

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012
FOR
KMP TASTE LIMITED

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KMP TASTE LIMITED (REGISTERED NUMBER: 07457928)

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FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

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KMP TASTE LIMITED

COMPANY INFORMATION
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

DIRECTORS:

Mr Niral Narendra Patel
Mrs Sonal Niral Patel
Mr Viresh 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 (REGISTERED NUMBER: 07457928)

REPORT OF THE DIRECTORS
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

The directors present their report with the financial statements of the company for the period 5 December 2011 to 2 December 2012

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

The results for the period under review, being the company's first full reporting period, were considered satisfactory by the directors. The group objective for the year ahead is to grow the portfolio through the opening of new outlets or further acquisitions

DIVIDENDS

No dividends will be distributed for the period ended 2 December 2012

DIRECTORS

The directors shown below have held office during the whole of the period from 5 December 2011 to the date of this report

Mr Niral Narendra Patel

Mrs Sonal Niral Patel

Mr Viresh Patel

CHARITABLE DONATIONS

During the year, the company made donations in excess of £4,000 to Children in Need, a UK Registered Charity

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

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

KMP TASTE LIMITED (REGISTERED NUMBER: 07457928)

REPORT OF THE DIRECTORS
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

AUDITORS

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

ON BEHALF OF THE BOARD:



Mr Niral Narendra Patel - Director

Date 15/03/2013

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 2 December 2012 on pages six to eighteen. 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 page two, 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 2 December 2012 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.

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

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 15 March 2013

KMP TASTE LIMITED (REGISTERED NUMBER: 07457928)

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

	Notes	Period 5/12/11 to 2/12/12 £	Period 2/12/10 to 4/12/11 £
TURNOVER		8,536,503	333,958
Cost of sales		4,775,492	189,967
GROSS PROFIT		3,761,011	143,991
Administrative expenses		3,328,391	128,806
		432,620	15,185
Other operating income		30,553	1,453
OPERATING PROFIT	3	463,173	16,638
Interest receivable and similar income		2,769	-
		465,942	16,638
Interest payable and similar charges	4	206,388	8,145
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		259,554	8,493
Tax on profit on ordinary activities	5	14,751	-
PROFIT FOR THE FINANCIAL PERIOD		244,803	8,493

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

KMP TASTE LIMITED (REGISTERED NUMBER: 07457928)**BALANCE SHEET**
2 DECEMBER 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	6	4,015,476	3,609,296
Tangible assets	7	902,872	762,152
		<u>4,918,348</u>	<u>4,371,448</u>
CURRENT ASSETS			
Stocks	8	41,088	34,414
Debtors	9	235,291	102,518
Cash at bank and in hand		1,019,488	513,834
		<u>1,295,867</u>	<u>650,766</u>
CREDITORS			
Amounts falling due within one year	10	1,757,605	1,156,479
NET CURRENT LIABILITIES		<u>(461,738)</u>	<u>(505,713)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,456,610	3,865,735
CREDITORS			
Amounts falling due after more than one year	11	4,203,215	3,857,143
NET ASSETS		<u>253,395</u>	<u>8,592</u>
CAPITAL AND RESERVES			
Called up share capital	14	99	99
Profit and loss account	15	253,296	8,493
SHAREHOLDERS' FUNDS	19	<u>253,395</u>	<u>8,592</u>

The financial statements were approved by the Board of Directors on
by

15 / 3 / 2013

and were signed on its behalf



Mr Niral Narendra Patel - Director



Mr Viresh Patel - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

	Notes	Period 5/12/11 to 2/12/12		Period 2/12/10 to 4/12/11	
		£	£	£	£
Net cash inflow from operating activities	1		1,484,557		301,451
Returns on investments and servicing of finance	2		(130,581)		(8,145)
Capital expenditure	2		(1,031,182)		(4,389,571)
			322,794		(4,096,265)
Financing	2		182,860		4,610,099
Increase in cash in the period			505,654		513,834
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		505,654		513,834	
Cash inflow from increase in debt		(255,896)		(4,610,000)	
Change in net debt resulting from cash flows			249,758		(4,096,166)
Movement in net debt in the period			249,758		(4,096,166)
Net debt at 5 December			(4,096,166)		-
Net debt at 2 December			(3,846,408)		(4,096,166)

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 5/12/11 to 2/12/12 £	Period 2/12/10 to 4/12/11 £
Operating profit	463,173	16,638
Depreciation charges	484,279	18,123
Increase in stocks	(6,674)	(34,414)
Increase in debtors	(132,773)	(102,518)
Increase in creditors	676,552	403,622
Net cash inflow from operating activities	1,484,557	301,451

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

	Period 5/12/11 to 2/12/12 £	Period 2/12/10 to 4/12/11 £
Returns on investments and servicing of finance		
Interest received	2,769	-
Interest paid	(133,350)	(8,145)
Net cash outflow for returns on investments and servicing of finance	(130,581)	(8,145)
Capital expenditure		
Purchase of intangible fixed assets	(771,471)	(3,623,231)
Purchase of tangible fixed assets	(259,711)	(766,340)
Net cash outflow for capital expenditure	(1,031,182)	(4,389,571)
Financing		
Share issue	-	99
Bank Loan 1	(407,140)	2,850,000
Other Loan	(110,000)	1,760,000
Bank Loan 2	700,000	-
Net cash inflow from financing	182,860	4,610,099

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 5/12/11 £	Cash flow £	At 2/12/12 £
Net cash			
Cash at bank and in hand	513,834	505,654	1,019,488
	<u>513,834</u>	<u>505,654</u>	<u>1,019,488</u>
Debt			
Debts falling due within one year	(752,857)	90,176	(662,681)
Debts falling due after one year	<u>(3,857,143)</u>	<u>(346,072)</u>	<u>(4,203,215)</u>
	<u>(4,610,000)</u>	<u>(255,896)</u>	<u>(4,865,896)</u>
Total	<u>(4,096,166)</u>	<u>249,758</u>	<u>(3,846,408)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Going Concern

As at 2nd December 2012, current liabilities exceeded current assets by £461,738 (2011 £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, and is capitalised and written off on a 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 fees are amortised evenly over the 10 years of estimated useful 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

Improvements to property	- over the lease term
Fixtures and fittings	- 20% on reducing balance
Motor Bikes	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

Stocks

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

2 STAFF COSTS

	Period 5/12/11 to 2/12/12 £	Period 2/12/10 to 4/12/11 £
Wages and salaries	121,318	1,541
Social security costs	2,550,822	105,485
Other pension costs	20,085	121
	<u>2,692,225</u>	<u>107,147</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

2 STAFF COSTS - continued

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

	Period 5/12/11 to 2/12/12	Period 2/12/10 to 4/12/11
Staff	<u>515</u>	<u>308</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	Period 5/12/11 to 2/12/12 £	Period 2/12/10 to 4/12/11 £
Depreciation - owned assets	118,990	4,188
Goodwill amortisation	313,831	11,992
Franchise Fees amortisation	51,460	1,943
Auditors' remuneration	10,600	5,000
Auditors' remuneration for non audit work	-	7,000
Formation costs	-	200
	<u></u>	<u></u>
Directors' remuneration	<u>-</u>	<u>-</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Period 5/12/11 to 2/12/12 £	Period 2/12/10 to 4/12/11 £
Bank loan interest	133,350	4,280
Other loan interest	73,038	3,865
	<u>206,388</u>	<u>8,145</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012****5 TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows

	Period 5/12/11 to 2/12/12 £	Period 2/12/10 to 4/12/11 £
Current tax		
UK corporation tax	14,751	-
Tax on profit on ordinary activities	14,751	-

6 INTANGIBLE FIXED ASSETS

	Goodwill £	Franchise Fees £	Totals £
COST			
At 5 December 2011	3,118,014	505,217	3,623,231
Additions	527,634	243,837	771,471
At 2 December 2012	3,645,648	749,054	4,394,702
AMORTISATION			
At 5 December 2011	11,992	1,943	13,935
Amortisation for period	313,831	51,460	365,291
At 2 December 2012	325,823	53,403	379,226
NET BOOK VALUE			
At 2 December 2012	3,319,825	695,651	4,015,476
At 4 December 2011	3,106,022	503,274	3,609,296

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012****7 TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Motor Bikes £	Computer equipment £	Totals £
COST					
At 5 December 2011	443,704	274,204	46,601	1,831	766,340
Additions	144,944	101,715	12,095	957	259,711
At 2 December 2012	588,648	375,919	58,696	2,788	1,026,051
DEPRECIATION					
At 5 December 2011	1,707	2,109	358	14	4,188
Charge for period	44,930	64,269	9,343	448	118,990
At 2 December 2012	46,637	66,378	9,701	462	123,178
NET BOOK VALUE					
At 2 December 2012	542,011	309,541	48,995	2,326	902,873
At 4 December 2011	441,997	272,095	46,243	1,817	762,152

8 STOCKS

	2012 £	2011 £
Raw materials	41,088	34,414

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Other debtors	107,191	77,760
Prepayments	128,100	24,758
	235,291	102,518

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts (see note 12)	507,143	407,143
Other loans (see note 12)	155,538	345,714
Trade creditors	383,736	203,373
Corporation Tax	14,751	-
Social security and other taxes	25,669	13,383
VAT	276,568	26,218
Other creditors	82,317	103,481
Accrued expenses	311,884	57,167
	1,757,606	1,156,479

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Bank loans (see note 12)	2,635,715	2,442,857
Other loans (see note 12)	1,567,500	1,414,286
	<u>4,203,215</u>	<u>3,857,143</u>

12 LOANS

An analysis of the maturity of loans is given below

	2012	2011
	£	£
Amounts falling due within one year or on demand		
Bank loan	507,143	407,143
Other loans	155,538	345,714
	<u>662,681</u>	<u>752,857</u>
Amounts falling due between two and five years		
Bank loan	2,028,572	1,628,572
Other loan	330,000	942,856
	<u>2,358,572</u>	<u>2,571,428</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loan	607,143	814,285
Other loan	1,237,500	471,430
	<u>1,844,643</u>	<u>1,285,715</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

13 SECURED DEBTS

The following secured debts are included within creditors

	2012 £	2011 £
Bank loans	3,142,858	2,850,000
Other loans	1,650,000	1,760,000
	<u>4,792,858</u>	<u>4,610,000</u>

Bank Loans

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 rate of 4% above LIBOR.

Bank loan of £700,000 was received from Natwest Bank per loan agreement dated 30 November 2011. The loan is repayable over a period of 7 years by quarterly instalments at an interest rate of 3% above LIBOR.

Security

- (a) Debenture by way of fixed or 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 20 years by quarterly instalments at an interest rate of 4% above the base rate.

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 £	2011 £
99	Ordinary		<u>99</u>	<u>99</u>

15 RESERVES

	Profit and loss account £
At 5 December 2011	8,493
Profit for the period	<u>244,803</u>
At 2 December 2012	<u>253,296</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 5 DECEMBER 2011 TO 2 DECEMBER 2012

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

As of 11 January 2013, the company signed an agreement to lease one additional franchise store

17 RELATED PARTY DISCLOSURES

Rautogrove Limited

Loan of £1,650,000 was outstanding at the balance sheet date

18 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party in the company

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial period	244,803	8,493
New share capital subscribed	-	99
	<hr/>	<hr/>
Net addition to shareholders' funds	244,803	8,592
Opening shareholders' funds	8,592	-
	<hr/>	<hr/>
Closing shareholders' funds	253,395	8,592
	<hr/>	<hr/>