Company Registration No. 04446735 (England and Wales)

NEW DEMIPOWER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

NEW DEMIPOWER LIMITED

COMPANY INFORMATION

Directors	A H M Janmohamed A A Janmohamed
Secretary	A A Janmohamed
Company number	04446735
Registered office	Jubilee House 7-9 The Oaks Ruislip Middlesex HA4 7LF
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Bankers	HSBC Bank Plc 69 Pall Mall London SW1Y 5EY
Solicitors	ReedSmith LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS

NEW DEMIPOWER LIMITED

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NEW DEMIPOWER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present the strategic report for the year ended 31 October 2022.

Review of the business

During the year under review, the group opened four new stores and made the planned refurbishment program for various stores.

The group generated a total turnover of £220.2 million in 2022 and £230.4 million in 2021. The decline in the turnover is due to the higher product net price in 2021 that originated from the reduced VAT rate as part of the government's support for the hospitality industry. Sales transaction level posted an improvement year-on-year and without any interruption in the operations for both periods.

The 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.

Inflation, increasing energy costs, rising interest rates and continuing supply chain disruption are the principal risks and uncertainties that the group is currently managing. These risks are addressed by applying a comprehensive strategy over cost control and reduction, cash flow protection, and the group has sought to minimise supply chain pressures by diversifying and identifying low risk suppliers. Further, the entry of new competitors within the geographical areas in which the group operates continues to be one of the business risks. This risk is 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.

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.

Consideration has also been given on the continuing impact of the developments in Ukraine and Russia to the increasing operating cost and general economic climate. The group has no assets or activities in Ukraine or Russia. The Board of Directors' view is that those further developments and sanctions are unlikely to have a significant direct adverse impact on the group.

Future developments

The Quick Service Restaurant industry remains a strongly competitive environment within a difficult economic climate.

The group is keen to invest in new restaurants and the directors are continuously looking at opportunities to expand the business.

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.

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 daily basis and funding is secured for significant new acquisitions before any commitment is made.

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

Fixed Assets *and* Investments
There are no movements in investments during the year, as indicated in Note 15. The movement in the Group's fixed assets during the year are as set out in Note 14.

On behalf of the board

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A A Janmohamed
Director

....
28/4/2023

NEW DEMIPOWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present their annual report and financial statements for the year ended 31 October 2022.

Principal activities
The principal activity of the company and group continued to be that of caterers and snack bar owners.

The company does not trade and is only a Holding entity.

Results and dividends
There was a loss before tax for the year of £1,020,942 (2021: profit of £23,226,574). The detailed results for the year are set out in page 10.

Ordinary dividends were paid amounting to £1,993,623 (2021: £850,000). The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A H M Janmohamed
A A Janmohamed

Disabled persons
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. It is the policy of the company that retraining, career development and promotion opportunities should be available to all employees.

Donations
The group made charitable donations of £584,833 (2021: £382,317) during the year.

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.

Future developments
In accordance with s414C(11) of the Companies Act, the Directors have disclosed future developments for the group and financial risk management for the group in the strategic report.

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.

Energy and carbon report
Following changes in guidance under Part 7A of Schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), it is considered these provisions are now applicable to this group and accordingly the following report is provided.

NEW DEMIPOWER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Energy consumption		**kWh**
Aggregate of energy consumption in the year		37,923,370
Emissions of CO2 equivalent	**Metric tonnes**	**Metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	961.00	
- Fuel consumed for owned transport	-	
		961.00
Scope 2 - indirect emissions		
- Electricity purchased		6,162.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		913.00
Total gross emissions		8,036.00
Intensity ratio		
Tonnes CO2e per employee		1.85

Quantification and reporting methodology
The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and uses Defra's Greenhouse Gas Conversion Factors 2021 for quantifying emissions.

Intensity measurement
The emissions accounted for are reported in tonnes of Carbon Dioxide equivalent (tCO2e) for natural gas and purchased electricity consumption across Demipower estates. In addition to emissions from fuels used for business travel and emissions related to the production of fuels and energy.

Measures taken to improve energy efficiency
The following energy efficiency actions are being applied over the past few years:

- Electricity purchased includes components of renewable energy.
- Smart meters and energy monitoring tools are installed in most of our restaurants (88% as of 2022) to further understand where energy is being used in the operations. The Group are aims to convert all restaurants to smart meters.
- New energy efficiency measures (LED lighting, sensors, etc.) are implemented in the regular refurbishment of old restaurants.
- Recent vehicle purchased are hybrid to help control the fuel emissions on company vehicles.

NEW DEMIPOWER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Directors' responsibilities statement
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including RS 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 that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.
To the best of our knowledge:

- the group financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the board

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A A Janmohamed

Date: 28/4/2023

NEW DEMIPOWER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEW DEMIPOWER LIMITED

Opinion

We have audited the financial statements of New Demipower Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2022, which comprise the Group Profit and loss account, Group Statement of Comprehensive Income, the Group and Company Balance sheets, the Group Statement of Changes in Equity, *Company Statement of Changes in Equity, Group Statement of Cashflows and notes to the financial statements,* including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2022 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.

Basis for opinion

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

Conclusions related to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Covid-19, the crisis in Ukraine and the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report,1 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

NEW DEMIPOWER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEW DEMIPOWER LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of how the group is complying with the legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes (where available) and review of legal and professional fees incurred in the year;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant in the context of the company are those related to the financial reporting framework being FRS 102 and the Companies Act 2006;
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statement and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. Our audit procedures performed by the engagement team included:
  - obtaining an understanding of the design and implementation of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on material manual journals, including those with unusual account combinations; and
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - testing the completeness of the groups related party transactions.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the report and accounts with the applicable financial reporting framework requirements;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement Director assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through assessment of the teams's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
  - knowledge of the industry in which the group operates; and
  - understanding of the legal and regulatory requirements specific to the group, including the provisions of the applicable legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

GT UK LLP

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
LONDON
28/4/2023

NEW DEMIPOWER LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	2021 £
Turnover	3	220,156,760	230,431,926
Cost of sales		(71,723,404)	(62,925,575)
Gross profit		148,433,356	167,506,351
Administrative expenses	4	(147,083,414)	(143,100,997)
Other operating income	5	1,120,342	1,116,143
Operating profit	6	2,470,284	25,521,497
Interest receivable and similar income		96,364	4,556
Interest payable and similar expenses	10	(3,587,590)	(2,299,479)
(Loss)/profit before taxation		(1,020,942)	23,226,574
Tax on (loss)/profit	11	(1,659,668)	(6,384,300)
(Loss)/profit for the financial year	25	(2,680,610)	16,842,274

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

NEW DEMIPOWER LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2022

	2022 £	2021 £
(Loss)/profit for the year	(2,680,610)	16,842,274
Other comprehensive income	-	-
Total comprehensive income for the year	(2,680,610)	16,842,274

Total comprehensive income for the year is all attributable to the owners of the parent company.

NEW DEMIPOWER LIMITED

GROUP AND COMPANY BALANCE SHEETS

AS AT 31 OCTOBER 2022

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Fixed assets					
Goodwill	**13**	39,733,234	47,515,979	-	-
Tangible assets	**14**	57,623,785	51,007,910	-	-
Investment in subsidiaries		-	-	102	102
		97,357,019	98,523,889	102	102
Current assets					
Stocks	**16**	1,195,754	978,245	-	-
Debtors falling due after more than one year	**17**	1,768,000	-	-	-
Debtors falling due within one year	**17**	7,498,034	6,927,210	76,583,562	76,308,163
Cash at bank and in hand		44,257,306	39,290,942	21,318,903	27,009,027
		54,719,094	47,196,397	97,902,465	103,317,190
Creditors: amounts falling due within one year	**18**	(51,284,305)	(49,303,136)	(15,869,383)	(32,527,554)
Net current assets		3,434,789	(2,106,739)	82,033,082	70,789,636
Total assets less current liabilities		100,791,808	96,417,150	82,033,184	70,789,738
Creditors: amounts falling due after more than one year	**19**	(87,813,939)	(79,813,793)	(81,865,894)	(70,695,521)
Provisions for liabilities					
Deferred tax liability	**22**	(2,029,745)	(981,000)	-	-
Net assets		10,948,124	15,622,357	167,290	94,217
Capital and reserves					
Called up share capital	**24**	100	100	100	100
Profit and loss reserves	**25**	10,948,024	15,622,257	167,190	94,117
Total equity		10,948,124	15,622,357	167,290	94,217

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,066,697 (2021 - £851,231 profit).

NEW DEMIPOWER LIMITED

GROUP AND COMPANY BALANCE SHEETS (CONTINUED)

AS AT 31 OCTOBER 2022

The financial statements were approved by the board of directors and authorised for issue on 28/4/2023 and are signed on its behalf by:

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A A Janmohamed

Director

Company Registration No. 04446735

NEW DEMIPOWER LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2020		100	(370,017)	(369,917)
Year ended 31 October 2021:				
Profit and total comprehensive income for the year		-	16,842,274	16,842,274
Dividends	**12**	-	(850,000)	(850,000)
Balance at 31 October 2021		100	15,622,257	15,622,357
Year ended 31 October 2022:				
Loss and total comprehensive income for the year		-	(2,680,610)	(2,680,610)
Dividends	**12**	-	(1,993,623)	(1,993,623)
Balance at 31 October 2022		100	10,948,024	10,948,124

NEW DEMIPOWER LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2020		100	92,886	92,986
Year ended 31 October 2021:				
Profit and total comprehensive income for the year		-	851,231	851,231
Dividends	**12**	-	(850,000)	(850,000)
Balance at 31 October 2021		100	94,117	94,217
Year ended 31 October 2022:				
Profit and total comprehensive income for the year		-	2,066,696	2,066,696
Dividends	**12**	-	(1,993,623)	(1,993,623)
Balance at 31 October 2022		100	167,190	167,290

NEW DEMIPOWER LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	29		16,173,210		35,484,246
Interest paid	10		(3,587,590)		(2,299,479)
Income taxes paid			(4,136,765)		(1,914,556)
Net cash inflow from operating activities			8,448,855		31,270,211
Investing activities					
Purchase of tangible fixed assets	14	(10,790,172)		(332,625)	
Proceeds on disposal of tangible fixed assets	29	15,000		8,500	
Interest received	29	96,364		4,556	
Net cash used in investing activities			(10,678,808)		(319,569)
Financing activities					
Proceeds of new bank loans	30	17,653,169		-	
Repayment of bank loans	30	(8,411,600)		(11,251,200)	
Payment of finance leases obligations	30	(51,629)		(4,309)	
Dividends paid to equity shareholders	12	(1,993,623)		(850,000)	
Net cash generated from/(used in) financing activities			7,196,317		(12,105,509)
Net increase in cash and cash equivalents			4,966,364		18,845,133
Cash and cash equivalents at beginning of year			39,290,942		20,445,809
Cash and cash equivalents at end of year			44,257,306		39,290,942

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

Company information

New Demipower Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Jubilee House, 7-9 The Oaks, Ruislip, Middlesex, HA4 7LF.

The group consists of New Demipower Limited and all of its subsidiaries.

1.1 Accounting convention

Basis of Preparation

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.

The group's functional and contractual currency is in sterling (£). The financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The group financial statements consolidate the financial statements of New Demipower Limited and its subsidiary undertakings drawn up to 31st October each year.

The company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

1.2 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.

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.

For an intangible to be recognised it has to be legally and contractually separable.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

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1 Accounting policies

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company New Demipower Limited together with all entities controlled by the parent company (its subsidiaries). Where the financial statements make reference to the "Group", this relates to the consolidated accounts.

All financial statements are made up to 31 October 2022. The financial statements of subsidiaries have been prepared in accordance with FRS 102, consistent with Group financial statements.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

After reviewing the group's forecasts and projections both in the current year to date as well as looking to the future, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore do not have any concerns of material uncertainty over going concern. An assessment has been done for a period of at least 12 months from date of signing with consideration of the current economic conditions particularly the inflation,rising costs and high interest rate; while these factors are recognised and assessed along with other influences, the management has no concerns and, as such, the company continues to adopt the going concern basis in preparing its financial statements.

1.5 Turnover

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

Turnover 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

1.6 Intangible fixed assets - 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 on average over 10 years to the statement of profit and loss, being, in the opinion of the directors, its useful economic life.

For the purpose of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

1.7 Tangible fixed assets

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:

Freehold land and buildings	50 years
Leasehold land and buildings	period of lease
Fixtures and fittings	10 - 25% on cost
Motor vehicles	10 - 25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

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

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

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 recoverable 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.10 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.

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits held at call with financial institutions. 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.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

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1 Accounting policies

1.12 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.

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 are 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.

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.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Creditors

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

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1 Accounting policies

Finance Costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 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.

Current tax

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 United Kingdom where the group operates and generates income.

Deferred tax

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 of substantively enacted by the reporting date.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

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.

1 Accounting policies

1.17 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

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

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

The group received a discretionary cash grant from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the company PAYE payroll and the employee cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingencies attached to the grant.

The group also received a reduction in Business rates in the form of a refund for its stores which compensates certain businesses for the impact the lockdowns have caused. There are no conditions associated with the rates refund and hence no contingencies associated with it.

Both these grants have been recognised in other operating income as disclosed in Note 5.

2 Judgements and key sources of estimation 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.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
In-store	142,899,825	145,021,141
Online deliveries	77,256,935	85,410,785
	220,156,760	230,431,926

4 Administrative Expenses

	2022 £	2021 £
Depreciation and Amortisation	11,957,042	11,954,065
Wages & Salaries	55,904,712	53,085,115
Selling Expenses	39,355,148	42,695,276

Administrative expenses includes the above expenses.

5 Other Operating Income

	2022 £	2021 £
Coronavirus job retention scheme grant	-	317,013
Government grants received for Business Rates	250,023	291,565
Rent receivable	230,894	210,797
Sundry income	639,425	296,768
	1,120,342	1,116,143

6 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(250,023)	(608,578)
Depreciation of owned tangible fixed assets	4,174,297	4,170,513
Profit on disposal of tangible fixed assets	(15,000)	(8,500)
Amortisation of intangible assets	7,782,745	7,783,552
Operating lease charges	8,315,654	8,365,787

7 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	118,450	110,000
For other services		
All other non-audit services	120,238	31,600

8 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
	4,338	3,889	2	2

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	55,904,712	53,085,115	-	-
Social security costs	3,962,463	2,700,632	-	-
Pension costs	624,665	600,586	-	-
	60,491,840	56,386,333	-	-

Wages and salaries includes Directors' remuneration, which is disclosed in note 9 of the accounts.

9 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,500,000	650,000

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	855,000	425,951

9 Directors' remuneration

Amounts paid to highest paid director include benefits in kind.

10 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	3,551,057	2,290,207
Other interest on financial liabilities	295	1,464
	3,551,352	2,291,671
Other finance costs:		
Interest on finance leases and hire purchase contracts	4,100	3,948
Other interest	32,138	3,860
Total finance costs	3,587,590	2,299,479

11 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	610,923	6,126,300
Deferred tax		
Origination and reversal of timing differences	1,048,745	258,000
Total tax charge	1,659,668	6,384,300

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
(Loss)/profit before taxation	(1,020,942)	23,226,574
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(193,979)	4,413,049
Tax effect of expenses that are not deductible in determining taxable profit	1,946,177	1,822,000
Tax effect of income not taxable in determining taxable profit	(378,788)	-
Other differences and rounding of tax charge	(4,927)	(64,349)
Increase in tax rate to 25% (deferred tax)	180,105	236,000
Provision increase/(decrease)	111,080	(22,400)
Taxation charge	1,659,668	6,384,300

11 Taxation

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. In March 2021 the Chancellor announced that the corporation tax rate would increase to 25% in the year 2023, and this was substantively enacted before the reporting date and therefore has been used in the measurement of deferred tax.

12 Dividends

	2022	2021
Recognised as distributions to equity holders:	£	£
Final paid	1,993,623	850,000

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 November 2021 and 31 October 2022	78,203,314
Amortisation and impairment	
At 1 November 2021	30,687,335
Amortisation charged for the year	7,782,745
At 31 October 2022	38,470,080
Carrying amount	
At 31 October 2022	39,733,234
At 31 October 2021	47,515,979

The company had no intangible fixed assets at 31 October 2022 or 31 October 2021.

14 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2021	28,228,755	24,867,083	31,376,312	568,711	85,040,861
Additions	5,585,863	917,250	4,206,402	80,657	10,790,172
Disposals	-	-	-	(25,000)	(25,000)
At 31 October 2022	33,814,618	25,784,333	35,582,714	624,368	95,806,033
Depreciation and impairment					
At 1 November 2021	3,121,536	11,260,022	19,286,978	364,415	34,032,951
Depreciation charged in the year	586,053	1,135,596	2,403,504	49,144	4,174,297
Eliminated in respect of disposals	-	-	-	(25,000)	(25,000)
At 31 October 2022	3,707,589	12,395,618	21,690,482	388,559	38,182,248
Carrying amount					
At 31 October 2022	30,107,029	13,388,715	13,892,232	235,809	57,623,785
At 31 October 2021	25,107,219	13,607,061	12,089,334	204,296	51,007,910

The company had no tangible fixed assets at 31 October 2022 or 31 October 2021.

The net book value of motor vehicles purchased under contracts is £125,284 (2021: £227,531). Depreciation charged in respect of motor vehicles purchased under hire purchase contracts amounted to £38,506 (2021: £41,529).

Freehold and leasehold land and buildings are pledged as security under fixed and floating charges in relation to bank borrowings.

15 Subsidiaries

Details of the company's subsidiaries at 31 October 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Demipower Limited	England	Ordinary	100.00
Demipower (2017) Limited	England	Ordinary	100.00
Demipower (Eastern) Limited	England	Ordinary	100.00

At 31 October 2022 and 31 October 2021 Demipower Limited held a 100% investment in Demipower (1991) Limited.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	1,195,754	978,245	-	-

17 Debtors

Amounts falling due within one year:	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts owed by group undertakings	-	-	75,949,264	76,133,168
Other debtors	2,375,228	2,858,275	-	2,153
Prepayments and accrued income	5,122,806	4,068,935	634,298	172,842
	7,498,034	6,927,210	76,583,562	76,308,163
Amounts falling due after more than one year:				
Amount owed by related parties	1,768,000	-	-	-
Total debtors	9,266,034	6,927,210	76,583,562	76,308,163

During the year, the Group provided a long-term loan to a related party under common ownership amounting to £1,768,000. Refer to Note 27 Related party transactions for further details.

18 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	20	5,572,000	7,500,804	5,572,000	7,500,804
Obligations under finance leases	21	63,922	50,178	-	-
Trade creditors		18,554,023	11,266,507	12,220	4,867
Amounts owed to group undertakings		-	-	9,434,691	24,678,558
Corporation tax payable		2,760,545	6,286,387	17,089	1,734
Other taxation and social security		6,799,502	2,697,722	66,655	-
Other creditors		4,519,551	7,528,074	-	-
Accruals and deferred income		13,014,762	13,973,464	766,728	341,591
		51,284,305	49,303,136	15,869,383	32,527,554

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	20	85,615,894	74,445,521	81,865,894	70,695,521
Obligations under finance leases	21	22,316	87,689	-	-
Other creditors		2,175,729	5,280,583	-	-
		87,813,939	79,813,793	81,865,894	70,695,521

20 Loans and overdrafts

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	91,187,894	81,946,325	87,437,894	78,196,325
Payable within one year	5,572,000	7,500,804	5,572,000	7,500,804
Payable after one year	85,615,894	74,445,521	81,865,894	70,695,521

Bank loans are repayable by quarterly installments, together with a final balloon payment on the termination date in March 2025.

Post-year-end, in November 2022, the Group entered into an amendment of its loan facility. Further details can be found in Note 31.

The bank loans and overdraft are secured by way of fixed and floating charges on the asset of the company and by a cross guarantee provided by the companies within the group. Interest is paid on bank borrowings at floating rates which ranged from 2.95% to 4.48%

The bank loans requires the group to meet certain quarterly financial covenants which include loan to property value, operating cash flow ratio, and debt leverage. The group is in compliance with the debt covenant throughout the financial years 2022 and 2021.

21 Finance lease obligations

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	63,922	50,178	-	-
In two to five years	22,316	87,689	-	-
	86,238	137,867	-	-

21 Finance lease obligations

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	2,029,745	981,000

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 November 2021	981,000	-
Charge to profit or loss	1,048,745	-
Liability at 31 October 2022	2,029,745	-

23 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	624,665	600,586

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
of £1 each	100	100	100	100

24 Share capital

All the shares have full voting, dividend and capital distribution rights and does not confer any rights of redemption.

25 Reserves

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

26 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £
Within one year	6,538,721	6,231,151
Between two and five years	22,122,347	21,674,177
In over five years	30,428,503	31,026,619
	59,089,571	58,931,947

27 Related party transactions

Transactions with related parties
The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £	2021 £
Group		
Nur Limited	4,060	-
A&A Capital Limited	95,415	-
Mornington Limited	200,000	-

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2022 Balance £	2021 Balance £
Group		
Nur Limited	33,469	-
A&A Capital Limited	1,768,000	-
Other related parties	-	5,198

27 Related party transactions

The above are related parties in which the directors of this company are also directors. The balances are unsecured and payable on demand and have arisen from intercompany funding between the related parties.

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

In October 2022, the group entered in an interest-bearing loan agreement with A&A Capital, a related party under common ownership. In 2022, the group provided the loan to A&A Capital amounting to £1,768,000, repayable on 28 May 2024 and bears an interest of 2.0% on the unpaid balance. The full loan amount of £1,768,000 remains outstanding as at 31 October 2022, and is presented as debtors falling due after more than one year.

In 2022, Mornington Hotel Limited, an entity under common ownership, made a management charge to the Company amounting to £200,000 (2021: Nil), wherein the full amount of £200,000 remained outstanding as at 31 October 2022.

One of the KFC outlet buildings is owned by Sherrygold No.1 Limited, an entity under common ownership, for which rent totalling £140,000 (2021: £140,000) was charged to the group.

The directors are considered to be the only key management personnel and their remuneration is disclosed separately.

28 Controlling party

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

29 Cash generated from group operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(2,680,610)	16,842,274
Adjustments for:		
Taxation charged	1,659,668	6,384,300
Finance costs	3,587,590	2,299,479
Interest income	(96,364)	(4,556)
Gain on disposal of tangible fixed assets	(15,000)	(8,500)
Amortisation and impairment of intangible assets	7,782,745	7,783,552
Depreciation and impairment of tangible fixed assets	4,174,297	4,170,513
Movements in working capital:		
(Increase)/decrease in stocks	(217,509)	112,757
Increase in debtors	(2,338,824)	(2,006,070)
Increase/(decrease) in creditors	4,317,217	(89,503)
Cash generated from operations	16,173,210	35,484,246

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

30 Analysis of changes in net debt - group

	1 November 2021	Cash flows	31 October 2022
	£	£	£
Cash at bank and in hand	39,290,942	4,966,364	44,257,306
Borrowings excluding overdrafts	(81,946,325)	(9,241,569)	(91,187,894)
Obligations under finance leases	(137,867)	51,629	(86,238)
	(42,793,250)	(4,223,576)	(47,016,826)

31 Post Balance Sheet Events

Post-year-end, on November 2022, the Group entered into an amendment of loan facility with the lender bank. The amendment resulted to additional facility amounting to £2,051,500, and to a revised termination date of October 2025 from March 2025.