

COMPANY REGISTRATION NUMBER: 4314857

KMD Enterprises Ltd
Financial Statements
30 June 2018



AEQUITAS
Chartered Accountants & Statutory Auditors
Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

KMD Enterprises Ltd

Financial Statements

Period from 1 May 2017 to 30 June 2018

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KMD Enterprises Ltd

Directors' Report

Period from 1 May 2017 to 30 June 2018

The directors present their report and the financial statements of the company for the period ended 30 June 2018.

Principal activities

The principal activity of the company is the operation of a chain of retail convenience stores. The company ceased to trade on 7th May 2017.

Directors

The directors who served the company during the period were as follows:

Mr DP Robinson	
Mr D Pervez	(Appointed 26 April 2019)
Mr NJ Khan	(Appointed 26 April 2019)
Mr M Moran	(Appointed 30 October 2017)
Mr CA Humphreys	(Resigned 30 October 2017)

Mr M Moran resigned on 01/08/2018.

Mr DP Robinson resigned on 26/04/2019

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 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 judgments and accounting estimates that are reasonable and prudent;

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.

Other matters

The directors have considered that the Company is no longer a going concern. As required by the UK accounting standards the directors have prepared these financial statements on the basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

KMD Enterprises Ltd

Directors' Report *(continued)*

Period from 1 May 2017 to 30 June 2018

Auditor

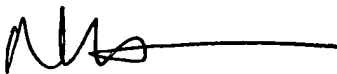
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 2/8/19 and signed on behalf of the board by:



Mr NJ Khan
Director

Registered office:
Weston Road
Crewe
Cheshire
England
CW1 6BP

KMD Enterprises Ltd

Independent Auditor's Report to the Members of KMD Enterprises Ltd *(continued)*

Period from 1 May 2017 to 30 June 2018

Disclaimer of opinion

We were engaged to audit the financial statements of KMD Enterprises Ltd for the period ended 30th June 2018 which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 FRS 102 1A. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

We do not express an opinion on the accompanying financial statements of the company. Due to the significance of the matter described in the 'basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 7th May 2017 the company transferred its' trade, assets and liabilities to a fellow subsidiary company, Bargain Booze Ltd ('BBL') and ceased to trade thereafter. The company did not maintain or retain the relevant prime records during its entire period of trading from 1st May 2017 to 7th May 2017. We were unable to satisfy ourselves by alternative means to compile or verify trading results for this period.

We were not appointed as auditors of the company until after 31 October 2018 and thus did not observe the counting of physical inventories at the beginning of the financial year. We were unable to satisfy ourselves by alternative means concerning the inventories quantity held 30th April 2017 which is stated in the statement of financial positions at £237,625. Notwithstanding our disclaimer of opinion, our audit opinion would have been qualified for this reason.

Emphasis of matter

Notwithstanding our disclaimer of opinion, we draw your attention to Note 3 of the financial statements, 'Basis of Preparation', which details that the company is no longer a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In the previous accounting period the directors of the company took advantage of audit exemption under s479A of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Opinions on other matters prescribed by the Companies Act 2006

KMD Enterprises Ltd

Independent Auditor's Report to the Members of KMD Enterprises Ltd *(continued)*

Period from 1 May 2017 to 30 June 2018

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- adequate accounting records have not been kept; and
- adequate returns for our audit have not been received from branches.

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:

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of the directors

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 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 intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described within the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note 15 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

KMD Enterprises Ltd

Independent Auditor's Report to the Members of KMD Enterprises Ltd *(continued)*

Period from 1 May 2017 to 30 June 2018

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.



Mr Pankaj Patel (Senior Statutory Auditor)
For and on behalf of
Aequitas
Chartered Accountants & Statutory Auditors
Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

2/8/19

KMD Enterprises Ltd

Statement of Comprehensive Income

Period from 1 May 2017 to 30 June 2018

	Note	Period from 1 May 17 to 30 Jun 18 £	Period from 1 Dec 16 to 30 Apr 17 £
Turnover		–	1,994,497
Cost of sales		5,017	1,639,482
Gross (loss)/profit		(5,017)	355,015
Administrative expenses		70,617	(1,024,694)
Other operating income		–	51,498
Impairment of group loan balance		13,500	–
Operating (loss)/profit		(89,134)	1,431,207
Interest payable and similar expenses		–	1,223
(Loss)/profit before taxation	7	(89,134)	1,429,984
Tax on (loss)/profit		–	(22,662)
(Loss)/profit for the financial period and total comprehensive income		(89,134)	1,452,646

The Company ceased to trade on 7th May 2017.

The notes on pages 9 to 15 form part of these financial statements.

KMD Enterprises Ltd

Statement of Financial Position

30 June 2018

	Note	30 Jun 18 £	£	30 Apr 17 £
Fixed assets				
Intangible assets	8		—	798,984
Tangible assets	9		—	191,187
Investments	10		1	1
			<u>1</u>	<u>990,172</u>
Current assets				
Stocks		—		237,625
Debtors	11	—		3,152,135
Cash at bank and in hand		—		234,308
			<u>—</u>	<u>3,624,068</u>
Creditors: amounts falling due within one year	12	13,200		1,093,695
Net current (liabilities)/assets			(13,200)	2,530,373
Total assets less current liabilities			(13,199)	3,520,545
Net (liabilities)/assets			<u>(13,199)</u>	<u>3,520,545</u>
Capital and reserves				
Called up share capital			200	200
Capital redemption reserve			100	100
Profit and loss account			(13,499)	3,520,245
Shareholders (deficit)/funds			<u>(13,199)</u>	<u>3,520,545</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 2/8/19 and are signed on behalf of the board by:



Mr NJ Khan
Director

Company registration number: 4314857

The notes on pages 9 to 15 form part of these financial statements.

KMD Enterprises Ltd

Statement of Changes in Equity

Period from 1 May 2017 to 30 June 2018

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 December 2016	200	100	2,067,599	2,067,899
Profit for the period	—	—	1,452,646	1,452,646
Total comprehensive income for the period	—	—	1,452,646	1,452,646
At 30 April 2017	200	100	3,520,245	3,520,545
Loss for the period	—	—	(89,134)	(89,134)
Total comprehensive income for the period	—	—	(89,134)	(89,134)
Conversion of debt to equity	—	—	(3,444,610)	(3,444,610)
Total investments by and distributions to owners	—	—	(3,444,610)	(3,444,610)
At 30 June 2018	200	100	(13,499)	(13,199)

The notes on pages 9 to 15 form part of these financial statements.

KMD Enterprises Ltd

Notes to the Financial Statements

Period from 1 May 2017 to 30 June 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Weston Road, Crewe, Cheshire, England, CW1 6BP.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The Company transferred its trade, assets, and liabilities to a fellow subsidiary Bargain Booze Ltd (a company incorporated in England) on 7th May 2017. The company thereafter ceased to trade. As required by the UK accounting standards, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets were transferred to the parent company at their carrying amounts.

These financial statements are prepared for a period of 14 months ended 30th June 2018 to align the Company's financial year with the group. The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

The turnover shown in the profit and loss account represents the amount of sales exclusive of VAT.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

KMD Enterprises Ltd

Notes to the Financial Statements *(continued)*

Period from 1 May 2017 to 30 June 2018

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in the profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in the profit or loss.

KMD Enterprises Ltd

Notes to the Financial Statements *(continued)*

Period from 1 May 2017 to 30 June 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- 15 years straight line
Fixtures & Fittings	- 25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

KMD Enterprises Ltd

Notes to the Financial Statements *(continued)*

Period from 1 May 2017 to 30 June 2018

3. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Auditor's remuneration

	Period from 1 May 17 to 30 Jun 18	Period from 1 Dec 16 to 30 Apr 17
	£	£
Fees payable for the audit of the financial statements	5,400	—

5. Employee numbers

The average number of persons employed by the company during the period amounted to Nil (2017: 41).

6. Exceptional items

	Period from 1 May 17 to 30 Jun 18	Period from 1 Dec 16 to 30 Apr 17
	£	£
Profit on disposal of group undertakings	—	1,594,279

Within the prior year, the Company transferred the trade, assets and liabilities of one of its stores to a 100% subsidiary, ASPS (Brighton) Ltd, at a market value of £1,950,000. The investment in ASPS (Brighton) Ltd was sold at a market value of £1,950,000. Profit of £1,594,279 on disposal of the investment was recognised in the income statement.

KMD Enterprises Ltd

Notes to the Financial Statements *(continued)*

Period from 1 May 2017 to 30 June 2018

7. Profit before taxation

(Loss)/profit before taxation is stated after charging:

	Period from 1 May 17 to 30 Jun 18 £	Period from 1 Dec 16 to 30 Apr 17 £
Amortisation of intangible assets	–	23,531
Depreciation of tangible assets	–	17,091

8. Intangible assets

	Goodwill £
Cost	
At 1 May 2017	1,129,471
Additions	–
Transfers	(1,129,471)
At 30 June 2018	–
Amortisation	
At 1 May 2017	330,487
Charge for the period	–
Transfers	(330,487)
At 30 June 2018	–
Carrying amount	
At 30 June 2018	–
At 30 April 2017	798,984

9. Tangible assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 May 2017	136,383	533,191	669,574
Transfers	(136,383)	(533,191)	(669,574)
At 30 June 2018	–	–	–
Depreciation			
At 1 May 2017	59,601	418,786	478,387
Transfers	(59,601)	(418,786)	(478,387)
At 30 June 2018	–	–	–
Carrying amount			
At 30 June 2018	–	–	–
At 30 April 2017	76,782	114,405	191,187

KMD Enterprises Ltd

Notes to the Financial Statements *(continued)*

Period from 1 May 2017 to 30 June 2018

10. Investments

	Shares in group undertaking s £
Cost	
At 1 May 2017 and 30 June 2018	1
Impairment	
At 1 May 2017 and 30 June 2018	—
Carrying amount	
At 30 June 2018	1
At 30 April 2017	1

The company holds 100% of the issued ordinary share capital of Xcel Retail Ltd a company incorporated in England & Wales. The investment is carried at its cost value.

11. Debtors

	30 Jun 18 £	30 Apr 17 £
Amounts owed by group undertakings	—	2,947,164
Prepayments and accrued income	—	59,996
Rent deposit	—	62,750
Other debtors	—	82,225
	—	3,152,135

12. Creditors: amounts falling due within one year

	30 Jun 18 £	30 Apr 17 £
Trade creditors	—	280,946
Amounts owed to group undertakings	—	680,687
Accruals and deferred income	13,200	56,207
Social security and other taxes	—	12,615
Other creditors	—	63,240
	13,200	1,093,695

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	30 Jun 18	30 Apr 17
	£	£
Not later than 1 year	173,000	173,000
Later than 1 year and not later than 5 years	692,000	692,000
Later than 5 years	854,150	1,138,000
	<u>1,719,150</u>	<u>2,003,000</u>

14. Related party transactions

Transactions with wholly owned subsidiaries are not disclosed in accordance with S33.1A of FRS 102.

15. Ethical standards

In common with businesses of our size and nature we use our auditors to assist and prepare the statutory financial statements.

16. Controlling party

Ardiles Bidco Ltd and Bestway Group Ltd are the immediate and ultimate parent companies respectively. Both the companies are incorporated in England & Wales.