

**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**  
**FOR**  
**KMP TASTE LIMITED**

FRIDAY



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COMPANIES HOUSE

**KMP TASTE LIMITED**

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**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

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**KMP TASTE LIMITED**

**COMPANY INFORMATION**  
**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

**DIRECTORS:**

N N Patel  
Mrs S Patel  
V Patel

**REGISTERED OFFICE:**

C/o Butler & Co LLP  
Third Floor  
126-134 Baker Street  
London  
W1U 6UE

**REGISTERED NUMBER:**

07457928 (England and Wales)

**AUDITORS:**

Butler & Co LLP  
Chartered Accountants  
& Statutory Auditor  
Third Floor  
126 - 134 Baker Street  
London  
W1U 6UE

## **KMP TASTE LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

The directors present their report with the financial statements of the company for the period 2 December 2010 to 4 December 2011

#### **INCORPORATION**

The company was incorporated on 2 December 2010

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of operating fast food franchised delivery restaurants

#### **REVIEW OF BUSINESS**

Only two weeks of trading is encapsulated within these accounts up to 4 December 2011 since the acquisition of the restaurants were completed on 21 November 2011

#### **Principal Risks and Uncertainties**

The progress and development of the company's strategy are defined by a number of risks which are continually reviewed by the management team in order that appropriate measures are in place to mitigate them. The principal risk continues to be the entry of new competitors within the geographical areas that our existing restaurants operate in, which is mitigated through local store marketing initiatives. We aim to provide a premium product with exemplary service, which should tie our customers in long term and therefore allow us to compete better against any new entrants in our trade zones.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 4 December 2011

In view of the further plans for expansion, the directors wish to conserve the resources, hence no dividend is recommended for this year.

#### **FUTURE DEVELOPMENTS**

The company is in advanced negotiations with a view to increasing its portfolio of delivery restaurants which will strengthen the company further.

#### **DIRECTORS**

The directors who have held office during the period from 2 December 2010 to the date of this report are as follows:

N N Patel - appointed 14 December 2010  
Mrs S Patel - appointed 14 December 2010  
V Patel - appointed 12 September 2011

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 company and of the profit or loss of the company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**KMP TASTE LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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 statements 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



N N Patel - Director

Date 27/9/2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**KMP TASTE LIMITED**

We have audited the financial statements of KMP Taste Limited for the period ended 4 December 2011 on pages five to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 4 December 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

Sanjeev Phadke (Senior Statutory Auditor)  
for and on behalf of Butler & Co LLP  
Chartered Accountants  
& Statutory Auditor  
Third Floor  
126 - 134 Baker Street  
London  
W1U 6UE



Date 27 September 2012

**KMP TASTE LIMITED****PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

	Notes	£
<b>TURNOVER</b>		333,958
Cost of sales		189,967
<b>GROSS PROFIT</b>		143,991
Administrative expenses		128,806
		15,185
Other operating income		1,453
<b>OPERATING PROFIT</b>	3	16,638
Interest payable and similar charges	4	8,145
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		8,493
Tax on profit on ordinary activities	5	-
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		8,493

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current period

The notes form part of these financial statements

**KMP TASTE LIMITED****BALANCE SHEET**  
**4 DECEMBER 2011**

	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	6		3,609,296
Tangible assets	7		762,152
			<hr/> 4,371,448
<b>CURRENT ASSETS</b>			
Stocks	8	34,414	
Debtors	9	102,518	
Cash at bank and in hand		513,834	
		<hr/> 650,766	
<b>CREDITORS</b>			
Amounts falling due within one year	10	1,156,479	
		<hr/>	
<b>NET CURRENT LIABILITIES</b>			(505,713)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/> 3,865,735
<b>CREDITORS</b>			
Amounts falling due after more than one year	11		3,857,143
			<hr/>
<b>NET ASSETS</b>			<hr/> 8,592
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14		99
Profit and loss account	15		8,493
			<hr/>
<b>SHAREHOLDERS' FUNDS</b>	19		<hr/> 8,592

The financial statements were authorised for issue by the Board of Directors on  
signed on its behalf by

27/9/2012

and were



N N Patel - Director



V Patel - Director

The notes form part of these financial statements



**KMP TASTE LIMITED****CASH FLOW STATEMENT  
FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

	Notes	£	£
Net cash inflow from operating activities	1		301,451
Returns on investments and servicing of finance	2		(8,145)
Capital expenditure	2		(4,389,571)
			(4,096,265)
Financing	2		4,610,099
Increase in cash in the period			513,834

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**Reconciliation of net cash flow  
to movement in net debt**

	3		
Increase in cash in the period		513,834	
Cash inflow from increase in debt		(4,610,000)	
Change in net debt resulting from cash flows			(4,096,166)
Movement in net debt in the period			(4,096,166)
Net debt at 2 December			-
Net debt at 4 December			(4,096,166)

The notes form part of these financial statements

**KMP TASTE LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011****1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	£
Operating profit	16,638
Depreciation charges	18,123
Increase in stocks	(34,414)
Increase in debtors	(102,518)
Increase in creditors	403,622
<b>Net cash inflow from operating activities</b>	<b>301,451</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	£
<b>Returns on investments and servicing of finance</b>	
Interest paid	(8,145)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(8,145)</b>
<b>Capital expenditure</b>	
Purchase of intangible fixed assets	(3,623,231)
Purchase of tangible fixed assets	(766,340)
<b>Net cash outflow for capital expenditure</b>	<b>(4,389,571)</b>
<b>Financing</b>	
Bank Loan	2,850,000
Other Loan	1,760,000
Share issue	99
<b>Net cash inflow from financing</b>	<b>4,610,099</b>

The notes form part of these financial statements

**KMP TASTE LIMITED****NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011****3 ANALYSIS OF CHANGES IN NET DEBT**

	At 2/12/10 £	Cash flow £	At 4/12/11 £
Net cash			
Cash at bank and in hand	-	513,834	513,834
	<u>-</u>	<u>513,834</u>	<u>513,834</u>
Debt			
Debts falling due within one year	-	(752,857)	(752,857)
Debts falling due after one year	-	(3,857,143)	(3,857,143)
	<u>-</u>	<u>(4,610,000)</u>	<u>(4,610,000)</u>
Total	<u>-</u>	<u>(4,096,166)</u>	<u>(4,096,166)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Going concern**

As at 4th December 2011 current liabilities exceeded current assets by £ 505,713. However, the directors of the company consider that the going concern basis is appropriate in view of the assurance of continuing financial support, which the company has received from its shareholders

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax

Revenue comprises the fair value of the sale of goods and services to external customers, net of value added tax, and returns. Revenue is recognised on the sale of goods when the significant risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue on goods delivered is recognised when the customer accepts delivery.

**Goodwill**

Goodwill arising on acquisitions, represents any excess of the fair value of the consideration given over the fair value of the identifiable assets acquired, is capitalised and written off on straight line basis over its useful economic life, up to a maximum 10 years. In estimating the useful economic life of goodwill account has been taken of the nature of the business acquired and the period over which the value of the business will remain in excess of its tangible assets. Goodwill is reviewed for impairment at the end of the first full year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**Franchise Fees**

Franchise is amortised over its 10 years of estimated life of the asset

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

All tangible fixed assets are initially recorded at cost, which includes any expenses of acquisition

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Lease Improvements	- 10 year on straight line
Fixtures and fitting	- 20% on reducing balance
Motor Vehicles	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying values may not be recoverable

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**KMP TASTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011****2 STAFF COSTS**

	£
Wages and salaries	107,147

The average monthly number of employees during the period was as follows

Staff	308
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**3 OPERATING PROFIT**

The operating profit is stated after charging

	£
Depreciation - owned assets	4,188
Goodwill amortisation	11,992
Franchise Fees amortisation	1,943
Auditor's remuneration	5,000
Auditor's non-audit services	7,000
Formation costs	200

Directors' remuneration	-
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**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	£
Bank loan interest	4,280
Other loan interest	3,865
	8,145

**5 TAXATION****Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the period

**Factors affecting the tax charge**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	£
Profit on ordinary activities before tax	8,493
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21%	1,784
Effects of	
Expenses not deductible for tax purposes	42
Capital allowances in excess of depreciation	(48,297)
Losses carried forward	46,471
Current tax charge	-

**KMP TASTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

**6 INTANGIBLE FIXED ASSETS**

	Goodwill £	Franchise Fees £	Totals £
<b>COST</b>			
Additions	3,118,014	505,217	3,623,231
At 4 December 2011	3,118,014	505,217	3,623,231
<b>AMORTISATION</b>			
Amortisation for period	11,992	1,943	13,935
At 4 December 2011	11,992	1,943	13,935
<b>NET BOOK VALUE</b>			
At 4 December 2011	3,106,022	503,274	3,609,296

**7 TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
Additions	443,704	274,204	46,601	1,831	766,340
At 4 December 2011	443,704	274,204	46,601	1,831	766,340
<b>DEPRECIATION</b>					
Charge for period	1,707	2,109	358	14	4,188
At 4 December 2011	1,707	2,109	358	14	4,188
<b>NET BOOK VALUE</b>					
At 4 December 2011	441,997	272,095	46,243	1,817	762,152

**8 STOCKS**

Raw materials	£ 34,414
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**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Other debtors	£ 77,760
Prepayments	24,758
	102,518

**KMP TASTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011****10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Bank loans and overdrafts (see note 12)	407,143
Other loans (see note 12)	345,714
Trade creditors	203,373
Social security and other taxes	13,383
VAT	26,218
Other creditors	103,481
Accrued expenses	57,167
	<u>1,156,479</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	£
Bank loans (see note 12)	2,442,857
Other loans (see note 12)	1,414,286
	<u>3,857,143</u>

**12 LOANS**

An analysis of the maturity of loans is given below

	£
Amounts falling due within one year or on demand	
Bank loans	407,143
Other loans	345,714
	<u>752,857</u>
Amounts falling due between two and five years	
Bank loans - 2-5 years	1,628,572
Other loans - 2-5 years	942,856
	<u>2,571,428</u>
Amounts falling due in more than five years	
Repayable by instalments	
Bank loans more 5 yr by instal	814,285
Other loans more 5yrs instal	471,430
	<u>1,285,715</u>

**KMP TASTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011****13 SECURED DEBTS****Bank Loan**

Bank loan of £ 2,850,000 was received from Natwest Bank per loan agreement dated 26 October 2011. The loan is repayable over a period of 7 years by quarterly instalments at an interest of 4% above LIBOR.

**Security**

- (a) Debenture by way of fixed and floating charge on all current and future assets (tangible and intangible) of the company
- (b) Intercreditor agreement

**Other Loan**

An unsecured loan of £ 1,760,000 is received from Rautogrove Ltd. The loan is repayable over a period of 7 years by quarterly instalments at an interest of 4% above the base rate.

**14 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	£
99	Ordinary shares	£1	99

99 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

**15 RESERVES**

	Profit and loss account £
Profit for the period	8,493
At 4 December 2011	8,493

**16 OTHER FINANCIAL COMMITMENTS**

The company has created a Rent Deposit Deed dated 21 November 2011, for securing any amount due or to become due from the company to the lessors of the company premises.

**17 RELATED PARTY DISCLOSURES****Rautogrove Limited**

Loan of £ 1,760,000 was received during the year.

	£
Amount due to related party at the balance sheet date	1,760,000

**18 ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party in the company.



**KMP TASTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 DECEMBER 2010 TO 4 DECEMBER 2011**

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	£
Profit for the financial period	8,493
New share capital subscribed	99
	<hr/>
<b>Net addition to shareholders' funds</b>	<b>8,592</b>
Opening shareholders' funds	-
	<hr/>
<b>Closing shareholders' funds</b>	<b>8,592</b>
	<hr/> <hr/>
Equity interests	8,592
	<hr/> <hr/>