

**Indo European Foods Limited**  
**Financial Statements**  
**31 March 2016**

**INGER & COMPANY**

Chartered accountants & statutory auditor  
7 Redbridge Lane East  
Redbridge, Ilford  
Essex IG4 5ET

# Indo European Foods Limited

## Financial Statements

Year ended 31 March 2016

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<b>Contents</b>	<b>Page</b>
Strategic report	1
Directors' report	2
Independent auditor's report to the shareholders	4
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	21
Notes to the detailed income statement	22

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# Indo European Foods Limited

## Strategic Report

Year ended 31 March 2016

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### Principal activities

The principal activity of the company during the year was manufacture and marketing of specialist rice products, cooking sauces, ready meals and savoury snacks.

### Business review

Sales decreased marginally by £159,000 to £24.38 million (2015 - £24.54 million).

After taking into account interest charges, the company made a net profit of £413,112 (2015 - £54,668).

### Future developments

The company will continue to concentrate on driving business growth across sectors it operates in. The company will strengthen further the core brands, and improve the product mix to drive profitability. Efforts will continue to be made on increasing the availability of the range across markets.

### Principal risks and uncertainties

The directors recognise the need for vigilance in the face of financial and operational risks to the company. The company is subject to the effect of changes in raw material prices and faces a number of risks and uncertainties due to changing trading conditions and competition. The directors are aware of the risks and monitor these on a regular basis.

### Financial instruments

The company is exposed to normal price, credit and cash flow risks as well as changes in foreign currency exchange rates (principally the US dollar and Euro). In the opinion of the directors, the exposure to exchange difference risks is not significant as the company's principal trading currency is pound sterling. It is also exposed to changes in interest rates. All risks are monitored on a regular basis.

This report was approved by the board of directors on 25 May 2016 and signed on behalf of the board by:



Mr Sumit Arora  
Director

Registered office:  
Kohinoor House  
Langer Road  
Felixstowe  
Suffolk IP11 2BW

# Indo European Foods Limited

## Directors' Report

Year ended 31 March 2016

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The directors present their report and the financial statements of the company for the year ended 31 March 2016.

### Directors

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

Mr Jugal Kishore Arora  
Mr Gurnam Arora  
Mr Sumit Arora  
Mr Vijay Vaidyanathan (Appointed 21 September 2015)

### Dividends

The directors do not recommend the payment of a dividend.

### Disclosure of information in the strategic report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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;
- 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.

# Indo European Foods Limited

## Directors' Report *(continued)*

Year ended 31 March 2016

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### 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.

This report was approved by the board of directors on 25 May 2016 and signed on behalf of the board by:



Mr Sumit Arora  
Director

Registered office:  
Kohinoor House  
Langer Road  
Felixstowe  
Suffolk IP11 2BW

# **Indo European Foods Limited**

## **Independent Auditor's Report to the Shareholders of Indo European Foods Limited**

**Year ended 31 March 2016**

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We have audited the financial statements of Indo European Foods Limited for the year ended 31 March 2016, on pages 6 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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. 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 directors' report 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 31 March 2016 and of its profit for the year 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## Indo European Foods Limited

### Independent Auditor's Report to the Shareholders of Indo European Foods Limited *(continued)*

Year ended 31 March 2016

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#### 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.



R C Patel (Senior Statutory Auditor)

For and on behalf of  
Inger & Company  
Chartered accountants & statutory auditor

7 Redbridge Lane East  
Redbridge, Ilford  
Essex IG4 5ET

25 May 2016

**Indo European Foods Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 March 2016**

	Note	2016 £	2015 £
<b>Turnover</b>	<b>3</b>	<b>24,381,691</b>	24,541,191
Cost of sales		<u>20,117,809</u>	<u>20,974,114</u>
<b>Gross profit</b>		<b>4,263,882</b>	3,567,077
Distribution costs		<b>880,590</b>	726,543
Administrative expenses		<b>2,662,077</b>	2,465,019
Other operating income		<b>4,991</b>	1,549
<b>Operating profit</b>	<b>4</b>	<b>726,206</b>	377,064
Other interest receivable and similar income		<b>1,301</b>	76
Interest payable and similar charges	<b>8</b>	<b>314,395</b>	322,472
<b>Profit on ordinary activities before taxation</b>		<b>413,112</b>	54,668
Tax on profit on ordinary activities	<b>9</b>	<b>86,195</b>	22,617
<b>Profit for the financial year</b>		<b>326,917</b>	32,051
Revaluation of tangible assets		–	406,420
<b>Total comprehensive income for the year</b>		<b>326,917</b>	438,471

All the activities of the company are from continuing operations.

The notes on pages 10 to 19 form part of these financial statements.



# Indo European Foods Limited

## Statement of Financial Position

31 March 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	4,569,394	4,625,212
<b>Current assets</b>			
Stocks	12	6,911,612	6,839,913
Debtors	13	5,071,039	4,391,089
Cash at bank and in hand	14	344,941	552,978
		<u>12,327,592</u>	<u>11,783,980</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>10,138,102</u>	<u>9,852,181</u>
<b>Net current assets</b>		<u>2,189,490</u>	<u>1,931,799</u>
<b>Total assets less current liabilities</b>		<u>6,758,884</u>	<u>6,557,011</u>
<b>Creditors: amounts falling due after more than one year</b>	16	–	156,400
<b>Provisions</b>			
Taxation including deferred tax	18	<u>79,772</u>	<u>48,416</u>
<b>Net assets</b>		<u>6,679,112</u>	<u>6,352,195</u>
<b>Capital and reserves</b>			
Called up share capital	20	6,183,534	6,183,534
Revaluation reserve	21	406,420	406,420
Profit and loss account	21	89,158	(237,759)
<b>Shareholders funds</b>		<u>6,679,112</u>	<u>6,352,195</u>

These financial statements were approved by the board of directors and authorised for issue on 25 May 2016, and are signed on behalf of the board by:



Mr Sumit Arora  
Director

Company registration number: 04105745

The notes on pages 10 to 19 form part of these financial statements.

# Indo European Foods Limited

## Statement of Changes in Equity

Year ended 31 March 2016

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	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 April 2014</b>		6,183,534	–	(269,810)	5,913,724
Profit for the year				32,051	32,051
Other comprehensive income for the year:					
Revaluation of tangible assets	11	–	406,420	–	406,420
<b>Total comprehensive income for the year</b>		–	406,420	32,051	438,471
<b>At 31 March 2015</b>		6,183,534	406,420	(237,759)	<b>6,352,195</b>
Profit for the year				326,917	<b>326,917</b>
<b>Total comprehensive income for the year</b>		–	–	326,917	<b>326,917</b>
<b>At 31 March 2016</b>		<u>6,183,534</u>	<u>406,420</u>	<u>89,158</u>	<u><b>6,679,112</b></u>

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The notes on pages 10 to 19 form part of these financial statements.

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# Indo European Foods Limited

## Statement of Cash Flows

Year ended 31 March 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		326,917	32,051
<i>Adjustments for:</i>			
Depreciation of tangible assets		265,311	230,433
Other interest receivable and similar income		(1,301)	(76)
Interest payable and similar charges		314,395	322,472
Loss on disposal of tangible assets		–	414
Tax on profit on ordinary activities		86,195	22,617
Accrued expenses/(income)		282,902	(39,407)
<i>Changes in:</i>			
Stocks		(71,699)	682,629
Trade and other debtors		(679,950)	731,670
Trade and other creditors		(1,141,731)	504,242
Cash generated from operations		(618,961)	2,487,045
Interest paid		(314,395)	(322,472)
Interest received		1,301	76
Tax paid		–	(36,480)
Net cash (used in)/from operating activities		(932,055)	2,128,169
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(209,493)	(88,886)
Proceeds from sale of tangible assets		–	700
Net cash used in investing activities		(209,493)	(88,186)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		843,400	(856,600)
Net cash from/(used in) financing activities		843,400	(856,600)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(298,148)	1,183,383
<b>Cash and cash equivalents at beginning of year</b>		(4,584,722)	(5,768,104)
<b>Cash and cash equivalents at end of year</b>	14	(4,882,870)	(4,584,721)

The notes on pages 10 to 19 form part of these financial statements.

# Indo European Foods Limited

## Notes to the Financial Statements

Year ended 31 March 2016

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### 1. Statement of compliance

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

### 2. Accounting policies

#### (a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

#### (b) Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

#### (c) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### (d) 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.

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.

# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

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### 2. Accounting policies *(continued)*

#### (e) Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### (f) 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:

Website - 7.5 Years

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.

#### (g) 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 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 profit or loss.

#### (h) 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:

Freehold Buildings	-	2% straight line
Plant & Machinery	-	Over estimated useful life
Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	20% reducing balance

#### (i) 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.

# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

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### 2. Accounting policies *(continued)*

#### Impairment of fixed assets *(continued)*

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.

#### (j) 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.

#### (k) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### (l) 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.

# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

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### 2. Accounting policies *(continued)*

#### (m)

In line with Group Accounting Policy on product entry costs, the company has carried forward, as deferred expenditure, certain costs relating to the introduction of various branded products into the United Kingdom market.

Deferred expenditure is that which, when incurred, will not produce an immediate return and which may be expected to accrue economic benefit over a future period.

Promotional expenditure (such as expenditure incurred to introduce a new brand name to, and increase awareness among, consumers) may be deferred over a period. Promotional expenditure following the introduction of a new sales product is carried forward and written off over a period not exceeding ten years provided, in the opinion of the directors, such expenditure is separately identifiable and the future product sales are reasonably expected to benefit from such expenditure. The future benefit is kept under constant review and the rate of write off adjusted accordingly.

#### (n)

The financial statements have been prepared on the going concern basis which assumes continuing financial support from the company's parent undertaking.

### 3. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>24,381,691</u>	<u>24,541,191</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2016 £	2015 £
United Kingdom	24,211,640	23,192,541
Overseas	<u>170,051</u>	<u>1,348,650</u>
	<u>24,381,691</u>	<u>24,541,191</u>

### 4. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	265,311	230,433
Loss on disposal of tangible assets	-	414
Foreign exchange differences	(95)	23,514
Defined contribution plans expense	<u>5,328</u>	<u>-</u>

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# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2016

#### 5. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>16,425</u>	<u>15,110</u>

#### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Production staff	10	8
Distribution staff	11	14
Administrative staff	17	14
Management staff	4	4
	<u>42</u>	<u>40</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	1,360,037	1,164,205
Social security costs	141,659	115,629
Other pension costs	5,328	-
	<u>1,507,024</u>	<u>1,279,834</u>

#### 7. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	<u>117,233</u>	<u>91,365</u>

#### 8. Interest payable and similar charges

	2016	2015
	£	£
Interest on banks loans and overdrafts	<u>314,395</u>	<u>322,472</u>

#### 9. Tax on profit on ordinary activities

##### Major components of tax expense

	2016	2015
	£	£
<b>Current tax:</b>		
UK current tax expense	54,840	-
Adjustments in respect of prior periods	-	(99)
Total current tax	<u>54,840</u>	<u>(99)</u>



# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 March 2016**

### 9. Tax on profit on ordinary activities *(continued)*

	2016	2015
	£	£
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>31,355</u>	<u>22,716</u>
<b>Tax on profit on ordinary activities</b>	<u><b>86,195</b></u>	<u><b>22,617</b></u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	<u>413,112</u>	<u>54,668</u>
Profit on ordinary activities by rate of tax	<b>82,622</b>	11,480
Adjustment to tax charge in respect of prior periods	–	(99)
Effect of expenses not deductible for tax purposes	<b>2,205</b>	1,324
Effect of capital allowances and depreciation	<b>(25,501)</b>	(17,515)
Effect of different UK tax rates on some earnings	<b>(4,486)</b>	4,711
Origination and reversal of timing differences	<u>31,355</u>	<u>22,716</u>
Tax on profit on ordinary activities	<u><b>86,195</b></u>	<u><b>22,617</b></u>

### 10. Intangible assets

	Development costs
	£
<b>Cost</b>	
At 1 Apr 2015 and 31 Mar 2016	<u>12,000</u>
<b>Amortisation</b>	
At 1 Apr 2015 and 31 Mar 2016	<u>12,000</u>
<b>Carrying amount</b>	
At 31 March 2016	<u>–</u>

# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2016

#### 11. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 Apr 2015	3,400,000	2,360,023	302,852	21,072	<b>6,083,947</b>
Additions	—	209,493	—	—	<b>209,493</b>
<b>At 31 Mar 2016</b>	<u>3,400,000</u>	<u>2,569,516</u>	<u>302,852</u>	<u>21,072</u>	<b><u>6,293,440</u></b>
<b>Depreciation</b>					
At 1 Apr 2015	23,800	1,225,061	190,993	18,881	<b>1,458,735</b>
Charge for the year	40,800	207,294	16,779	438	<b>265,311</b>
<b>At 31 Mar 2016</b>	<u>64,600</u>	<u>1,432,355</u>	<u>207,772</u>	<u>19,319</u>	<b><u>1,724,046</u></b>
<b>Carrying amount</b>					
<b>At 31 Mar 2016</b>	<u>3,335,400</u>	<u>1,137,161</u>	<u>95,080</u>	<u>1,753</u>	<b><u>4,569,394</u></b>
At 31 Mar 2015	<u>3,376,200</u>	<u>1,134,962</u>	<u>111,859</u>	<u>2,191</u>	<b><u>4,625,212</u></b>

#### Tangible assets held at valuation

The company's freehold property was revalued as at 5 September 2014 to £3,400,000 by h b Surveyors & Valuers on an open market existing use basis.

#### 12. Stocks

	2016 £	2015 £
Raw materials and consumables	<u><b>6,911,612</b></u>	<u>6,839,913</u>

#### 13. Debtors

	2016 £	2015 £
Trade debtors	<b>4,366,370</b>	3,412,121
Prepayments and accrued income	<b>430,791</b>	706,159
Corporation tax repayable	—	77
Other debtors	<b>273,878</b>	272,732
	<u><b>5,071,039</b></u>	<u>4,391,089</u>

Prepayments include deferred expenditure of £411,154 (2015 - £548,206).

# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 14. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	344,941	552,978
Bank overdrafts	(5,227,811)	(5,137,699)
	<u>(4,882,870)</u>	<u>(4,584,721)</u>

### 15. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	7,384,610	6,294,700
Trade creditors	2,327,923	3,036,205
Accruals and deferred income	334,373	51,471
Corporation tax	54,840	–
Social security and other taxes	36,356	27,105
Other creditors	–	442,700
	<u>10,138,102</u>	<u>9,852,181</u>

#### Bank loans and overdrafts

The bank borrowings are secured by debenture over the company's current and future assets, incorporating a legal charge over the company's freehold property and a corporate guarantee given by the parent company.

### 16. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	–	156,400

#### Bank loans and overdrafts

The bank borrowings are secured by debenture over the company's current and future assets, incorporating a legal charge over the company's freehold property and a corporate guarantee given by the parent company.

# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2016

#### 17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 18)	<u>79,772</u>	<u>48,416</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	<u>79,772</u>	<u>48,416</u>

#### 18. Provisions

	Deferred tax (note 17) £
At 1 April 2015	48,416
Additions	<u>31,356</u>
At 31 March 2016	<u>79,772</u>

#### 19. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £5,328 (2015: £Nil).

#### 20. Called up share capital

##### Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	5,183,534	5,183,534	5,183,534	5,183,534
Redeemable Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
	<u>6,183,534</u>	<u>6,183,534</u>	<u>6,183,534</u>	<u>6,183,534</u>

#### 21. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

# Indo European Foods Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

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### 22. Related party transactions

Transactions during the year with Kohinoor Foods Limited, the parent company, are as follows:

Purchases	£7,805,567	(2015 - £12,162,380)
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Included in debtors:

Trade debtors	£369,813	(Creditors 2015 - £2,354,340)
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Transactions during the year with Al Dhara Kohinoor LLC, Associated company of Kohinoor Foods Limited, are as follows:

Purchases	£6,943,684
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Included in creditors:

Trade creditors	£1,632,207
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The company paid royalties of £60,000 to Gourmet Foods and Beverages Limited, a company controlled by Mrs C Arora, wife of Mr Sumit Arora.

### 23. Controlling party

The company's ultimate holding company is Kohinoor Foods Limited, a company incorporated in India.

### 24. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

No transitional adjustments were required in equity or profit or loss for the year.

# **Indo European Foods Limited**

## **Management Information**

**Year ended 31 March 2016**

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**The following pages do not form part of the financial statements.**

# Indo European Foods Limited

## Detailed Income Statement

Year ended 31 March 2016

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	2016	2015
	£	£
<b>Turnover</b>	<b>24,381,691</b>	24,541,191
<b>Cost of sales</b>		
Opening stock	4,689,216	5,516,765
Opening stock	2,150,697	2,005,777
Purchases	19,746,844	19,783,207
Agency staff	212,308	292,836
Wages and salaries	211,437	198,819
Social security costs	18,919	16,623
	<u>27,029,421</u>	<u>27,814,027</u>
Closing stock	6,911,612	6,839,913
	<u>20,117,809</u>	<u>20,974,114</u>
<b>Gross profit</b>	<b>4,263,882</b>	3,567,077
<b>Overheads</b>		
Distribution costs	880,590	726,543
Administrative expenses	2,662,077	2,465,019
	<u>3,542,667</u>	<u>3,191,562</u>
<b>Other operating income</b>	<b>4,991</b>	1,549
<b>Operating profit</b>	<b>726,206</b>	377,064
Other interest receivable and similar income	1,301	76
Interest payable and similar charges	314,395	322,472
<b>Profit on ordinary activities before taxation</b>	<b>413,112</b>	<u>54,668</u>

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**Indo European Foods Limited**  
**Notes to the Detailed Income Statement**  
**Year ended 31 March 2016**

	2016 £	2015 £
<b>Distribution costs</b>		
Wages and salaries - distribution costs	799,003	657,942
Social security costs	<u>81,587</u>	<u>68,601</u>
	<u>880,590</u>	<u>726,543</u>
<b>Administrative expenses</b>		
Directors salaries	104,000	81,250
Directors national insurance contributions	13,233	10,115
Casual wages	245,597	226,194
Employers national insurance contributions	27,920	20,290
Staff pension contributions	5,328	-
Rent rates and water	232,067	218,816
Light and heat	132,073	128,190
Insurance	74,556	79,527
Repairs and maintenance	166,509	173,468
Motor expenses	30,940	80,750
Travel and subsistence	89,689	47,860
Hire costs (non-operating leases)	57,259	47,108
Telephone	24,547	29,036
Printing postage and stationery	40,175	28,701
Staff welfare	7,008	2,897
Sundry expenses	34,715	28,837
Laundry and cleaning	7,159	2,513
Office expenses	5,084	1,728
Advertising	524,024	734,764
Entertaining	10,364	6,305
Legal and professional fees (allowable)	303,609	205,006
Auditors remuneration	16,425	15,110
Depreciation of freehold property	265,311	230,433
Loss/(Profit) on disposal of fixed assets	-	414
Bad debts written off	143,704	20,375
Bank charges	100,876	21,818
Foreign currency gains/losses	(95)	23,514
	<u>2,662,077</u>	<u>2,465,019</u>
<b>Other operating income</b>		
Other income	<u>4,991</u>	<u>1,549</u>
<b>Other interest receivable and similar income</b>		
Interest on cash and cash equivalents	<u>1,301</u>	<u>76</u>
<b>Interest payable and similar charges</b>		
Other finance charges	<u>314,395</u>	<u>322,472</u>