

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Year Ended 24th December 2021

for

**Lars (GFUK) Holdings Limited and
subsidiary undertakings**

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

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for the Year Ended 24th December 2021**

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Lars (GFUK) Holdings Limited and
subsidiary undertakings

Company Information
for the Year Ended 24th December 2021

DIRECTORS:	A Khan T Subashkaran P Khan R D Smith S Muhammad
SECRETARY:	A Khan
REGISTERED OFFICE:	1st Floor, KFC Earls Park, Arlington Way Battlefield Road Shrewsbury Shropshire SY1 4AB
REGISTERED NUMBER:	07396077 (England and Wales)
AUDITORS:	Hammond McNulty LLP Statutory Auditor Bank House Market Square Congleton Cheshire CW12 1ET
BANKERS:	HSBC 274 High Street Bangor Gwynedd LL57 1RU
SOLICITORS:	Desai, Ding & Oberoi Solicitors 36 Upper Brook Street London W1K 7QJ

Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)

Group Strategic Report
for the Year Ended 24th December 2021

The directors present their strategic report of the company and the group for the year ended 24th December 2021.

REVIEW OF BUSINESS

Turnover increased by 45% during the year due to core growth that was driven by marketing. However, part of this increase is reflective of the store closures experienced in 2020 as a result of the initial Covid-19 lockdown. The company operated with the full 37 restaurants, adding two additional outlets: 'Rhyl Small Box' & 'Bangor Caernarfon Rd' to the Gastronomy family. Total operating profit increased by 209%, which was mainly driven by the core trade.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the business is susceptible are market conditions and pricing. The company has developed appropriate methods to identify, manage and mitigate these risks where it is possible to do so. Financial risk has been reduced by putting the appropriate insurance cover in place for the key personnel. Debt Service ratio has improved year on year. The operation risk and the compensation policies against these activities are evaluated to discourage unnecessary or excessive risk taking. The annual incentive target setting process is closely linked to the annual financial planning process and supports the company's overall strategic plan.

SECTION 172(1) STATEMENT

As per the revised UK Corporate code ('2018') which requires consideration of the interest of other stakeholders that will have an impact on the long-term success of the company, this S172 statement explains how directors:

- have engaged with employees, suppliers, customers, and others
- have considered employee's interest
- have considered the need to foster company relationships with suppliers, customers, and others
- have considered the impact on the above-mentioned parties when making principle decisions during the financial year

When determining key matters that will affect other stakeholders, we have developed a clear framework. Approval matrix have been determined to engage management from all levels when identifying matters requiring board consideration and approval. This has been formalised as policy to ensure consistency across the broader business.

We, directors, understand the business and the evolving environment in which we operate. We make every effort to maximise carbon reduction, through managing consumption, changing to more energy efficient equipment, adding solar energy where possible and introducing electric vehicles for the field managers and directors. Our policies cover the impact of operations on community and the environment.

The directors recognise that employees are fundamental and core to our business to deliver our strategic ambitions. We have introduced long-term incentives at different management levels to keep employees engaged and enable them to share the profits as the business grows. Employees have the option to encash all the long-term incentive at different stages of their careers. We also offer an extended benefit package, including health benefit. We maintain a reputation for a high standard of business conduct through fair policies that helps to act fairly between members of the company.

We recognise the importance of business relationships with suppliers, customers, government, and joint venture partners. The ability to promote these principles effectively is an important factor in the decision to enter or remain in such relationships. The business continuously assesses the priorities related to customers and those with whom we do business.

KEY PERFORMANCE INDICATORS

Profit after tax has increased compared to last year, showing the overall business is in very good shape to open more restaurants in coming years. We have been upgrading all our restaurants to the current brand standard with respect to design and addition of equipment to accommodate more product lines.

The key performance indicators are below:

	2021	2020
Gross Profit Margin	31.5%	28.9%
Net Profit Margin	7.2%	1.6%
Quick Ratio	76%	55%
Average number of employees	1637	1410

**Group Strategic Report
for the Year Ended 24th December 2021**

FUTURE DEVELOPMENTS OF THE BUSINESS

Lars GFUK Holdings Limited, being the ultimate parent company, is still developing. It successfully opened two new restaurants this year: 'Rhyl Small Box' and 'Bangor Caernarfon Rd', creating 50 additional jobs. We have a strong pipeline of 20 restaurants planned in the next three years. We are recruiting more and more people in the local community to accommodate the requirements of our vision of having 60 + outlets.

POLICY ON DISABLED PERSONS

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that the employment within the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE INVOLVEMENT

The group's policy is to consult and discuss with employees, through emails and correspondence in the stores via the managers, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

ON BEHALF OF THE BOARD:

S Muhammad - Director

29th April 2022

Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)

Report of the Directors
for the Year Ended 24th December 2021

The directors present their report with the financial statements of the company and the group for the year ended 24th December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of operation of fast food restaurants as a KFC franchisee.

DIVIDENDS

Dividends paid from the group during the year were £456,600 (2020: £437,663).

DIRECTORS

The directors shown below have held office during the whole of the period from 25th December 2020 to the date of this report.

A Khan
T Subashkaran
P Khan
R D Smith
S Muhammad

POLITICAL DONATIONS AND EXPENDITURE

The company made no political donations during the year (2020 - £NIL).

DISCLOSURE IN THE STRATEGIC REPORT

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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). 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;
- 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 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Report of the Directors
for the Year Ended 24th December 2021**

AUDITORS

The auditors, Hammond McNulty LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S Muhammad - Director

29th April 2022

Report of the Independent Auditors to the Members of
Lars (GFUK) Holdings Limited and
subsidiary undertakings

Opinion

We have audited the financial statements of Lars (GFUK) Holdings Limited and subsidiary undertakings (the 'parent company') and its subsidiaries (the 'group') for the year ended 24th December 2021 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 and Notes to the Consolidated 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 group's and of the parent company affairs as at 24th December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 Group 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 Group 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
Lars (GFUK) Holdings Limited and
subsidiary undertakings

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 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 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 Statement of Directors' Responsibilities set out on page four, 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
Lars (GFUK) Holdings Limited and
subsidiary undertakings

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:

We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, and employment legislation.

We enquired of the directors, reviewed correspondence with HMRC and reviewed legal fees for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.

We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.

The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: misappropriation of sales during the cut off period, understatement of costs, potential for management override and related party transactions

We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

We enquired of the directors about actual and potential litigation and claims.

We performed analytical procedures at the planning stage to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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.

Report of the Independent Auditors to the Members of
Lars (GFUK) Holdings Limited and
subsidiary undertakings

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.

Marie Ann Shenton FCCA (Senior Statutory Auditor)
for and on behalf of Hammond McNulty LLP
Statutory Auditor
Bank House
Market Square
Congleton
Cheshire
CW12 1ET

23rd May 2022

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Consolidated
Income Statement
for the Year Ended 24th December 2021**

	Notes	24/12/21 £	24/12/20 £
TURNOVER	3	70,699,996	48,612,159
Cost of sales		<u>48,461,719</u>	<u>34,567,788</u>
GROSS PROFIT		22,238,277	14,044,371
Administrative expenses		<u>16,118,116</u>	<u>14,579,661</u>
		6,120,161	(535,290)
Other operating income		<u>159,875</u>	<u>2,566,144</u>
OPERATING PROFIT	5	6,280,036	2,030,854
Interest payable and similar expenses	7	<u>1,158,896</u>	<u>1,229,440</u>
PROFIT BEFORE TAXATION		5,121,140	801,414
Tax on profit	8	<u>1,230,545</u>	<u>468,904</u>
PROFIT FOR THE FINANCIAL YEAR		3,890,595	332,510
Profit attributable to: Owners of the parent		<u>3,890,595</u>	<u>332,510</u>

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Consolidated
Other Comprehensive Income
for the Year Ended 24th December 2021**

Notes	24/12/21 £	24/12/20 £
PROFIT FOR THE YEAR	3,890,595	332,510
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,890,595</u>	<u>332,510</u>
Total comprehensive income attributable to: Owners of the parent	<u>3,890,595</u>	<u>332,510</u>

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Consolidated Balance Sheet
24th December 2021**

	Notes	24/12/21 £	£	24/12/20 £	£
FIXED ASSETS					
Intangible assets	11	17,427,299		22,687,057	
Tangible assets	12	12,806,621		11,918,077	
Investments	13	-		-	
		<u>30,233,920</u>		<u>34,605,134</u>	
CURRENT ASSETS					
Stocks	14	433,264		427,591	
Debtors	15	3,417,923		2,769,934	
Cash at bank and in hand		<u>3,968,163</u>		<u>2,820,805</u>	
		7,819,350		6,018,330	
CREDITORS					
Amounts falling due within one year	16	<u>10,197,455</u>		<u>10,904,951</u>	
NET CURRENT LIABILITIES			<u>(2,378,105)</u>		<u>(4,886,621)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,855,815</u>		<u>29,718,513</u>
CREDITORS					
Amounts falling due after more than one year	17		(23,878,257)		(29,245,631)
PROVISIONS FOR LIABILITIES	21		<u>(392,301)</u>		<u>(321,620)</u>
NET ASSETS			<u><u>3,585,257</u></u>		<u><u>151,262</u></u>
CAPITAL AND RESERVES					
Called up share capital	22		12		12
Share premium	23		349,998		349,998
Retained earnings	23		<u>3,235,247</u>		<u>(198,748)</u>
			<u><u>3,585,257</u></u>		<u><u>151,262</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 29th April 2022 and were signed on its behalf by:

S Muhammad - Director

R D Smith - Director

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Company Balance Sheet
24th December 2021**

	Notes	24/12/21 £	£	24/12/20 £	£
FIXED ASSETS					
Intangible assets	11		1,446,848		-
Tangible assets	12		-		-
Investments	13		20,485,369		27,224,066
			<u>21,932,217</u>		<u>27,224,066</u>
CURRENT ASSETS					
Debtors	15	591,051		1,414,923	
Cash at bank		<u>1</u>		<u>1</u>	
		591,052		1,414,924	
CREDITORS					
Amounts falling due within one year	16	<u>5,507,626</u>		<u>4,645,656</u>	
NET CURRENT LIABILITIES			<u>(4,916,574)</u>		<u>(3,230,732)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,015,643		23,993,334
CREDITORS					
Amounts falling due after more than one year	17		<u>22,425,755</u>		<u>27,030,951</u>
NET LIABILITIES			<u>(5,410,112)</u>		<u>(3,037,617)</u>
CAPITAL AND RESERVES					
Called up share capital	22		12		12
Share premium	23		349,998		349,998
Retained earnings	23		<u>(5,760,122)</u>		<u>(3,387,627)</u>
			<u>(5,410,112)</u>		<u>(3,037,617)</u>
Company's loss for the financial year			<u>(973,875)</u>		<u>(997,288)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29th April 2022 and were signed on its behalf by:

A Khan - Director

R D Smith - Director

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Consolidated Statement of Changes in Equity
for the Year Ended 24th December 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 25th December 2019	12	(93,595)	349,998	256,415
Changes in equity				
Dividends	-	(437,663)	-	(437,663)
Total comprehensive income	-	332,510	-	332,510
Balance at 24th December 2020	12	(198,748)	349,998	151,262
Changes in equity				
Dividends	-	(456,600)	-	(456,600)
Total comprehensive income	-	3,890,595	-	3,890,595
Balance at 24th December 2021	12	3,235,247	349,998	3,585,257

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Company Statement of Changes in Equity
for the Year Ended 24th December 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 25th December 2019	12	(2,390,339)	349,998	(2,040,329)
Changes in equity				
Total comprehensive income	-	(997,288)	-	(997,288)
Balance at 24th December 2020	12	(3,387,627)	349,998	(3,037,617)
Changes in equity				
Total comprehensive income	-	(2,372,495)	-	(2,372,495)
Balance at 24th December 2021	12	(5,760,122)	349,998	(5,410,112)

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Consolidated Cash Flow Statement
for the Year Ended 24th December 2021**

	Notes	24/12/21 £	24/12/20 £
Cash flows from operating activities			
Cash generated from operations	1	6,649,492	3,615,000
Interest paid		(1,158,896)	(1,229,440)
Tax paid		(1,087,585)	178,985
Net cash from operating activities		<u>4,403,011</u>	<u>2,564,545</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(43,866)	-
Purchase of tangible fixed assets		(3,529,490)	(1,045,776)
Sale of intangible fixed assets		3,850,910	-
Sale of tangible fixed assets		139,507	-
Net cash from investing activities		<u>417,061</u>	<u>(1,045,776)</u>
Cash flows from financing activities			
New loans in year		700,000	527,792
Loan repayments in year		(2,493,690)	(1,482,981)
Government grants		159,875	2,438,229
Capital repayments in year		(644,300)	(233,562)
Amount introduced by directors		-	58,508
Amount withdrawn by directors		(937,999)	(169,254)
Equity dividends paid		(456,600)	(437,663)
Net cash from financing activities		<u>(3,672,714)</u>	<u>701,069</u>
Increase in cash and cash equivalents		<u>1,147,358</u>	<u>2,219,838</u>
Cash and cash equivalents at beginning of year	2	<u>2,820,805</u>	<u>600,967</u>
Cash and cash equivalents at end of year	2	<u><u>3,968,163</u></u>	<u><u>2,820,805</u></u>

The notes form part of these financial statements

Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 24th December 2021

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

	24/12/21	24/12/20
	£	£
Profit before taxation	5,121,140	801,414
Depreciation charges	3,954,153	4,083,547
Loss on disposal of fixed assets	-	101,160
Government grants	(159,875)	(2,438,229)
Finance costs	1,158,896	1,229,440
	10,074,314	3,777,332
Increase in stocks	(5,673)	(34,831)
Decrease/(increase) in trade and other debtors	290,010	(660,963)
(Decrease)/increase in trade and other creditors	(3,709,159)	533,462
Cash generated from operations	<u>6,649,492</u>	<u>3,615,000</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 24th December 2021

	24/12/21	25/12/20
	£	£
Cash and cash equivalents	<u>3,968,163</u>	<u>2,820,805</u>

Year ended 24th December 2020

	24/12/20	25/12/19
	£	£
Cash and cash equivalents	2,820,805	2,000,857
Bank overdrafts	-	(1,399,890)
	<u>2,820,805</u>	<u>600,967</u>

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 24th December 2021**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 25/12/20 £	Cash flow £	At 24/12/21 £
Net cash			
Cash at bank and in hand	<u>2,820,805</u>	<u>1,147,358</u>	<u>3,968,163</u>
	<u>2,820,805</u>	<u>1,147,358</u>	<u>3,968,163</u>
Debt			
Finance leases	(2,329,233)	644,300	(1,684,933)
Debts falling due within 1 year	(2,618,327)	108,971	(2,509,356)
Debts falling due after 1 year	<u>(24,492,596)</u>	<u>1,684,718</u>	<u>(22,807,878)</u>
	<u>(29,440,156)</u>	<u>2,437,989</u>	<u>(27,002,167)</u>
Total	<u>(26,619,351)</u>	<u>3,585,347</u>	<u>(23,034,004)</u>

The notes form part of these financial statements

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements
for the Year Ended 24th December 2021**

1. STATUTORY INFORMATION

Lars (GFUK) Holdings Limited and subsidiary undertakings 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.

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.

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the group's presentation currency.

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties as deemed cost on transition. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being the parent of the group that prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Going Concern

The directors have considered the potential impact of COVID-19 on the principal activities of the business and they believe that they have sufficient resources in place to operate for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

2. ACCOUNTING POLICIES - continued

Basis of consolidation

In the parent company financial statements, the 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. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of LARS (GFUK) Holdings Limited and all of its subsidiaries (ie entities that 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 that control passes.

All financial statements are made up to 24 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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.

The following subsidiaries have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows includes the results and cashflows of the subsidiaries from the date of acquisition.

Gastronomy Foods UK Limited
Gastronomy Restaurants Limited
Fry Mill Limited

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venture's under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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 the term of the franchise agreement.

Amortisation

The goodwill for Fry Mill Limited and Gastronomy Restaurants Limited was acquired in 2016 and 2017 respectively. Both are amortised on a straight-line basis: goodwill over a useful life of 10 years on Fry Mill Limited and over 20 years on Gastronomy Restaurants Limited. Both businesses are a franchise of the KFC brand, however Gastronomy Restaurants Limited has a longer amortisation period due to the ongoing strategic growth plan for the business and that it holds numerous stores.

KFC Licences are amortised on a straight line basis over the licence period.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that assets as follows:

Leasehold property - over the remaining life of lease

Fixtures & fittings - 15% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors, bank loans and director's loans.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Directors loans (being repayable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and Retained Earnings.

Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021

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.

Finance lease agreements

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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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 lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3. TURNOVER

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

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

	24/12/21	24/12/20
	£	£
Sales of KFC chicken products	70,699,996	48,612,159
	70,699,996	48,612,159

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

4. EMPLOYEES AND DIRECTORS

	24/12/21	24/12/20
	£	£
Wages and salaries	17,811,376	14,376,625
Social security costs	142,744	126,016
Other pension costs	226,972	187,877
	<u>18,181,092</u>	<u>14,690,518</u>

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

	24/12/21	24/12/20
Number of management staff	43	39
Number of service staff	<u>1,594</u>	<u>1,371</u>
	<u>1,637</u>	<u>1,410</u>

The directors are remunerated by other companies in the group. Details of their remuneration are set out in the financial statements of those companies.

5. OPERATING PROFIT

The operating profit is stated after charging:

	24/12/21	24/12/20
	£	£
Hire of plant and machinery	255,568	213,550
Other operating leases	2,889,277	2,443,242
Depreciation - owned assets	2,501,439	2,240,659
Loss on disposal of fixed assets	-	101,160
Goodwill amortisation	1,323,528	1,717,593
Patents and licences amortisation	<u>129,186</u>	<u>125,295</u>

6. AUDITORS' REMUNERATION

	24/12/21	24/12/20
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	<u>48,416</u>	<u>29,350</u>

	24/12/2021	24/12/2020
	£	£

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the group and company	2,375	2,375
Audit of the financial statements of the company's subsidiaries	<u>46,041</u>	<u>26,975</u>
	<u>48,416</u>	<u>29,350</u>

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	24/12/21	24/12/20
	£	£
Bank interest	155,252	126,242
Bank loan interest	925,645	910,817
Interest on new refit	77,999	105,913
Loan	-	86,468
	<u>1,158,896</u>	<u>1,229,440</u>

8. TAXATION

Analysis of the tax charge

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

	24/12/21	24/12/20
	£	£
Current tax:		
UK corporation tax	1,159,864	537,507
Deferred tax	70,681	(68,603)
Tax on profit	<u>1,230,545</u>	<u>468,904</u>

Reconciliation of total tax 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:

	24/12/21	24/12/20
	£	£
Profit before tax	<u>5,121,140</u>	<u>801,414</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	973,017	152,269
Effects of:		
Expenses not deductible for tax purposes	189	33,382
Depreciation in excess of capital allowances	5,869	-
Amortisation	<u>251,470</u>	<u>283,253</u>
Total tax charge	<u>1,230,545</u>	<u>468,904</u>

9. 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.

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

10. DIVIDENDS

Dividends were paid on the following shares as below:

Share Class	24/12/21 £	24/12/20 £
A Ordinary	183,624	168,322
B Ordinary	83,280	87,490
D Ordinary	151,104	138,512
G Ordinary	38,592	43,339
	<u>456,600</u>	<u>437,663</u>

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 25th December 2020	31,127,833	1,214,953	32,342,786
Additions	-	43,866	43,866
Disposals	-	(31,259)	(31,259)
Impairments	(3,845,000)	-	(3,845,000)
At 24th December 2021	<u>27,282,833</u>	<u>1,227,560</u>	<u>28,510,393</u>
AMORTISATION			
At 25th December 2020	9,123,578	532,151	9,655,729
Amortisation for year	1,323,528	129,186	1,452,714
Eliminated on disposal	-	(25,349)	(25,349)
At 24th December 2021	<u>10,447,106</u>	<u>635,988</u>	<u>11,083,094</u>
NET BOOK VALUE			
At 24th December 2021	<u>16,835,727</u>	<u>591,572</u>	<u>17,427,299</u>
At 24th December 2020	<u>22,004,255</u>	<u>682,802</u>	<u>22,687,057</u>

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

11. INTANGIBLE FIXED ASSETS - continued

Company

	Goodwill £
COST	
Additions	2,893,697
At 24th December 2021	<u>2,893,697</u>
AMORTISATION	
Amortisation for year	48,229
Charge written back	1,398,620
At 24th December 2021	<u>1,446,849</u>
NET BOOK VALUE	
At 24th December 2021	<u>1,446,848</u>

12. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 25th December 2020	4,115,350	18,069,957	22,185,307
Additions	686,612	2,842,878	3,529,490
Disposals	(267,663)	(751,267)	(1,018,930)
At 24th December 2021	<u>4,534,299</u>	<u>20,161,568</u>	<u>24,695,867</u>
DEPRECIATION			
At 25th December 2020	2,326,261	7,940,969	10,267,230
Charge for year	461,422	2,040,017	2,501,439
Eliminated on disposal	(213,743)	(665,680)	(879,423)
At 24th December 2021	<u>2,573,940</u>	<u>9,315,306</u>	<u>11,889,246</u>
NET BOOK VALUE			
At 24th December 2021	<u>1,960,359</u>	<u>10,846,262</u>	<u>12,806,621</u>
At 24th December 2020	<u>1,789,089</u>	<u>10,128,988</u>	<u>11,918,077</u>

Fixed assets at cost, included in the above which are held under hire purchase contract are as follows 2021: £754,104 (2020: £754,104)

Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021

13. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 25th December 2020	27,224,066
Impairments	(3,845,000)
Reclassification/transfer	(2,893,697)
At 24th December 2021	<u>20,485,369</u>
NET BOOK VALUE	
At 24th December 2021	<u>20,485,369</u>
At 24th December 2020	<u>27,224,066</u>

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

Subsidiary

Gastronomy Foods (UK) Limited

Registered office: 1st Floor, KFC Earls Park, Arlington Way, Battlefield Road, Shrewsbury, Shropshire. SY1 4AB

Nature of business: KFC franchise

Class of shares: Ordinary - Holding 100%

Fry Mill Limited

Registered office: 1st Floor, KFC Earls Park, Arlington Way, Battlefield Road, Shrewsbury, Shropshire. SY1 4AB

Nature of business: KFC franchise

Class of shares: Ordinary - Holding 100%

Gastronomy Restaurants Limited

Registered office: 1st Floor, KFC Earls Park, Arlington Way, Battlefield Road, Shrewsbury, Shropshire. SY1 4AB

Nature of business: KFC franchise

Class of shares: Ordinary - Holding 100%

Whats Klukkin Limited

Registered office: Quarterbridge Road, Douglas, IM2 3RG, Isle of Man

Nature of business: KFC franchise

Class of shares: Ordinary - Holding 60%

Whats Klukkin Limited was incorporated on the 27 May 2021, however the transactions to the year end 24/12/2021 are not material to the group and therefore have not been included.

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

14. **STOCKS**

	Group	
	24/12/21	24/12/20
	£	£
Stocks	<u>433,264</u>	<u>427,591</u>

15. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	24/12/21	24/12/20	24/12/21	24/12/20
	£	£	£	£
Amounts owed by group undertakings	-	-	591,050	1,414,922
Other debtors	1,722,394	1,643,295	1	1
Directors' current accounts	937,999	-	-	-
Prepayments and accrued income	<u>757,530</u>	<u>1,126,639</u>	<u>-</u>	<u>-</u>
	<u>3,417,923</u>	<u>2,769,934</u>	<u>591,051</u>	<u>1,414,923</u>

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

	Group		Company	
	24/12/21	24/12/20	24/12/21	24/12/20
	£	£	£	£
Bank loans and overdrafts (see note 18)	2,509,356	2,618,327	2,337,915	2,332,027
Hire purchase contracts (see note 19)	614,553	626,198	-	-
Trade creditors	4,786,274	3,234,440	-	-
Amounts owed to group undertakings	-	1	3,098,261	1,450,197
Tax	609,310	537,031	-	-
Social security and other taxes	353,446	530,327	-	-
VAT	43,769	617,745	-	-
Other creditors	719,350	2,126,159	-	795,000
Accruals and deferred income	124,880	170,034	-	-
Accrued expenses	<u>436,517</u>	<u>444,689</u>	<u>71,450</u>	<u>68,432</u>
	<u>10,197,455</u>	<u>10,904,951</u>	<u>5,507,626</u>	<u>4,645,656</u>

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

	Group		Company	
	24/12/21	24/12/20	24/12/21	24/12/20
	£	£	£	£
Bank loans (see note 18)	22,807,878	24,492,596	22,425,754	23,980,948
Hire purchase contracts (see note 19)	1,070,380	1,703,035	-	-
Other creditors	(1)	3,050,000	1	3,050,003
	<u>23,878,257</u>	<u>29,245,631</u>	<u>22,425,755</u>	<u>27,030,951</u>

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	24/12/21	24/12/20	24/12/21	24/12/20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>2,509,356</u>	<u>2,618,327</u>	<u>2,337,915</u>	<u>2,332,027</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>2,697,742</u>	<u>2,510,409</u>	<u>2,315,618</u>	<u>2,339,898</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>6,410,136</u>	<u>6,982,187</u>	<u>6,410,136</u>	<u>6,641,050</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans more 5 yrs non-inst	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Repayable by instalments				
Bank loans more 5 yr by instal	<u>13,000,000</u>	<u>15,000,000</u>	<u>13,000,000</u>	<u>15,000,000</u>

Bank loans are repayable in quarterly instalments due to expire 19/05/2024. The interest rate is 2.75% above base rate.

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	24/12/21	24/12/20
	£	£
Gross obligations repayable:		
Within one year	616,666	631,643
Between one and five years	1,070,625	1,705,230
	<u>1,687,291</u>	<u>2,336,873</u>
Finance charges repayable:		
Within one year	2,113	5,445
Between one and five years	245	2,195
	<u>2,358</u>	<u>7,640</u>
Net obligations repayable:		
Within one year	614,553	626,198
Between one and five years	1,070,380	1,703,035
	<u>1,684,933</u>	<u>2,329,233</u>

Group

	Non-cancellable operating leases	
	24/12/21	24/12/20
	£	£
Within one year	2,535,084	2,343,141
Between one and five years	9,235,273	8,353,081
In more than five years	18,178,071	17,637,181
	<u>29,948,428</u>	<u>28,333,403</u>

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	24/12/21	24/12/20
	£	£
Bank loans	25,317,234	27,110,923
Hire purchase contracts	1,684,933	2,329,233
	27,002,167	29,440,156

The bank loan and overdraft facility are secured by the following:

1. First legal charge over the leasehold properties of the company
2. Unlimited multilateral guarantee
3. Debenture including a fixed charge over all present freehold & leasehold property

Hire purchase loans are secured by a fixed and floating charged over the assets.

21. PROVISIONS FOR LIABILITIES

	Group	
	24/12/21	24/12/20
	£	£
Deferred tax	392,301	321,620

Group

	Deferred tax £
Balance at 25th December 2020	321,620
Provided during year	70,681
Movement in year	
Balance at 24th December 2021	392,301

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	£	Class	Nominal value	24/12/19	24/12/18
		£			
630		Ordinary A	£0.01	6.30	6.30
240		Ordinary B	£0.01	2.40	2.40
100		Ordinary C	£0.01	1.00	1.00
240		Ordinary D	£0.01	2.40	2.40
64		Ordinary G	£0.01	0.64	0.64
				12.74	12.74

**Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021**

23. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 25th December 2020	(198,748)	349,998	151,250
Profit for the year	3,890,595		3,890,595
Dividends	(456,600)		(456,600)
At 24th December 2021	<u>3,235,247</u>	<u>349,998</u>	<u>3,585,245</u>

Company

	Retained earnings £	Share premium £	Totals £
At 25th December 2020	(3,387,627)	349,998	(3,037,629)
Deficit for the year	(973,875)		(973,875)
No description	(1,398,620)	-	(1,398,620)
At 24th December 2021	<u>(5,760,122)</u>	<u>349,998</u>	<u>(5,410,124)</u>

24. PENSION COMMITMENTS

Defined contribution schemes

	24/12/21 £	24/12/20 £
Charge to profit or loss in respect of defined contribution schemes	<u>280,723</u>	<u>214,678</u>

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 24th December 2021 and 24th December 2020:

	24/12/21 £	24/12/20 £
T Subashkaran		
Balance outstanding at start of year	-	(110,746)
Amounts advanced	192,381	(29,254)
Amounts repaid	-	140,000
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>192,381</u>	<u>-</u>

Lars (GFUK) Holdings Limited and
subsidiary undertakings (Registered number: 07396077)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 24th December 2021

25. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

A Khan

Balance outstanding at start of year	-	-
Amounts advanced	500,190	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>500,190</u>	<u>-</u>

S Muhammad

Balance outstanding at start of year	-	-
Amounts advanced	48,095	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>48,095</u>	<u>-</u>

R D Smith

Balance outstanding at start of year	-	-
Amounts advanced	76,952	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>76,952</u>	<u>-</u>

P Khan

Balance outstanding at start of year	-	-
Amounts advanced	120,381	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>120,381</u>	<u>-</u>

26. **RELATED PARTY DISCLOSURES**

Other related parties

	24/12/21	24/12/20
	£	£
Rent paid	1,349,248	1,349,248
Amount due from related party	<u>948,675</u>	<u>5,254</u>

During the year the group paid £1,349,248 (2020: £1,349,248) in rental payments to a non-group companies that Mr A Khan has significant influence over. The rental payments are all paid at market rate.

27. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is A Khan.

28. **COVID-19**

During the year, the UK continued to be impacted by the outbreak of COVID-19. In order to manage the spread of the virus the Government has imposed significant restrictions on the movement of people and the ability of businesses to continue to trade. The Directors acknowledge the increasing risk from COVID-19 and have sought to mitigate their risk by carrying out a thorough review of the business as discussed below:

Government assistance

The business has taken advantage of the government grants and furloughing scheme whereby the company has furloughed a number of staff members which has resulted in the reduction of the wage cost.

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