

**NEW DEMIPOWER LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 OCTOBER 2011**

**Company No 4446735**

MONDAY



\*A17Y2HX5\*

A14

30/04/2012

#200

COMPANIES HOUSE

**NEW DEMIPOWER LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

---

Company registration number	4446735
Registered office	Jubilee House 7-9 The Oaks Ruislip Middlesex HA4 7LF
Directors	Amirali H M Janmohamed Alim A Janmohamed
Secretary	Alim A Janmohamed
Bankers	HSBC Bank Plc 69 Pall Mall London SW1Y 5EZ
Solicitors	ReedSmith Richards Butler LLP Minerva House 5 Montague Close London SE1 9BB
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

---

**NEW DEMIPOWER LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

---

<b>INDEX</b>	<b>PAGE</b>
Report of the directors	1-3
Report of the independent auditor	4
Principal accounting policies	5-6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11-20

---

## **NEW DEMIPOWER LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2011**

---

The directors present their report and audited financial statements for the year ended 31 October 2011

#### **Principal activities**

The group has continued its principal activity of caterers and snack bar owners. The company does not trade and acts as a holding company only.

#### **Review of the business**

In November 2010, five new sites were acquired which traded from the middle of that month.

The main Key Performance Indicators which are used by management to monitor performance on a daily, weekly and monthly basis are gross margin and sales growth by outlet.

The principal risks facing the business continue to be the entry of new competitors within the geographical areas. These risks are addressed by implementing local store marketing strategies and brand definition.

The financial position of the group, its cash flows and liquidity position, are shown in the balance sheet, cash flow statement and subsequent notes.

The directors have assessed working capital requirements and capital expenditure plans over the next twelve months and are confident that the group has secured sufficient financial resources. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current economic climate.

#### **Future developments**

The directors are continually looking for opportunities to expand either through organic growth or acquisitions and, to this end, two new stores have been opened since the year end.

#### **Financial risk management objectives and policies**

The group uses a variety of financial instruments, including cash, loans, inter-company debt and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the group's operations.

The directors consider the main risks arising from the group's financial instruments to be interest rate risk and liquidity risk and therefore set and review policies for managing these risks as below. These policies have remained unchanged from previous years.

#### **Interest rate risk**

The group finances its operations through a combination of bank loans and overdrafts and the directors have decided that it is in the group's best interest to agree floating rate interest charges. Inter-company debt is interest free.

## **NEW DEMIPOWER LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2011 (continued)**

---

#### **Liquidity risk**

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely. Cash is monitored on a weekly basis and funding is secured for significant new acquisitions before any commitment is made.

#### **Results and dividends**

There was a profit for the year after taxation amounting to £170,988 (2010: loss £44,636). The directors do not recommend payment of a dividend (2010: £nil).

#### **Directors**

The directors in office during the year are listed below:

Amirali H M Janmohamed  
Alim A Janmohamed

#### **Directors' responsibilities for the financial statements**

The directors are responsible for preparing 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 laws). Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs and of the profit or loss of the group for that period. In preparing those financial statements the directors are required to:

- \* select suitable accounting policies and then apply them consistently,
- \* make judgements and estimates that are reasonable and prudent,
- \* state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 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 group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- \* there is no relevant audit information of which the company's auditor is unaware, and
- \* the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**NEW DEMIPOWER LIMITED**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2011 (continued)**

---

**Fixed assets and investments**

The movements in the group's fixed assets and investments during the year are set out in notes 6 to 8

**Supplier payment policy**

The group's policy is to pay amounts as they fall due on confirmation of goods and services provided

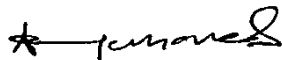
**Donations**

The group made charitable donations of £22,500 (2010 £312,600) during the year

**Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006

BY ORDER OF THE BOARD



A A Janmohamed  
Secretary

23rd April 2012

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NEW DEMIPOWER LIMITED

We have audited the financial statements of New Demipower Limited for the year ended 31 October 2011 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditor's report 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.

### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on the financial statements

In our opinion the financial statements

- \* give a true and fair view of the state of the parent company's and group's affairs as at 31 October 2011 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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.



Amrsh Shah, BSc., FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
LONDON

25 April 2012

## **NEW DEMIPOWER LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

---

The financial statements have been prepared under the historical cost convention and in accordance with with applicable United Kingdom accounting standards

The directors have reviewed the principal accounting policies of the group and consider that they are the most appropriate for the group. The principal accounting policies have remained unchanged from the previous year and are set out below

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and of its subsidiary undertakings, Demipower Limited and Demipower (1991) Limited. Having previously met Companies Act conditions following a group reorganisation, the group has taken advantage of merger accounting as defined in FRS 6 'Acquisitions and Mergers'

All intra-group transactions are eliminated on consolidation

In the company's financial statements investments in subsidiaries are stated at cost, being the nominal value of shares issued on acquisition with the above reorganisation, less amounts written off

No profit and loss account is presented for the holding company as provided by Section 408 of the Companies Act 2006. The company remained dormant in the current and prior year

#### **Going concern**

The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the group and are satisfied that sufficient facilities have been secured to meet its working capital requirements. In particular, the directors are satisfied that they will be able to recall all or part of the debt due from the related undertaking, disclosed as being receivable after more than one year, should the need arise

#### **Turnover**

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT

#### **Purchased goodwill**

Purchased goodwill arises on the acquisition of restaurants as going concerns and is amortised on a straight over its estimated useful life of a maximum of 10 years. The useful life is limited to the length of the initial lease associated with the restaurants acquired

#### **Depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives

The rates generally applicable are

Freehold premises	- 50 years
Leasehold restaurant premises	- period of lease
Fixtures, fittings and equipment	- 10 years
Motor vehicles	- 4 - 10 years

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value



## **NEW DEMIPOWER LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

---

#### **Investments**

Fixed asset investments are stated at cost less any provision for impairment

#### **Pensions**

The group makes contributions to certain employees' Personal Pension Plans. Contributions payable for the year are charged to profit and loss account as incurred

#### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

#### **Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

#### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**NEW DEMIPOWER LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
Turnover	1	30,354,510	25,471,697
Cost of sales		<u>(10,097,448)</u>	<u>(8,322,881)</u>
Gross profit		20,257,062	17,148,816
Other operating income		76,370	60,277
Other operating costs		<u>(19,409,127)</u>	<u>(16,821,247)</u>
Operating profit		924,305	387,846
Other interest receivable and similar income		1,725	41
Interest payable and similar charges	3	<u>(512,542)</u>	<u>(243,023)</u>
<b>Profit on ordinary activities before taxation</b>	1	413,488	144,864
Tax on profit on ordinary activities	4	<u>(242,500)</u>	<u>(189,500)</u>
<b>Profit/(loss) for the financial year</b>	5/15	<u><u>170,988</u></u>	<u><u>(44,636)</u></u>

All transactions arise from continuing operations

There were no recognised gains or losses other than the profit/(loss) for the year

The accompanying accounting policies and notes form an integral part of these financial statements

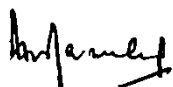
# NEW DEMIPOWER LIMITED

## CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2011

	Note	2011	2010
		£	£
<b>Fixed assets</b>			
Tangible assets	6	10,458,784	9,518,362
Intangible assets	7	<u>160,326</u>	<u>56,562</u>
		10,619,110	9,574,924
<b>Current assets</b>			
Stocks	9	214,724	173,563
Debtors falling due within one year	10	1,977,557	1,223,049
Debtors falling due after more than one year	10	2,716,580	2,622,580
Cash at bank and in hand		<u>1,856,608</u>	<u>2,041,068</u>
		6,765,469	6,060,260
<b>Creditors: amounts falling due within one year</b>	11	<u>(6,036,039)</u>	<u>(5,211,188)</u>
<b>Net current assets</b>		<u>729,430</u>	<u>849,072</u>
<b>Total assets less current liabilities</b>		11,348,540	10,423,996
<b>Creditors: amounts falling due after more than one year</b>	12	(9,905,219)	(9,135,663)
<b>Provision for liabilities</b>	13	<u>(357,000)</u>	<u>(373,000)</u>
		<u>1,086,321</u>	<u>915,333</u>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account	15	<u>1,086,221</u>	<u>915,233</u>
<b>Shareholders' funds</b>	16	<u>1,086,321</u>	<u>915,333</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23rd April 2012 and signed on their behalf by

A H Janmohamed



Director

The accompanying accounting policies and notes form an integral part of these financial statements


**NEW DEMIPOWER LIMITED**  
**Company no. 4446735**

**COMPANY BALANCE SHEET AT 31 OCTOBER 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Fixed assets</b>			
Investments	8	100	100
		<u>100</u>	<u>100</u>
<b>Total assets less current liabilities</b>		<u>100</u>	<u>100</u>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account	15	-	-
		<u>-</u>	<u>-</u>
<b>Shareholders' funds</b>	16	<u>100</u>	<u>100</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23rd April 2012 and signed on their behalf by

A H Janmohamed



Director

The accompanying accounting policies and notes form an integral part of these financial statements

**NEW DEMIPOWER LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Net cash inflow from operating activities</b>	17	<u>1,349,208</u>	<u>2,125,053</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		1,725	41
Interest paid		(510,304)	(240,441)
Interest element of hire purchase payments		<u>(2,238)</u>	<u>(2,582)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		(510,817)	(242,982)
<b>Taxation</b>			
UK corporation tax paid		<u>(165,334)</u>	<u>(160,000)</u>
<b>Net cash outflow from taxation</b>		<u>(165,334)</u>	<u>(160,000)</u>
<b>Capital expenditure</b>			
Purchase of goodwill		(137,865)	-
Purchase of tangible fixed assets		<u>(2,200,781)</u>	<u>(2,977,923)</u>
<b>Net cash outflow from capital expenditure</b>		<u>(2,338,646)</u>	<u>(2,977,923)</u>
<b>Net cash outflow before financing</b>		<u>(1,665,589)</u>	<u>(1,255,852)</u>
<b>Financing</b>			
Loan advances		11,400,000	10,500,000
Repayment of borrowings		(9,910,710)	(7,467,325)
Capital element of HP and finance lease payments		<u>(26,885)</u>	<u>(25,917)</u>
		<u>1,462,405</u>	<u>3,006,758</u>
<b>(Decrease)/increase in cash in year</b>	18	<u>(203,184)</u>	<u>1,750,906</u>

The accompanying accounting policies and notes form an integral part of these financial statements

**NEW DEMIPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 OCTOBER 2011

**1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover and profit has been derived from continuing operations of the group within the UK and is attributable to the principal activity of caterers and snack bar owners

Operating profit is stated after	2011 £	2010 £
Auditor's remuneration		
- audit services	22,250	22,250
- other services	93,593	50,899
Depreciation of tangible fixed assets, owned	1,261,938	1,037,600
Depreciation of tangible fixed assets, held under hire purchase	16,715	21,006
Loss on disposals of equipment	-	6,728
Amortisation of goodwill	34,101	20,317
Operating lease rentals - land and buildings	<u>2,163,868</u>	<u>1,914,204</u>

**2 DIRECTORS AND EMPLOYEES**

	2011 £	2010 £
Staff costs during the year amounted to		
Directors' remuneration	303,000	303,000
Wages and salaries	7,633,060	6,373,807
Pension contributions	10,603	5,191
Social security costs	<u>449,763</u>	<u>404,289</u>
	<u>8,396,426</u>	<u>7,086,287</u>

Aggregate emoluments paid to directors, including benefits in kind, amounted to £370,784 (2010 £368,997)

The amounts set out above include remuneration respect of the highest paid director of £220,488 (2010 £219,353)

No directors received pension contributions for the year ended 31 October 2011 or 31 October 2010

The average number of employees of the group during the year was made up as follows

	2011 Number	2010 Number
Managerial and administration	70	53
Works	<u>720</u>	<u>630</u>
	<u>790</u>	<u>683</u>

**NEW DEMIPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 2011**

---

**3 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	509,400	240,415
Hire purchase interest	2,238	2,582
Other	904	26
	<u>512,542</u>	<u>243,023</u>

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge is based on the results for the year and represents

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Corporation tax @ 26%/28% (2010 28%)	258,500	164,000
Deferred taxation (credit)/charge	(16,000)	25,500
	<u>242,500</u>	<u>189,500</u>

The tax assessed for the period differs from the standard rate of corporation tax in the United Kingdom at 26%/28% (2010 28%) The differences are explained as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>413,488</u>	<u>144,864</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom at 26%/28% (2010 28%)	110,900	40,600
Effect of		
Expenses not deductible for tax purposes	155,000	144,900
Differences between capital allowances for period and depreciation charges	(5,400)	(19,500)
Marginal relief	(2,000)	(2,000)
	<u>258,500</u>	<u>164,000</u>

# NEW DEMIPOWER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2011

### 5 PROFIT/(LOSS) FOR THE FINANCIAL YEAR

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company did not trade in 2011 or 2010, hence none of the group profit or loss is dealt with in the financial statements of the company.

### 6 TANGIBLE FIXED ASSETS

The group	Freehold premises & improvements £	Short leasehold premises £	Plant, fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 November 2010	487,708	6,861,179	7,792,495	324,268	15,465,650
Additions during year	-	737,315	1,463,466	18,294	2,219,075
Disposals during year	-	-	(86,256)	-	(86,256)
At 31 October 2011	<u>487,708</u>	<u>7,598,494</u>	<u>9,169,705</u>	<u>342,562</u>	<u>17,598,469</u>
Depreciation					
At 1 November 2010	183,700	1,741,934	3,788,278	233,376	5,947,288
Charge for year	9,754	506,508	735,615	26,776	1,278,653
Eliminated on disposals	-	-	(86,256)	-	(86,256)
At 31 October 2011	<u>193,454</u>	<u>2,248,442</u>	<u>4,437,637</u>	<u>260,152</u>	<u>7,139,685</u>
Net book amount At 31 October 2011	<u>294,254</u>	<u>5,350,052</u>	<u>4,732,068</u>	<u>82,410</u>	<u>10,458,784</u>
Net book amount At 31 October 2010	<u>304,008</u>	<u>5,119,245</u>	<u>4,004,217</u>	<u>90,892</u>	<u>9,518,362</u>

The net book value of motor vehicles purchased under hire purchase contracts is £62,281 (2010 £60,702)

Depreciation charged in respect of motor vehicles purchased under hire purchase contracts amounted to £16,715 (2010 £21,006)



**NEW DEMIPOWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**7 INTANGIBLE FIXED ASSETS**

	<b>Purchased goodwill</b>
<b>The group</b>	<b>£</b>
Cost	
At 1 November 2010	644,000
Additions during year	<u>137,865</u>
At 31 October 2011	<u>781,865</u>
Amortisation	
At 1 November 2010	587,438
Amortisation for year	<u>34,101</u>
At 31 October 2011	<u>621,539</u>
Net book value	
At 31 October 2011	<u>160,326</u>
Net book value	
At 31 October 2010	<u>56,562</u>

**8 FIXED ASSETS INVESTMENTS**

Total fixed asset investments comprise

	<b>The group</b>		<b>The company</b>	
	<b>2011 £</b>	<b>2010 £</b>	<b>2011 £</b>	<b>2010 £</b>
Interest in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>

At 31 October 2011 and 31 October 2010 the company held investments in the following undertakings

<b>Name of subsidiary undertaking</b>	<b>Country of registration</b>	<b>Class of capital held</b>	<b>Proportion held</b>	<b>Nature of business</b>
Demipower Limited	England	Ordinary	100%	Caterers and snack bar owners

At 31 October 2011 and 31 October 2010 Demipower Limited held an investment in the following undertaking

Demipower (1991) Limited	England	Ordinary	100%	Caterers and snack bar owners
--------------------------	---------	----------	------	-------------------------------

All of the subsidiary undertakings have been consolidated in the group financial statements

**NEW DEMIPOWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

9	STOCKS	The group		The company	
		2011	2010	2011	2010
		£	£	£	£
	Raw food stock	<u>214,724</u>	<u>173,563</u>	<u>-</u>	<u>-</u>
10	DEBTORS	The group		The company	
		2011	2010	2011	2010
		£	£	£	£
	Amounts owed by related undertakings	553,808	293,557	-	-
	Other debtors	298,148	201,217	-	-
	Prepayments and accrued income	<u>1,125,601</u>	<u>728,275</u>	<u>-</u>	<u>-</u>
		<u>1,977,557</u>	<u>1,223,049</u>	<u>-</u>	<u>-</u>
	Amounts due after more than one year				
	Amounts owed by related undertakings	<u>2,716,580</u>	<u>2,622,580</u>	<u>-</u>	<u>-</u>
Amounts owed by related undertakings are unsecured and interest free					
11	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	The group		The company	
		2011	2010	2011	2010
		£	£	£	£
	Bank loans and overdrafts	1,729,513	996,509	-	-
	Trade creditors	2,011,154	1,810,074	-	-
	Amounts owed to related undertakings	-	3,061	-	-
	Directors' current account	52,926	27,648	-	-
	Other creditors	233,032	215,067	-	-
	Corporation tax	337,258	244,092	-	-
	Social security and other taxation	981,488	920,375	-	-
	Accruals and deferred income	673,127	973,684	-	-
	Amounts due under hire purchase contracts	<u>17,541</u>	<u>20,678</u>	<u>-</u>	<u>-</u>
		<u>6,036,039</u>	<u>5,211,188</u>	<u>-</u>	<u>-</u>

**NEW DEMIPOWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	9,900,000	9,124,990	-	-
Amounts due under hire purchase contracts	5,219	10,673	-	-
	<u>9,905,219</u>	<u>9,135,663</u>	<u>-</u>	<u>-</u>

Borrowings are repayable as follows

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Within one year - bank	1,729,513	996,509	-	-
- hire purchase agreements	17,541	20,678	-	-
After one and within two years - bank	1,100,000	785,720	-	-
- hire purchase agreements	5,219	10,673	-	-
After two and within five years - bank	3,300,000	2,357,160	-	-
- hire purchase agreements	-	-	-	-
After five years - bank	5,500,000	5,982,110	-	-
	<u>11,652,273</u>	<u>10,152,850</u>	<u>-</u>	<u>-</u>

Bank borrowings held at 31 October 2010 were repaid in the year and replaced with new loans

The bank loans carry interest rates of 2.25% above base (2010: 1.5% above LIBOR) and are repayable by quarterly instalments totalling £375,000 for the first year, then quarterly instalments of £275,000 for the subsequent four years and a final balloon payment of £5,500,000 in 2016. The bank loans and overdraft are secured by way of fixed and floating charges on the assets of the group and by a cross guarantee provided by its subsidiary undertakings Demipower Limited and Demipower (1991) Limited.

**13 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation	
	The group	The company
	£	£
At 1 November 2010	373,000	-
Provided during year re capital allowances	(16,000)	-
At 31 October 2011	<u>357,000</u>	<u>-</u>
Deferred taxation provided for is analysed as follows		
On accelerated capital allowances	<u>357,000</u>	<u>-</u>

**NEW DEMIPOWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

<b>14</b>	<b>SHARE CAPITAL</b>	<b>2011 £</b>	<b>2010 £</b>
	Authorised Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>15</b>	<b>RESERVES</b>	<b>The group £</b>	<b>The company £</b>
	<b>Profit and loss account</b>		
	At 1 November 2010	915,233	-
	Profit for the year	<u>170,988</u>	<u>-</u>
	At 31 October 2011	<u>1,086,221</u>	<u>-</u>
<b>16</b>	<b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2011 £</b>	<b>2010 £</b>
	<b>The group</b>		
	Profit/(loss) for the financial year	170,988	(44,636)
	Shareholders' funds at 1 November 2010	<u>915,333</u>	<u>959,969</u>
	Shareholders' funds at 31 October 2011	<u>1,086,321</u>	<u>915,333</u>
	<b>The company</b>		
	Profit for the financial year	-	-
	Shareholders' funds at 1 November 2010	<u>100</u>	<u>100</u>
	Shareholders' funds at 31 October 2011	<u>100</u>	<u>100</u>

**NEW DEMIPOWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**17 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit	924,305	387,846
Depreciation and amortisation	1,312,754	1,078,923
Loss on disposal of tangible fixed assets	-	6,728
Increase in stock	(41,161)	(15,251)
(Increase)/decrease in debtors	(848,508)	511,595
Increase in creditors	1,818	155,212
Net cash inflow from operating activities	<u>1,349,208</u>	<u>2,125,053</u>

**18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
(Decrease)/increase in cash in year	(203,184)	1,750,906
New bank loans	(11,400,000)	(10,500,000)
Loan repayments	9,910,710	7,467,325
New hire purchase contracts	(18,294)	-
Cash outflow from hire purchase contracts	26,885	25,917
	<u>(1,683,883)</u>	<u>(1,255,852)</u>
Net debt at 1 November 2010	(8,111,782)	(6,855,930)
Net debt at 31 October 2011	<u>(9,795,665)</u>	<u>(8,111,782)</u>

**19 ANALYSIS OF NET DEBT**

	<b>At 1 November 2010</b>	<b>Cash flow</b>	<b>New loans and other non cash changes</b>	<b>At 31 October 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,041,068	(184,460)	-	1,856,608
Overdrafts	(210,789)	(18,724)	-	(229,513)
Hire purchase contracts	(31,351)	26,885	(18,294)	(22,760)
Bank loan debt	<u>(9,910,710)</u>	<u>9,910,710</u>	<u>(11,400,000)</u>	<u>(11,400,000)</u>
	<u>(8,111,782)</u>	<u>9,734,411</u>	<u>(11,418,294)</u>	<u>(9,795,665)</u>

**20 CAPITAL COMMITMENTS**

The group had no capital commitments at 31 October 2011

At 31 October 2010, the group had entered into a commitment to acquire 5 KFC outlets for £2,100,000

## NEW DEMIPOWER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2011

#### 21 CONTINGENT LIABILITIES

The group had no contingent liabilities at 31 October 2011 or 31 October 2010 other than as disclosed in note 23

#### 22 LEASING COMMITMENTS

Operating lease payments amounting to £1,597,290 (2010 £1,316,970) are due within one year  
The leases to which these amounts relate expire as follows

	<b>Land and Buildings</b>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
In two to five years	473,150	303,650
In five years or more	1,124,140	1,013,320
	<u>1,597,290</u>	<u>1,316,970</u>

#### 23 RELATED PARTY TRANSACTIONS

Year end balances with entities, other than group companies, in which Mr A H M Janmohamed and Mr A A Janmohamed are directors are detailed below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Amounts owed to the group</b>		
Keld Limited	2,716,580	2,622,580
Mornington Limited	168,832	-
Sherrygold No 1 Limited	297,374	198,557
Sherrygold (Restaurants) Ltd	<u>87,602</u>	<u>95,000</u>

The above balances are interest free and unsecured and have arisen from intercompany funding between the related parties

The company has taken advantage of the exemption provided by FRS 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiary undertakings

The movement on the directors' current account balance (disclosed in note 11) is due to short term funding arrangements made available to the company. The amount is interest free and unsecured

At 31 October 2010 loans amounting to £821,000 had been guaranteed by Tiamat Limited and NYX Limited. A H Janmohamed and A A Janmohamed are directors of Tiamat Limited. Tiamat Limited and NYX Limited are related through common ownership. At 31 October 2010 Demipower Limited was party to a guarantee in favour of NYX Limited in respect of certain bank borrowings of that company. The contingent liability under that guarantee at 31 October 2010 amounted to £1,425,000.

During the year ended 31 October 2011 the bank loans of NYX Limited and Demipower Limited were refinanced and the group headed by New Demipower Limited is no longer party to any such guarantees.

In respect of the refinancing in the year A H Janmohamed has provided a personal guarantee of up to £200,000 should the company fail to meet its debt obligations in the year.

**NEW DEMIPOWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

---

**24 CONTROLLING RELATED PARTY**

The ultimate controlling related party is Mr A H M Janmohamed, by virtue of his beneficial ownership of 80% of the shares in the company

**25 ACQUISITIONS**

On 16 November 2010 the company acquired the trade and certain assets of five fast food outlets. The book and fair values of assets acquired are as follows

	£
Tangible fixed assets	1,622,256
Acquisition costs	61,123
Goodwill	<u>137,865</u>
	1,821,244
Satisfied by	
Cash consideration paid	<u><u>1,821,244</u></u>