

NEW DEMIPOWER LIMITED

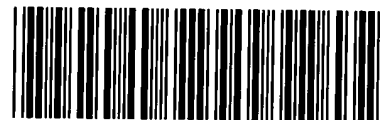
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2015

Company No: 4446735

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NEW DEMIPOWER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

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 LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS
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 2015

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NEW DEMIPOWER LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present their report and audited financial statements for the year ended 31 October 2015.

Results and dividends

There was a profit for the year after taxation amounting to £1,184,930 (2014: £482,703). An interim dividend of £500,000 was paid in July 2015 (2014: £nil). No final dividend is recommended for the year under review.

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 Strategic Report, 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 2015 (continued)

Donations

The group made charitable donations of £54,058 (2014: £60,600) during the year.

Disabled employees

As an equal opportunity employer, it is the group's policy to give full and fair consideration to every application for employment from disabled persons, bearing in mind the abilities and aptitudes of the applicants in relation to available vacancies. Where existing employees become disabled, their services will be retained wherever practicable.

Employee involvement

The directors consider that the involvement of employees is important to the success of the group. Employees are regularly informed of the group's performance and progress at both formal and informal meetings.

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.

This report was approved by the Board of Directors and signed on their behalf.



A A Janmohamed

Director

20th April 2016

NEW DEMIPOWER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2015

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

During the year under review twelve sites were acquired from the franchisor, ten in December 2014 and two in March 2015, which continued to be traded thereafter by the company's subsidiary, Demipower (1991) Limited. A planned programme of refurbishment of the stores also continued.

The directors are satisfied with the performance of the business in the year and the increase in turnover and profitability, which is partly due growth of the existing stores and partly to the newly acquired stores in the current and previous financial years, which have been successfully integrated into the group.

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 in which the group operates. 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.

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

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2015 (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.

Fixed assets and investments

The movements in the group's fixed assets and investments during the year are set out in notes 8 to 10.

Supplier payment policy

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

This report was approved by the Board of Directors and signed on their behalf.



A A Janmohamed

Director

20th April 2016

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 2015 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 1, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 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.

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.



Andy Ka, FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
LONDON

27 April 2016

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.

Tangible fixed assets and depreciation

New lines of tangible fixed assets are capitalised and stated at cost less depreciation. Replacement of existing assets are charged to the profit and loss account.

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
Short leasehold premises	- period of lease
Fixtures, fittings and equipment	- 10 years
Motor vehicles	- 4 - 10 years

Intangible fixed assets

Purchased goodwill arises on the acquisition of restaurants as going concerns representing the difference between the fair value of consideration paid and the fair value of assets acquired. It is amortised on a straight line basis over its estimated useful life of typically ten years and up to a maximum of twenty years.

NEW DEMIPOWER LIMITED

PRINCIPAL ACCOUNTING POLICIES

Impairment of goodwill

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the group at which management monitors the related cash flows.

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount.

Stocks

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

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 2015

	Note	2015 £	2014 £
Turnover	1	57,540,345	40,851,528
Cost of sales		<u>(18,226,780)</u>	<u>(13,412,688)</u>
Gross profit		39,313,565	27,438,840
Other operating income	3	205,547	129,900
Other operating costs		<u>(37,270,757)</u>	<u>(26,463,631)</u>
Operating profit		2,248,355	1,105,109
Other interest receivable and similar income	4	-	4,827
Interest payable and similar charges	5	<u>(484,425)</u>	<u>(289,233)</u>
Profit on ordinary activities before taxation	1	1,763,930	820,703
Tax on profit on ordinary activities	6	<u>(579,000)</u>	<u>(338,000)</u>
Profit for the financial year	7/17	<u><u>1,184,930</u></u>	<u><u>482,703</u></u>

All transactions arise from continuing operations.

There were no recognised gains or losses other than the 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 2015

	Note	2015	2014
		£	£
Fixed assets			
Tangible assets	8	21,285,138	17,308,537
Intangible assets	9	<u>1,792,444</u>	<u>902,793</u>
		23,077,582	18,211,330
Current assets			
Stocks	11	365,716	317,028
Debtors falling due within one year	12	3,207,715	2,001,644
Debtors falling due after more than one year	12	2,693,304	2,470,943
Cash at bank and in hand		<u>3,802,792</u>	<u>2,152,059</u>
		10,069,527	6,941,674
Creditors: amounts falling due within one year	13	<u>(14,860,989)</u>	<u>(9,848,774)</u>
Net current liabilities		(4,791,462)	(2,907,100)
Total assets less current liabilities		18,286,120	15,304,230
Creditors: amounts falling due after more than one year	14	(15,617,897)	(13,274,937)
Provision for liabilities	15	<u>(194,000)</u>	<u>(240,000)</u>
		<u>2,474,223</u>	<u>1,789,293</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	<u>2,474,123</u>	<u>1,789,193</u>
Shareholders' funds	18	<u>2,474,223</u>	<u>1,789,293</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20th April 2016 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 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	10	100	100
		<hr/>	<hr/>
Total assets less current liabilities		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	-	-
		<hr/>	<hr/>
Shareholders' funds	18	<u>100</u>	<u>100</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20th April 2016 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 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	19	<u>5,717,983</u>	<u>6,149,547</u>
Returns on investments and servicing of finance			
Interest received		-	4,827
Interest paid		(482,840)	(285,246)
Interest element of hire purchase payments		<u>(1,585)</u>	<u>(3,987)</u>
Net cash outflow from returns on investments and servicing of finance		(484,425)	(284,406)
Taxation			
UK corporation tax paid		<u>(340,384)</u>	<u>(273,652)</u>
Net cash outflow from taxation		<u>(340,384)</u>	<u>(273,652)</u>
Distributions			
Dividends paid		<u>(500,000)</u>	<u>-</u>
Net cash outflow from distributions		<u>(500,000)</u>	<u>-</u>
Capital expenditure			
Purchase of goodwill		(1,097,184)	(514,559)
Purchase of tangible fixed assets		<u>(6,313,431)</u>	<u>(8,826,474)</u>
Net cash outflow from capital expenditure		<u>(7,410,615)</u>	<u>(9,341,033)</u>
Net cash (outflow)/inflow before financing		<u>(3,017,441)</u>	<u>(3,749,544)</u>
Financing			
Loan advances		5,500,000	5,958,750
Related party loan		(500,000)	500,000
Repayment of borrowings		(2,069,372)	(1,300,000)
Capital element of HP and finance lease payments		<u>(36,877)</u>	<u>(61,965)</u>
Net cash inflow/(outflow) from financing		<u>2,893,751</u>	<u>5,096,785</u>
(Decrease)/increase in cash in year	20	<u><u>(123,690)</u></u>	<u><u>1,347,241</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 2015

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

Operating profit is stated after:	2015	2014
	£	£
Auditor's remuneration:		
- audit services	25,000	23,000
- other services	24,000	24,000
Depreciation of tangible fixed assets, owned	2,348,651	1,624,833
Depreciation of tangible fixed assets, held under hire purchase	18,265	40,020
Loss on disposals	-	27,703
Amortisation of goodwill	207,533	63,691
Operating lease rentals - land and buildings	<u>3,861,865</u>	<u>2,762,823</u>

2 DIRECTORS AND EMPLOYEES

	2015	2014
	£	£
Staff costs during the year amounted to:		
Directors' remuneration	403,000	303,000
Wages and salaries	14,071,940	9,828,725
Pension contributions	79,278	37,209
Social security costs	685,114	520,708
	<u>15,239,332</u>	<u>10,689,642</u>

Aggregate emoluments paid to directors, including benefits in kind, amounted to £492,777 (2014: £389,971).

The amounts set out above include remuneration respect of the highest paid director of £289,756 (2014: £237,914).

No directors received pension contributions for the year ended 31 October 2015 or 31 October 2014.

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

	2015	2014
	Number	Number
Managerial and administration	35	35
Works	1,157	772
	<u>1,192</u>	<u>807</u>

3 OTHER OPERATING INCOME

	2015	2014
	£	£
Rent receivable less agents commission	142,961	78,684
Waste oil	62,586	51,216
	<u>205,547</u>	<u>129,900</u>

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

4 INTEREST RECEIVABLE AND SIMILAR INCOME	2015	2014
Bank interest received	<u>-</u>	<u>4,827</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES	2015	2014
	£	£
On bank loans and overdrafts	473,210	285,171
Hire purchase interest	1,585	3,987
Other	9,630	75
	<u>484,425</u>	<u>289,233</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES	2015	2014
The tax charge is based on the results for the year and represents:	£	£
Corporation tax @ 21%/20% (2014: 23%/21%)	625,000	352,000
Deferred taxation credit	<u>(46,000)</u>	<u>(14,000)</u>
	<u>579,000</u>	<u>338,000</u>

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom at 21%/20% (2014: 23%/21%). The differences are explained as follows:

	2015	2014
	£	£
Profit on ordinary activities before taxation	<u>1,763,930</u>	<u>820,703</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom at 21%/20% (2014: 23%/21%)	363,000	180,500
Effect of:		
Expenses not deductible for tax purposes	227,500	180,500
Differences between capital allowances for period and depreciation charges	<u>34,500</u>	<u>(9,000)</u>
	<u>625,000</u>	<u>352,000</u>

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

FOR THE YEAR ENDED 31 OCTOBER 2015

7 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 2015 or 2014, hence none of the group profit or loss is dealt with in the financial statements of the company.

8 TANGIBLE FIXED ASSETS

The group	Freehold premises & improvements £	Short leasehold premises £	Plant, fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 November 2014	5,981,478	8,919,231	13,295,236	403,017	28,598,962
Additions during year	2,673,068	1,368,793	2,254,502	47,154	6,343,517
At 31 October 2015	<u>8,654,546</u>	<u>10,288,024</u>	<u>15,549,738</u>	<u>450,171</u>	<u>34,942,479</u>
Depreciation					
At 1 November 2014	238,392	3,974,817	6,803,851	273,365	11,290,425
Charge for year	143,543	839,536	1,309,672	74,165	2,366,916
At 31 October 2015	<u>381,935</u>	<u>4,814,353</u>	<u>8,113,523</u>	<u>347,530</u>	<u>13,657,341</u>
Net book amount					
At 31 October 2015	<u>8,272,611</u>	<u>5,473,671</u>	<u>7,436,215</u>	<u>102,641</u>	<u>21,285,138</u>
Net book amount					
At 31 October 2014	<u>5,743,086</u>	<u>4,944,414</u>	<u>6,491,385</u>	<u>129,652</u>	<u>17,308,537</u>

The net book value of motor vehicles purchased under hire purchase contracts is £39,048 (2014: £92,623).

Depreciation charged in respect of motor vehicles purchased under hire purchase contracts amounted to £18,265 (2014: £40,020).

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

9 INTANGIBLE FIXED ASSETS

	Purchased goodwill
The group	£
Cost	
At 1 November 2014	1,637,200
Additions during year (note 26)	1,097,184
At 31 October 2015	<u>2,734,384</u>
Amortisation	
At 1 November 2014	734,407
Amortisation for year	207,533
At 31 October 2015	<u>941,940</u>
Net book value	
At 31 October 2015	<u>1,792,444</u>
Net book value	
At 31 October 2014	<u>902,793</u>

10 FIXED ASSETS INVESTMENTS

Total fixed asset investments comprise:

	The group		The company	
	2015	2014	2015	2014
	£	£	£	£
Interest in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>

At 31 October 2015 and 31 October 2014 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 2015 and 31 October 2014 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 2015

11	STOCKS	The group		The company	
		2015	2014	2015	2014
		£	£	£	£
	Raw food stock	<u>365,716</u>	<u>317,028</u>	<u>-</u>	<u>-</u>
12	DEBTORS	The group		The company	
		2015	2014	2015	2014
		£	£	£	£
	Amounts owed by related undertakings	1,032,794	409,783	-	-
	Other debtors	447,362	357,813	-	-
	Prepayments and accrued income	1,727,559	1,234,048	-	-
		<u>3,207,715</u>	<u>2,001,644</u>	<u>-</u>	<u>-</u>
	Amounts due after more than one year:				
	Amounts owed by related undertakings	<u>2,693,304</u>	<u>2,470,943</u>	-	-
	Amounts owed by related undertakings are unsecured and interest free.				
13	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	The group		The company	
		2015	2014	2015	2014
		£	£	£	£
	Bank loans and overdrafts	4,068,795	1,694,367	-	-
	Trade creditors	3,820,722	3,218,564	-	-
	Directors' current account	-	9,481	-	-
	Amounts owed to related undertakings	-	239,721	-	-
	Other creditors	837,159	563,091	-	-
	Corporation tax	830,068	545,452	-	-
	Social security and other taxation	1,964,035	1,285,353	-	-
	Accruals and deferred income	3,321,418	2,254,825	-	-
	Amounts due under hire purchase contracts	18,792	37,920	-	-
		<u>14,860,989</u>	<u>9,848,774</u>	<u>-</u>	<u>-</u>

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group		The company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	15,595,006	12,764,383	-	-
Amounts due under hire purchase contracts	22,891	10,554	-	-
Amounts owed to related undertakings	-	500,000	-	-
	<u>15,617,897</u>	<u>13,274,937</u>	<u>-</u>	<u>-</u>

Borrowings are repayable as follows:

	The group		The company	
	2015	2014	2015	2014
	£	£	£	£
Within one year - bank	4,068,795	1,694,367	-	-
- hire purchase agreements	18,792	37,920	-	-
After one and within two years - bank	6,694,372	9,844,367	-	-
- hire purchase agreements	22,891	10,554	-	-
After two and within five years - bank	5,433,116	1,183,101	-	-
After 5 years - bank	3,467,518	1,736,915	-	-
	<u>19,705,484</u>	<u>14,507,224</u>	<u>-</u>	<u>-</u>

The bank loans carry interest rates of 2.25% and 2.75% above base (2014: 2.75% and 2.25% above base) and are repayable by quarterly instalments totalling £573,953 and balloon payments totalling of £5,500,000 in 2016 and £2,250,000 in April 2018. The bank loan and overdraft are secured by way of fixed and floating charges on the assets of the group and by a cross guarantees provided between Demipower Limited and Demipower (1991) Limited.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation	
	The group	The company
	£	£
At 1 November 2014	240,000	-
Released during year re capital allowances	(46,000)	-
At 31 October 2015	<u>194,000</u>	<u>-</u>
Deferred taxation has been provided for in full and is analysed as follows:		
On accelerated capital allowances	<u>194,000</u>	<u>-</u>

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

16	SHARE CAPITAL	2015	2014
		£	£
	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>
17	RESERVES		
	Profit and loss account	The group	The company
		£	£
	At 1 November 2014	1,789,193	-
	Profit for the year	1,184,930	-
	Equity dividends paid	(500,000)	-
	At 31 October 2015	<u>2,474,123</u>	<u>-</u>
18	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
	The group	2015	2014
		£	£
	Profit for the financial year	1,184,930	482,703
	Equity dividends paid	(500,000)	-
	Shareholders' funds at 1 November 2014	<u>1,789,293</u>	<u>1,306,590</u>
	Shareholders' funds at 31 October 2015	<u>2,474,223</u>	<u>1,789,293</u>
	The company		
	Profit for the financial year	-	-
	Shareholders' funds at 1 November 2014	<u>100</u>	<u>100</u>
	Shareholders' funds at 31 October 2015	<u>100</u>	<u>100</u>

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

19 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	2,248,355	1,105,109
Depreciation and amortisation	2,574,449	1,728,544
Loss on disposals	-	27,703
Increase in stock	(48,688)	(58,622)
(Increase)/decrease in debtors	(1,428,432)	423,136
Increase in creditors	2,372,299	2,923,677
Net cash inflow from operating activities	<u>5,717,983</u>	<u>6,149,547</u>

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015	2014
	£	£
(Decrease)/increase in cash in year	(123,690)	1,347,241
New bank loans	(5,500,000)	(5,958,750)
Related party loan	500,000	(500,000)
Loan repayments	2,069,372	1,300,000
New hire purchase contracts	(30,086)	(22,970)
Cash outflow from hire purchase contracts	36,877	61,965
	<u>(3,047,527)</u>	<u>(3,772,514)</u>
Net debt at 1 November 2014	<u>(12,855,165)</u>	<u>(9,082,651)</u>
Net debt at 31 October 2015	<u>(15,902,692)</u>	<u>(12,855,165)</u>

21 ANALYSIS OF NET DEBT

	At 1 November 2014	Cash flow	New bank loans and hire purchase contracts	At 31 October 2015
	£	£	£	£
Cash at bank and in hand	2,152,059	1,650,733	-	3,802,792
Bank overdrafts	-	(1,774,423)	-	(1,774,423)
Related party loan	(500,000)	500,000	-	-
Hire purchase contracts	(48,474)	36,877	(30,086)	(41,683)
Bank loan debt	<u>(14,458,750)</u>	<u>2,069,372</u>	<u>(5,500,000)</u>	<u>(17,889,378)</u>
	<u>(12,855,165)</u>	<u>2,482,559</u>	<u>(5,530,086)</u>	<u>(15,902,692)</u>

22 CAPITAL COMMITMENTS

The group had no capital commitments at 31 October 2015 or 31 October 2014.

NEW DEMIPOWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 2015****23 CONTINGENT LIABILITIES**

The group had no contingent liabilities at 31 October 2015 or 31 October 2014.

24 LEASING COMMITMENTS

Operating lease payments amounting to £2,810,687 (2014: £2,252,407) are due within one year.

The leases to which these amounts relate expire as follows:

	Land and Buildings	
	2015	2014
	£	£
Within 1 year	222,630	366,500
In one to two years	163,500	119,500
In three to five years	896,242	339,500
In five years or more	1,528,315	1,426,907
	<u>2,810,687</u>	<u>2,252,407</u>

25 RELATED PARTY TRANSACTIONS

Balances with related parties at the year end in respect of loans are as follows:

	2015	2014
	£	£
Amounts owed to the group		
A&A Capital Limited	551,724	329,742
Ace Investments Limited	55,630	-
Alsager Limited	2,059	-
Keld Limited	2,148,375	2,148,375
Mornington Limited	555,701	-
Sherrygold No.1 Limited	411,337	401,337
Sherrygold (Restaurants) Ltd	<u>1,272</u>	<u>1,272</u>
Amounts owed by the group		
Mornington Limited	-	739,721
A H M Janmohamed	<u>-</u>	<u>9,481</u>

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

Included with accruals is accrued directors' remuneration of aggregating £185,000 (2014: £205,000).

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

One of the KFC outlets is owned by Sherrygold No.1 Limited, for which rent totalling £100,000 (2014: £100,000) was charged to the group.

NEW DEMIPOWER LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 2015**

26 ACQUISITIONS

In December 2014 and March 2015 the group acquired the trade and certain assets of twelve fast food outlets. The book and fair values of assets acquired are as follows:

	£
Tangible fixed assets	4,887,816
Acquisition costs	442,972
Goodwill	1,097,184
	<u>6,427,972</u>
Satisfied by:	
Cash consideration paid	6,277,972
Deferred consideration	150,000
	<u>6,427,972</u>

27 CONTROLLING RELATED PARTY

The ultimate controlling related party is Mr A H Janmohamed, by virtue of his beneficial controlling interest of the shares in New Demipower Limited.