

REGISTERED NUMBER: 11294345 (England and Wales)

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
FOR
SANTIO LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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SANTIO LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2022

DIRECTORS:	G S Harike S S Kandola G Dhaliwal
REGISTERED OFFICE:	Kingfisher House 11 Hoffmanns Way Chelmsford Essex CM1 1GU
BUSINESS ADDRESS:	Kennicott House Well Lane Wednesfield West Midlands WV11 1XR
REGISTERED NUMBER:	11294345 (England and Wales)
SENIOR STATUTORY AUDITOR:	Timothy Harbour Bsc FCA
INDEPENDENT AUDITORS:	Xeinadin Audit Limited Kingfisher House 11 Hoffmanns Way Chelmsford Essex CM1 1GU

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their strategic report for the year ended 30 September 2022.

REVIEW OF BUSINESS

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

The directors consider that the key financial performance indicators are those that communicate the financial performance and strengths of the Company as a whole, these being turnover and gross margin.

The company started trading on 30 July 2018 when it secured the operating service agreement for a number of take-away food outlets.

The directors are pleased with the turnover achieved for the financial year ended 30 September 2022 of £270.6m (2021: £277.2m).

The average gross profit margin achieved during the period was 10.5% (2021: 7.8%), which is inline with the directors expectations.

The financial position of the company as at the balance sheet date is shareholders' funds of £2.3m (2021: £0.8m).

The directors do not use KPIs apart from those shown above. There are no non-financial KPIs that the directors believe add further understanding of the development, performance or position of the Company.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces a number of risks and uncertainties which may have an adverse impact on its operations, performance, future targets and the ability to deliver its targets.

The risks and uncertainties noted below do not comprise all of the risks associated with the company and are not set out in any order of priority.

Services agreement

As previously stated the Company operates under a services agreement for a number of take-away food outlets. The agreement in place and dated 25 June 2018 operates on an annual 12 month contract period which is agreed with both parties and renewed at each anniversary. A party may give 3 months notice to the other party at any time during the relevant period, to terminate the agreement with effect from the end of the next agreed term.

At present there are no issues or disputes under the current agreement. The business relationship with the other party is beneficial for both and expectations are that the agreement will be renewed at the next anniversary.

Competition

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

Food safety and regulation

Food contamination and matters related to product integrity could lead to regulatory penalties and may cause reputational damage. To mitigate this risk, the business has strict policies and procedures on product quality and undertakes extensive quality control testing to ensure product conformance.

Staff Recruitment & Retention

The Company recognises its continuing development is based on its employees' contributions in an industry which has high levels of staff turnover.

Staff retention and recruitment of suitable candidates for new restaurants and developing central support functions are recognised by management as being key drivers for success.

Liquidity

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

Going Concern

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

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

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

SECTION 172(1) DIRECTORS STATEMENT OF COMPLIANCE

The Companies (Miscellaneous Reporting) Regulations 2018 (2018 MRR) require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 (S172) when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company. This S172 statement explains how the Company directors:

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

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

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

GENERAL CONFIRMATION OF DIRECTORS' DUTIES

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

KEY DIRECTOR DECISIONS

The Company introduced GPS system for its drivers. This enhances the safety of the drivers with the help of track and trace system. It also helps improve operational planning by knowing the estimated time of the drivers returning to the store. From a customer perspective they could track their order giving them a superior experience. It also is GDPR compliant as it withholds sensitive information about the customer.

ENGAGEMENT WITH EMPLOYEES

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

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

For the year ended 30 September 2022 Santio Limited has not used any formal Corporate Governance guideline, although on review and considering the size, scope and future Plans of the Company the directors have plans in place to apply the guidelines from the Wates Corporate Governance principles as far as is considered appropriate.

The Company remains committed to ensuring effective governance is in place to deliver its core values as this is the foundation on which it manages and controls its business and provides the platform for sustainable growth and profitability.

The Wates principles provide a framework for the Company to demonstrate how the directors make decisions for the long-term success of the business, and how the Company complies with the requirements of Section 172 of the Companies Act 2006.

Principle 1- Purpose and Leadership

The Group has a single shareholder/family led leadership team. The leadership team is highly educated with wide experience in the business.

The core purpose of the company is to provide our customers with high quality take away meals and quick service. This is driven by the core values of caring culture, look after the customers, act disciplined and professional, innovation, reward, recognise and empower.

Principle 2- Board Composition.

The shareholder/director is supported by two other Directors with an extensive experience and are market leaders in the industry. The Company holds regular board meetings also holds sub-board teams/committees across the business looking after people, finance, IT, and operations. These committees report direct to the board of directors.

Principle 3- Directors Responsibilities

The Directors are fully aware of their responsibilities to the Company. They are also up-to-date with compliance as responsible directors and keep an eye on the updates as the environment evolves.

Principle 4 - Opportunity and Risk

The Company looks to optimise commercial opportunities with a fast moving and agile senior management team. All commercial risk is managed through regular board and committee meetings.

Principle 5 -Remuneration.

Remuneration of Directors and senior leaderships are aligned to market rates irrespective of whether they hold a financial interest in the company or not.

Principles 6 - Stakeholder Relationship and Engagement.

Covered in section "SECTION 172(1) DIRECTORS STATEMENT OF COMPLIANCE" of this report.

ON BEHALF OF THE BOARD:

G S Harike - Director

20 July 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their report with the financial statements of the Company for the year ended 30 September 2022.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2022.

FUTURE DEVELOPMENTS

Looking ahead and operating under the agreed services agreement in place, we believe the Company will continue to perform well within the sector. The franchisee for who the services agreement covers, continually look to acquire new stores for growth. Trading conditions are expected to remain challenging but the directors remain confident that the business will continue to deliver profitable future growth.

DIRECTORS

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

G S Harike
S S Kandola
G Dhaliwal

POLITICAL DONATIONS AND EXPENDITURE

The company made no political donations during the period.

CASHFLOW RISK

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

CREDIT RISK

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

EMPLOYMENT POLICIES

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

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

DISABLED EMPLOYEES

The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regards to their particular aptitudes and abilities, and employs them where suitable work can be found. The recruitment of job applicants and existing members of staff who have a disability are reviewed to ensure that reasonable adjustments are made to enable them to perform as well as possible during the recruitment process and while employed. All reasonable measures are taken to ensure that disabled employees are given the opportunity and facilities to participate fully in the workplace, in training and in career development and promotion opportunities. In addition, every effort is made to find appropriate jobs for those who become disabled while working for the Company.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

STREAMLINED ENERGY AND CARBON REPORTING

The SECR framework requires the Company to report energy usage information and any energy efficiency action taken in the period under review.

	2022	2021
Energy consumption used to calculate emissions (kWh)	86,270,227	88,053,805
Energy consumption break down (kwh):		
- Natural gas	29,884,585	30,317,763
- Electricity	14,872,912	14,241,639
- Reimbursed employee mileage	41,512,730	43,494,403
Scope 1 emissions in metric tonnes CO ₂ e		
- Natural gas	5,455	5,553
Scope 2 emissions in metric tonnes CO ₂ e		
- Purchase of electricity	2,876	3,023
Scope 3 emissions in metric tonnes CO ₂ e		
- Reimbursed employee mileage	9,575	10,085
Total gross emissions in metric tonnes CO ₂ e	17,906	18,661
Intensity ratio total CO ₂ e per £m of revenue	66.18	67.24

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the UK Government Emissions Factor Database 2022 version 1 for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in tCO₂e/£m turnover

Measures taken to improve energy efficiency

Santio Limited continues to strive for energy and carbon reduction arising from our activities, the following actions form part of our ongoing efforts to reduce environmental impact.

- Where possible replacement equipment is selected from the ETL (Energy Technology List) - preferring robust, high efficiency models over the cheaper counterparts as we also acknowledge as well as the running consumption the manufacturing, installation and aftercare footprint must also be considered.

- We continue to remind our operatives of the need to reduce unnecessary energy consumption when our outlets are closed and to ensure all non-essential equipment is switched off.

Materiality

Santio Limited. has, to the best of its knowledge, included 100% of all energy sources within this report.

DISCLOSURE IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-size Companies and Group (Accounts and reports) Regulation 2008, certain matters which are required to be disclosed in the directors report have been omitted as they are included in the strategic report on page 2 to 5. These matters relate to engagement with employees, engagement with suppliers, customers and others and statement of corporate governance arrangements.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

G S Harike - Director

20 July 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SANTIO LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SANTIO LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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:

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

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations our approach was to consider the following:

- the nature of the industry or sector, control environment and business performance;
- the results of enquiries of management about their own identification and assessment of the risks of irregularities;
- matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SANTIO LIMITED

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, tax legislation and health and safety.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate.

We assessed the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: recognition of income, value of stock and payroll. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation;
- enquiring of management concerning actual and potential litigation and claims;
- reviewing material legal costs in the period;
- performing analytical procedures to identify unusual or unexpected relationships;
- reviewing correspondence with HMRC;
- testing the appropriateness of judgements made in making accounting estimates, journal entries and other adjustments made by management for indications of potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- interim stock count testing to review the perpetual stock system reporting.
- performing system checks of the third party sales system.

The likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

Timothy Harbour Bsc FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Kingfisher House
11 Hoffmanns Way
Chelmsford
Essex
CM1 1GU

21 July 2023

SANTIO LIMITED (REGISTERED NUMBER: 11294345)

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022 £	2021 £
TURNOVER	4	270,586,873	277,163,604
Cost of sales		<u>242,273,814</u>	<u>255,556,145</u>
GROSS PROFIT		28,313,059	21,607,459
Administrative expenses		<u>27,867,473</u>	<u>21,146,776</u>
		445,586	460,683
Other operating income	5	<u>46,010</u>	<u>49,188</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		491,596	509,871
Tax on profit	9	<u>(980,416)</u>	<u>97,307</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,472,012</u>	<u>412,564</u>

The notes form part of these financial statements

SANTIO LIMITED (REGISTERED NUMBER: 11294345)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,472,012	412,564
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,472,012</u>	<u>412,564</u>

The notes form part of these financial statements

SANTIO LIMITED (REGISTERED NUMBER: 11294345)

**BALANCE SHEET
30 SEPTEMBER 2022**

	Notes	2022 £	2021 £
CURRENT ASSETS			
Stocks	10	1,490,108	1,183,024
Debtors	11	13,858,348	9,071,032
Cash at bank and in hand	12	<u>2,938,582</u>	<u>2,564,529</u>
		18,287,038	12,818,585
CREDITORS			
Amounts falling due within one year	13	<u>16,000,689</u>	<u>12,004,248</u>
NET CURRENT ASSETS		<u>2,286,349</u>	<u>814,337</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,286,349</u>	<u>814,337</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Retained earnings	15	<u>2,286,249</u>	<u>814,237</u>
SHAREHOLDERS' FUNDS		<u>2,286,349</u>	<u>814,337</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 July 2023 and were signed on its behalf by:

G S Harike - Director

SANTIO LIMITED (REGISTERED NUMBER: 11294345)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2020	100	401,673	401,773
Changes in equity			
Total comprehensive income	-	412,564	412,564
Balance at 30 September 2021	100	814,237	814,337
Changes in equity			
Total comprehensive income	-	1,472,012	1,472,012
Balance at 30 September 2022	100	2,286,249	2,286,349

The notes form part of these financial statements

SANTIO LIMITED (REGISTERED NUMBER: 11294345)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	374,053	9,513
Tax paid		-	(95,116)
Net cash from operating activities		<u>374,053</u>	<u>(85,603)</u>
Increase/(decrease) in cash and cash equivalents		<u>374,053</u>	<u>(85,603)</u>
Cash and cash equivalents at beginning of year	2	2,564,529	2,650,132
Cash and cash equivalents at end of year	2	<u>2,938,582</u>	<u>2,564,529</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit before taxation	491,596	509,871
Increase in stocks	(307,086)	(153,744)
Increase in trade and other debtors	(3,904,208)	(3,262,078)
Increase in trade and other creditors	4,093,751	2,915,464
Cash generated from operations	<u>374,053</u>	<u>9,513</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 September 2022

	30/9/22 £	1/10/21 £
Cash and cash equivalents	<u>2,938,582</u>	<u>2,564,529</u>

Year ended 30 September 2021

	30/9/21 £	1/10/20 £
Cash and cash equivalents	<u>2,564,529</u>	<u>2,650,132</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/21 £	Cash flow £	At 30/9/22 £
Net cash			
Cash at bank and in hand	<u>2,564,529</u>	<u>374,053</u>	<u>2,938,582</u>
	<u>2,564,529</u>	<u>374,053</u>	<u>2,938,582</u>
Total	<u>2,564,529</u>	<u>374,053</u>	<u>2,938,582</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. STATUTORY INFORMATION

Santio Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£), which is the functional currency of the company.

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

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

These financial statements contain information about Santio Limited as an individual Company.

Summary of significant accounting policies

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

Going Concern

The Company operates under a services agreement for a number of take-away food outlets. The agreement in place operates on an annual 12 month contract period which is agreed with both parties and renewed at each anniversary. A party may give 3 months notice to the other party at any time during the relevant period, to terminate the agreement with effect from the end of the next agreed term.

Any loss of the current services agreement could present challenges for the Company to continue trading. At present there are no issues or disputes under the current agreement. The business relationship with the other party is beneficial and expect the agreement to be renewed at the next anniversary.

In addition the directors have considered the cashflow position of the company for a period of at least twelve months from the date of approval of these financial statements and are satisfied that the company will continue to have sufficient financial resources to enable it to meet its debts as they fall due.

Accordingly the financial statements have been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

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

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

Accruals

A number of expense costs for the Company are typically invoiced after the year end which can require management to review the financials and make accruals to match costs to the relevant period. Due to the timing of some expenditure some accruals do require estimates which are based on management experience and knowledge of the agreement and cost committed.

Within accruals management also provide for a unused holiday entitlement accrual which is calculated based on the previous actual holiday entitlement taken. Since the estimate relies on past results, the actual result may differ. This however represents managements best estimate to match the cost with the relevant period.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods and services, net of returns, discounts and value added tax.

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

Sale of goods

Turnover represents amounts receivable for the provision of take-away food, turnover is recognised at the point of collection by, or delivery to, the customer.

Rent

The Company recognises revenue for rent receivable over the rental period.

Stocks

Stock is valued at the lower of cost and net realisable value using the FIFO basis. Cost is determined by the actual amount paid for the stock, net of value added tax. Provisions are made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

Financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. ACCOUNTING POLICIES - continued**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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.

Pension costs and other post-retirement benefits

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

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

4. TURNOVER

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

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

	2022	2021
	£	£
Sale of goods	270,586,873	277,163,604
	<u>270,586,873</u>	<u>277,163,604</u>

The turnover of the Company is attributable to the principal activity of the Company wholly undertaken within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Rents received	46,010	39,188
Government grants	<u>-</u>	<u>10,000</u>
	<u>46,010</u>	<u>49,188</u>

Under the package of support measures from the UK Government in response to the COVID-19 pandemic, the retail, hospitality and leisure grant fund (RHLGF) was set up to support these sectors with their business costs during the Coronavirus pandemic.

All businesses in England in the retail, leisure or hospitality sector were entitled to a one off cash grant up to £25,000 depending on the rateable value of the property.

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

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	83,663,191	76,986,243
Social security costs	3,869,601	3,602,117
Other pension costs	<u>764,941</u>	<u>747,592</u>
	<u>88,297,733</u>	<u>81,335,952</u>

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

Operations	<u>6,239</u>	<u>6,089</u>
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7. DIRECTORS' EMOLUMENTS

	2022	2021
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The directors are remunerated through other related companies.

8. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	19,075	18,555
Other non- audit services	<u>10,645</u>	<u>9,005</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. TAXATION**Analysis of the tax (credit)/charge**

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

	2022 £	2021 £
Current tax:		
UK corporation tax	91,935	97,307
Prior year tax adjustment	(192,423)	-
Research & development credit	<u>(879,928)</u>	<u>-</u>
Tax on profit	<u>(980,416)</u>	<u>97,307</u>

Reconciliation of total tax (credit)/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:

	2022 £	2021 £
Profit before tax	<u>491,596</u>	<u>509,871</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	93,403	96,875
Effects of:		
Expenses not deductible for tax purposes	1,702	432
Adjustments to tax charge in respect of previous periods	(192,423)	-
R&D credits in respect of previous periods	(879,928)	-
Land remediation relief	<u>(3,170)</u>	<u>-</u>
Total tax (credit)/charge	<u>(980,416)</u>	<u>97,307</u>

The main rate of corporation tax will increase from 19% to 25% with effect from 1 April 2023.

10. STOCKS

	2022 £	2021 £
Raw materials and consumables	<u>1,490,108</u>	<u>1,183,024</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	4,590,714	2,558,664
Amounts owed by related parties	5,466,182	80,267
Other debtors	450,115	931,581
Tax	883,109	-
VAT	-	3,612,045
Prepayments	<u>2,468,228</u>	<u>1,888,475</u>
	<u>13,858,348</u>	<u>9,071,032</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

12. CASH AT BANK AND IN HAND

	2022	2021
	£	£
Bank account	2,823,737	2,530,086
Bank account no. 2	2,456	2,195
Bank account no. 3	66,639	998
Cash in hand	45,750	31,250
	<u>2,938,582</u>	<u>2,564,529</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	2,999,330	2,441,207
Amounts owed to related parties	-	3,498,425
Tax	-	97,307
Social security and other taxes	840,933	743,921
VAT	7,230,264	-
Other creditors	16,372	141,309
Net wages control	-	563
Accrued expenses	4,913,790	5,081,516
	<u>16,000,689</u>	<u>12,004,248</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

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

15. RESERVES

	Retained earnings £
At 1 October 2021	814,237
Profit for the year	<u>1,472,012</u>
At 30 September 2022	<u>2,286,249</u>

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

Retained earnings - includes all current retained profits and losses.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

16. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separate from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. Contributions payable to the fund at the year end by the Company and included in other creditors are £16,371 (2021: £141,309).

	2022 £	2021 £
Contributions payable by the Company for the year	<u>764,941</u>	<u>747,592</u>

17. RELATED PARTY DISCLOSURES**Other related parties**

	2022 £	2021 £
Royalties	50,938,335	78,702,097
Wages	14,675,304	8,638,875
Food, drink and delivery charges	72,935,876	67,431,160
Other direct costs	15,236,235	15,300,637
Premises rental	5,574,156	5,147,472
Other administrative costs	807,163	525,960
Amount due from related party	5,466,183	80,267
Amount due to related party	<u>-</u>	<u>3,498,425</u>

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

There are no terms, conditions or securities attached to the amounts owing above.

18. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is G S Harike.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.