


STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013
FOR
KMP TASTE LIMITED

THURSDAY WEDNESDAY



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FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

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KMP TASTE LIMITED

COMPANY INFORMATION
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

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

STRATEGIC REPORT
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

The directors present their strategic report for the period 3 December 2012 to 1 December 2013.

REVIEW OF BUSINESS

The company's performance last year was considered satisfactory. During 2013, the company opened two new stores and will continue seeking further expansion opportunities through new store openings or acquisition.

ON BEHALF OF THE BOARD:



Director

VIRESH PATEL

27 May 2014

REPORT OF THE DIRECTORS
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

The directors present their report with the financial statements of the company for the period 3 December 2012 to 1 December 2013.

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 1 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 3 December 2012 to the date of this report.

Mr Niral Narendra Patel
Mrs Sonal Niral Patel
Mr Viresh Patel

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 3 DECEMBER 2012 TO 1 DECEMBER 2013

AUDITORS

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

ON BEHALF OF THE BOARD:



Director

VIRESH PATEL

27 May 2014

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 1 December 2013 on pages seven to seventeen. 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 1 December 2013 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 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.

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:

27 May 2014

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

		Period 3/12/12 to 1/12/13 £	Period 5/12/11 to 2/12/12 £
	Notes		
TURNOVER		10,939,528	8,536,503
Cost of sales		<u>6,174,314</u>	<u>4,775,492</u>
GROSS PROFIT		4,765,214	3,761,011
Administrative expenses		<u>4,289,773</u>	<u>3,328,391</u>
		475,441	432,620
Other operating income		<u>41,595</u>	<u>30,553</u>
OPERATING PROFIT	3	517,036	463,173
Interest receivable and similar income		<u>2,809</u>	<u>2,769</u>
		519,845	465,942
Interest payable and similar charges	4	<u>184,634</u>	<u>206,388</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		335,211	259,554
Tax on profit on ordinary activities	5	<u>38,287</u>	<u>14,751</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>296,924</u>	<u>244,803</u>

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

BALANCE SHEET
1 DECEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	6	3,576,008	4,015,476
Tangible assets	7	<u>1,076,893</u>	<u>902,873</u>
		4,652,901	4,918,349
CURRENT ASSETS			
Stocks	8	62,088	41,088
Debtors	9	221,841	235,291
Cash at bank and in hand		<u>1,308,838</u>	<u>1,019,488</u>
		1,592,767	1,295,867
CREDITORS			
Amounts falling due within one year	10	<u>2,493,046</u>	<u>1,757,606</u>
NET CURRENT LIABILITIES		<u>(900,279)</u>	<u>(461,739)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,752,622	4,456,610
CREDITORS			
Amounts falling due after more than one year	11	<u>3,202,303</u>	<u>4,203,215</u>
NET ASSETS		<u>550,319</u>	<u>253,395</u>
CAPITAL AND RESERVES			
Called up share capital	14	99	99
Profit and loss account	15	<u>550,220</u>	<u>253,296</u>
SHAREHOLDERS' FUNDS	19	<u>550,319</u>	<u>253,395</u>

The financial statements were authorised for issue by the Board of Directors on 27 May 2014 and were signed on its behalf by:



Director
VIRESH PATEL

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

	Notes	Period 3/12/12 to 1/12/13		Period 5/12/11 to 2/12/12	
		£	£	£	£
Net cash inflow from operating activities	1		1,226,641		1,484,557
Returns on investments and servicing of finance	2		(111,643)		(130,581)
Taxation			(14,751)		-
Capital expenditure	2		<u>(313,741)</u>		<u>(1,031,182)</u>
			786,506		322,794
Financing	2		<u>(497,156)</u>		<u>182,860</u>
Increase in cash in the period			<u>289,350</u>		<u>505,654</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		289,350		505,654	
Cash outflow/(inflow) from decrease/(increase) in debt		<u>500,912</u>		<u>(182,858)</u>	
Change in net debt resulting from cash flows			<u>790,262</u>		<u>322,796</u>
Movement in net debt in the period			790,262		322,796
Net debt at 3 December			<u>(3,773,370)</u>		<u>(4,096,166)</u>
Net debt at 1 December			<u>(2,983,108)</u>		<u>(3,773,370)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013**

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

	Period 3/12/12 to 1/12/13 £	Period 5/12/11 to 2/12/12 £
Operating profit	517,036	463,173
Depreciation charges	579,189	484,279
Amounts owed by group undertakings	(5,344)	-
Increase in stocks	(21,000)	(6,674)
Decrease/(increase) in debtors	18,794	(132,773)
Increase in creditors	137,966	676,552
Net cash inflow from operating activities	<u>1,226,641</u>	<u>1,484,557</u>

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

	Period 3/12/12 to 1/12/13 £	Period 5/12/11 to 2/12/12 £
Returns on investments and servicing of finance		
Interest received	2,809	2,769
Interest paid	(114,452)	(133,350)
Interest element of hire purchase or finance lease rentals payments	-	-
Net cash outflow for returns on investments and servicing of finance	<u>(111,643)</u>	<u>(130,581)</u>
Capital expenditure		
Purchase of intangible fixed assets	-	(771,471)
Purchase of tangible fixed assets	(313,741)	(259,711)
Net cash outflow for capital expenditure	<u>(313,741)</u>	<u>(1,031,182)</u>
Financing		
Amount introduced by directors	3,756	-
Bank Loan 1	(407,140)	(407,140)
Other Loan	-	(110,000)
Bank Loan 2	(93,772)	700,000
Net cash (outflow)/inflow from financing	<u>(497,156)</u>	<u>182,860</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

3. ANALYSIS OF CHANGES IN NET DEBT

	At 3/12/12 £	Cash flow £	At 1/12/13 £
Net cash:			
Cash at bank and in hand	<u>1,019,488</u>	<u>289,350</u>	<u>1,308,838</u>
	<u>1,019,488</u>	<u>289,350</u>	<u>1,308,838</u>
Debt:			
Debts falling due within one year	(589,643)	(500,000)	(1,089,643)
Debts falling due after one year	<u>(4,203,215)</u>	<u>1,000,912</u>	<u>(3,202,303)</u>
	<u>(4,792,858)</u>	<u>500,912</u>	<u>(4,291,946)</u>
Total	<u>(3,773,370)</u>	<u>790,262</u>	<u>(2,983,108)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

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 3/12/12 to 1/12/13 £	Period 5/12/11 to 2/12/12 £
Wages and salaries	122,688	121,318
Social security costs	3,231,666	2,550,822
Other pension costs	28,758	20,085
	<u>3,383,112</u>	<u>2,692,225</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

2. STAFF COSTS - continued

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

	Period 3/12/12 to 1/12/13	Period 5/12/11 to 2/12/12
Staff	<u>419</u>	<u>515</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	Period 3/12/12 to 1/12/13 £	Period 5/12/11 to 2/12/12 £
Depreciation - owned assets	139,721	118,990
Goodwill amortisation	364,564	313,831
Franchise Fees amortisation	74,904	51,460
Auditors' remuneration	<u>8,000</u>	<u>10,600</u>
Directors' remuneration	<u>4,000</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 3/12/12 to 1/12/13 £	Period 5/12/11 to 2/12/12 £
Bank loan interest	114,445	133,350
Interest expense	7	-
Other Loan Interest	<u>70,182</u>	<u>73,038</u>
	<u>184,634</u>	<u>206,388</u>

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

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

	Period 3/12/12 to 1/12/13 £	Period 5/12/11 to 2/12/12 £
Current tax:		
UK corporation tax	<u>38,287</u>	<u>14,751</u>
Tax on profit on ordinary activities	<u>38,287</u>	<u>14,751</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

6. INTANGIBLE FIXED ASSETS

	Goodwill £	Franchise Fees £	Totals £
COST			
At 3 December 2012			
and 1 December 2013	<u>3,645,648</u>	<u>749,054</u>	<u>4,394,702</u>
AMORTISATION			
At 3 December 2012	325,823	53,403	379,226
Amortisation for period	<u>364,564</u>	<u>74,904</u>	<u>439,468</u>
At 1 December 2013	<u>690,387</u>	<u>128,307</u>	<u>818,694</u>
NET BOOK VALUE			
At 1 December 2013	<u>2,955,261</u>	<u>620,747</u>	<u>3,576,008</u>
At 2 December 2012	<u>3,319,825</u>	<u>695,651</u>	<u>4,015,476</u>

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor Bikes £	Computer equipment £	Totals £
COST					
At 3 December 2012	588,648	375,919	58,696	2,788	1,026,051
Additions	<u>194,561</u>	<u>117,300</u>	<u>-</u>	<u>1,880</u>	<u>313,741</u>
At 1 December 2013	<u>783,209</u>	<u>493,219</u>	<u>58,696</u>	<u>4,668</u>	<u>1,339,792</u>
DEPRECIATION					
At 3 December 2012	46,637	66,378	9,701	462	123,178
Charge for period	<u>63,462</u>	<u>64,956</u>	<u>9,799</u>	<u>1,504</u>	<u>139,721</u>
At 1 December 2013	<u>110,099</u>	<u>131,334</u>	<u>19,500</u>	<u>1,966</u>	<u>262,899</u>
NET BOOK VALUE					
At 1 December 2013	<u>673,110</u>	<u>361,885</u>	<u>39,196</u>	<u>2,702</u>	<u>1,076,893</u>
At 2 December 2012	<u>542,011</u>	<u>309,541</u>	<u>48,995</u>	<u>2,326</u>	<u>902,873</u>

8. STOCKS

	2013 £	2012 £
Raw materials	<u>62,088</u>	<u>41,088</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013**

9. DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	5,344	-
Other debtors	5,136	38,943
Prepayments	<u>133,747</u>	<u>128,100</u>
	<u>144,227</u>	<u>167,043</u>
Amounts falling due after more than one year:		
Other debtors	<u>77,614</u>	<u>68,248</u>
Aggregate amounts	<u>221,841</u>	<u>235,291</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Bank loans and overdrafts (see note 12)	507,143	507,143
Other loans (see note 12)	582,500	82,500
Trade creditors	418,047	383,736
Corporation Tax	38,287	14,751
Social security and other taxes	46,364	25,669
VAT	347,647	276,568
Other creditors	232,743	82,317
Directors' current accounts	3,756	-
Accrued expenses	<u>316,559</u>	<u>384,922</u>
	<u>2,493,046</u>	<u>1,757,606</u>

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

	2013	2012
	£	£
Bank loans (see note 12)	2,134,803	2,635,715
Other loans (see note 12)	<u>1,067,500</u>	<u>1,567,500</u>
	<u>3,202,303</u>	<u>4,203,215</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank Loan 1	407,143	507,143
Bank Loan 2	100,000	-
Rautogrove Limited	<u>582,500</u>	<u>82,500</u>
	<u>1,089,643</u>	<u>589,643</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013**

12. LOANS - continued

	2013 £	2012 £
Amounts falling due between two and five years:		
Bank Loan 1	1,628,575	2,028,572
Bank Loan 2	506,228	-
Rautogrove Limited	<u>330,000</u>	<u>330,000</u>
	<u>2,464,803</u>	<u>2,358,572</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan	-	607,143
Rautogrove Limited	<u>737,500</u>	<u>1,237,500</u>
	<u>737,500</u>	<u>1,844,643</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2013 £	2012 £
Bank loans	2,641,946	3,142,858
Rautogrove Limited	<u>1,650,000</u>	<u>1,650,000</u>
	<u>4,291,946</u>	<u>4,792,858</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 3% above LIBOR.

Bank loan of £700,000 was received from Natwest Bank per loan agreement dated 16 November 2012. 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:	2013 £	2012 £
99	Ordinary	£1	<u>99</u>	<u>99</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 3 DECEMBER 2012 TO 1 DECEMBER 2013

15. RESERVES

	Profit and loss account £
At 3 December 2012	253,296
Profit for the period	<u>296,924</u>
At 1 December 2013	<u>550,220</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.

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

	2013 £	2012 £
Profit for the financial period	<u>296,924</u>	<u>244,803</u>
Net addition to shareholders' funds	296,924	244,803
Opening shareholders' funds	<u>253,395</u>	<u>8,592</u>
Closing shareholders' funds	<u>550,319</u>	<u>253,395</u>