

COMPANY REGISTRATION NUMBER: 04105745

**Indo European Foods Limited**  
**Financial Statements**  
**31 March 2017**

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**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 2017

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# Indo European Foods Limited

## Strategic Report

Year ended 31 March 2017

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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 showed a marginal increase to £24.49 million (2016 - £24.38 million).

After taking into account interest charges, the company made a net profit of £254,389 (2016 - £413,112).

### 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 26 May 2017 and signed on behalf of the board by:



Mr Sumit Arora  
Director

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

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# Indo European Foods Limited

## Directors' Report

Year ended 31 March 2017

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The directors present their report and the financial statements of the company for the year ended 31 March 2017.

### 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

### 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.

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# Indo European Foods Limited

## Directors' Report *(continued)*

Year ended 31 March 2017


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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 26 May 2017 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 Members of Indo European Foods Limited

Year ended 31 March 2017

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We have audited the financial statements of Indo European Foods Limited for the year ended 31 March 2017, on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the 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 members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### 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 2017 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 Members of Indo European Foods Limited** *(continued)*

**Year ended 31 March 2017**

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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

**26 May 2017**

**Indo European Foods Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 March 2017**

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	<b>24,491,531</b>	24,381,691
Cost of sales		<u>20,248,578</u>	<u>20,117,809</u>
<b>Gross profit</b>		<b>4,242,953</b>	4,263,882
Distribution costs		790,477	789,019
Administrative expenses		2,850,000	2,753,648
Other operating income		<u>3,330</u>	<u>4,991</u>
<b>Operating profit</b>	<b>5</b>	<b>605,806</b>	726,206
Other interest receivable and similar income	<b>9</b>	<b>142</b>	1,301
Interest payable and similar expenses	<b>10</b>	<u>351,558</u>	<u>314,395</u>
<b>Profit before taxation</b>		<b>254,390</b>	413,112
Tax on profit	<b>11</b>	<u>63,279</u>	<u>86,195</u>
<b>Profit for the financial year and total comprehensive income</b>		<b>191,111</b>	<u>326,917</u>
<b>Retained earnings/(losses) at the start of the year</b>		<u>89,158</u>	(237,759)
<b>Retained earnings at the end of the year</b>		<u>280,269</u>	<u>89,158</u>

All the activities of the company are from continuing operations.

*Sumit Anand*

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



# Indo European Foods Limited

## Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	13	4,594,108	4,569,394
<b>Current assets</b>			
Stocks	14	7,442,837	6,911,612
Debtors	15	4,930,077	5,071,039
Cash at bank and in hand		152,638	344,940
		<u>12,525,552</u>	<u>12,327,591</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>10,153,042</u>	<u>10,138,101</u>
<b>Net current assets</b>		<u>2,372,510</u>	<u>2,189,490</u>
<b>Total assets less current liabilities</b>		<u>6,966,618</u>	<u>6,758,884</u>
<b>Provisions</b>			
Taxation including deferred tax	18	96,395	79,772
<b>Net assets</b>		<u>6,870,223</u>	<u>6,679,112</u>
<b>Capital and reserves</b>			
Called up share capital	22	6,183,534	6,183,534
Revaluation reserve	23	406,420	406,420
Profit and loss account	23	280,269	89,158
<b>Members funds</b>		<u>6,870,223</u>	<u>6,679,112</u>

These financial statements were approved by the board of directors and authorised for issue on 26 May 2017, and are signed on behalf of the board by:



Mr Sumit Arora  
Director

Company registration number: 04105745

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

# Indo European Foods Limited

## Statement of Cash Flows

Year ended 31 March 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		191,111	326,917
<i>Adjustments for:</i>			
Depreciation of tangible assets		177,262	265,311
Other interest receivable and similar income		(142)	(1,301)
Interest payable and similar expenses		351,558	314,395
Loss on disposal of tangible assets		953	-
Tax on profit		63,279	86,195
Accrued (income)/expenses		(76,603)	282,902
<i>Changes in:</i>			
Stocks		(531,225)	(71,699)
Trade and other debtors		140,962	(679,950)
Trade and other creditors		(730,287)	(1,141,732)
Cash generated from operations		(413,132)	(618,962)
Interest paid		(351,558)	(314,395)
Interest received		142	1,301
Tax paid		(54,691)	-
Net cash used in operating activities		(819,239)	(932,056)
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(203,729)	(209,493)
Proceeds from sale of tangible assets		800	-
Net cash used in investing activities		(202,929)	(209,493)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		(156,800)	843,400
Net cash (used in)/from financing activities		(156,800)	843,400
<b>Net decrease in cash and cash equivalents</b>		(1,178,968)	(298,149)
<b>Cash and cash equivalents at beginning of year</b>		(4,882,870)	(4,584,722)
<b>Cash and cash equivalents at end of year</b>	16	(6,061,838)	(4,882,871)

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

# Indo European Foods Limited

## Notes to the Financial Statements

Year ended 31 March 2017

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### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Kohinoor House, Langer Road, Felixstowe, Suffolk IP11 2BW.

### 2. 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'.

### 3. 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)

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.

#### (c)

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

#### (d) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. 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.

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# Indo European Foods Limited

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

Year ended 31 March 2017

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

#### (e) 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.

#### (f) 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.

#### (g) 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.

#### (h) Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

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~~Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.~~

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# Indo European Foods Limited

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

Year ended 31 March 2017

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

#### (i) 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.

#### (j) 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.

#### (k) 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 - Up to 25 years  
Fixtures & Fittings - 15% reducing balance  
Motor Vehicles - 20% reducing balance

#### (l) Impairment of fixed assets

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

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

# Indo European Foods Limited

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

Year ended 31 March 2017

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

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

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.

#### (m) 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.

#### (n) 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.

#### (o) 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.

#### (p) 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.

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### 4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	<u>24,491,531</u>	<u>24,381,691</u>

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# Indo European Foods Limited

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

**Year ended 31 March 2017**

### 4. Turnover *(continued)*

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:

	2017	2016
	£	£
United Kingdom	23,874,851	24,211,640
Overseas	616,680	170,051
	<u>24,491,531</u>	<u>24,381,691</u>

### 5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	177,262	265,311
Loss on disposal of tangible assets	953	–
Impairment of trade debtors	68,126	143,704
Foreign exchange differences	<u>(22,523)</u>	<u>(95)</u>

### 6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>17,125</u>	<u>16,425</u>

### 7. Staff costs

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

	2017	2016
	No.	No.
Production staff	15	10
Distribution staff	12	11
Administrative staff	20	17
Management staff	8	4
	<u>55</u>	<u>42</u>

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

	2017	2016
	£	£
Wages and salaries	1,644,652	1,360,038
Social security costs	175,327	141,659
Other pension costs	8,798	5,327
	<u>1,828,777</u>	<u>1,507,024</u>

# Indo European Foods Limited

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

Year ended 31 March 2017

### 8. Directors' remuneration

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

	2017	2016
	£	£
Remuneration	425,353	208,805
Company contributions to defined contribution pension plans	372	213
	<b>425,725</b>	<b>209,018</b>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	1	1

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	<b>248,103</b>	<b>117,233</b>

### 9. Other interest receivable and similar income

	2017	2016
	£	£
Interest on cash and cash equivalents	142	1,301

### 10. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	<b>351,558</b>	<b>314,395</b>

### 11. Tax on profit

#### Major components of tax expense

	2017	2016
	£	£
<b>Current tax:</b>		
UK current tax expense	46,656	54,840
<b>Deferred tax:</b>		
Origination and reversal of timing differences	16,623	31,355
<b>Tax on profit</b>	<b>63,279</b>	<b>86,195</b>



# Indo European Foods Limited

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

**Year ended 31 March 2017**

### 11. Tax on profit *(continued)*

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<b>254,390</b>	413,112
Profit on ordinary activities by rate of tax	<b>50,878</b>	82,622
Effect of expenses not deductible for tax purposes	<b>4,401</b>	2,205
Effect of capital allowances and depreciation	<b>(8,623)</b>	(25,501)
Effect of different UK tax rates on some earnings	–	(4,486)
Origination and reversal of timing differences	<b>16,623</b>	31,355
Tax on profit	<b>63,279</b>	86,195

### 12. Intangible assets

	Development costs £
<b>Cost</b>	
At 1 Apr 2016 and 31 Mar 2017	<b>12,000</b>
<b>Amortisation</b>	
At 1 Apr 2016 and 31 Mar 2017	<b>12,000</b>
<b>Carrying amount</b>	
At 31 March 2017	<b>–</b>

### 13. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2016	3,400,000	2,569,516	302,852	21,072	<b>6,293,440</b>
Additions	–	38,438	27,036	138,255	<b>203,729</b>
Disposals	–	–	–	(21,072)	<b>(21,072)</b>
<b>At 31 March 2017</b>	<b>3,400,000</b>	<b>2,607,954</b>	<b>329,888</b>	<b>138,255</b>	<b>6,476,097</b>
<b>Depreciation</b>					
At 1 April 2016	64,600	1,432,355	207,772	19,319	<b>1,724,046</b>
Charge for the year	40,800	104,318	18,318	13,826	<b>177,262</b>
Disposals	–	–	–	(19,319)	<b>(19,319)</b>
<b>At 31 March 2017</b>	<b>105,400</b>	<b>1,536,673</b>	<b>226,090</b>	<b>13,826</b>	<b>1,881,989</b>
<b>Carrying amount</b>					
At 31 March 2017	<b>3,294,600</b>	<b>1,071,281</b>	<b>103,798</b>	<b>124,429</b>	<b>4,594,108</b>
At 31 March 2016	3,335,400	1,137,161	95,080	1,753	4,569,394

# Indo European Foods Limited

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

Year ended 31 March 2017

### 13. Tangible assets *(continued)*

#### 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.

### 14. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>7,442,837</u>	<u>6,911,612</u>

### 15. Debtors

	2017 £	2016 £
Trade debtors	4,118,341	4,366,370
Prepayments and accrued income	282,103	430,791
Other debtors	529,633	273,878
	<u>4,930,077</u>	<u>5,071,039</u>

Prepayments include deferred expenditure of £274,102 (2016 - £411,154).

### 16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017 £	2016 £
Cash at bank and in hand	152,638	344,940
Bank overdrafts	<u>(6,214,476)</u>	<u>(5,227,810)</u>
	<u>(6,061,838)</u>	<u>(4,882,870)</u>

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

	2017 £	2016 £
Bank loans and overdrafts	8,214,476	7,384,610
Trade creditors	1,581,250	2,327,922
Accruals and deferred income	257,770	334,373
Corporation tax	46,805	54,840
Social security and other taxes	52,741	36,356
	<u>10,153,042</u>	<u>10,138,101</u>

# Indo European Foods Limited

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

Year ended 31 March 2017

### 17. Creditors: amounts falling due within one year *(continued)*

#### 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.

### 18. Provisions

	Deferred tax (note 19) £
At 1 April 2016	79,772
Additions	<u>16,623</u>
<b>At 31 March 2017</b>	<b><u>96,395</u></b>

### 19. Deferred tax

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

	2017 £	2016 £
Included in provisions (note 18)	<u>96,395</u>	<u>79,772</u>

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

	2017 £	2016 £
Accelerated capital allowances	<u>96,395</u>	<u>79,772</u>

### 20. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £8,798 (2016: £5,327).

### 21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2017 £	2016 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	<u>4,096,729</u>	4,366,370
Other debtors	<u>420,270</u>	144,551
Cash at bank and in hand	<u>152,639</u>	345,141
	<b><u>4,669,638</u></b>	<b><u>4,856,062</u></b>

# Indo European Foods Limited

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

Year ended 31 March 2017

### 21. Financial instruments *(continued)*

	2017 £	2016 £
<b>Financial liabilities measured at amortised cost</b>		
Bank loans and overdrafts	8,214,476	7,384,610
Trade creditors	1,559,640	2,327,923
Provisions	96,395	79,773
	<u>9,870,511</u>	<u>9,792,306</u>

### 22. Called up share capital

Issued, called up and fully paid

	2017		2016	
	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>

### 23. 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 2017

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### 24. Related party transactions

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

Purchases	£12,863,554	(2016 - 7,805,567)
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Included in creditors:

Trade creditors	£73,338	(Debtors 2016 - £369,813)
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Transactions during the year with Al Dhara Kohinoor LLC, Associated company of Kohinoor Foods Limited, are as follows:

Purchases	£1,233,685	(2016 - 6,943,684)
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Included in creditors:

Trade creditors	£767,340	(2016 £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.

Included in creditors:

Trade creditors	£18,000
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Transactions during the year with Kohinoor Foods USA INC, Associated company of Kohinoor Foods Limited, are as follows:

Included in Debtors:

Trade debtors	£40,946
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### 25. Controlling party

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 2017**

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

# Indo European Foods Limited

## Notes to the Detailed Income Statement

Year ended 31 March 2017

	2017	2016
	£	£
<b>Distribution costs</b>		
Wages and salaries - distribution costs	715,477	717,962
Social security costs	<u>75,000</u>	<u>71,057</u>
	<u>790,477</u>	<u>789,019</u>
 <b>Administrative expenses</b>		
Directors salaries	375,740	185,042
Directors national insurance contributions	49,613	23,763
Directors pensions	372	213
Casual wages	262,037	245,597
Employers national insurance contributions	23,293	27,920
Staff pension contributions	8,426	5,114
Rent rates and water	241,804	232,067
Light and heat	128,143	132,073
Insurance	69,703	74,556
Repairs and maintenance	201,066	166,509
Motor expenses	24,530	30,940
Travel and subsistence	112,849	89,689
Hire costs (non-operating leases)	68,679	57,259
Telephone	34,933	24,547
Printing postage and stationery	40,610	40,175
Staff welfare	5,751	7,008
Sundry expenses	36,773	34,715
Laundry and cleaning	6,538	7,159
Charitable donations (allowable)	500	-
Office expenses	7,220	5,084
Advertising	659,055	524,024
Entertaining	15,343	10,364
Legal and professional fees (allowable)	169,499	303,609
Auditors remuneration	17,125	16,425
Depreciation of tangible assets	177,262	265,311
Loss/(Profit) on disposal of fixed assets	953	-
Bad debts written off	68,126	143,704
Bank charges	66,580	100,876
Foreign currency gains/losses	<u>(22,523)</u>	<u>(95)</u>
	<u>2,850,000</u>	<u>2,753,648</u>
 <b>Other operating income</b>		
Other income	<u>3,330</u>	<u>4,991</u>
 <b>Other interest receivable and similar income</b>		
Interest on cash and cash equivalents	<u>142</u>	<u>1,301</u>
 <b>Interest payable and similar expenses</b>		
Other finance charges	<u>351,558</u>	<u>314,395</u>