200)	(27,367)
Loss for the year			

**Pasco Group Commercial Limited**

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

Nature of business: Non-trading

	% holding	30.6.23	30.6.22
Class of shares:		£	£
Ordinary - indirect	100.00	(26,461)	(6,463)
Aggregate capital and reserves		(19,998)	(6,563)
Loss for the year/period			

**Pasco Group Residential Limited**

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

Nature of business: Non-trading

	% holding	30.6.23	30.6.22
Class of shares:		£	£
Ordinary - indirect	100.00	(950)	(200)
Aggregate capital and reserves		(750)	(300)
Loss for the year/period			

**Vast Consulting Limited**

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

Nature of business: Dormant

	% holding	30.6.23
Class of shares:		£
Ordinary - indirect	100.00	1
Aggregate capital and reserves		

**15. FIXED ASSET INVESTMENTS - continued**

**AUDIT EXEMPTION OF SUBSIDIARIES**

For the financial year ended 30 June 2023, 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.

Vast Consulting Limited has been excluded from consolidation as it is a dormant company.

**16. INVESTMENT PROPERTY**

**Group**

	Total £
<b>FAIR VALUE</b>	
At 1 July 2022	1,000,000
Additions	537,710
	<hr/>
At 30 June 2023	1,537,710
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 June 2023	1,537,710
	<hr/>
At 30 June 2022	1,000,000
	<hr/>

The investment property has been shown at the fair value as at balance sheet date which has been valued by the director.

The historical cost of the investment property above is £1,117,710 (2022 : £580,000).

**17. STOCKS**

	<b>Group</b>	
	30.6.23	30.6.22
	£	£
Stocks	91,830	90,956
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Trade debtors	67,516	82,190	-	-
No description	16,478	62,585	-	-
Amounts owed by group undertakings	-	-	1,481,188	1,441,975
Other debtors	2,583,631	1,835,510	-	-
Prepayments and accrued income	326,584	264,166	-	113
Prepayments	128	-	-	-
	<u>2,994,337</u>	<u>2,244,451</u>	<u>1,481,188</u>	<u>1,442,088</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Bank loans and overdrafts (see note 21)	444,242	771,148	-	-
Hire purchase contracts (see note 22)	44,579	16,173	-	-
Payments on account	39,407	-	-	-
Trade creditors	600,714	564,168	11,397	8,340
Tax	175,198	169,988	-	-
Social security and other taxes	258,437	73,049	-	-
VAT	327,711	94,554	-	-
Other creditors	318,265	232,438	57,232	57,232
Directors' current accounts	256,360	300,354	300,354	300,354
Accruals and deferred income	285,471	308,335	3,750	1,500
	<u>2,750,384</u>	<u>2,530,207</u>	<u>372,733</u>	<u>367,426</u>

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

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Bank loans (see note 21)	892,794	1,010,130	-	-
Preference shares (see note 21)	3,320,000	3,320,000	3,320,000	3,320,000
Hire purchase contracts (see note 22)	80,640	71,098	-	-
	<u>4,293,434</u>	<u>4,401,228</u>	<u>3,320,000</u>	<u>3,320,000</u>

Pasco Group Holdings Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

**21. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	444,242	771,148	-	-
Amounts falling due between one and two years:				
Bank loan due > 1 Year	224,150	-	-	-
Preference shares	3,320,000	3,320,000	3,320,000	3,320,000
	3,544,150	3,320,000	3,320,000	3,320,000
Amounts falling due between two and five years:				
Bank loans - 2-5 years	409,345	738,432	-	-
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	259,299	271,698	-	-

The 3% Redeemable preference shares have their full particulars set out in the company's articles of association.

**22. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	30.6.23	30.6.22
	£	£
Net obligations repayable:		
Within one year	44,579	16,173
Between one and five years	80,640	71,098
	125,219	87,271

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

22. LEASING AGREEMENTS - continued

**Group**

	Non-cancellable operating leases	
	30.6.23	30.6.22
	£	£
Within one year	542,534	577,009
Between one and five years	1,536,074	1,814,703
In more than five years	1,402,540	1,666,445
	<u>3,481,148</u>	<u>4,058,157</u>

The cost of lease expense recognised in the year is £652,664 (2023: £587,957).

23. 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 2023, the outstanding bank loans for the group amounted to £1,337,036 (2022: £1,781,278).

24. PROVISIONS FOR LIABILITIES

	<b>Group</b>	
	30.6.23	30.6.22
	£	£
Deferred tax	<u>385,006</u>	<u>419,156</u>
<b>Group</b>		
		Deferred tax £
Balance at 1 July 2022		419,156
Credit to Income Statement during year		(34,150)
Balance at 30 June 2023		<u>385,006</u>

The deferred tax balance relates to accelerated capital allowances.

Pasco Group Holdings Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

**25. CALLED UP SHARE CAPITAL**

Allotted, issue and fully paid:		Nominal value:	30.06.23	30.06.22
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
	6% Non-Redeemable			
1,045,000	preference shares	£1	1,045,000	1,045,000
			<b>1,045,454</b>	<b>1,45,454</b>

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

**26. RELATED PARTY DISCLOSURES**

**Group**

Included in accounts is a net debtor balance of include £2,521,202 (2022: £1,673,703) due from Taupo Group Holdings Limited, a company connected to the directors.

Other creditors include £57,232 (2022: £57,232) due to Taupo Group Holdings Limited, a company connected to the directors.

Included in other creditors is directors' current account balance of £256,259 (2022: £300,354). This balance is interest free and repayable on demand.

**Company**

Included in other creditors is directors' current account balance of £300,354 (2022: £300,354). This balance is interest free and repayable on demand.

**27. 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 2023

28. RECONCILIATION OF (LOSS)/PROFIT/PROFIT BEFORE TAXATION TO CASH  
GENERATED FROM OPERATIONS

Group

	30.6.23	30.6.22
	£	£
(Loss)/profit before taxation	(985,132)	2,235,913
Depreciation charges	1,009,346	1,001,018
Profit on disposal of fixed assets	(19,266)	(1,770,901)
Loss on revaluation of fixed assets	-	27,517
Finance costs	94,666	55,929
	99,614	1,549,476
Increase in stocks	(874)	(22,005)
Increase in trade and other debtors	(749,886)	(342,874)
Increase/(decrease) in trade and other creditors	502,594	(927,583)
<b>Cash generated from operations</b>	<b>(148,552)</b>	<b>257,014</b>

Company

	30.6.23	30.6.22
	£	£
Profit before taxation	39,395	541,701
Finance income	(44,095)	(550,000)
	(4,700)	(8,299)
(Increase)/decrease in trade and other debtors	(113)	76,248
Decrease in trade and other creditors	(33,680)	(506,851)
<b>Cash generated from operations</b>	<b>(38,493)</b>	<b>(438,902)</b>

29. 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 2023	30.6.23	1.7.22	30.6.23	1.7.22
	£	£	£	£
Cash and cash equivalents	468,238	1,819,547	33,036	71,529
Year ended 30 June 2022	30.6.22	1.7.21	30.6.22	1.7.21
	£	£	£	£
Cash and cash equivalents	1,819,547	1,227,712	71,529	134,448

Pasco Group Holdings Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2023

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

<b>Group</b>	<b>At 1.7.22 £</b>	<b>Cash flow £</b>	<b>At 30.6.23 £</b>
<b>Net cash</b>			
Cash at bank and in hand	1,819,547	(1,351,309)	468,238
	<u>1,819,547</u>	<u>(1,351,309)</u>	<u>468,238</u>
<b>Debt</b>			
Finance leases	(87,271)	(37,948)	(125,219)
Debts falling due within 1 year	(771,148)	326,906	(444,242)
Debts falling due after 1 year	(4,330,130)	117,336	(4,212,794)
	<u>(5,188,549)</u>	<u>406,294</u>	<u>(4,782,255)</u>
<b>Total</b>	<u>(3,369,002)</u>	<u>(945,015)</u>	<u>(4,314,017)</u>
<b>Company</b>			
	<b>At 1.7.22 £</b>	<b>Cash flow £</b>	<b>At 30.6.23 £</b>
<b>Net cash</b>			
Cash at bank	71,529	(38,493)	33,036
	<u>71,529</u>	<u>(38,493)</u>	<u>33,036</u>
<b>Debt</b>			
Debts falling due after 1 year	(3,320,000)	-	(3,320,000)
	<u>(3,320,000)</u>	<u>-</u>	<u>(3,320,000)</u>
<b>Total</b>	<u>(3,248,471)</u>	<u>(38,493)</u>	<u>(3,286,964)</u>