

Registration number: 02430421

Indus Foods Limited

Directors' Report and Abbreviated Financial Statements
for the Year Ended 30 June 2015



Haines Watts Leicester LLP
Chartered Accountants & Statutory Auditors
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Indus Foods Limited
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Indus Foods Limited
Company Information

Directors	Mr Z A Chaudhary Mr T I Areehy Ms N K Areehy
Company secretary	Mr T I Areehy
Registered office	75 Sampson Road North Sparkbrook Birmingham West Midlands B11 1BH
Auditors	Haines Watts Leicester LLP Chartered Accountants & Statutory Auditors Hamilton Office Park 31 High View Close Leicester LE4 9LJ

Indus Foods Limited
Strategic Report for the Year Ended 30 June 2015

The directors present their strategic report for the year ended 30 June 2015.

Business review

Fair review of the business

The company has seen another year of growth, with increased sales, and margins and profits in line with expectations.

The company expects further growth in coming years due to continued investment in systems, equipment and marketing.

Improvements have been made in the management systems used by the company and it is anticipated that these improvements will also contribute to the future enhanced growth and profitability of the business.

As part of the company's corporate and social responsibilities, we have agreed a significant contribution in donations for the current and following financial year. These donations are to support education charities, for the benefit of families within the local community.

Principal risks and uncertainties

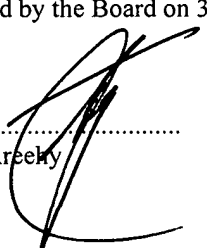
The company is partly reliant on overseas suppliers and has creditors in Euro and US Dollar. Exchange rate exposure is limited by systems put in place by the directors to minimise risks.

Fluctuations in raw material prices can lead to significant risks within the business. The company manages this by maintaining a presence in the source market which enables us to source from competitively priced local suppliers.

The directors regularly assess credit risks and interest rate risks facing the company and have put systems in place to minimise risks.

Approved by the Board on 30 March 2016 and signed on its behalf by:

.....
Mr T I Areeky
Director



Indus Foods Limited
Directors' Report for the Year Ended 30 June 2015

The directors present their report and the abbreviated financial statements for the year ended 30 June 2015.

Directors of the company

The directors who held office during the year were as follows:

Mr Z A Chaudhary

Mr T I Areehy

Ms N K Areehy

Financial instruments

Objectives and policies

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

Price risk, credit risk, liquidity risk and cash flow risk

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of various accounts in the business. All of the business' cash balances are held in such a way that they achieve the most competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding. The amounts presented in the balance sheet are net of allowances for doubtful debts.

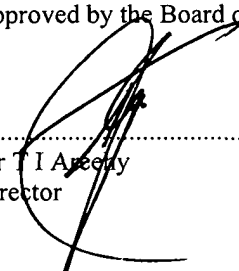
Trade creditors' liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 30 March 2016 and signed on its behalf by:

.....
Mr T I Areehy
Director



Independent Auditor's Report to Indus Foods Limited
Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 5 to 19 together with the financial statements of Indus Foods Limited for the year ended 30 June 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

.....
Sanjay Khullar (Senior Statutory Auditor)
For and on behalf of Haines Watts Leicester LLP, Statutory Auditor

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

30 March 2016

Indus Foods Limited
Abbreviated Profit and Loss Account for the Year Ended 30 June 2015

	Note	2015 £	2014 £
Turnover		<u>14,734,884</u>	<u>14,270,242</u>
Gross profit		2,075,556	1,953,353
Administrative expenses		<u>(1,722,396)</u>	<u>(1,593,613)</u>
Operating profit	2	353,160	359,740
Interest payable and similar charges	5	<u>(20,873)</u>	<u>(16,647)</u>
Profit on ordinary activities before taxation		332,287	343,093
Tax on profit on ordinary activities	6	<u>(72,859)</u>	<u>(56,919)</u>
Profit for the financial year	17	<u><u>259,428</u></u>	<u><u>286,174</u></u>

Turnover and operating profit derive wholly from continuing operations.

Indus Foods Limited
(Registration number: 02430421)
Abbreviated Balance Sheet at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	7	487,103	386,065
Investments	8	15,000	15,000
		<u>502,103</u>	<u>401,065</u>
Current assets			
Stocks	9	2,588,686	1,877,247
Debtors	10	2,859,840	2,597,155
Investments		30	30
Cash at bank and in hand		112,461	638,599
		<u>5,561,017</u>	<u>5,113,031</u>
Creditors: Amounts falling due within one year	11	<u>(3,008,610)</u>	<u>(2,828,635)</u>
Net current assets		<u>2,552,407</u>	<u>2,284,396</u>
Total assets less current liabilities		3,054,510	2,685,461
Creditors: Amounts falling due after more than one year	12	(266,450)	(80,963)
Provisions for liabilities	14	<u>(65,313)</u>	<u>(41,179)</u>
Net assets		<u><u>2,722,747</u></u>	<u><u>2,563,319</u></u>
Capital and reserves			
Called up share capital	15	685,000	685,000
Profit and loss account	17	<u>2,037,747</u>	<u>1,878,319</u>
Shareholders' funds	18	<u><u>2,722,747</u></u>	<u><u>2,563,319</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board on 30 March 2016 and signed on its behalf by:

.....
Mr T I Arcey
Director

Indus Foods Limited
Cash Flow Statement for the Year Ended 30 June 2015

Reconciliation of operating profit to net cash flow from operating activities

	Note	2015 £	2014 £
Operating profit		353,160	359,740
Depreciation, amortisation and impairment charges		83,502	71,310
Profit on disposal of fixed assets		-	(238)
(Increase)/decrease in stocks		(711,439)	470,744
Increase in debtors		(262,685)	(544,658)
Increase/(decrease) in creditors		538,694	(104,660)
Net cash inflow from operating activities		<u>1,232</u>	<u>252,238</u>

Cash flow statement

	Note	2015 £	2014 £
Net cash inflow from operating activities		<u>1,232</u>	<u>252,238</u>
Returns on investments and servicing of finance			
HP and finance lease interest		(6,369)	(5,065)
Interest paid		<u>(14,504)</u>	<u>(11,582)</u>
		<u>(20,873)</u>	<u>(16,647)</u>
Taxation paid		<u>(68,164)</u>	<u>(41,132)</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(184,540)	(92,475)
Sale of tangible fixed assets		<u>-</u>	<u>238</u>
		<u>(184,540)</u>	<u>(92,237)</u>
Equity dividends paid		<u>(100,000)</u>	<u>(100,000)</u>
Net cash (outflow)/inflow before management of liquid resources and financing		<u>(372,345)</u>	<u>2,222</u>
Financing			
Repayment of loans and borrowings		299,689	(50,000)
Issue of shares		-	250,000
Repayment of capital element of finance leases and HP contracts		<u>(81,940)</u>	<u>18,370</u>
		<u>217,749</u>	<u>218,370</u>
(Decrease)/increase in cash	21	<u>(154,596)</u>	<u>220,592</u>

Indus Foods Limited
Cash Flow Statement for the Year Ended 30 June 2015

..... *continued*

Reconciliation of net cash flow to movement in net debt

	Note	2015 £	2014 £
(Decrease)/increase in cash		(154,596)	220,592
Cash outflow from repayment of loans		(299,689)	50,000
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>81,940</u>	<u>(18,370)</u>
Change in net debt resulting from cash flows	21	<u>(372,345)</u>	<u>252,222</u>
 Movement in net debt	21	 (372,345)	 252,222
Net debt at 1 July	21	<u>(78,222)</u>	<u>(330,444)</u>
Net debt at 30 June	21	<u><u>(450,567)</u></u>	<u><u>(78,222)</u></u>

Indus Foods Limited
Notes to the Financial Statements for the Year Ended 30 June 2015

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	10% on cost
Motor vehicles	25% on cost
Computer equipment	25% on cost

Investment properties

Certain of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows:

No depreciation is provided in respect of investment properties and they are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This treatment as regards the company's investment properties may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Current asset investments

Current asset investments are included at the lower of cost and net realisable value.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... continued

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and leasing

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Employer financed retirement benefit scheme

The company has in place an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families. The scheme is known as The Indus Foods Limited 2011 Employer Financed Retirement Benefit Scheme ("The Scheme"). The company did not make any contributions to the scheme during the year.

In accordance with UITF 32 "Employee Benefit Trusts and other intermediate payment arrangements", the company does not include the assets and liabilities of the scheme on its balance sheet to the extent that it considers that it will not retain any economic benefit from the assets of the scheme and will not have control of the rights or other access to those present economic benefits.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... *continued*

2 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Auditor's remuneration - The audit of the company's annual accounts	8,000	7,715
Profit on sale of tangible fixed assets	-	(238)
Depreciation of owned assets	<u>83,502</u>	<u>71,310</u>

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Production and administration	<u>66</u>	<u>60</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	743,019	646,155
Staff pensions	<u>19,250</u>	<u>19,250</u>
	<u>762,269</u>	<u>665,405</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	33,800	36,600
Company contributions paid to money purchase schemes	<u>19,250</u>	<u>19,250</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... continued

5 Interest payable and similar charges

	2015 £	2014 £
Interest on bank borrowings	11,948	7,249
Other interest payable	2,556	4,333
Finance charges	6,369	5,065
	<u>20,873</u>	<u>16,647</u>

6 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
Corporation tax charge	48,282	67,878
Adjustments in respect of previous years	443	-
UK Corporation tax	<u>48,725</u>	<u>67,878</u>
Deferred tax		
Origination and reversal of timing differences	<u>24,134</u>	<u>(10,959)</u>
Total tax on profit on ordinary activities	<u>72,859</u>	<u>56,919</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 22.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>332,287</u>	<u>343,093</u>
Corporation tax at standard rate	66,457	77,199
Capital allowances in excess of depreciation	(19,962)	(9,082)
Expenses not deductible for tax purposes	1,787	206
Other differences	<u>443</u>	<u>(445)</u>
Total current tax	<u>48,725</u>	<u>67,878</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... continued

7 Tangible fixed assets

	Investment properties £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2014	103,212	381,610	218,380	23,280	726,482
Additions	-	184,540	-	-	184,540
At 30 June 2015	103,212	566,150	218,380	23,280	911,022
Depreciation					
At 1 July 2014	-	193,826	126,144	20,447	340,417
Charge for the year	-	44,045	37,995	1,462	83,502
At 30 June 2015	-	237,871	164,139	21,909	423,919
Net book value					
At 30 June 2015	103,212	328,279	54,241	1,371	487,103
At 30 June 2014	103,212	187,784	92,236	2,833	386,065

Leased assets

Included within the net book value of tangible fixed assets is £144,574 (2014 - £192,310) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £47,736 (2014 - £47,735).

8 Investments held as fixed assets

	2015 £	2014 £
Other investments	15,000	15,000

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... *continued*

Other investments

	Unlisted investments £	Total £
Cost		
At 1 July 2014	15,000	15,000
At 30 June 2015	15,000	15,000
Net book value		
At 30 June 2015	15,000	15,000
At 30 June 2014	15,000	15,000

9 Stocks

	2015 £	2014 £
Stocks	2,588,686	1,877,247

10 Debtors

	2015 £	2014 £
Trade debtors	2,480,733	2,084,169
Other debtors	252,315	368,818
Prepayments and accrued income	126,792	144,168
	2,859,840	2,597,155

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... continued

11 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,611,971	1,388,275
Bank loans and overdrafts	482,315	554,168
Obligations under finance lease and hire purchase contracts	64,263	81,690
Corporation tax	48,438	67,877
Other taxes and social security	2,852	6,118
Other creditors	182,565	120,750
Directors' current accounts	569,943	562,942
Accruals and deferred income	46,263	46,815
	<u>3,008,610</u>	<u>2,828,635</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2015 £	2014 £
Bank overdraft and loans	<u>482,315</u>	<u>554,168</u>

The bank borrowing is secured by a mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company.

12 Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Obligations under finance lease and hire purchase contracts	16,450	80,963
Other creditors	<u>250,000</u>	-
	<u>266,450</u>	<u>80,963</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... *continued*

Obligations under finance leases and HP contracts

Amounts repayable:

	2015 £	2014 £
In one year or less on demand	64,263	81,690
Between one and two years	16,450	80,963
	<u>80,713</u>	<u>162,653</u>

13 Current asset investments

	2015 £	2014 £
Other investments	<u>30</u>	<u>30</u>

14 Provisions

	Deferred tax £	Total £
At 1 July 2014	41,179	41,179
Charged to the profit and loss account	<u>24,134</u>	<u>24,134</u>
At 30 June 2015	<u>65,313</u>	<u>65,313</u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>65,313</u>	<u>41,179</u>
	<u>65,313</u>	<u>41,179</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... continued

15 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	50,000	50,000	50,000	50,000
Redeemable Pref 5% of £1 each	385,000	385,000	385,000	385,000
Redeemable Pref 6% of £1 each	250,000	250,000	250,000	250,000
	<u>685,000</u>	<u>685,000</u>	<u>685,000</u>	<u>685,000</u>

Redeemable preference shares

The Redeemable Pref 5% are redeemable at the option of the company. They are redeemable at £1 per share and carry no voting rights.

The Redeemable Pref 6% are redeemable at the option of the company. They are redeemable at £1 per share and carry no voting rights.

16 Dividends

	2015 £	2014 £
Dividends paid		
Current year interim dividend paid	<u>100,000</u>	<u>100,000</u>

17 Reserves

	Profit and loss account £	Total £
At 1 July 2014	1,878,319	1,878,319
Profit for the year	259,428	259,428
Dividends	<u>(100,000)</u>	<u>(100,000)</u>
At 30 June 2015	<u>2,037,747</u>	<u>2,037,747</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... continued

18 Reconciliation of movement in shareholders' funds

	2015	2014
	£	£
Profit attributable to the members of the company	259,428	286,174
Dividends	(100,000)	(100,000)
New share capital subscribed	-	250,000
Net addition to shareholders' funds	159,428	436,174
Shareholders' funds at 1 July	2,563,319	2,127,145
Shareholders' funds at 30 June	2,722,747	2,563,319

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £19,250 (2014 - £19,250).

Contributions totalling £nil (2014 - £nil) were payable to the scheme at the end of the year and are included in creditors.

Employer financed retirement benefit scheme

The company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme. The scheme is known as The Indus Foods Limited 2011 Employer Financed Retirement Benefit Scheme.

During the year the company contributed £nil (2014: £nil) to the scheme.

20 Contingent liabilities

The company has given the following guarantee: HM Revenue and Customs £12,500 (2014 £12,500).

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2015

..... continued

21 Analysis of net debt

	At 1 July 2014 £	Cash flow £	At 30 June 2015 £
Cash at bank and in hand	638,599	(526,138)	112,461
Bank overdraft	(554,168)	371,541	(182,627)
	<u>84,431</u>	<u>(154,597)</u>	<u>(70,166)</u>
Debt due within one year	-	(299,689)	(299,689)
Finance leases and hire purchase contracts	(162,653)	81,940	(80,713)
Net debt	<u>(78,222)</u>	<u>(372,346)</u>	<u>(450,568)</u>

22 Related party transactions

The company occupies part of a leasehold premises. The lease on the premises is held by Moorcroft Holdings Limited, a company under common ownership with Indus Foods Limited. Rent of £24,000 (2014: £24,000) was charged to Indus Foods Limited during the year. Various other loans and repayments were made and at 30 June 2015 an amount of £23,591 (2014: £44,043) was owed to Indus Foods Limited by Moorcroft Holdings Limited.

During the year the company occupied premises owned by its pension scheme, Indus Associates Limited ORBS and a rent charge of £39,500 (2014: £39,500) was incurred. Indus Associates made a loan to the company of £250,000, all of which was outstanding at the balance sheet date.

The company traded with Catering Solutions UK Limited, a company in which Mr T Areehy is a director and shareholder. Sales of £280,189 (2014: £62,140) and purchases of £167,672 (2014: £388,769) were made during the year. At the year end an amount of £190,260 (2014: £112,246) was owed to Indus Foods Limited in respect of these transactions.

During the year the company made charitable donations of £30,000 (2014: £71,518) to Al Noor Education Limited, a registered charity with common directors. Various loans were made to the charity during the period and at the year end an amount of £100,000 (2014: £124,000) was owed to Indus Foods Limited.

Dividends of £100,000 were declared during the year; being Z Chaudhary £40,000 (2014: £40,000), T Areehy £30,000 (2014: £30,000), N Areehy £20,000 (2014: £20,000) and A Chaudhary £10,000 (2014: £10,000).

23 Control

The company is controlled by the directors who own 100% of the called up share capital.