

COMPANY REGISTRATION NUMBER 04105745

INDO EUROPEAN FOODS LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2015

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 2015

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INDO EUROPEAN FOODS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2015

Principal activities

The principal activity of the company during the year was processing and wholesale of food products.

Business review

Sales increased by £4.1 million (20.27 %) to £24.5 million (2014 - £20.4 million), reflecting the management's efforts to maintain continuing growth in turnover.

After taking into account interest charges, the company made a net profit of £54,667 (2014 - £330,215).

Future developments

The company will continue to concentrate on profitable growth and the directors are confident that the performance in terms of sales and profitability will show an improvement next year. The company is focused on further strengthening distribution and penetration of existing and new brands and products while concentrating on reducing costs with a view to maintaining or improving margins.

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 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. The directors are aware of the risks and monitor these on a regular basis.

Signed on behalf of the directors



MR S ARORA
Director

Approved by the directors on 27 May 2015

INDO EUROPEAN FOODS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements of the company for the year ended 31 March 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £32,051. The directors have not recommended a dividend.

DIRECTORS

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

Mr Jugal Kishore Arora
Mr Gurnam Arora
Mr Sumit Arora

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

DIRECTORS' RESPONSIBILITIES

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 of the profit or loss of the company for that year.

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.

INDO EUROPEAN FOODS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has 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.

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

Signed on behalf of the directors



MR S ARORA
Director

Approved by the directors on 27 May 2015

INDO EUROPEAN FOODS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
INDO EUROPEAN FOODS LIMITED
YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Indo European Foods Limited for the year ended 31 March 2015. 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 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 set out on page 2, 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 annual 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 2015 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.

INDO EUROPEAN FOODS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INDO EUROPEAN FOODS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2015

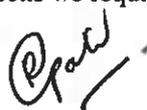
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

27 May 2015

INDO EUROPEAN FOODS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER	2	24,541,191	20,404,254
Cost of sales		<u>20,974,115</u>	<u>16,585,279</u>
GROSS PROFIT		3,567,076	3,818,975
Distribution costs		726,543	566,489
Administrative expenses		2,465,019	2,542,530
Other operating income		<u>(1,549)</u>	<u>(3,211)</u>
OPERATING PROFIT	3	377,063	713,167
Interest receivable		76	–
Interest payable and similar charges	6	<u>(322,472)</u>	<u>(382,952)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		54,667	330,215
Tax on profit on ordinary activities	7	22,616	76,994
PROFIT FOR THE FINANCIAL YEAR		<u>32,051</u>	<u>253,221</u>

All of the activities of the company are classed as continuing.

The notes on pages 10 to 20 form part of these financial statements.

INDO EUROPEAN FOODS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2015

	2015	2014
	£	£
Profit for the financial year attributable to the shareholders	32,051	253,221
Unrealised profit on revaluation of certain fixed assets	406,420	–
Total gains and losses recognised since the last annual report	<u>438,471</u>	<u>253,221</u>

The notes on pages 10 to 20 form part of these financial statements.

INDO EUROPEAN FOODS LIMITED

BALANCE SHEET

31 MARCH 2015

		2015		2014
	Note	£	£	£
FIXED ASSETS				
Intangible assets	8		–	–
Tangible assets	9		4,625,212	4,361,453
			<u>4,625,212</u>	<u>4,361,453</u>
CURRENT ASSETS				
Stocks	10	6,839,913		7,522,542
Debtors due within one year	11	4,391,089		5,122,759
Cash at bank and in hand		552,978		345,981
			<u>11,783,980</u>	<u>12,991,282</u>
CREDITORS: Amounts falling due within one year	12	<u>9,852,181</u>		<u>11,100,310</u>
NET CURRENT ASSETS			<u>1,931,799</u>	<u>1,890,972</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,557,011</u>	<u>6,252,425</u>
CREDITORS: Amounts falling due after more than one year	13		156,400	313,000
PROVISIONS FOR LIABILITIES				
Deferred taxation	14		48,416	25,701
			<u>6,352,195</u>	<u>5,913,724</u>
CAPITAL AND RESERVES				
Called-up equity share capital	16		6,183,534	6,183,534
Revaluation reserve	17		406,420	–
Profit and loss account	18		(237,759)	(269,810)
SHAREHOLDERS' FUNDS	19		<u>6,352,195</u>	<u>5,913,724</u>

These accounts were approved by the directors and authorised for issue on 27 May 2015, and are signed on their behalf by:

Sumit Arora

MR S ARORA
Director

Company Registration Number: 04105745

The notes on pages 10 to 20 form part of these financial statements.

INDO EUROPEAN FOODS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2015

	Note	2015	2014
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	2,487,121	1,923,048
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20	(322,396)	(382,952)
TAXATION	20	(36,557)	–
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20	(88,186)	(96,960)
CASH INFLOW BEFORE FINANCING		2,039,982	1,443,136
FINANCING	20	(856,600)	(2,233,050)
INCREASE/(DECREASE) IN CASH	20	1,183,382	(789,914)

The notes on pages 10 to 20 form part of these financial statements.

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

(b) Turnover

The turnover shown in the profit and loss account represents the amounts receivable for goods supplied and is stated net of Value Added Tax.

(c) Amortisation

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

Website - 7.5 years

(d) Fixed assets

All fixed assets are initially recorded at cost.

(e) Depreciation

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

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

(f) Stocks

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

(g) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(h) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(i) 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.

(j) Deferred expenditure

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.

(k) Going concern

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

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	23,192,541	18,897,539
Overseas	1,348,650	1,506,715
	<u>24,541,191</u>	<u>20,404,254</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
Amortisation of intangible assets	–	800
Depreciation of owned fixed assets	230,433	262,231
Loss on disposal of fixed assets	414	–
Auditor's remuneration		
- as auditor	15,110	13,555
Net loss on foreign currency translation	23,514	3,469
	<u>23,514</u>	<u>3,469</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015 No	2014 No
Number of production staff	8	12
Number of warehouse & distribution staff	14	9
Number of sales & administrative staff	14	14
Number of management staff	4	5
	<u>40</u>	<u>40</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	1,164,205	1,051,395
Social security costs	115,629	107,199
	<u>1,279,834</u>	<u>1,158,594</u>

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015	2014
	£	£
Remuneration receivable	<u>81,250</u>	<u>81,000</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Interest payable on bank borrowing	<u>322,472</u>	<u>382,952</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015	2014
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21% (2014 - 23%)	-	51,293
Over/under provision in prior year	<u>(99)</u>	<u>-</u>
Total current tax	<u>(99)</u>	51,293
Deferred tax:		
Origination and reversal of timing differences	<u>22,715</u>	<u>25,701</u>
Tax on profit on ordinary activities	<u>22,616</u>	<u>76,994</u>

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	2015	2014
	£	£
Profit on ordinary activities before taxation	<u>54,667</u>	<u>330,215</u>
Profit on ordinary activities by rate of tax	11,480	75,949
Expenses not deductible for tax purposes	1,324	5,420
Capital allowances for period in excess of depreciation	(17,515)	(24,745)
Utilisation of tax losses	-	(4,227)
Tax chargeable at lower rates	4,711	(1,104)
Adjustments to tax charge in respect of previous periods	<u>(99)</u>	<u>-</u>
Total current tax (note 7(a))	<u>(99)</u>	<u>51,293</u>

8. INTANGIBLE FIXED ASSETS

	Website
	£
COST	
At 1 April 2014 and 31 March 2015	<u>12,000</u>
AMORTISATION	
At 1 April 2014 and 31 March 2015	<u>12,000</u>
NET BOOK VALUE	
At 31 March 2015	<u>-</u>
At 31 March 2014	<u>-</u>

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2014	3,372,273	2,271,137	302,852	27,712	5,973,974
Additions	–	88,886	–	–	88,886
Disposals	–	–	–	(6,640)	(6,640)
Revaluation	27,727	–	–	–	27,727
At 31 March 2015	<u>3,400,000</u>	<u>2,360,023</u>	<u>302,852</u>	<u>21,072</u>	<u>6,083,947</u>
DEPRECIATION					
At 1 April 2014	378,693	1,038,716	171,253	23,859	1,612,521
Charge for the year	23,800	186,345	19,740	548	230,433
On disposals	–	–	–	(5,526)	(5,526)
Revaluation adjustment	(378,693)	–	–	–	(378,693)
At 31 March 2015	<u>23,800</u>	<u>1,225,061</u>	<u>190,993</u>	<u>18,881</u>	<u>1,458,735</u>
NET BOOK VALUE					
At 31 March 2015	<u>3,376,200</u>	<u>1,134,962</u>	<u>111,859</u>	<u>2,191</u>	<u>4,625,212</u>
At 31 March 2014	<u>2,993,580</u>	<u>1,232,421</u>	<u>131,599</u>	<u>3,853</u>	<u>4,361,453</u>

The company's freehold property was valued by h b Surveyors & Valuers, acting as independent valuers.

The property was valued at 5 September 2014 on the basis of Market Value at £3,400,000 (Three Million Four Hundred Thousand Pounds).

The valuation was undertaken in accordance with RICS Valuation Standards - Global and UK Edition.

10. STOCKS

	2015 £	2014 £
Stock	2,150,697	2,005,777
Raw materials	4,689,216	5,516,765
	<u>6,839,913</u>	<u>7,522,542</u>

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

11. DEBTORS

	2015	2014
	£	£
Trade debtors	3,412,121	4,034,472
Corporation tax repayable	77	–
Other debtors	272,732	375,576
Prepayments and accrued income	706,159	712,711
	<u>4,391,089</u>	<u>5,122,759</u>

Prepayments include deferred expenditure of £548,205 (2014 - £685,257).

12. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	6,294,700	7,971,085
Trade creditors	3,036,205	1,923,456
Other creditors including taxation and social security:		
Corporation tax	–	36,579
Other taxation and social security	27,105	28,312
Other creditors	442,700	1,050,000
	<u>9,800,710</u>	11,009,432
Accruals and deferred income	51,471	90,878
	<u>9,852,181</u>	<u>11,100,310</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.

13. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	<u>156,400</u>	<u>313,000</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.

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2015	2014
	£	£
Provision brought forward	25,701	-
Profit and loss account movement arising during the year	22,715	25,701
Provision carried forward	<u>48,416</u>	<u>25,701</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Excess of taxation allowances over depreciation on fixed assets	48,416	25,701
	<u>48,416</u>	<u>25,701</u>

15. RELATED PARTY TRANSACTIONS

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

Purchases	£12,162,380 (2014 - £8,676,210)
Included in creditors:	
Trade creditors	£2,354,340 (2014 - £1,838,366)

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.

Creditors falling due within one year include an advance receipt of £442,700 (2014 - £1.05 million) from Rich Rice Raisers Factory LLC, a company incorporated in Dubai, on account of future marketing support for their products. Due to technical issues, the agreement has been rescinded and arrangements are being made to repay the advance in tranches. Kohinoor Foods Limited holds 25 % equity in Rich Rice Raisers Factory LLC.

16. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	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	1,000,000	1,000,000	1,000,000	1,000,000
	<u>6,183,534</u>	<u>6,183,534</u>	<u>6,183,534</u>	<u>6,183,534</u>

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

17. REVALUATION RESERVE

	2015 £	2014 £
Revaluation of fixed assets	406,420	—
Balance carried forward	406,420	—

18. PROFIT AND LOSS ACCOUNT

	2015 £	2014 £
Balance brought forward	(269,810)	(523,031)
Profit for the financial year	32,051	253,221
Balance carried forward	(237,759)	(269,810)

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	32,051	253,221
Other net recognised gains and losses	406,420	—
Net addition to shareholders' funds	438,471	253,221
Opening shareholders' funds	5,913,724	5,660,503
Closing shareholders' funds	6,352,195	5,913,724

20. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	377,063	713,167
Amortisation	—	800
Depreciation	230,433	262,231
Loss on disposal of fixed assets	414	—
Decrease in stocks	682,629	694,032
Decrease/(increase) in debtors	731,747	(680,886)
Increase in creditors	464,835	933,704
Net cash inflow from operating activities	2,487,121	1,923,048

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

20. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £	2014 £
Interest received	76	–
Interest paid	<u>(322,472)</u>	<u>(382,952)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(322,396)</u>	<u>(382,952)</u>

TAXATION

	2015 £	2014 £
Taxation	<u>(36,557)</u>	<u>–</u>

CAPITAL EXPENDITURE

	2015 £	2014 £
Payments to acquire tangible fixed assets	<u>(88,886)</u>	<u>(96,960)</u>
Receipts from sale of fixed assets	700	–
Net cash outflow from capital expenditure	<u>(88,186)</u>	<u>(96,960)</u>

FINANCING

	2015 £	2014 £
Repayment of bank loans	<u>(856,600)</u>	<u>(2,233,050)</u>
Net cash outflow from financing	<u>(856,600)</u>	<u>(2,233,050)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015 £	2014 £
Increase/(decrease) in cash in the period	1,183,382	(789,914)
Net cash outflow from bank loans	<u>856,600</u>	<u>2,233,050</u>
	<u>2,039,982</u>	<u>1,443,136</u>
Change in net debt	<u>2,039,982</u>	<u>1,443,136</u>
Net debt at 1 April 2014	<u>(7,938,104)</u>	<u>(9,381,240)</u>
Net debt at 31 March 2015	<u>(5,898,122)</u>	<u>(7,938,104)</u>

INDO EUROPEAN FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

20. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2014 £	Cash flows £	At 31 Mar 2015 £
Net cash:			
Cash in hand and at bank	345,981	206,997	552,978
Overdrafts	<u>(6,114,085)</u>	<u>976,385</u>	<u>(5,137,700)</u>
	<u>(5,768,104)</u>	<u>1,183,382</u>	<u>(4,584,722)</u>
Debt:			
Debt due within 1 year	(1,857,000)	700,000	(1,157,000)
Debt due after 1 year	<u>(313,000)</u>	<u>156,600</u>	<u>(156,400)</u>
	<u>(2,170,000)</u>	<u>856,600</u>	<u>(1,313,400)</u>
Net debt	<u>(7,938,104)</u>	<u>2,039,982</u>	<u>(5,898,122)</u>

21. ULTIMATE PARENT COMPANY

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

INDO EUROPEAN FOODS LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31 MARCH 2015

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 4 to 5.

INDO EUROPEAN FOODS LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2015

	2015	2014
	£	£
TURNOVER	24,541,191	20,404,254
COST OF SALES		
Opening stock - raw materials	5,516,765	6,569,963
Opening stock	2,005,777	1,646,611
Purchases	19,783,208	15,496,823
Agency staff	292,836	191,422
Direct wages	198,819	187,214
National insurance contributions on direct labour	16,623	15,788
	<u>27,814,028</u>	<u>24,107,821</u>
Closing stock	<u>(6,839,913)</u>	<u>(7,522,542)</u>
	<u>20,974,115</u>	<u>16,585,279</u>
GROSS PROFIT	3,567,076	3,818,975
OVERHEADS		
Distribution costs	726,543	566,489
Directors salaries	81,250	81,000
Directors national insurance contributions	10,115	10,116
Wages and salaries	226,194	270,467
Employers national insurance contributions	20,290	27,520
Rent, rates and water	218,816	202,671
Light and heat	128,190	95,765
Insurance	79,527	71,820
Repairs and maintenance	173,468	171,499
Motor expenses	80,750	89,485
Travel and subsistence	47,860	20,169
Telephone	29,036	28,530
Hire of equipment	47,108	40,396
Printing, stationery and postage	28,701	19,102
Staff welfare	2,897	3,034
Sundry expenses	28,837	39,741
Laundry and cleaning	2,513	2,614
Office expenses	1,728	1,939
Advertising	734,764	747,164
Entertaining	6,305	6,534
Legal and professional fees	205,006	118,220
Auditors remuneration	15,110	13,555
Amortisation	-	800
Depreciation of freehold property	23,800	55,545
Depn of plant and machinery	186,345	177,040
Depreciation of fixtures and fittings	19,740	28,682
Depreciation of motor vehicles	548	964
Carried forward	<u>3,125,441</u>	<u>2,890,861</u>

INDO EUROPEAN FOODS LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2015

	2015		2014
	£	£	£
Brought forward	3,125,441	(3,567,076)	2,890,861
Loss on disposal of fixed assets	414		–
Bad debts written off	20,375		113,876
Bank charges	21,818		100,813
Foreign currency gains/losses	23,514		3,469
		<u>3,191,562</u>	<u>3,109,019</u>
		375,514	709,956
OTHER OPERATING INCOME			
Other income		1,549	3,211
OPERATING PROFIT		<u>377,063</u>	<u>713,167</u>
Bank interest receivable		76	–
		<u>377,139</u>	<u>713,167</u>
Bank interest payable		(322,472)	(382,952)
PROFIT ON ORDINARY ACTIVITIES		<u>54,667</u>	<u>330,215</u>
DISTRIBUTION COSTS			
Distribution and sales wages		657,942	512,714
National insurance contributions on distribution labour		68,601	53,775
		<u>726,543</u>	<u>566,489</u>
INTEREST RECEIVABLE			
Bank interest receivable		76	–