Dum Dum Doughnuts Ltd

Annual Report and Financial Statements

Registered Number 07326147

For the year ended 31 December 2016

Contents

Company Information

Director	T Hurley
Registered Office	18 Oyster Place Montrose Road Chelmsford CM2 6TX
Registered Number	07326147
Accountants:	KPMG LLP 15 Canada Square London E14 5GL

Balance Sheet
At 31 December 2016

	Note	2016 £	2016 £	Restated 2015 £	Restated 2015 £
Fixed assets					
Intangible assets	4		**300,000**		362,500
Tangible assets	5		**354**		529
			300,354		363,029
Current assets					
Debtors (includes debtors of £46,159 *(2015: £46,159)* due after more than one year.)	6	**54,809**		51,411	
		54,809		51,411	
Creditors : amounts falling due within one year	7	**(18,893)**		(6,343)	
Net current assets			**35,916**		45,068
Total assets less current liabilities			**336,270**		408,097
Creditors : amounts falling due after more than one year	8		**(622,072)**		(642,068)
Net liabilities			**(285,802)**		(233,971)
Capital and reserves					
Called up share capital	9		**100**		100
Profit and loss account			**(285,902)**		(234,071)
Shareholders' deficit			**(285,802)**		(233,971)

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledge his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. In accordance with the special provisions applicable to companies subject to the small companies regime as permitted by section 444(5) of the Companies Act 2006, the entity profit and loss account and directors' report is not included as part of these filed financial statements.

These financial statements were approved by the board on 22/12/17 and were signed on its behalf by:

T Hurley - Director
Company Registration No: 07326147

The notes on pages 3 to 9 form part of these financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Dum Dum Doughnuts Ltd (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is07326147 and the registered office is 18 Oyster Place, Montrose Road, Chelmsford, CM2 6TX.

These financial statements were prepared in accordance with Section 1A of the Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

These financial statements for the period ended 31 December 2016 are the first financial statements of Dum Dum Doughnuts Ltd prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2015. In the transition to FRS102 from old UK GAAP, the company has made measurement and recognition adjustments.

The comparatives have been restated to include amortisation of patents over the remaining life after acquisition. Amortisation was not previously included.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The directors are of the opinion that due to the nature of the business, there are no critical accounting estimates or judgments used in the preparation of these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

The director believes that notwithstanding current period losses of £51,831, net current assets of £35,916 and net liabilities of £285,802, the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support from the director, investors will be adequate to meet the company's needs for a period of at least 12 months from the date of approval of these financial statements.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes *(Continued)*

1 Accounting policies *(continued)*

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a reducing balance basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Equipment 33% reducing balance

1.5 Intangible fixed assets

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Patent 8 years

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.6 Impairment

Financial assets (including trade and other debtors)

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.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(Continued)*

1 Accounting policies *(continued)*

1.6 Impairment (continued)

Non-financial assets

The carrying amounts of the company's non-financial assets reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.7 Turnover

Turnover represents amounts receivable for goods and services net of VAT. The total turnover of the company for the year has been derived from its principal activities.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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

Notes *(Continued)*

2 Interest payable and similar expenses

	2016 £	2015 £
Loan interest on intercompany account	23	-
	23	-

3 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £	2015 £
Current tax		
Current tax on income for the year	-	-
Adjustment in respect of prior year	-	-
Total current tax	-	-

4 Intangible fixed assets

	Trademark £	Patent £	Total £
Cost			
At 1 January 2016	50,000	500,000	550,000
At 31 December 2016	50,000	500,000	550,000
Amortisation			
At 1 January 2016	-	187,500	187,500
Charge for the year	-	62,500	62,500
At 31 December 2016	-	250,000	250,000
Net Book Value			
As at 31 December 2016	**50,000**	**250,000**	**300,000**
Net Book Value			
As at 31 December 2015	50,000	312,500	362,500

Notes *(Continued)*

5 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2016	2,337	2,337
At 31 December 2016	2,337	2,337
Depreciation		
At 1 January 2016	(1,808)	(1,808)
Charge for the year	(175)	(175)
At 31 December 2016	(1,983)	(1,983)
Net Book Value		
At 31 December 2016	**354**	**354**
Net Book Value		
At 31 December 2015	529	529

6 Debtors

	2016 £	2015 £
Other debtors	**54,809**	51,411
	54,809	51,411
Due withone one year	**8,650**	5,252
Due after more than one year	**46,159**	46,159
	54,809	51,411

Notes *(Continued)*

7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	**1,662**	173
Trade creditors	**9,918**	-
Taxation and social security	**7,313**	-
Other creditors	-	6,170
	18,893	6,343

8 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Other creditors	**622,072**	642,068
	622,072	642,068

9 Called up share capital

Allotted, issued and fully paid:

	2016	2015
	£	£
100 Ordinary shares of £1.00 each	**100**	100
	100	100

Notes *(Continued)*

10 Ultimate controlling party

The ultimate controlling party is P Hurley by virtue of his 100% shareholding in the company.

11 Related party transactions

Dum Dum Doughnuts Ltd made loans to T Hurley of £56 and received repayments of £2,100. As at 31 December 2016, the company owed £2,044 *(2015: £nil)* to T Hurley, sole Director of the company.

Dum Dum Doughnuts Ltd paid for goods and services on behalf of Dum Dum Franchising Limited amounting to £54,000, repayments during the year amounted to £nil. As at 31 December 2016, the company owed £125,955 *(2015: £179,955)* to Dum Dum Franchising Limited, a company in which T Hurley is a director.

Dum Dum Retail Limited paid for goods and services on behalf of Dum Dum Doughnuts Ltd amounting to £1,490, repayments during the year amounted to £nil. As at 31 December 2016, the company owed £37,343 *(2015: £35,953)* to Dum Dum Retail Limited, a company in which T Hurley is a director.

Dum Dum Doughnuts Ltd made loans to P Hurley of £34,718 and received repayments of £65,288. As at 31 December 2016, the company owed £456,730 *(2015: £426,160)* to P Hurley, a shareholder of the company.

As at 31 December 2016, the company was owed £46,159 *(2015: £46,159)* by Pilgrim's Patisserie, Limited a company in which T Hurley is a director. The loan is interest free and repayable when sufficient profit is available.