

Strategic Report, Report of the Directors and
Audited Financial Statements for the Period 2 December 2015 to 4 December 2016
for
KMP TASTE LIMITED

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FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

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Company Information
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

DIRECTORS:

Mr Niral Narendra Patel
Mrs Sonal Niral Patel
Mr Viresh Patel
Mr Bhavish 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

Strategic Report
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

The directors present their strategic report for the period 2 December 2015 to 4 December 2016.

REVIEW OF BUSINESS

The company has increased its revenue by £1.16m and was able to maintain gross margins compared to the previous period.

Operational costs increased by £1.08m. Management has put in place procedures to increase individual store efficiencies and store revenues. Operating profits are expected to increase in the next accounting period.

ON BEHALF OF THE BOARD:

Mr Viresh Patel - Director

25 August 2017

Report of the Directors
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

The directors present their report with the financial statements of the company for the period 2 December 2015 to 4 December 2016.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the period ended 4 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 2 December 2015 to the date of this report.

Mr Niral Narendra Patel

Mrs Sonal Niral Patel

Mr Viresh Patel

Mr Bhavish Patel

CHARITABLE DONATIONS

During the year, the company made charitable donations of £6,656 (2015: £5,941) to UK registered charities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial 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:

Mr Viresh Patel - Director

25 August 2017

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 2016 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 page 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its loss 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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

25 August 2017

Profit and Loss Account
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

	Notes	Period 2/12/15 to 4/12/16 £	Year ended 1/12/15 £
TURNOVER		15,525,496	13,104,552
Cost of sales		<u>9,219,546</u>	<u>7,767,071</u>
GROSS PROFIT		6,305,950	5,337,481
Administrative expenses		<u>6,309,828</u> (3,878)	<u>5,233,934</u> 103,547
Other operating income		<u>53,160</u>	<u>47,710</u>
OPERATING PROFIT	3	49,282	151,257
Interest receivable and similar income		<u>-</u> 49,282	<u>464</u> 151,721
Interest payable and similar charges	4	<u>135,431</u>	<u>114,617</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(86,149)	37,104
Tax on (loss)/profit on ordinary activities	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<u>(86,149)</u>	<u>37,104</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period and the profit for the previous year.

Balance Sheet
4 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Intangible assets	6		4,027,322		4,672,691
Tangible assets	7		<u>822,873</u>		<u>972,646</u>
			4,850,195		5,645,337
CURRENT ASSETS					
Stocks	8	71,325		70,383	
Debtors	9	346,832		297,113	
Cash at bank and in hand		<u>1,544,443</u>		<u>1,343,951</u>	
		1,962,600		1,711,447	
CREDITORS					
Amounts falling due within one year	10	<u>2,291,634</u>		<u>2,349,673</u>	
NET CURRENT LIABILITIES			<u>(329,034)</u>		<u>(638,226)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,521,161		5,007,111
CREDITORS					
Amounts falling due after more than one year	11		<u>3,785,391</u>		<u>4,185,192</u>
NET ASSETS			<u><u>735,770</u></u>		<u><u>821,919</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		99		99
Profit and loss account	15		<u>735,671</u>		<u>821,820</u>
SHAREHOLDERS' FUNDS	19		<u><u>735,770</u></u>		<u><u>821,919</u></u>

The financial statements were authorised for issue by the Board of Directors on 25 August 2017 and were signed on its behalf by:

Mr Viresh Patel - Director

Cash Flow Statement
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

	Notes	Period 2/12/15 to 4/12/16 £	£	Year ended 1/12/15 £	£
Net cash inflow from operating activities	1		758,451		1,369,191
Returns on investments and servicing of finance	2		(135,431)		(114,153)
Taxation			-		(56,824)
Capital expenditure	2		<u>(21,300)</u>		<u>(2,266,426)</u>
			601,720		(1,068,212)
Financing	2		<u>(401,228)</u>		<u>1,168,627</u>
Increase in cash in the period			<u>200,492</u>		<u>100,415</u>

Reconciliation of net cash flow to movement in net debt

	3		
Increase in cash in the period		200,492	100,415
Cash outflow/(inflow) from decrease/(increase) in debt		<u>399,801</u>	<u>(1,163,535)</u>
Change in net debt resulting from cash flows		<u>600,293</u>	<u>(1,063,120)</u>
Movement in net debt in the period		600,293	(1,063,120)
Net debt at 2 December		<u>(3,356,473)</u>	<u>(2,293,353)</u>
Net debt at 4 December		<u>(2,756,180)</u>	<u>(3,356,473)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

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

	Period 2/12/15 to 4/12/16 £	Year ended 1/12/15 £
Operating profit	49,282	151,257
Depreciation charges	816,442	710,416
Increase in stocks	(942)	(20,046)
(Increase)/decrease in debtors	(49,719)	109,938
(Decrease)/increase in creditors	(56,612)	417,626
Net cash inflow from operating activities	<u>758,451</u>	<u>1,369,191</u>

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

	Period 2/12/15 to 4/12/16 £	Year ended 1/12/15 £
Returns on investments and servicing of finance		
Interest received	-	464
Interest paid	(118,813)	(93,207)
Interest element of hire purchase or finance lease rentals payments	(16,618)	(21,410)
Net cash outflow for returns on investments and servicing of finance	<u>(135,431)</u>	<u>(114,153)</u>
Capital expenditure		
Purchase of intangible fixed assets	-	(2,058,990)
Purchase of tangible fixed assets	(21,300)	(207,436)
Net cash outflow for capital expenditure	<u>(21,300)</u>	<u>(2,266,426)</u>
Financing		
New loans in year	-	4,150,424
Loan repayments in year	-	(2,470,690)
Amount introduced by directors	-	13,150
Amount withdrawn by directors	(1,427)	(9,011)
Bank Loan 1	(399,801)	(63,682)
Bank Loan 2	-	(451,564)
Net cash (outflow)/inflow from financing	<u>(401,228)</u>	<u>1,168,627</u>

Notes to the Cash Flow Statement
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

3. ANALYSIS OF CHANGES IN NET DEBT

	At 2/12/15 £	Cash flow £	At 4/12/16 £
Net cash:			
Cash at bank and in hand	<u>1,343,951</u>	<u>200,492</u>	<u>1,544,443</u>
	<u>1,343,951</u>	<u>200,492</u>	<u>1,544,443</u>
Debt:			
Debts falling due within one year	(515,232)	-	(515,232)
Debts falling due after one year	<u>(4,185,192)</u>	<u>399,801</u>	<u>(3,785,391)</u>
	<u>(4,700,424)</u>	<u>399,801</u>	<u>(4,300,623)</u>
Total	<u>(3,356,473)</u>	<u>600,293</u>	<u>(2,756,180)</u>

Notes to the Financial Statements
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Going Concern

As at 4th December 2016, current liabilities exceeded current assets by £329,034 (2015: £638,226). 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	- 10% on cost
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 2/12/15 to 4/12/16 £	Year ended 1/12/15 £
Wages and salaries	5,295,680	4,257,726
Social security costs	280,227	207,233
Other pension costs	61,034	12,249
	<u>5,636,941</u>	<u>4,477,208</u>

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

	Period 2/12/15 to 4/12/16	Year ended 1/12/15
Staff	<u>547</u>	<u>427</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

3. OPERATING PROFIT

The operating profit is stated after charging:

	Period 2/12/15 to 4/12/16 £	Year ended 1/12/15 £
Depreciation - owned assets	171,073	187,580
Goodwill amortisation	568,857	446,323
Franchise Fees amortisation	76,512	76,513
Auditors' remuneration	<u>10,000</u>	<u>12,000</u>
Directors' remuneration	<u>19,365</u>	<u>19,365</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 2/12/15 to 4/12/16 £	Year ended 1/12/15 £
Bank loan interest	118,813	93,207
Other Loan Interest	<u>16,618</u>	<u>21,410</u>
	<u>135,431</u>	<u>114,617</u>

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

No liability to UK corporation tax arose on ordinary activities for the period ended 4 December 2016 nor for the year ended 1 December 2015.

Factors affecting the tax charge

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

	Period 2/12/15 to 4/12/16 £	Year ended 1/12/15 £
(Loss)/profit on ordinary activities before tax	<u>(86,149)</u>	<u>37,104</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(17,230)	7,421
Effects of:		
Expenses not deductible for tax purposes	6,024	2,334
Depreciation in excess of capital allowances	133,278	74,088
Utilisation of tax losses	-	48,174
Amortisation of Leasehold Property	(16,011)	(15,303)
Amortisation of goodwill	(113,771)	(89,265)
Other Adjustments	<u>7,710</u>	<u>(27,449)</u>
Current tax charge	<u>-</u>	<u>-</u>

The factors affecting the tax charge are explained below:

Notes to the Financial Statements - continued
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

6. INTANGIBLE FIXED ASSETS

	Goodwill £	Franchise Fees £	Totals £
COST			
At 2 December 2015 and 4 December 2016	5,688,567	765,125	6,453,692
AMORTISATION			
At 2 December 2015	1,501,275	279,726	1,781,001
Amortisation for period	568,857	76,512	645,369
At 4 December 2016	2,070,132	356,238	2,426,370
NET BOOK VALUE			
At 4 December 2016	3,618,435	408,887	4,027,322
At 1 December 2015	4,187,292	485,399	4,672,691

7. TANGIBLE FIXED ASSETS

	Leasehold £	Improvements to property £	Fixtures and fittings £
COST			
At 2 December 2015	26,903	798,047	632,189
At 4 December 2016	26,903	798,047	632,189
DEPRECIATION			
At 2 December 2015	2,690	269,959	289,497
Charge for period	2,690	80,055	68,538
At 4 December 2016	5,380	350,014	358,035
NET BOOK VALUE			
At 4 December 2016	21,523	448,033	274,154
At 1 December 2015	24,213	528,088	342,692

	Motor Bikes £	Computer equipment £	Totals £
COST			
At 2 December 2015	101,796	29,184	1,588,119
Additions	20,800	500	21,300
At 4 December 2016	122,596	29,684	1,609,419
DEPRECIATION			
At 2 December 2015	42,230	11,097	615,473
Charge for period	16,073	3,717	171,073
At 4 December 2016	58,303	14,814	786,546
NET BOOK VALUE			
At 4 December 2016	64,293	14,870	822,873
At 1 December 2015	59,566	18,087	972,646

Notes to the Financial Statements - continued
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

8.	STOCKS		
		2016	2015
		£	£
	Raw materials	<u>71,325</u>	<u>70,383</u>
9.	DEBTORS		
		2016	2015
		£	£
	Amounts falling due within one year:		
	Other debtors	3,153	439
	Prepayments	<u>243,565</u>	<u>196,560</u>
		<u>246,718</u>	<u>196,999</u>
	Amounts falling due after more than one year:		
	Other debtors	<u>100,114</u>	<u>100,114</u>
	Aggregate amounts	<u>346,832</u>	<u>297,113</u>
10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2016	2015
		£	£
	Bank loans and overdrafts (see note 12)	515,232	515,232
	Trade creditors	673,907	621,315
	Social security and other taxes	56,293	91,758
	VAT	540,898	484,503
	Other creditors	223,842	230,288
	Directors' current accounts	6,915	8,342
	Accrued expenses	<u>274,547</u>	<u>398,235</u>
		<u>2,291,634</u>	<u>2,349,673</u>
11.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2016	2015
		£	£
	Bank loans (see note 12)	3,235,391	3,635,192
	Other loans (see note 12)	<u>550,000</u>	<u>550,000</u>
		<u>3,785,391</u>	<u>4,185,192</u>
12.	LOANS		
	An analysis of the maturity of loans is given below:		
		2016	2015
		£	£
	Amounts falling due within one year or on demand:		
	Bank Loan 1	63,672	63,672
	Bank Loan 2	<u>451,560</u>	<u>451,560</u>
		<u>515,232</u>	<u>515,232</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

12. LOANS - continued

	2016 £	2015 £
Amounts falling due between two and five years:		
Bank Loan 1	254,728	254,728
Bank Loan 2	<u>1,806,257</u>	<u>1,806,257</u>
	<u>2,060,985</u>	<u>2,060,985</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan	154,733	203,845
Bank Loan 2	1,019,673	1,370,362
Rautogrove Limited	<u>550,000</u>	<u>550,000</u>
	<u>1,724,406</u>	<u>2,124,207</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Bank loans	3,750,623	4,150,424
Rautogrove Limited	<u>550,000</u>	<u>550,000</u>
	<u>4,300,623</u>	<u>4,700,424</u>

Bank Loans

Bank loan of £3,900,000 was received from HSBC Bank per loan agreement dated 27 January 2015. The loan is repayable over a period of 10 years by monthly instalments at an interest rate of 2.48% above LIBOR.

Bank loan of £550,000 was received from HSBC Bank per loan agreement dated 27 January 2015. The loan is repayable over a period of 10 years by monthly instalments at an interest rate of 2.48% 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 £550,000 is received from Rautogrove Ltd. The loan is repayable over a period of 20 years by quarterly instalments at an interest rate of 2.48% above the base rate of 0.5%. Repayments have currently been suspended.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
99	Ordinary	£1	<u>99</u>	<u>99</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 2 DECEMBER 2015 TO 4 DECEMBER 2016

15. RESERVES

Profit
and loss
account
£

At 2 December 2015	821,820
Deficit for the period	(86,149)
At 4 December 2016	<u>735,671</u>

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 £550,000 (2015: £550,000) 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

	2016 £	2015 £
(Loss)/profit for the financial period	(86,149)	37,104
Net (reduction)/addition to shareholders' funds	<u>(86,149)</u>	<u>37,104</u>
Opening shareholders' funds	821,919	784,815
Closing shareholders' funds	<u>735,770</u>	<u>821,919</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.