



NEW DEMIPOWER LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2016

Company No: 4446735

NEW DEMIPOWER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

| | |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 2016

| INDEX | PAGE |
|----------------------------------------------------------------------|-------------|
| Report of the directors | 1-2 |
| Strategic report | 3-4 |
| Independent auditor's report | 5 |
| Principal accounting policies | 6-11 |
| Consolidated statement of comprehensive income and retained earnings | 12 |
| Consolidated statement of financial position | 13 |
| Company statement of financial position | 14 |
| Consolidated cash flow statement | 15 |
| Notes to the financial statements | 16-23 |

NEW DEMIPOWER LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present their report and audited financial statements for the year ended 31 October 2016.

Results and dividends

There was a profit for the year after taxation amounting to £1,214,068 (2015: £1,184,930). The directors do not recommend payment of a dividend 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements the directors are required to:

- * select suitable accounting policies for the group's financial statements and then apply them consistently;
- * make judgements and accounting 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 and group'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 company and the group's auditor is aware of that information.

NEW DEMIPOWER LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2016 (continued)

Donations

The group made charitable donations of £67,129 (2015: £54,058) 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

27th April 2017

NEW DEMIPOWER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

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 two new stores were opened, one in December 2015 and one shortly before the end of the financial year in October 2016. 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 and considered to be payable on demand.

NEW DEMIPOWER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2016 (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 9 to 11.

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

27th April 2017

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 2016 which comprise the group statement of comprehensive income and retained earnings, the group and parent company statements of financial position, the group cash flow statement and the 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 set out on page 1, the directors are responsible for 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 group's and of the parent company's affairs as at 31 October 2016 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

6 June 2017

NEW DEMIPOWER LIMITED

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

These financial statements for the year ended 31 October 2016 are the first financial statements of New Demipower Limited that have been prepared in accordance with FRS 102. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. The transition date was 1 November 2014.

The group and company's functional and presentational currency is in sterling (£).

The group financial statements consolidate the financial statements of New Demipower Limited and its subsidiary undertakings, Demipower Limited and Demipower (1991) Limited, drawn up to 31st October each 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 remained dormant in the current and prior year.

All intra-group transactions and balances are eliminated on consolidation.

Judgements in applying accounting policies and key sources of estimating uncertainty

In the process of applying its accounting policies, the group is required to make certain estimates, judgements and assumptions based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis the group evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give to the revision become known.

Business combinations

The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The group makes judgements and estimates in relation to the fair value allocation of the purchase price. Any unallocated portion, whether positive or negative, is recognised on the Statement of financial position as goodwill or negative goodwill respectively. Management do not consider there to be significant intangible assets.

The amount of goodwill initially recognised as a result of a business combination is dependant on the allocation of the purchase price to the fair value of the identifiable assets acquired, including intangible assets, and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

Estimated impairment of intangible assets

The group tests, when there are indications of impairment, whether goodwill has suffered any impairment, in accordance with its accounting policies. The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates.

NEW DEMIPOWER LIMITED

PRINCIPAL ACCOUNTING POLICIES

Estimated impairment of intangible assets (continued)

Sensitivity analysis is performed on the base case assumptions used to assess the carrying value. In particular, the sensitivity of the discounted cash flows to the weighted average cost of capital and the achievement of the medium term plans has been reviewed and the assumptions made are considered appropriate. Key assumptions in the budgets and plans include future revenue volume/price growth rates, the cost base of supply and directly associated overheads. These assumptions are based on historical trends and future market expectations.

The directors have performed sensitivity analysis around the base assumptions and have concluded that no reasonable possible changes in key assumptions would cause the recoverable amount to be less than the carrying value.

Related party receivables

Management applies judgement in evaluating the recoverability of the receivables. To the extent that the directors believe related party receivables will not be recoverable, they have been provided for in the financial statements.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax and other sales taxes.

The following criteria must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied.

- * the group has transferred the significant risks and rewards of ownership to the buyer;
- * the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- * the amount of revenue can be measured reliably;
- * it is probable that the group will receive the consideration due under the transaction; and
- * the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated to write down the cost or valuation of all tangible fixed assets other than freehold land over their expected useful lives. The rates generally applicable are:

NEW DEMIPOWER LIMITED

PRINCIPAL ACCOUNTING POLICIES

Tangible fixed assets and depreciation (continued)

| | |
|----------------------------------|--------------------|
| Freehold premises | - 50 years |
| Leasehold premises | - period of lease |
| Fixtures, fittings and equipment | - 10 - 25% on cost |
| Motor vehicles | - 10 - 25% on cost |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Investments

Investments comprise the company's investment in its subsidiary undertakings which are stated at cost less any provision for impairment.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of this useful life cannot be made, the useful life shall not exceed five years.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Impairment of goodwill

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the irrecoverable amount of any affected asset is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are measured for impairment. If stock is impaired, the carrying amount is reduced to the selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NEW DEMIPOWER LIMITED

PRINCIPAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term trade creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases and hire purchase contracts are recognised initially at fair value of the leased asset at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease or hire purchase obligation. Finance lease and hire purchase payments are apportioned between finance charges and reduction of the finance lease or hire purchase obligation.

Finance lease charges are deducted in measuring profit and loss.

Assets held under finance leases or hire purchase contracts are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Operating leases

Rentals payable under operating leases are charged to profit and loss account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The group has taken advantage of the optional exception available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 November 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

NEW DEMIPOWER LIMITED

PRINCIPAL-ACCOUNTING POLICIES

Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable or payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets that are measured at amortised cost, the impairment loss is measured at the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in sundry creditors as a liability. The assets of the plan are held separately from the group in independently administered funds.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates income.

NEW DEMIPOWER LIMITED

PRINCIPAL ACCOUNTING POLICIES

Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that

- * The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- * Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the reporting date.

Provisions for liabilities

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward at the accounting date. The provision is measured at the salary cost payable for the period of absence.

NEW DEMIPOWER LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 OCTOBER 2016

| | Note | 2016 £ | 2015 £ |
|------------------------------------------------------|------|-------------------------|-------------------------|
| Turnover | 2 | 60,720,664 | 57,540,345 |
| Cost of sales | | <u>(18,507,309)</u> | <u>(18,226,780)</u> |
| Gross profit | | 42,213,355 | 39,313,565 |
| Other operating income | 4 | 247,637 | 205,547 |
| Other operating costs | | <u>(40,094,589)</u> | <u>(37,270,757)</u> |
| Operating profit | | 2,366,403 | 2,248,355 |
| Other interest receivable and similar income | 5 | 17 | - |
| Interest payable and similar charges | 6 | <u>(564,852)</u> | <u>(484,425)</u> |
| Profit on ordinary activities before taxation | 2 | 1,801,568 | 1,763,930 |
| Tax on profit on ordinary activities | 7 | <u>(587,500)</u> | <u>(579,000)</u> |
| Profit for the financial year | | 1,214,068 | 1,184,930 |
| Retained profits at 1 November 2015 | | <u>2,474,123</u> | <u>1,789,193</u> |
| | | 3,688,191 | 2,974,123 |
| Dividends paid | | <u>-</u> | <u>(500,000)</u> |
| Retained profits at 31 October 2016 | | <u><u>3,688,191</u></u> | <u><u>2,474,123</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.

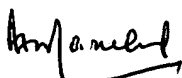
NEW DEMIPOWER LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 OCTOBER 2016

| | Note | 2016 | 2015 |
|----------------------------------------------------------------|------|---------------------|---------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 9 | 24,888,469 | 21,285,138 |
| Intangible assets | 10 | <u>1,576,153</u> | <u>1,792,444</u> |
| | | 26,464,622 | 23,077,582 |
| Current assets | | | |
| Stocks | 12 | 342,060 | 365,716 |
| Debtors falling due within one year | 13 | 6,394,505 | 5,901,019 |
| Cash at bank and in hand | 14 | <u>4,334,124</u> | <u>3,802,792</u> |
| | | 11,070,689 | 10,069,527 |
| Creditors: amounts falling due within one year | 15 | <u>(14,839,872)</u> | <u>(14,860,989)</u> |
| Net current liabilities | | <u>(3,769,183)</u> | <u>(4,791,462)</u> |
| Total assets less current liabilities | | 22,695,439 | 18,286,120 |
| Creditors: amounts falling due after more than one year | 16 | (18,743,148) | (15,617,897) |
| Provision for liabilities | 17 | <u>(264,000)</u> | <u>(194,000)</u> |
| | | <u>3,688,291</u> | <u>2,474,223</u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 100 | 100 |
| Profit and loss account | | <u>3,688,191</u> | <u>2,474,123</u> |
| Shareholders' funds | | <u>3,688,291</u> | <u>2,474,223</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 27th April 2017 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 STATEMENT OF FINANCIAL POSITION AT 31 OCTOBER 2016

| | Note | 2016 £ | 2016 £ |
|----------------------------------------------|-------------|-------------------|-------------------|
| Fixed assets | | | |
| Investments | 11 | 100 | 100 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | <u>100</u> | <u>100</u> |
| | | | |
| Capital and reserves | | | |
| Called up share capital | 19 | 100 | 100 |
| Profit and loss account | | - | - |
| | | <hr/> | <hr/> |
| Shareholders' funds | | <u>100</u> | <u>100</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 27th April 2017 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 STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2016

| | 2016 | 2015 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Profit for the financial year | 1,214,068 | 1,184,930 |
| Adjustments for | | |
| Amortisation of intangible assets | 216,291 | 207,533 |
| Depreciation of tangible assets | 2,456,140 | 2,366,916 |
| Loss on disposals | 2,375 | - |
| Interest paid | 564,852 | 484,425 |
| Interest received | (17) | - |
| Taxation | 587,500 | 579,000 |
| Decrease/(Increase) in stock | 23,656 | (48,688) |
| (Increase) in debtors | (494,508) | (1,428,432) |
| Increase in creditors | 1,529,661 | 2,372,299 |
| | <u>6,100,018</u> | <u>5,717,983</u> |
| Corporaton tax paid | <u>(588,269)</u> | <u>(340,384)</u> |
| Net cash generated from operating activities | <u>5,511,749</u> | <u>5,377,599</u> |
| Cash flows from investing activities | | |
| Proceeds from sale of tangible fixed assets | 23,000 | - |
| Purchases of intangible assets | - | (1,097,184) |
| Purchase of tangible assets | (6,007,657) | (6,313,431) |
| Interest received | 17 | - |
| | <u>(5,984,640)</u> | <u>(7,410,615)</u> |
| Cash flows from financing activities | | |
| Loan advances | 5,810,000 | 5,500,000 |
| Repayment of bank loans | (2,444,747) | (2,069,372) |
| Repayment of HP and finance lease obligations | (21,755) | (36,877) |
| Repayment of related party loan | - | (500,000) |
| Interest paid | (564,852) | (484,425) |
| Dividends paid | - | (500,000) |
| | <u>2,778,646</u> | <u>1,909,326</u> |
| Net cash received in financing activities | <u>2,778,646</u> | <u>1,909,326</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>2,305,755</u> | <u>(123,690)</u> |
| Cash and cash equivalents at 1 November 2015 | <u>2,028,369</u> | <u>2,152,059</u> |
| Cash and cash equivalents at 31 October 2016 | <u><u>4,334,124</u></u> | <u><u>2,028,369</u></u> |
| Cash and cash equivalents at 31 October 2016 comprise: | | |
| Cash at bank and in hand | 4,334,124 | 3,802,792 |
| Bank overdrafts | - | (1,774,423) |
| | <u><u>4,334,124</u></u> | <u><u>2,028,369</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 2016

1 GENERAL INFORMATION

New Demipower Limited is a limited liability company incorporated in England. The registered office is Jubilee House, 7-9 The Oaks, Ruislip, Middlesex HA4 7LF.

2 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: | 2016 | 2015 |
| | £ | £ |
| Auditor's remuneration: | | |
| - audit services | 27,500 | 25,000 |
| - other services | 28,000 | 24,000 |
| Depreciation of tangible fixed assets, owned | 2,423,575 | 2,348,651 |
| Depreciation of tangible fixed assets, held under hire purchase | 32,565 | 18,265 |
| Loss on disposals | 2,375 | - |
| Amortisation of goodwill | 216,291 | 207,533 |
| Operating lease rentals - land and buildings | <u>3,754,054</u> | <u>3,861,865</u> |

3 DIRECTORS AND EMPLOYEES

| | | |
|------------------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Staff costs during the year amounted to: | £ | £ |
| Directors' remuneration | 403,000 | 403,000 |
| Wages and salaries | 15,921,519 | 14,071,940 |
| Pension contributions | 81,558 | 79,278 |
| Social security costs | 814,362 | 685,114 |
| | <u>17,220,439</u> | <u>15,239,332</u> |

Aggregate emoluments paid to directors, including benefits in kind, amounted to £492,948 (2015: £492,777).

The amounts set out above include remuneration in respect of the highest paid director of £286,967 (2015: £289,756).

No directors received pension contributions for the year ended 31 October 2016 or 31 October 2015.

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

| | | |
|-------------------------------|---------------|---------------|
| | 2016 | 2015 |
| | Number | Number |
| Managerial and administration | 99 | 94 |
| Works | <u>1,273</u> | <u>1,157</u> |
| | <u>1,372</u> | <u>1,251</u> |

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 4 OTHER OPERATING INCOME | 2016 | 2015 |
| | £ | £ |
| Rent receivable less agents commission | 206,810 | 142,961 |
| Waste oil | 40,827 | 62,586 |
| | <u>247,637</u> | <u>205,547</u> |
| 5 INTEREST RECEIVABLE AND SIMILAR INCOME | 2016 | 2015 |
| Bank interest received | <u>17</u> | <u>-</u> |
| 6 INTEREST PAYABLE AND SIMILAR CHARGES | 2016 | 2015 |
| | £ | £ |
| On bank loans and overdrafts | 549,266 | 473,210 |
| Hire purchase interest | 4,373 | 1,585 |
| Other | 11,213 | 9,630 |
| | <u>564,852</u> | <u>484,425</u> |
| 7 TAX ON PROFIT ON ORDINARY ACTIVITIES | | |
| The tax charge is based on the results for the year and represents: | 2016 | 2015 |
| | £ | £ |
| Corporation tax @ 20% (2015: 21%/20%) | 592,500 | 625,000 |
| Deferred taxation credit | (5,000) | (46,000) |
| | <u>587,500</u> | <u>579,000</u> |
| The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom at 20% (2015: 21%/20%). The differences are explained as follows: | | |
| | 2016 | 2015 |
| | £ | £ |
| Profit on ordinary activities before taxation | <u>1,801,568</u> | <u>1,763,930</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom at 20% (2015: 21%/20%) | 361,000 | 361,500 |
| Effect of: | | |
| Expenses not deductible for tax purposes | 226,500 | 225,500 |
| Reduction in deferred tax following change in rate | - | (8,000) |
| | <u>587,500</u> | <u>579,000</u> |

Factors that may affect future tax charges

Following Royal Assent on 15 September 2016 of the 2016 Finance Act, there will be a further reduction in the main rate of corporation tax to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred tax has been calculated based on rates and laws enacted or substantially enacted at the reporting date.

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

FOR THE YEAR ENDED 31 OCTOBER 2016

8 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 2016 or 2015, hence none of the group profit or loss is dealt with in the financial statements of the company.

9 TANGIBLE FIXED ASSETS

| The group | Freehold premises & improvements £ | Short leasehold premises £ | Plant, fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|-------------------------|---------------------------------------------|-------------------------------------|-----------------------------------------------------|------------------------|-------------------|
| Cost | | | | | |
| At 1 November 2015 | 8,654,546 | 10,288,024 | 15,549,738 | 450,171 | 34,942,479 |
| Additions | 4,714,368 | 280,120 | 1,013,169 | 77,189 | 6,084,846 |
| Disposals | - | - | (306,384) | (145,156) | (451,540) |
| At 31 October 2016 | <u>13,368,914</u> | <u>10,568,144</u> | <u>16,256,523</u> | <u>382,204</u> | <u>40,575,785</u> |
| Depreciation | | | | | |
| At 1 November 2015 | 381,935 | 4,814,353 | 8,113,523 | 347,530 | 13,657,341 |
| Charge for year | 224,025 | 826,479 | 1,347,552 | 58,084 | 2,456,140 |
| Eliminated on disposals | - | - | (281,011) | (145,154) | (426,165) |
| At 31 October 2016 | <u>605,960</u> | <u>5,640,832</u> | <u>9,180,064</u> | <u>260,460</u> | <u>15,687,316</u> |
| Net book amount | | | | | |
| At 31 October 2016 | <u>12,762,954</u> | <u>4,927,312</u> | <u>7,076,459</u> | <u>121,744</u> | <u>24,888,469</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> |

The net book value of motor vehicles purchased under hire purchase contracts is £78,673 (2015: £39,048).

Depreciation charged in respect of motor vehicles purchased under hire purchase contracts amounted to £32,565 (2015: £18,265).

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

10 INTANGIBLE FIXED ASSETS

| | Purchased goodwill |
|-------------------------------------------|---------------------------|
| The group | £ |
| Cost | |
| At 1 November 2015 and at 31 October 2016 | <u>2,734,384</u> |
| Amortisation | |
| At 1 November 2015 | 941,940 |
| Amortisation for year | <u>216,291</u> |
| At 31 October 2016 | <u>1,158,231</u> |
| Net book value | |
| At 31 October 2016 | <u>1,576,153</u> |
| Net book value | |
| At 31 October 2015 | <u>1,792,444</u> |

11 FIXED ASSETS INVESTMENTS

Total fixed asset investments comprise:

| | The group | | The company | |
|-------------------------------------|------------------|-------------|--------------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Interest in subsidiary undertakings | <u>-</u> | <u>-</u> | <u>100</u> | <u>100</u> |

At 31 October 2016 and 31 October 2015 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 2016 and 31 October 2015 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 2016

| 12 | STOCKS | The group | | The company | |
|----|----------------|-----------|---------|-------------|------|
| | | 2016 | 2015 | 2016 | 2015 |
| | | £ | £ | £ | £ |
| | Raw food stock | 342,060 | 365,716 | - | - |

| 13 | DEBTORS | The group | | The company | |
|----|--------------------------------------|------------------|------------------|-------------|----------|
| | | 2016 | 2015 | 2016 | 2015 |
| | | £ | £ | £ | £ |
| | Amounts owed by related undertakings | 4,079,206 | 3,726,098 | - | - |
| | Other debtors | 498,075 | 447,362 | - | - |
| | Prepayments and accrued income | 1,817,224 | 1,727,559 | - | - |
| | | <u>6,394,505</u> | <u>5,901,019</u> | <u>-</u> | <u>-</u> |

Amounts owed by related undertakings are unsecured, interest free and payable on demand.

| 14 | CASH AND CASH EQUIVALENTS | The group | | The company | |
|----|---------------------------|-----------|-----------|-------------|------|
| | | 2016 | 2015 | 2016 | 2015 |
| | | £ | £ | £ | £ |
| | Cash at bank and in hand | 4,334,124 | 3,802,792 | - | - |

| 15 | CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | The group | | The company | |
|----|------------------------------------------------|-------------------|-------------------|-------------|----------|
| | | 2016 | 2015 | 2016 | 2015 |
| | | £ | £ | £ | £ |
| | Bank loans and overdrafts | 2,584,872 | 4,068,795 | - | - |
| | Trade creditors | 4,713,307 | 3,820,722 | - | - |
| | Other creditors | 326,413 | 837,159 | - | - |
| | Corporation tax | 759,299 | 830,068 | - | - |
| | Social security and other taxation | 2,158,121 | 1,964,035 | - | - |
| | Accruals and deferred income | 4,274,132 | 3,321,418 | - | - |
| | Amounts due under hire purchase contracts | 23,728 | 18,792 | - | - |
| | | <u>14,839,872</u> | <u>14,860,989</u> | <u>-</u> | <u>-</u> |

| 16 | CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | The group | | The company | |
|----|---------------------------------------------------------|-------------------|-------------------|-------------|----------|
| | | 2016 | 2015 | 2016 | 2015 |
| | | £ | £ | £ | £ |
| | Bank loans | 18,669,759 | 15,595,006 | - | - |
| | Amounts due under hire purchase contracts | 73,389 | 22,891 | - | - |
| | | <u>18,743,148</u> | <u>15,617,897</u> | <u>-</u> | <u>-</u> |

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Borrowings are repayable as follows:

| | The group | | The company | |
|----------------------------------------|-------------------|-------------------|-------------|----------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Within one year - bank | 2,584,872 | 4,068,795 | - | - |
| - hire purchase agreements | 23,728 | 18,792 | - | - |
| After one and within two years - bank | 2,584,872 | 6,694,372 | - | - |
| - hire purchase agreements | 21,287 | 22,891 | - | - |
| After two and within five years - bank | 7,754,616 | 5,433,116 | - | - |
| - hire purchase agreements | 52,102 | - | - | - |
| After 5 years - bank | 8,330,271 | 3,467,518 | - | - |
| | <u>21,351,748</u> | <u>19,705,484</u> | <u>-</u> | <u>-</u> |

The bank loans carry interest rates of 2.25% and 2.75% above base (2015: 2.25% and 2.75%) and are repayable by quarterly instalments totalling £646,218. The bank loans 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.

17 PROVISIONS FOR LIABILITIES AND CHARGES

| | Deferred taxation | |
|-------------------------------------|-------------------|-------------|
| | The group | The company |
| | £ | £ |
| At 1 November 2015 | 194,000 | - |
| Increase in provision re prior year | 75,000 | - |
| Released for the year | (5,000) | - |
| At 31 October 2016 | <u>264,000</u> | <u>-</u> |

Deferred taxation has been provided for in full and is analysed as follows:

| | | |
|-----------------------------------|----------------|----------|
| On accelerated capital allowances | <u>264,000</u> | <u>-</u> |
|-----------------------------------|----------------|----------|

18 FINANCIAL INSTRUMENTS

| | The group | | The company | |
|--------------------------------------------------|-------------------|------------------|-------------|----------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Financial assets | | | | |
| Cash at bank and in hand | 4,334,124 | 3,802,792 | - | - |
| Financial assets measured at amortised cost | 6,394,505 | 5,901,019 | - | - |
| | <u>10,728,629</u> | <u>9,703,811</u> | <u>-</u> | <u>-</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | 33,582,520 | 30,478,886 | - | - |

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group and related companies and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group and related companies, bank loans and accruals.

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

| 19 | SHARE CAPITAL | 2016 £ | 2015 £ |
|----|------------------------------------------------------------------|------------|------------|
| | 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> |

20 RESERVES

Profit and loss account

Profit and loss account includes all current and prior retained profits and losses.

21 CAPITAL COMMITMENTS

The group had no capital commitments at 31 October 2016 or 31 October 2015.

22 CONTINGENT LIABILITIES

The group had no contingent liabilities at 31 October 2016 or 31 October 2015.

23 LEASING COMMITMENTS

The company's future minimum operating lease payments are as follows:

| | Land and Buildings | |
|------------------------|--------------------|-------------------|
| | 2016 £ | 2015 £ |
| Within 1 year | 2,636,903 | 2,676,187 |
| In one to two years | 2,420,936 | 2,327,974 |
| In three to five years | 5,678,010 | 5,710,582 |
| In five years or more | <u>7,647,004</u> | <u>7,361,375</u> |
| | <u>18,382,853</u> | <u>18,076,118</u> |

24 RELATED PARTY TRANSACTIONS

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

| | 2016 £ | 2015 £ |
|----------------------------------|---------------|-----------|
| Amounts owed to the group | | |
| A&A Capital Limited | 789,379 | 551,724 |
| Ace Investments Limited | 55,630 | 55,630 |
| Alsager Limited | 37,437 | 2,059 |
| Ariyan Hotels Limited | 349 | - |
| Keld Limited | 2,148,375 | 2,148,375 |
| Mornington Limited | 513,487 | 555,701 |
| Sherrygold No.1 Limited | 411,337 | 411,337 |
| Sherrygold (Restaurants) Ltd | 109,036 | 1,272 |
| World Credit Limited | <u>14,176</u> | <u>-</u> |

NEW DEMIPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

24 RELATED PARTY TRANSACTIONS (continued)

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

Included with accruals is accrued directors' remuneration of aggregating £165,000 (2015: £185,000).

The group has taken advantage of the exemption provided by FRS 102 Section 33 not to disclose transactions with its wholly owned subsidiary undertakings.

One of the KFC outlet buildings is owned by Sherrygold No.1 Limited, for which rent, including arrears, totalling £193,004 (2015: £100,000) was charged to the company.

25 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.

26 FRS 102

The group and company transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2014. There was no impact on the reported figures for the current or prior period.