

Company Registration No. 04446735 (England and Wales)

NEW DEMIPOWER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

WEDNESDAY



AB3A4MNU

A12

04/05/2022

#104

COMPANIES HOUSE

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 5EZ
Solicitors	ReedSmith LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS

NEW DEMIPOWER LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 9
Group profit and loss account	10
Group statement of comprehensive income	11
Group and company balance sheets	12 - 13
Group statement of changes in equity	14
Company statement of changes in equity	15
Group statement of cash flows	16
Notes to the financial statements	17 - 33

NEW DEMIPOWER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present the strategic report for the year ended 31 October 2021.

Review of the business

Group turnover increased by £72M from £158M in 2020 to £230M which is mainly attributed to a full year of trading following a period of intermittent lockdowns. As such, following the implementation of stringent safety reviews, staff were able to return to the workplace meaning less government furlough support was required. As part of government support to address the impact of Coronavirus, the Group received government grants in the form of furlough and business rates reduction amounting to £608,578 (2020: £7,815,071). Although COVID 19 did present challenges, strong trading through the period was supported by a reduced VAT rate and an improved profit was achieved while the planned programme of refurbishment of the stores continues. The directors are therefore satisfied with the performance of the business during the year.

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.

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 to potential cost price increases as a consequence of Britain's withdrawal from the European Union. The franchisor has been in contact with relevant parties and plans have been put in place to mitigate the impact in the event of such circumstances.

The Board of Directors notes the recent developments in Ukraine and the sanctions being imposed on Russia by many countries since February 2022. The Group has no assets or activities in Ukraine or Russia. The Board of Directors' view is that those 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. Inter-company debt is interest free and considered to be payable on demand.

NEW DEMIPOWER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

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.

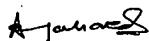
Supplier payment policy

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



.....
A A Janmohamed
Director

.....
27/4/2022

NEW DEMIPOWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their annual report and financial statements for the year ended 31 October 2021.

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 profit before tax for the year of £23,226,574 (2020: £1,363,037). The detailed results for the year are set out on page 10.

Ordinary dividends were paid amounting to £850,000 (2020: £345,000). 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 £382,317 (2020: £235,823) 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 2021

<i>Energy consumption</i>	kWh
Aggregate of energy consumption in the year	37,133,108

<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	1,013.00	
- Fuel consumed for owned transport	-	
		1,013.00
Scope 2 - indirect emissions		
- Electricity purchased		6,620.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		882.00
Total gross emissions		8,515.00
<i>Intensity ratio</i>		
Tonnes CO2e per employee		2.19

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

Energy efficiency actions over the past year

- Explored the option of joining an Energy Reduction Programme as part of the wider group
- Purchase of some (not 100%) renewable electricity.

NEW DEMIPOWER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Statement of directors' responsibilities

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). 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 of the group and company, 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 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 group and company will continue in business.

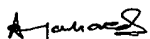
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements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

Statement of disclosure to auditor

Each of the persons who are directors at the time when this Director's Report is approved has confirmed that:

- so far as the directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors has taken all the steps that ought to have been taken as director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



.....
A A Janmohamed
Director

27/4/2022

Date:

Independent auditor's report 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 2021, 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 2021 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.

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 relating 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 group's and the parent company's business model including effects arising from arising from macro-economic uncertainties such as Covid-19 and Brexit, and we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

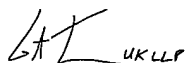
- We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the board of directors. We corroborated our enquiries through review of publicly available information and correspondence received from regulatory bodies.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK GAAP and the Companies Act 2006) and the applicable tax regulations in the United Kingdom.
- 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 statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices applicable to the industry which the Group operates.
- 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. We determined that the principal risks were in relation to unusual journal entries that increased revenues and on the completeness of revenue
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls and assessing the design effectiveness of controls that management have in place to prevent and detect fraud.
 - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that reclassified costs from income statement to the balance sheet;

challenging assumptions and judgements made by management in its significant accounting estimates;
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting 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 partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations through the following:
 - 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 client operates.

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.

A handwritten signature in black ink, appearing to read 'S. Cardoso', followed by the text 'UK LLP' in a smaller, printed font.

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
27 April 2022

NEW DEMIPOWER LIMITED**GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	2021 £	2020 £
Turnover	3	230,431,926	158,011,586
Cost of sales		(62,925,575)	(47,186,941)
Gross profit		167,506,351	110,824,645
Administrative expenses	4	(143,100,997)	(114,568,396)
Other operating income	5	1,116,143	8,263,095
Operating profit	6	25,521,497	4,519,344
Interest receivable and similar income		4,556	15,684
Interest payable and similar expenses	10	(2,299,479)	(3,171,991)
Profit before taxation		23,226,574	1,363,037
Tax on profit	11	(6,384,300)	(1,985,250)
Profit/(loss) for the financial year	25	16,842,274	(622,213)

Profit/(loss) 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 2021

	2021	2020
	£	£
Profit/(loss) for the year	16,842,274	(622,213)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>16,842,274</u>	<u>(622,213)</u>

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

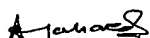
NEW DEMIPOWER LIMITED**GROUP AND COMPANY BALANCE SHEETS****AS AT 31 OCTOBER 2021**

	Notes	Group 2021 £	2020 £	Company 2021 £	Restated 2020 £
Fixed assets					
Goodwill	13	47,515,979	55,299,531	-	-
Tangible assets	14	51,007,910	54,845,798	-	-
Investment in subsidiaries		-	-	102	102
		<u>98,523,889</u>	<u>110,145,329</u>	<u>102</u>	<u>102</u>
Current assets					
Stocks	16	978,245	1,091,002	-	-
Debtors	17	6,927,210	4,921,140	76,308,163	88,001,930
Cash at bank and in hand		39,290,942	20,445,809	27,009,027	13,543,097
		<u>47,196,397</u>	<u>26,457,951</u>	<u>103,317,190</u>	<u>101,545,027</u>
Creditors: amounts falling due within one year	18	(49,303,136)	(49,579,334)	(32,527,554)	(23,255,824)
Net current (liabilities)/assets		<u>(2,106,739)</u>	<u>(23,121,383)</u>	<u>70,789,636</u>	<u>78,289,203</u>
Total assets less current liabilities		<u>96,417,150</u>	<u>87,023,946</u>	<u>70,789,738</u>	<u>78,289,305</u>
Creditors: amounts falling due after more than one year	19	(79,813,793)	(86,670,863)	(70,695,521)	(78,196,319)
Provisions for liabilities					
Deferred tax liability	22	(981,000)	(723,000)	-	-
Net (liabilities)/assets		<u>15,622,357</u>	<u>(369,917)</u>	<u>94,217</u>	<u>92,986</u>
Capital and reserves					
Called up share capital	24	100	100	100	100
Profit and loss reserves	25	15,622,257	(370,017)	94,117	92,886
Total equity		<u>15,622,357</u>	<u>(369,917)</u>	<u>94,217</u>	<u>92,986</u>

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 £851,231 (2020 - £405,177 profit).

27/4/2022

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



.....
A A Janmohamed
Director

NEW DEMIPOWER LIMITED

GROUP AND COMPANY BALANCE SHEETS (CONTINUED)

AS AT 31 OCTOBER 2021

Company Registration No. 04446735

NEW DEMIPOWER LIMITED**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2019		100	597,196	597,296
Year ended 31 October 2020:				
Loss and total comprehensive income for the year		-	(622,213)	(622,213)
Dividends	12	-	(345,000)	(345,000)
Balance at 31 October 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

NEW DEMIPOWER LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2019		100	32,709	32,809
Year ended 31 October 2020:				
Profit and total comprehensive income for the year		-	405,177	405,177
Dividends	12	-	(345,000)	(345,000)
Balance at 31 October 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

NEW DEMIPOWER LIMITED**GROUP STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	29	35,484,246		18,393,305	
Interest paid	10	(2,299,479)		(3,171,991)	
Income taxes paid		(1,914,556)		(1,600,618)	
Net cash inflow from operating activities		31,270,211		13,620,696	
Investing activities					
Purchase of tangible fixed assets	14	(332,625)		(2,393,531)	
Proceeds on disposal of tangible fixed assets	29	8,500		35,075	
Interest received	29	4,556		15,684	
Net cash used in investing activities		(319,569)		(2,342,772)	
Financing activities					
Repayment of bank loans	30	(11,251,200)		(3,750,402)	
Payment of finance leases obligations	30	(4,309)		(96,192)	
Dividends paid to equity shareholders	12	(850,000)		(345,000)	
Net cash used in financing activities		(12,105,509)		(4,191,594)	
Net increase in cash and cash equivalents		18,845,133		7,086,330	
Cash and cash equivalents at beginning of year		20,445,809		13,359,479	
Cash and cash equivalents at end of year		39,290,942		20,445,809	

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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. 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.

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 2021

1 Accounting policies

(Continued)

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 2021. 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 particular consideration for the possible ongoing impacts from both COVID-19 and Brexit; while these factors are recognised and assessed along with other influences the management has no concerns and, as such, the group 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 2021

1 Accounting policies

(Continued)

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.

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.

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.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

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.

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 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.

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.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

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.

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.

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 or 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.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2021**

1 Accounting policies

(Continued)

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.

1.17 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. The company has received no other forms of UK government assistance.

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

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.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
In-store	145,021,141	139,350,912
Online deliveries	85,410,785	18,660,674
	<u>230,431,926</u>	<u>158,011,586</u>

4 Administrative Expenses

	2021 £	2020 £
Depreciation and Amortisation	11,954,065	12,271,090
Wages & Salaries	53,085,115	44,159,342
Selling Expenses	42,695,276	26,409,345

Administrative expenses includes the above expenses.

5 Other Operating Income

	2021 £	2020 £
Coronavirus job retention scheme grant	317,013	7,110,071
Government grants received for Business Rates	291,565	705,000
Rent receivable	210,797	206,780
Sundry income	296,768	180,311
Insurance claims receivable	-	60,933
	<u>1,116,143</u>	<u>8,263,095</u>

NEW DEMIPOWER LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 OCTOBER 2021**6 Operating profit**

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(608,578)	(7,815,071)
Depreciation of owned tangible fixed assets	4,170,513	4,473,766
(Profit)/loss on disposal of tangible fixed assets	(8,500)	11,045
Amortisation of intangible assets	7,783,552	7,797,324
Operating lease charges	8,365,787	7,579,462
	<u> </u>	<u> </u>

7 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	110,000	103,000
	<u> </u>	<u> </u>
For other services		
All other non-audit services	31,600	27,262
	<u> </u>	<u> </u>

8 Employees

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

Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
3,889	3,571	-	-
<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	53,085,115	44,159,342	-	-
Social security costs	2,700,632	2,726,906	-	-
Pension costs	600,586	642,400	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	56,386,333	47,528,648	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

9 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	650,000	655,028

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

	2021 £	2020 £
Remuneration for qualifying services	425,951	434,652

Amounts paid to highest paid director include benefits in kind.

10 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	2,227,711	2,768,778
Interest payable to group undertakings	62,496	370,389
Other interest on financial liabilities	1,464	3,302
	<u>2,291,671</u>	<u>3,142,469</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	3,948	10,656
Other interest	3,860	18,866
	<u>7,808</u>	<u>29,522</u>
Total finance costs	<u><u>2,299,479</u></u>	<u><u>3,171,991</u></u>

11 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	6,384,300	1,985,250

NEW DEMIPOWER LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 OCTOBER 2021****11 Taxation****(Continued)**

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

	2021	2020
	£	£
Profit before taxation	23,226,574	1,363,037
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	4,413,049	258,977
Tax effect of expenses that are not deductible in determining taxable profit	1,822,000	1,842,000
Other differences and rounding of tax charge	(64,349)	(115,727)
Increase in tax rate to 25% (deferred tax)	236,000	-
Provision increase/(decrease)	(22,400)	-
Taxation charge	6,384,300	1,985,250

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

	2021	2020
	£	£
Recognised as distributions to equity holders:		
Final paid	850,000	345,000

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 November 2020 and 31 October 2021	78,203,314
Amortisation and impairment	
At 1 November 2020	22,903,783
Amortisation charged for the year	7,783,552
At 31 October 2021	30,687,335
Carrying amount	
At 31 October 2021	47,515,979
At 31 October 2020	55,299,531

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

13 Intangible fixed assets

(Continued)

The company had no intangible fixed assets at 31 October 2021 or 31 October 2020.

14 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2020	28,200,261	24,832,196	31,203,047	532,942	84,768,446
Additions	-	63,381	173,265	95,979	332,625
Disposals	-	-	-	(60,210)	(60,210)
Transfers	28,494	(28,494)	-	-	-
At 31 October 2021	28,228,755	24,867,083	31,376,312	568,711	85,040,861
Depreciation and impairment					
At 1 November 2020	2,518,203	10,055,966	16,985,381	363,098	29,922,648
Depreciation charged in the year	566,891	1,240,498	2,301,597	61,527	4,170,513
Eliminated in respect of disposals	-	-	-	(60,210)	(60,210)
Transfers	36,442	(36,442)	-	-	-
At 31 October 2021	3,121,536	11,260,022	19,286,978	364,415	34,032,951
Carrying amount					
At 31 October 2021	25,107,219	13,607,061	12,089,334	204,296	51,007,910
At 31 October 2020	25,682,058	14,776,230	14,217,666	169,844	54,845,798

The company had no tangible fixed assets at 31 October 2021 or 31 October 2020.

The net book value of motor vehicles purchased under contracts is £227,531 (2020: £163,811). Depreciation charged in respect of motor vehicles purchased under hire purchase contracts amounted to £41,529 (2020: £52,098).

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 2021 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

NEW DEMIPOWER LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 OCTOBER 2021****15 Subsidiaries****(Continued)**

At 31 October 2021 and 31 October 2020 Demipower Limited held a 100% investment in Demipower (1991) Limited.

16 Stocks

	Group	2020	Company	2020
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	978,245	1,091,002	-	-

17 Debtors

	Group	2020	Company	Restated
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Amounts owed by group undertakings	-	-	76,133,168	87,649,303
Other debtors	2,858,275	1,791,665	2,153	6,942
Prepayments and accrued income	4,068,935	3,129,475	172,842	345,685
	<u>6,927,210</u>	<u>4,921,140</u>	<u>76,308,163</u>	<u>88,001,930</u>

In view of the fact there is no formal agreement in place regarding repayment of inter-group loans, it has been decided to present these in the financial statements as current rather than repayable after more than one year and the prior year figure of £66,823,279 has been represented accordingly. There is no change to the net assets at 31 October 2020 or earlier periods as a result of this change.

18 Creditors: amounts falling due within one year

		Group	2020	Company	2020
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans	20	7,500,804	15,001,206	7,500,804	11,251,206
Obligations under finance leases	21	50,178	53,070	-	-
Trade creditors		11,266,507	11,105,524	4,867	-
Amounts owed to group undertakings		-	-	24,678,558	11,557,801
Corporation tax payable		6,286,387	2,074,643	1,734	5,501
Other taxation and social security		2,697,722	5,807,028	-	-
Other creditors		7,528,074	5,634,324	-	-
Accruals and deferred income		13,973,464	9,903,539	341,591	441,316
		<u>49,303,136</u>	<u>49,579,334</u>	<u>32,527,554</u>	<u>23,255,824</u>

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

19 Creditors: amounts falling due after more than one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	20	74,445,521	78,196,319	70,695,521	78,196,319
Obligations under finance leases	21	87,689	89,106	-	-
Other creditors		5,280,583	8,385,438	-	-
		<u>79,813,793</u>	<u>86,670,863</u>	<u>70,695,521</u>	<u>78,196,319</u>

20 Loans and overdrafts

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Bank loans	<u>81,946,325</u>	<u>93,197,525</u>	<u>78,196,325</u>	<u>89,447,525</u>
Payable within one year	7,500,804	15,001,206	7,500,804	11,251,206
Payable after one year	<u>74,445,521</u>	<u>78,196,319</u>	<u>70,695,521</u>	<u>78,196,319</u>

Bank loans are repayable by quarterly installments, together with a final balloon payment on the termination date in December 2022.

Post-year-end, in March 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 2.1% to 2.5%.

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 2021 and 2020.

21 Finance lease obligations

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	50,178	53,070	-	-
In two to five years	87,689	89,106	-	-
	<u>137,867</u>	<u>142,176</u>	<u>-</u>	<u>-</u>

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

21 Finance lease obligations

(Continued)

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:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	981,000	723,000

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 November 2020	723,000	-
Charge to profit or loss	258,000	-
Liability at 31 October 2021	981,000	-

23 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	600,586	642,400

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

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid of £1 each	100	100	100	100

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

24 Share capital

(Continued)

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 2021 £	2020 £	Company 2021 £	2020 £
Within one year	6,231,151	6,388,342	-	-
Between two and five years	21,674,177	22,827,969	-	-
In over five years	31,026,619	32,658,066	-	-
	<u>58,931,947</u>	<u>61,874,377</u>	<u>-</u>	<u>-</u>

27 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021 £	2020 £
Group		
Nur Limited	-	318,523
A & A Capital Limited	-	11,760
	<u>-</u>	<u>330,283</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021 Balance £	2020 Balance £
Group		
Sherrygold (Restaurants) Limited	5,037	5,037
Other related parties	161	2,814
	<u>5,198</u>	<u>7,851</u>

NEW DEMIPOWER LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

27 Related party transactions

(Continued)

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.

One of the KFC outlet buildings is owned by Sherrygold No.1 Limited, for which rent totalling £140,000 (2020: £140,000) was charged to the company.

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

	2021 £	2020 £
Profit/(loss) for the year after tax	16,842,274	(622,213)
Adjustments for:		
Taxation charged	6,384,300	1,985,250
Finance costs	2,299,479	3,171,991
Interest income	(4,556)	(15,684)
(Gain)/loss on disposal of tangible fixed assets	(8,500)	11,045
Amortisation and impairment of intangible assets	7,783,552	7,797,324
Depreciation and impairment of tangible fixed assets	4,170,513	4,473,766
Movements in working capital:		
Decrease/(increase) in stocks	112,757	(69,374)
(Increase)/decrease in debtors	(2,006,070)	2,030,622
Decrease in creditors	(89,503)	(369,422)
Cash generated from operations	35,484,246	18,393,305

NEW DEMIPOWER LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 OCTOBER 2021**30 Analysis of changes in net debt - group**

	1 November 2020	Cash flows	31 October 2021
	£	£	£
Cash at bank and in hand	20,445,809	18,845,133	39,290,942
Borrowings excluding overdrafts	(93,197,525)	11,251,200	(81,946,325)
Obligations under finance leases	(142,176)	4,309	(137,867)
	<u>(72,893,892)</u>	<u>30,100,642</u>	<u>(42,793,250)</u>

31 Post Balance Sheet Events

Post-year-end, on March 2022, the Group entered into an amendment of loan facility with the lender bank. The amendment resulted in a revised termination date of March 2025 from December 2022.