

**INDO EUROPEAN FOODS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

---

**INDO EUROPEAN FOODS LIMITED**

---

**COMPANY INFORMATION**

---

**Directors** J K Arora (resigned 15 April 2021)  
G Arora (resigned 15 April 2021)  
S Arora

**Registered number** 04105745

**Registered office** Kohinoor House  
40 Langer Road  
Felixstowe  
Suffolk  
IP11 2BW

**Independent auditors** Crowe U.K. LLP  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

---

**INDO EUROPEAN FOODS LIMITED**

---

**CONTENTS**

---

	<b>Page</b>
<b>Strategic report</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditors' report</b>	4 - 8
<b>Statement of comprehensive income</b>	9
<b>Balance sheet</b>	10
<b>Statement of changes in equity</b>	11
<b>Statement of cash flows</b>	12
<b>Analysis of net debt</b>	13
<b>Notes to the financial statements</b>	14 - 28

---

## INDO EUROPEAN FOODS LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

---

#### Introduction

The directors present their strategic report on the company for the year ended 31 March 2021.

#### Business review

FY 21 has been a unique year weighed down by the Covid-19 virus globally. Overall, the effect on the UK Food sector was a positive one on the eat-in at home demand whereas the foodservice sector was severely affected being restricted mostly to takeaway or delivery options for most of the year.

FY 21 continued to be another successful year for IEF. The business has delivered strong top and bottom-line results. The company continued to focus on its core range of products with key customers and ensuring full supplies.

Early in FY22 the business was purchased by Ebro Foods, S.A, which will provide greater stability for the business and access to working capital. Ebro Foods, S.A existing distribution networks will help the company to expand into European markets in the future.


#### 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 the changing trading conditions and competition. The directors are aware of these risks and monitor these on a regular basis. For FY 22, we will be monitoring closely the effects of the freight cost increases globally due the Covid-19 pandemic.

#### Financial key performance indicators

The directors consider the Key Performance Indicators to be gross profit and profit before tax as disclosed in the Profit and Loss Account.

This report was approved by the board and signed on its behalf.



**S Arora**  
Director

Date: 8 July 2021

---

## INDO EUROPEAN FOODS LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

---

The Directors present their report and the financial statements for the year ended 31 March 2021.

#### Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £2,384,462 (2020 - £653,122).

#### Directors

The Directors who served during the year were:

J K Arora (resigned 15 April 2021)  
G Arora (resigned 15 April 2021)  
S Arora

#### Future developments

The company was acquired by Ebro Foods, S.A on 15 April 2021 which will enable the company to maintain profitable performance and help to reach European markets.

Transport costs will be a challenge across the industry but the company will look to continue to grow core brands with existing and key customers, with revenue mix continuing to be a combination of Rice and Food products.

---

**INDO EUROPEAN FOODS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**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.

**Disclosure 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 the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditors, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**S Arora**  
Director

Date: 8 July 2021

---

## INDO EUROPEAN FOODS LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDO EUROPEAN FOODS LIMITED

---

#### Opinion

We have audited the financial statements of Indo European Foods Limited (the 'Company') for the year ended 31 March 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

---

**INDO EUROPEAN FOODS LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDO EUROPEAN FOODS LIMITED  
(CONTINUED)**

---

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

- 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.

---

**INDO EUROPEAN FOODS LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDO EUROPEAN FOODS LIMITED  
(CONTINUED)**

---

**Responsibilities of directors**

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

---

## INDO EUROPEAN FOODS LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDO EUROPEAN FOODS LIMITED (CONTINUED)

---

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, from a review of the charity's risk register and from our knowledge and experience of the charity;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, Companies Act 2006, data protection, safeguarding, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management from a review of the charity's risk register and inspecting legal correspondence; and
- the identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with The Chartered Trading Standards Institute.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our

**INDO EUROPEAN FOODS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDO EUROPEAN FOODS LIMITED  
(CONTINUED)**

auditors' report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



Jeremy Cooper (senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

Date: 9 July 2021

---

**INDO EUROPEAN FOODS LIMITED**

---

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

---

	Note	2021 £	2020 £
Turnover	4	23,263,542	20,289,026
Cost of sales		(17,611,323)	(15,839,750)
<b>Gross profit</b>		<b>5,652,219</b>	<b>4,449,276</b>
Distribution costs		(385,491)	(406,458)
Administrative expenses		(2,726,917)	(3,114,345)
Other operating income		2,619	3,058
<b>Operating profit</b>	5	<b>2,542,430</b>	<b>931,531</b>
Interest payable and expenses	9	(302,899)	(278,409)
<b>Profit before tax</b>		<b>2,239,531</b>	<b>653,122</b>
Tax credit	10	144,931	-
<b>Profit for the financial year</b>		<b>2,384,462</b>	<b>653,122</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>2,384,462</b>	<b>653,122</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 14 to 28 form part of these financial statements.

**INDO EUROPEAN FOODS LIMITED**  
**REGISTERED NUMBER: 04105745**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	618,882	856,967
		<u>618,882</u>	<u>856,967</u>
<b>Current assets</b>			
Stocks	12	3,170,561	2,068,848
Debtors: amounts falling due within one year	13	7,425,802	6,659,346
Cash at bank and in hand	14	82,677	412,451
		<u>10,679,040</u>	<u>9,140,645</u>
Creditors: amounts falling due within one year	15	(6,986,475)	(7,987,294)
<b>Net current assets</b>		<u>3,692,565</u>	<u>1,153,351</u>
<b>Total assets less current liabilities</b>		<u>4,311,447</u>	<u>2,010,318</u>
Creditors: amounts falling due after more than one year	16	(41,667)	(125,000)
<b>Net assets</b>		<u><u>4,269,780</u></u>	<u><u>1,885,318</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	6,183,534	6,183,534
Profit and loss account		(1,913,754)	(4,298,216)
		<u>4,269,780</u>	<u>1,885,318</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 July 2021.



**S Arora**  
 Director

The notes on pages 14 to 28 form part of these financial statements.

---

**INDO EUROPEAN FOODS LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

---

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	<b>6,183,534</b>	<b>2,094,199</b>	<b>(7,045,537)</b>	<b>1,232,196</b>
Profit for the year	-	-	653,122	653,122
Transfer to/from profit and loss account	-	(2,094,199)	2,094,199	-
<b>At 1 April 2020</b>	<b>6,183,534</b>	<b>-</b>	<b>(4,298,216)</b>	<b>1,885,318</b>
Profit for the year	-	-	2,384,462	2,384,462
<b>At 31 March 2021</b>	<b>6,183,534</b>	<b>-</b>	<b>(1,913,754)</b>	<b>4,269,780</b>

The notes on pages 14 to 28 form part of these financial statements.

**INDO EUROPEAN FOODS LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,384,462	653,122
<b>Adjustments for:</b>		
Depreciation of tangible assets	106,422	137,580
Impairments of fixed assets	134,932	-
(Profit)/loss on disposal of tangible assets	-	(17,160)
Interest paid	302,899	364,927
(Increase) in stocks	(1,101,713)	(316,682)
(Increase) in debtors	(766,456)	(4,290,965)
(Increase)/decrease in amounts owed by other group companies	(1,704,566)	(1,336,582)
Increase/(decrease) in creditors	299,416	(764,083)
<b>Net cash generated from operating activities</b>	<b>(344,604)</b>	<b>(5,569,843)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,269)	(2,824)
Sale of tangible fixed assets	-	4,900,000
<b>Net cash from investing activities</b>	<b>(3,269)</b>	<b>4,897,176</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(3,401,618)
Receipt of trade financing	25,074,882	13,694,888
Repayment of trade financing	(24,753,884)	(9,163,992)
Interest paid	(302,899)	(364,927)
<b>Net cash used in financing activities</b>	<b>18,099</b>	<b>764,351</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(329,774)</b>	<b>91,684</b>
Cash and cash equivalents at beginning of year	412,451	320,767
<b>Cash and cash equivalents at the end of year</b>	<b>82,677</b>	<b>412,451</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	82,677	412,451
	<b>82,677</b>	<b>412,451</b>

---

**INDO EUROPEAN FOODS LIMITED**

---

**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2021**

---

	<b>At 1 April 2020 £</b>	<b>Cash flows £</b>	<b>At 31 March 2021 £</b>
Cash at bank and in hand	412,451	(329,774)	82,677
Debt due within 1 year	(4,389,124)	(413,842)	(4,802,966)
Finance leases	(208,333)	83,333	(125,000)
	<u>(4,185,006)</u>	<u>(660,283)</u>	<u>(4,845,289)</u>

The notes on pages 14 to 28 form part of these financial statements.

---

## INDO EUROPEAN FOODS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1. General information

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

The company is a private company (registered number 04105705) limited by shares which is incorporated and domiciled in the UK. The address of the registered office is Kohinoor House, Langer Road, Felixstowe, Suffolk, IP11 2BW.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The directors have reviewed projected budget information (for a period of at least 12 months from the signing of these financial statements) including a review of available facilities. In making their assessment the directors have considered the impact on the business of COVID-19 including the ability of the company to continue to service customers, the impact on future revenues and cash collections and the financial position of the wider group. The directors note that the purchase of the company by Ebro Foods, S.A after the year end will provide greater stability and access to working capital. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements. The directors are of the opinion that the company has adequate resources to continue in operational existence for a period of at least 12 months from the approval of these financial statements and as such consider that the going concern basis for preparing the financial statements is appropriate.

##### 2.3 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

---

## INDO EUROPEAN FOODS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

---

#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.6 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)**

**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Plant and machinery	- Up to 25 years
Fixtures and fittings	- 15% reducing balance
Computer equipment and software	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

---

## INDO EUROPEAN FOODS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

---

#### 2. Accounting policies (continued)

##### 2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(i) Stock valuation**

Management review the age profile of stock and stock provisions are made where directors believe there is a greater risk of obsolescence or where the product has become discontinued.

**(ii) Recoverability of debtors**

Bad debt provisions are made taking into account the age of an invoice and any dealings to date with a customer. Historically bad debts have been rare and relatively low value compared to the sales ledger.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	23,263,542	20,289,026
	<u>23,263,542</u>	<u>20,289,026</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	23,088,118	20,289,026
Rest of Europe	175,424	-
	<u>23,263,542</u>	<u>20,289,026</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

5. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	106,422	137,580
Impairment of tangible fixed assets	134,932	-
Exchange differences	(174)	267
Defined contribution pension cost	28,442	21,670
	<u>28,442</u>	<u>21,670</u>

6. Auditors' remuneration

Fees payable to the Company's auditor and its associates in respect of:

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements

26,265	25,500
<u>26,265</u>	<u>25,500</u>

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**7. Employees**

Staff costs, including Directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,664,616	1,657,797
Social security costs	186,996	218,802
Cost of defined contribution scheme	28,442	23,678
	<u>1,880,054</u>	<u>1,900,277</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Production staff	10	10
Distribution staff	5	5
Administrative staff	19	18
Management staff	6	5
	<u>40</u>	<u>38</u>

**8. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	277,058	246,000
	<u>277,058</u>	<u>246,000</u>

The highest paid Director received remuneration of £277,058 (2020 - £246,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2020 - £NIL).

The total accrued pension provision of the highest paid Director at 31 March 2021 amounted to £NIL (2020 - £NIL).

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**9. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>285,091</b>	<b>218,881</b>
Other loan interest payable	<b>17,808</b>	<b>8,874</b>
Loans from group undertakings	<b>-</b>	<b>50,654</b>
	<b>302,899</b>	<b>278,409</b>

**10. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>-</b>	<b>68,055</b>
Utilisation of losses brought forward	<b>(144,931)</b>	<b>(68,055)</b>
<b>Total deferred tax</b>	<b>(144,931)</b>	<b>-</b>
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(144,931)</b>	<b>-</b>

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,239,531</u>	<u>653,122</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	425,511	112,203
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,505	11,805
Capital allowances for year in excess of depreciation	(13,649)	(16,036)
Utilisation of tax losses	(709,229)	-
Unrelieved tax losses carried forward	-	17,646
Other differences leading to an increase (decrease) in the tax charge	144,931	(125,618)
<b>Total tax credit for the year</b>	<u><u>(144,931)</u></u>	<u><u>-</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**INDO EUROPEAN FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**11. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Computer equipment and software £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	2,476,197	296,928	207,877	2,981,002
Additions	-	-	3,269	3,269
At 31 March 2021	<u>2,476,197</u>	<u>296,928</u>	<u>211,146</u>	<u>2,984,271</u>
<b>Depreciation</b>				
At 1 April 2020	1,814,117	253,576	56,342	2,124,035
Charge for the year on owned assets	99,048	7,034	340	106,422
Impairment charge	-	-	134,932	134,932
At 31 March 2021	<u>1,913,165</u>	<u>260,610</u>	<u>191,614</u>	<u>2,365,389</u>
<b>Net book value</b>				
At 31 March 2021	<u>563,032</u>	<u>36,318</u>	<u>19,532</u>	<u>618,882</u>
At 31 March 2020	<u>662,080</u>	<u>43,352</u>	<u>151,535</u>	<u>856,967</u>

The net book value of assets held under finance leases or hire purchase contracts, included above are £563,033 (2020: £662,080).

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**12. Stocks**

	2021 £	2020 £
Raw materials and consumables	401,271	596,261
Finished goods and goods for resale	2,769,290	1,472,587
	<u>3,170,561</u>	<u>2,068,848</u>

**13. Debtors**

	2021 £	2020 £
Trade debtors	5,766,158	6,211,449
Other debtors	322,830	310,339
Prepayments and accrued income	1,191,883	137,558
Deferred taxation	144,931	-
	<u>7,425,802</u>	<u>6,659,346</u>

**14. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	82,677	412,451
	<u>82,677</u>	<u>412,451</u>

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**15. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	829,039	557,318
Amounts owed to group undertakings	677,969	2,382,535
Corporation tax	1	-
Other taxation and social security	72,919	133,177
Obligations under finance lease and hire purchase contracts	83,333	83,333
Other creditors	4,810,227	4,405,896
Accruals and deferred income	512,987	425,035
	<u>6,986,475</u>	<u>7,987,294</u>

The company utilises an invoice financing facility which is secured by way of a fixed and floating charge on the company's assets. A balance of £4,802,966 (2020: £4,398,843) was outstanding at the year end and included within other creditors.

**16. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	41,667	125,000
	<u>41,667</u>	<u>125,000</u>

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**17. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>6,171,665</u>	<u>6,934,239</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(6,830,222)</u>	<u>(7,833,363)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to group undertakings, bank loans, other creditors, and accruals excluding deferred income.

**18. Deferred taxation**

	2021 £
Credited to profit or loss	144,931
At end of year	<u>144,931</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Tax losses carried forward	<u>144,931</u>	-
	<u>144,931</u>	<u>-</u>

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**19. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
5,183,534 (2020 - 5,183,534) Ordinary shares of £1.00 each	5,183,534	5,183,534
1,000,000 (2020 - 1,000,000) Redeemable shares of £1.00 each	1,000,000	1,000,000
	<u>6,183,534</u>	<u>6,183,534</u>

The redeemable shares were issued in 2011 without specific conditions and can be redeemed by the company at any time, with no time limit.

**20. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £28,442 (2020 - £21,670). Contributions totalling £6,512 (2020 - £5,091) were payable to the fund at the balance sheet date and are included in creditors.

**21. Commitments under operating leases**

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	526,714	515,830
Later than 1 year and not later than 5 years	1,870,350	1,867,646
Later than 5 years	5,892,464	6,334,096
	<u>8,289,528</u>	<u>8,717,572</u>

**22. Transactions with directors**

During the year the directors received advances of £- (2020: £15,000). A balance of £ (2020 - £-) was owed to the company at the year end. There was no interest accrued on these advances.

---

**INDO EUROPEAN FOODS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**23. Related party transactions**

During the year there were purchases from Kohinoor Foods Limited, ultimate the parent company, of £nil (2020 - £nil-). The balance owed to Kohinoor Foods Limited at the year end was £677,969 (2020 - £1,372,037).

During the year royalties were paid of £nil (2020 - £Nil) to a company controlled by the wife of a director. There was no balance owed to this company as at the year end (2020 - £Nil).

During the year there were sales of £nil- with other related parties (2020 - £155,071). The balance owed to these related parties at the year end was £nil- (2020 - £1,010,498).

**24. Post balance sheet events**

On 15 April 2021 Ebro Foods, S.A. completed the purchase of Indo European Foods Limited from Kohinoor Foods Limited. The registered office of Ebro Foods is Paseo de la Castellana 20, 28046 Madrid.

**25. Controlling party**

At the year end the company's ultimate parent company was Kohinoor Foods Limited, a company incorporated in India. The registered office of the ultimate parent company is Pinnacle Business Tower, 10th Floor, Shooting Range Road, Surajkund, Faridabad, 121001, India.