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NEW DEMIPOWER LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2010

Company No 4446735

NEW DEMIPOWER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2010

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	NatWest Bank Plc PO Box 12258 1 Princes Street London EC2R 8PA
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 2010

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NEW DEMIPOWER LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2010

The directors present their report and audited financial statements for the year ended 31 October 2010

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 2009, three new sites were acquired which traded from towards the end of that month and a new site was set up which opened in April 2010.

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 and, to this end, acquired five additional sites in the London area, which commenced trading in November 2010.

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 2010 (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 loss for the year after taxation amounting to £44,636 (2009 profit £84,505). The directors do not recommend payment of a dividend (2009 £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 in the United Kingdom 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 of the company 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 the directors are 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 2010 (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 £312,600 (2009 £210,872) 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

13th June 2011

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 2010 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 preparing 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 (APB'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 APB's website at 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 2010 and of the group's loss for the year then ended,
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- * have been prepared in accordance with the requirements of the Companies Act 2006.

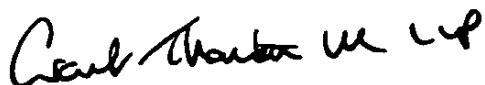
Opinion on other matters prescribed by the Companies Act 2006

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.



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

21 June 2011

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 line basis over its estimated useful life of up to 20 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 2010

	Note	2010 £	2009 £
Turnover	1	25,471,697	22,327,099
Cost of sales		<u>(8,322,881)</u>	<u>(7,356,915)</u>
Gross profit		17,148,816	14,970,184
Other operating income		60,277	43,828
Other operating costs		<u>(16,821,247)</u>	<u>(14,524,783)</u>
Operating profit		387,846	489,229
Other interest receivable and similar income		41	3,523
Interest payable and similar charges	3	<u>(243,023)</u>	<u>(209,747)</u>
Profit on ordinary activities before taxation	1	144,864	283,005
Tax on profit on ordinary activities	4	<u>(189,500)</u>	<u>(198,500)</u>
(Loss)/profit for the financial year	5/15	<u><u>(44,636)</u></u>	<u><u>84,505</u></u>

All transactions arise from continuing operations

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

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

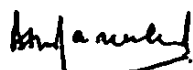
NEW DEMIPOWER LIMITED

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2010

	Note	2010	2009
		£	£
Fixed assets			
Tangible assets	6	9,518,362	7,605,773
Intangible assets	7	<u>56,562</u>	<u>76,879</u>
		9,574,924	7,682,652
Current assets			
Stocks	9	173,563	158,312
Debtors falling due within one year	10	1,223,049	1,734,644
Debtors falling due after more than one year	10	2,622,580	2,622,580
Cash at bank and in hand		<u>2,041,068</u>	<u>313,808</u>
		6,060,260	4,829,344
Creditors, amounts falling due within one year	11	<u>(5,211,188)</u>	<u>(5,454,919)</u>
Net current assets/(liabilities)		<u>849,072</u>	<u>(625,575)</u>
Total assets less current liabilities		10,423,996	7,057,077
Creditors, amounts falling due after more than one year	12	(9,135,663)	(5,749,608)
Provision for liabilities	13	<u>(373,000)</u>	<u>(347,500)</u>
		<u>915,333</u>	<u>959,969</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	<u>915,233</u>	<u>959,869</u>
Shareholders' funds	16	<u>915,333</u>	<u>959,969</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13th June 2011 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 2010

	Note	2010 £	2009 £
Fixed assets			
Investments	8	100	100
		<hr/>	<hr/>
Total assets less current liabilities		<u>100</u>	<u>100</u>
 Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	-	-
		<hr/>	<hr/>
Shareholders' funds	16	<u>100</u>	<u>100</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13th June 2011 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 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	17	<u>2,125,053</u>	<u>1,387,310</u>
Returns on investments and servicing of finance			
Interest received		41	3,523
Interest paid		(240,441)	(206,264)
Interest element of hire purchase payments		<u>(2,582)</u>	<u>(3,483)</u>
Net cash outflow from returns on investments and servicing of finance		(242,982)	(206,224)
Taxation			
UK corporation tax paid		<u>(160,000)</u>	<u>(41,085)</u>
Net cash outflow from taxation		<u>(160,000)</u>	<u>(41,085)</u>
Capital expenditure			
Purchase of tangible fixed assets		<u>(2,977,923)</u>	<u>(191,163)</u>
Net cash outflow from capital expenditure		<u>(2,977,923)</u>	<u>(191,163)</u>
Net cash (outflow)/inflow before financing		<u>(1,255,852)</u>	<u>948,838</u>
Financing			
Loan advances		10,500,000	-
Repayment of borrowings		(7,467,325)	(1,063,840)
Capital element of HP and finance lease payments		<u>(25,917)</u>	<u>(34,838)</u>
		<u>3,006,758</u>	<u>(1,098,678)</u>
Increase/(decrease) in cash in year	18	<u><u>1,750,906</u></u>	<u><u>(149,840)</u></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 2010****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	2010 £	2009 £
Auditor's remuneration		
- audit services	22,250	24,000
- other services	50,899	88,746
Depreciation of tangible fixed assets, owned	1,037,600	830,133
Depreciation of tangible fixed assets, held under hire purchase	21,006	21,007
Loss on disposals of equipment	6,728	-
Amortisation of goodwill	20,317	20,317
Operating leases	<u>1,914,204</u>	<u>1,626,787</u>

2 DIRECTORS AND EMPLOYEES

	2010 £	2009 £
Staff costs during the year amounted to		
Directors' remuneration	303,000	310,000
Wages and salaries	6,373,807	5,169,621
Pension contributions	5,191	4,283
Social security costs	<u>404,289</u>	<u>365,594</u>
	<u>7,086,287</u>	<u>5,849,498</u>

Aggregate emoluments paid to directors, including benefits in kind, amounted to £368,997 (2009 £375,242)

The amounts set out above include remuneration respect of the highest paid director of £219,353 (2009 £220,842)

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

	2010 Number	2009 Number
Managerial and administration	53	45
Works	<u>630</u>	<u>470</u>
	<u>683</u>	<u>515</u>

NEW DEMIPOWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 2010****3 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010	2009
	£	£
On bank loans and overdrafts	240,415	206,228
Hire purchase interest	2,582	3,483
Other	26	36
	<u>243,023</u>	<u>209,747</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the results for the year and represents	2010	2009
	£	£
Corporation tax @ 28% (2009 28%)	164,000	205,000
Deferred taxation charge/(credit)	25,500	(6,500)
	<u>189,500</u>	<u>198,500</u>

The tax assessed for the period differs from the standard rate of corporation tax in the United Kingdom at 28% (2009 28%) The differences are explained as follows

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>144,864</u>	<u>283,005</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom at 28% (2009 28%)	40,600	79,100
Effect of		
Expenses not deductible for tax purposes	144,900	121,600
Differences between capital allowances for period and depreciation charges	(19,500)	11,500
Tax losses utilised	-	(5,000)
Marginal relief	(2,000)	(2,200)
	<u>164,000</u>	<u>205,000</u>

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2010

5 (LOSS)/PROFIT 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 2010 or 2009, 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 2009	487,708	5,482,497	6,257,617	309,823	12,537,645
Additions during year	-	1,378,682	1,584,796	14,445	2,977,923
Disposals during year	-	-	(49,918)	-	(49,918)
At 31 October 2010	<u>487,708</u>	<u>6,861,179</u>	<u>7,792,495</u>	<u>324,268</u>	<u>15,465,650</u>
Depreciation					
At 1 November 2009	173,946	1,301,250	3,257,300	199,376	4,931,872
Charge for year	9,754	440,684	574,168	34,000	1,058,606
Eliminated on disposals	-	-	(43,190)	-	(43,190)
At 31 October 2010	<u>183,700</u>	<u>1,741,934</u>	<u>3,788,278</u>	<u>233,376</u>	<u>5,947,288</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>
Net book amount					
At 31 October 2009	<u>313,762</u>	<u>4,181,247</u>	<u>3,000,317</u>	<u>110,447</u>	<u>7,605,773</u>

The net book value of motor vehicles purchased under hire purchase contracts is £60,702 (2009 £81,709)

Depreciation charged in respect of motor vehicles purchased under hire purchase contracts amounted to £21,006 (2009 £21,007)

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2010

7 INTANGIBLE FIXED ASSETS

The group

Purchased goodwill

	£
Cost	
At 1 November 2009 and at 31 October 2010	<u>644,000</u>
Amortisation	
At 1 November 2009	567,121
Amortisation for year	<u>20,317</u>
At 31 October 2010	<u>587,438</u>
Net book value	
At 31 October 2010	<u>56,562</u>
Net book value	
At 31 October 2009	<u>76,879</u>

8 FIXED ASSETS INVESTMENTS

Total fixed asset investments comprise

	The group		The company	
	2010 £	2009 £	2010 £	2009 £
Interest in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
Interest in subsidiary undertakings				

At 31 October 2010 and 31 October 2009 the company held investments in the following undertakings

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

At 31 October 2010 and 31 October 2009 Demipower Limited held an investment in the following undertaking

Demipower (1991) Limited	England	Ordinary	100%	Caterers and snack bar owners
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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 2010

9	STOCKS	The group		The company	
		2010	2009	2010	2009
		£	£	£	£
	Raw food stock	<u>173,563</u>	<u>158,312</u>	<u>-</u>	<u>-</u>
10	DEBTORS	The group		The company	
		2010	2009	2010	2009
		£	£	£	£
	Amounts owed by related undertakings	293,557	432,341	-	-
	Funds deposited with solicitors	-	500,000	-	-
	Other debtors	201,217	156,644	-	-
	Prepayments and accrued income	<u>728,275</u>	<u>645,659</u>	<u>-</u>	<u>-</u>
		<u>1,223,049</u>	<u>1,734,644</u>	<u>-</u>	<u>-</u>
	Amounts due after more than one year				
	Amounts owed by related undertakings	<u>2,622,580</u>	<u>2,622,580</u>	<u>-</u>	<u>-</u>
	Amounts owed by related undertakings are interest free				
11	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	The group		The company	
		2010	2009	2010	2009
		£	£	£	£
	Bank loans and overdrafts	996,509	1,391,855	-	-
	Trade creditors	1,810,074	1,321,370	-	-
	Amounts owed to related undertakings	3,061	-	-	-
	Directors' current account	27,648	802,997	-	-
	Other creditors	215,067	148,713	-	-
	Corporation tax	244,092	240,092	-	-
	Social security and other taxation	920,375	686,168	-	-
	Accruals and deferred income	973,684	835,449	-	-
	Amounts due under hire purchase contracts	<u>20,678</u>	<u>28,275</u>	<u>-</u>	<u>-</u>
		<u>5,211,188</u>	<u>5,454,919</u>	<u>-</u>	<u>-</u>

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2010

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group		The company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans	9,124,990	5,720,615	-	-
Amounts due under hire purchase contracts	10,673	28,993	-	-
	<u>9,135,663</u>	<u>5,749,608</u>	<u>-</u>	<u>-</u>

Borrowings are repayable as follows

	The group		The company	
	2010	2009	2010	2009
	£	£	£	£
Within one year - bank	996,509	1,391,855	-	-
- hire purchase agreements	20,678	28,275	-	-
After one and within two years - bank	785,720	1,157,420	-	-
- hire purchase agreements	10,673	20,678	-	-
After two and within five years - bank	2,357,160	3,472,260	-	-
- hire purchase agreements	-	8,315	-	-
After five years - bank	5,982,110	1,090,935	-	-
	<u>10,152,850</u>	<u>7,169,738</u>	<u>-</u>	<u>-</u>

Bank borrowings held at 31 October 2009 were repaid in the year and replaced with new loans

The bank loans carry interest rates of 1.5% above LIBOR (2009 between 1.125% above base and 1.5% over LIBOR) and are repayable by quarterly instalments totalling £196,430 with a final balloon payment of £5,000,000 in 2014. The bank loans and overdraft are secured by way of fixed and floating charges on the assets of the group. See note 23 for details of further security.

13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation	
	The group	The company
	£	£
At 1 November 2009	347,500	-
Provided during year re capital allowances	25,500	-
At 31 October 2010	<u>373,000</u>	<u>-</u>
Deferred taxation provided for is analysed as follows		
On accelerated capital allowances	<u>373,000</u>	<u>-</u>

NEW DEMIPOWER LIMITED

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14	SHARE CAPITAL	2010	2009
		£	£
	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>
15	RESERVES		
	Profit and loss account	The group	The company
		£	£
	At 1 November 2009	959,869	-
	Loss for the year	(44,636)	-
	At 31 October 2010	<u>915,233</u>	<u>-</u>
16	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
	The group	2010	2009
		£	£
	(Loss)/profit for the financial year	(44,636)	84,505
	Shareholders' funds at 1 November 2009	<u>959,969</u>	<u>875,464</u>
	Shareholders' funds at 31 October 2010	<u>915,333</u>	<u>959,969</u>
	The company		
	Profit for the financial year	-	-
	Shareholders' funds at 1 November 2009	<u>100</u>	<u>100</u>
	Shareholders' funds at 31 October 2010	<u>100</u>	<u>100</u>

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FOR THE YEAR ENDED 31 OCTOBER 2010

17 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Operating profit	387,846	489,229
Depreciation and amortisation	1,078,923	871,457
Loss on disposal of tangible fixed assets	6,728	-
(Increase)/decrease in stock	(15,251)	11,860
Decrease/(increase) in debtors	511,595	(472,223)
Increase in creditors	155,212	486,987
Net cash inflow from operating activities	<u>2,125,053</u>	<u>1,387,310</u>

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010	2009
	£	£
Increase/(decrease) in cash in year	1,750,906	(149,840)
New bank loans	(10,500,000)	-
Loan repayments	7,467,325	1,063,840
Cash outflow from hire purchase contracts	25,917	34,838
	<u>(1,255,852)</u>	<u>948,838</u>
Net debt at 1 November 2009	<u>(6,855,930)</u>	<u>(7,804,768)</u>
Net debt at 31 October 2010	<u>(8,111,782)</u>	<u>(6,855,930)</u>

19 ANALYSIS OF NET DEBT

	At 1 November 2009	Cash flow	New loans	At 31 October 2010
	£	£	£	£
Cash at bank and in hand	313,808	1,727,260	-	2,041,068
Overdrafts	(234,435)	23,646	-	(210,789)
Hire purchase contracts	(57,268)	25,917	-	(31,351)
Bank loan debt	<u>(6,878,035)</u>	<u>7,467,325</u>	<u>(10,500,000)</u>	<u>(9,910,710)</u>
	<u>(6,855,930)</u>	<u>9,244,148</u>	<u>(10,500,000)</u>	<u>(8,111,782)</u>

20 CAPITAL COMMITMENTS

In May 2010 the group entered into an agreement, subject to satisfactory completion of certain conditions, to purchase 5 KFC outlets for £2,100,000. The group completed the purchase in November 2010, when it commenced trading from those outlets.

At 31 October 2009, the group had entered into a commitment to acquire 3 KFC outlets for £1,150,000.

The group had no other capital commitments at 31 October 2010 or 31 October 2009.

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2010

21 CONTINGENT LIABILITIES

The group had no contingent liabilities at 31 October 2010 or 31 October 2009 other than as disclosed in note 23

22 LEASING COMMITMENTS

Operating lease payments amounting to £1,316,970 (2009 £1,146,970) are due within one year
The leases to which these amounts relate expire as follows

	Land and Buildings	
	2010	2009
	£	£
In two to five years	303,650	69,500
In five years or more	1,013,320	1,077,470
	<u>1,316,970</u>	<u>1,146,970</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

	2010	2009
	£	£
Amounts owed to the group		
Keld Limited	2,622,580	2,622,580
Sherrygold No 1 Limited	198,557	318,582
Sherrygold (Restaurants) Ltd	95,000	95,000
World Credit Limited	-	18,759

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 not to disclose transactions with its 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

Loans amounting to £821,000 (2009 £985,000) have 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. Demipower Limited and Demipower (1991) Limited are parties 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 (2009 £2,306,000)

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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 30 November 2009, the subsidiary company, Demipower Limited, acquired the trade and certain assets of three fast food outlets. The book and fair values of assets acquired are as follows:

	£
Tangible fixed assets	1,100,000
Acquisition costs	<u>11,885</u>
	1,111,885
Satisfied by	
Cash consideration paid	<u><u>1,111,885</u></u>