

7231017

Deliverance London Limited

Report And Financial Statements

24 April 2011

Rees Pollock
Chartered Accountants



Deliverance London Limited

COMPANY INFORMATION

Directors	G Davies S J B Skinner
Registered office	7 Silver Road London W12 7SG
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Company number	07231017

DIRECTORS' REPORT
for the period ended 24 April 2011

The directors present their report and the financial statements for the period ended 24 April 2011

Principal activities

The company was incorporated on 21 April 2010, and acquired the entire issued share capital of Deliverance Limited on 23 April 2010

The principal activity of the group during the period was the cooking and delivery of high quality food and beverages to consumers at home and work

Business review

2010/11

The Directors are pleased with the performance of Deliverance Limited during 2010/11. Many of the initiatives started in 2009/10 which continued in 2010/11 impacted positively on the business. These improvements were both financial (enhanced trading results) and operational (better food and customer service).

The financial results of Deliverance Limited for 2010/11 show an increase in sales of 6%. A focus on direct costs (food, consumables and staff costs) saw an improvement of 3.1% in gross profit. Group administration costs were very closely managed.

Exceptional item

Deliverance Limited is required to charge VAT on a number of products sold and over the last few years it has argued that for some of those items, VAT should not be charged. During the year the company successfully took its case to court. This resulted in a refund of overpaid VAT amounting to £579,000. This sum along with costs was received shortly after the year end.

Balance sheet

At the year end the business had net assets of £1,826,000 and a cash balance of £261,000. At the date these accounts were signed the business had a cash balance of £896,000.

2011/12

The board is confident that the business will achieve a material improvement on trading EBITDA in 2011/12. Furthermore, a new site is currently being developed and will open in the autumn. This will further enhance the 2011/12 performance.

Results and dividends

The loss for the period, after taxation, amounted to £23,577.

The directors have not recommended a dividend.

Directors

The directors who served during the period were

G Davies (appointed 23 April 2010)
S J B Skinner (appointed 21 April 2010)

DIRECTORS' REPORT
for the period ended 24 April 2011

Employee involvement

The group pursues a policy of providing employees with information about the group, and employees have been encouraged to present their suggestions and views on the company's performance

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirement of the job can be fulfilled by a handicapped or disabled person

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees where appropriate

Statement of directors' responsibilities

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 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 the group and of the profit or loss of the group 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 estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

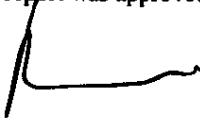
- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

DIRECTORS' REPORT
for the period ended 24 April 2011

Auditors

Rees Pollock were appointed as the company's auditors, and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 9 September 2011 and signed on its behalf

A handwritten signature in black ink, appearing to be 'S J B Skinner', written over a horizontal line.

S J B Skinner
Director



REESPOLLOCK

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DELIVERANCE LONDON LIMITED

We have audited the financial statements of Deliverance London Limited for the period ended 24 April 2011, set out on pages 5 to 19. 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 an auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 24 April 2011 and of the group's 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 directors' report for the financial period 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Philip Vipond (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

5 October 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the period ended 24 April 2011

	Note	Period ended 24 April 2011 £
TURNOVER	1,2	7,936,419
Cost of sales		(6,450,726)
		<hr/>
GROSS PROFIT		1,485,693
Administrative expenses		(2,062,369)
Exceptional items	3	578,840
Total administrative expenses		(1,483,529)
		<hr/>
OPERATING PROFIT	3	2,164
Interest receivable and similar income		102
Interest payable and similar charges	5	(25,843)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(23,577)
Tax on loss on ordinary activities	6	-
		<hr/>
LOSS FOR THE FINANCIAL PERIOD	15	(23,577)
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All amounts relate to acquired operations

There were no recognised gains and losses for 2011 other than those included in the profit and loss account

The notes on pages 9 to 19 form part of these financial statements

CONSOLIDATED BALANCE SHEET
as at 24 April 2011

	Note	£	2011 £
FIXED ASSETS			
Intangible assets	7		1,755,144
Tangible assets	8		568,196
			<u>2,323,340</u>
CURRENT ASSETS			
Stocks		123,285	
Debtors	11	1,105,580	
Cash at bank and in hand		261,011	
		<u>1,489,876</u>	
CREDITORS: amounts falling due within one year	12	(1,451,093)	
NET CURRENT ASSETS			<u>38,783</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,362,123</u>
CREDITORS: amounts falling due after more than one year	13		(535,700)
NET ASSETS			<u><u>1,826,423</u></u>
CAPITAL AND RESERVES			
Called up share capital	14		1,850,000
Profit and loss account	15		(23,577)
SHAREHOLDERS' FUNDS	16		<u><u>1,826,423</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2011



S J B Skinner
Director

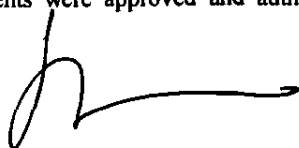
The notes on pages 9 to 19 form part of these financial statements.

COMPANY BALANCE SHEET
as at 24 April 2011

	Note	2011 £
FIXED ASSETS		
Investments	9	1,850,001
CREDITORS: amounts falling due within one year	12	(1)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,850,000</u>
CAPITAL AND RESERVES		
Called up share capital	14	<u>1,850,000</u>
SHAREHOLDERS' FUNDS	16	<u>1,850,000</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2011

S J B Skinner
Director



The notes on pages 9 to 19 form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the period ended 24 April 2011

	Note	Period ended 24 April 2011 £
Net cash flow from operating activities	17	(165,143)
Returns on investments and servicing of finance	18	51
Capital expenditure and financial investment	18	(154,258)
Acquisitions and disposals	18	(1)
CASH OUTFLOW BEFORE FINANCING		(319,351)
Financing	18	607,474
INCREASE IN CASH IN THE PERIOD		288,123

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
for the period ended 24 April 2011

	Period ended 24 April 2011 £
Increase in cash in the period	288,123
Cash outflow from decrease in debt and lease financing	1,242,526
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	1,530,649
Acquisitions	(1,782,499)
Other non-cash changes	(25,792)
MOVEMENT IN NET DEBT IN THE PERIOD	(277,642)
NET DEBT AT 24 APRIL 2011	(277,642)

The notes on pages 9 to 19 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

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

The directors consider that the group can remain trading within its available cash resources for the foreseeable future, and therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis

No assessment has been made of the effect should the going concern assumption prove to be inappropriate

Basis of consolidation

The financial statements consolidate the accounts of Deliverance London Limited and its subsidiary undertaking

The results of subsidiaries acquired during the period are included from the effective date of acquisition

Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied, exclusive of value added tax

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life

Amortisation is provided at the following rates

Goodwill	-	5% per annum, straight line
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Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Property improvements	-	10% per annum, straight line
Plant & equipment	-	10-50% per annum, straight line
Motor vehicles & scooters	-	33% per annum, straight line

Investments

Investments in subsidiaries are valued at cost less provision for impairment

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

1 ACCOUNTING POLICIES (continued)

Finance lease agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Stocks

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

Pensions

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate which it is estimated that tax will be payable, except where otherwise required by accounting standards.

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 group after deducting all of its liabilities.

2 TURNOVER

The whole of the turnover is attributable to the group's principal continuing activity.

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Period ended 24 April 2011 £
Amortisation - intangible fixed assets	92,376
Depreciation of tangible fixed assets	
- owned by the group	208,031
Auditors' remuneration	10,700
Operating lease rentals	
- land and buildings	269,742
Refund of output VAT	(578,840)
	<u><u> </u></u>

During the period, no director received any emoluments

4. STAFF COSTS

Staff costs were as follows

	Period ended 24 April 2011 £
Wages and salaries	3,260,284
Social security costs	246,835
Other pension costs	11,677
	<u><u>3,518,796</u></u>

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

	Period ended 24 April 2011 No.
Management	30
Kitchen and other staff	247
	<u><u>277</u></u>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

5 INTEREST PAYABLE

	Period ended 24 April 2011 £
On bank loans and overdrafts	51
On other loans	25,792
	<u>25,843</u>

6 TAXATION

Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 28%. The differences are explained below

	Period ended 24 April 2011 £
Loss on ordinary activities before tax	(23,577)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	(6,602)
Effects of:	
Expenses not deductible for tax purposes	34,539
Timing differences relating to fixed assets	(10,588)
Utilisation of tax losses	(16,585)
Other short term timing differences	(764)
Current tax charge for the period (see note above)	<u>-</u>

Factors that may affect future tax charges

At the balance sheet date, the total losses and other timing differences available to the group to offset future taxable profits is £4.0m. No deferred tax asset has been recognised in relation to these amounts as, in the opinion of the directors, there is insufficient certainty as to the timing of such profits and the value of the amount which might be realised.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

7 INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
On acquisition of subsidiaries	1,847,520
At 24 April 2011	<u>1,847,520</u>
Amortisation	
Charge for the period	92,376
At 24 April 2011	<u>92,376</u>
Net book value	
At 24 April 2011	<u><u>1,755,144</u></u>

8 TANGIBLE FIXED ASSETS

	Property improvements £	Motor vehicles & scooters £	Plant & equipment £	Total £
Group				
Cost				
Additions	39,116	-	115,142	154,258
On acquisition of subsidiaries	295,051	27,136	299,782	621,969
At 24 April 2011	<u>334,167</u>	<u>27,136</u>	<u>414,924</u>	<u>776,227</u>
Depreciation				
Charge for the period	58,459	24,166	125,406	208,031
At 24 April 2011	<u>58,459</u>	<u>24,166</u>	<u>125,406</u>	<u>208,031</u>
Net book value				
At 24 April 2011	<u><u>275,708</u></u>	<u><u>2,970</u></u>	<u><u>289,518</u></u>	<u><u>568,196</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £
Group	
Motor vehicles & scooters	<u><u>1,272</u></u>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

9 FIXED ASSET INVESTMENTS

Company	Investment in subsidiary £
Cost or valuation	
Additions	1,850,001
At 24 April 2011	1,850,001
Net book value	
At 24 April 2011	1,850,001

The above investment relates to the company's ownership of 100% of the Ordinary share capital of Deliverance Limited, a company incorporated in England & Wales. The principal activity of Deliverance Limited is the preparation and delivery of high quality food and beverages to consumers at home and work.

10. ACQUISITIONS AND DISPOSALS

On 23 April 2010, the company acquired the entire issued share capital of Deliverance Limited. The consideration for this transaction was allocated as follows:

Acquisitions

	Vendors' book value £	Fair value to the group £
Assets and liabilities acquired		
Tangible fixed assets	621,969	621,969
Stocks	98,781	98,781
Debtors	481,629	481,629
Cash at bank	(27,112)	(27,112)
Loans and finance leases	(1,755,387)	(1,755,387)
Other creditors and provisions	(1,267,399)	(1,267,399)
Net assets acquired	(1,847,519)	(1,847,519)
Satisfied by		
Consideration		1
Cash		
Goodwill arising on consolidation (see note 7)		1,847,520

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

11 DEBTORS

	<u>Group</u>	<u>Company</u>
	2011	2011
	£	£
Trade debtors	199,448	-
VAT refund receivable	578,840	-
Other debtors	130,153	-
Prepayments and accrued income	197,139	-
	<u>1,105,580</u>	<u>-</u>

12 CREDITORS
Amounts falling due within one year

	<u>Group</u>	<u>Company</u>
	2011	2011
	£	£
Net obligations under finance leases and hire purchase contracts	2,953	-
Trade creditors	792,635	-
Amounts owed to related undertakings	1	1
Social security and other taxes	252,182	-
Other creditors	182,017	-
Accruals and deferred income	221,305	-
	<u>1,451,093</u>	<u>1</u>

13 CREDITORS
Amounts falling due after more than one year

	<u>Group</u>	<u>Company</u>
	2011	2011
	£	£
Other loans	534,438	-
Net obligations under finance leases and hire purchase contracts	1,262	-
	<u>535,700</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<u>Group</u>	<u>Company</u>
	2011	2011
	£	£
Between one and five years	<u>1,262</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

14 SHARE CAPITAL

	2011
	£
Allotted, called up and fully paid	
1,850,000 Ordinary shares of £1 each	1,850,000

The company issued the following Ordinary £1 shares at par during the period

	2011
	No.
21 April 2010	2
23 April 2010	1,399,998
28 June 2010	150,000
7 September 2010	150,000
21 December 2010	150,000
Total	1,850,000

15 RESERVES

	Profit and loss
	account
	£
Group	
Loss for the period	(23,577)
At 24 April 2011	(23,577)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £
Group	
Opening shareholders' funds	-
Loss for the period	(23,577)
Shares issued during the period	1,850,000
	<u>1,826,423</u>
Closing shareholders' funds	<u>1,826,423</u>
Company	2011 £
Opening shareholders' funds	-
Shares issued during the period	1,850,000
	<u>1,850,000</u>
Closing shareholders' funds	<u>1,850,000</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the period dealt with in the accounts of the company was £NIL

17 NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 24 April 2011 £
Operating profit	2,164
Amortisation of intangible fixed assets	92,376
Depreciation of tangible fixed assets	208,031
Increase in stocks	(24,504)
Increase in debtors	(623,951)
Increase in creditors	180,741
	<u>(165,143)</u>
Net cash outflow from operating activities	<u>(165,143)</u>

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 24 April 2011 £
Returns on investments and servicing of finance	
Interest received	102
Interest paid	(51)
	<u>51</u>
Net cash inflow from returns on investments and servicing of finance	<u>51</u>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Period ended 24 April 2011 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(154,258)
	Period ended 24 April 2011 £
Acquisitions and disposals	
Purchase of fixed asset investments	(1)
	Period ended 24 April 2011 £
Financing	
Issue of ordinary shares	1,850,000
Repayment of other loans	(1,239,278)
Repayment of finance leases	(3,248)
Net cash inflow from financing	607,474

19 ANALYSIS OF CHANGES IN NET DEBT

	21 April 2010 £	Cash flow £	Acquisition £	Other non-cash changes £	24 April 2011 £
Cash at bank and in hand	-	288,123	(27,112)	-	261,011
Debt:					
Finance leases	-	3,248	(7,463)	-	(4,215)
Debts due within one year	-	1,239,278	(1,249,278)	10,000	-
Debts falling due after more than one year	-	-	(498,646)	(35,792)	(534,438)
Net funds	-	1,530,649	(1,782,499)	(25,792)	(277,642)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 24 April 2011

20 OPERATING LEASE COMMITMENTS

At 24 April 2011 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2011 £
Group	
Expiry date.	
Within 1 year	83,440
Between 2 and 5 years	205,522
After more than 5 years	20,750

21 RELATED PARTY TRANSACTIONS

G Davies and S J B Skinner are directors of both Deliverance London Limited and Deliverance Limited and both have an interest in Active Deliverance LP ('Active'), a Limited Partnership which owns a controlling interest in the issued share capital of Deliverance London Limited

On 23 April 2010, Deliverance London Limited paid Active £1 as consideration for the entire issued share capital of Deliverance Limited

At the date of acquisition Deliverance Limited owed £1,077,940 to G Davies and £161,398 to S J B Skinner. These amounts were repaid in full on the same date.

Prior to the date of acquisition Deliverance Limited had received two loans from Active, both of which are outstanding at the balance sheet date

The first liability acquired was £50,976 in relation to a loan from Active of £50,000 and due for repayment in equal annual instalments over a five year period commencing on 31 December 2010. The terms of the loan were revised during the period, and the amount is now due for repayment in its entirety on 31 December 2012. Interest of £2,542 was charged on the loan during the year, at a rate of 5% per annum. The total amount outstanding at the balance sheet date was £53,517.

The second liability acquired was £457,670 in relation to a loan from Active of £450,000 and due for repayment on 30 June 2013. Interest of £23,250 was charged on the loan during the year, at a rate of 5% per annum. The total liability outstanding at the balance sheet date was £480,921.

22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The controlling party is Active Deliverance LP by virtue of its controlling interest in the issued share capital of the company