

Indus Foods Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2016

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

WEDNESDAY



A29 *A6373NG9* 29/03/2017 #376
COMPANIES HOUSE

Indus Foods Limited

Contents (continued)

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 to 24

Indus Foods Limited

Company Information

Directors	Mr Z A Chaudhary Ms N K Areehy 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 2016

The Directors present their strategic report for the year ended 30 June 2016.

Principal activity

The principal activity of the company is that of wholesale grocery and packaging.

Fair review of the business

The company has seen growth this year, with increase in sales, margins and profits have remained in line with expectations.

The company anticipates further growth in the coming years as the company has continued to 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 21 March 2017 and signed on its behalf by:



.....
Mr T J Areehy
Director

Indus Foods Limited

Directors' Report for the Year Ended 30 June 2016

The Directors present their report and the financial statements for the year ended 30 June 2016.

Directors of the Company

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

Mr Z A Chaudhary

Ms N K Areehy

Mr T I 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 loans, the liquidity risk is managed by maintaining a balance between the compability 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.

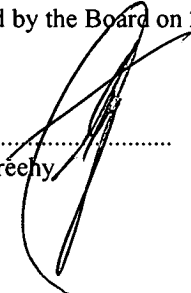
Trade creditors' liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

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 of which they know the auditors are unaware.

Approved by the Board on 21 March 2017 and signed on its behalf by:

.....
Mr T I Areehy
Director



Indus Foods Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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; and
- 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.

Indus Foods Limited

Independent Auditor's Report to the Members of Indus Foods Limited

We have audited the financial statements of Indus Foods Limited for the year ended 30 June 2016, set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's 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 Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Indus Foods Limited

Independent Auditor's Report to the Members of Indus Foods Limited (continued)

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.

.....
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

21 March 2017

Indus Foods Limited

Profit and Loss Account for the Year Ended 30 June 2016

	Note	2016 £	2015 £
Turnover	3	15,966,919	14,734,884
Cost of sales		<u>(13,671,646)</u>	<u>(12,659,330)</u>
Gross profit		2,295,273	2,075,554
Administrative expenses		(1,927,865)	(1,722,395)
Other operating income	4	<u>18,435</u>	<u>-</u>
Operating profit	5	<u>385,843</u>	<u>353,159</u>
Interest payable and similar charges	7	<u>(28,148)</u>	<u>(20,872)</u>
		<u>(28,148)</u>	<u>(20,872)</u>
Profit before tax		357,695	332,287
Taxation	11	<u>(90,979)</u>	<u>(72,859)</u>
Profit for the financial year		<u><u>266,716</u></u>	<u><u>259,428</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 24 form an integral part of these financial statements.

Indus Foods Limited

(Registration number: 02430421)

Balance Sheet as at 30 June 2016

	Note	2016 £	2015 £
Tangible assets	12	491,846	487,103
Other financial assets	13	15,000	15,000
		<u>506,846</u>	<u>502,103</u>
Current assets			
Stocks	14	2,734,325	2,588,686
Debtors	15	2,396,292	2,859,839
Other financial assets	13	30	30
Cash at bank and in hand		304,692	112,460
		<u>5,435,339</u>	<u>5,561,015</u>
Creditors: Amounts falling due within one year	17	<u>(2,645,566)</u>	<u>(3,008,608)</u>
Net current assets		<u>2,789,773</u>	<u>2,552,407</u>
Total assets less current liabilities		3,296,619	3,054,510
Creditors: Amounts falling due after more than one year	17	(280,694)	(266,450)
Provisions for liabilities	18	<u>(86,462)</u>	<u>(65,313)</u>
Net assets		<u>2,929,463</u>	<u>2,722,747</u>
Capital and reserves			
Called up share capital	20	685,000	685,000
Profit and loss account		<u>2,244,463</u>	<u>2,037,747</u>
Total equity		<u>2,929,463</u>	<u>2,722,747</u>

Approved and authorised by the Board on 21 March 2017 and signed on its behalf by:

.....
Mr T L Areehy
Director

The notes on pages 11 to 24 form an integral part of these financial statements.

Indus Foods Limited

Statement of Changes in Equity for the Year Ended 30 June 2016

	Share capital £	Profit and loss account £	Total £
At 1 July 2015	685,000	2,037,747	2,722,747
Profit for the year	-	266,716	266,716
Total comprehensive income	-	266,716	266,716
Dividends	-	(60,000)	(60,000)
At 30 June 2016	685,000	2,244,463	2,929,463
	Share capital £	Profit and loss account £	Total £
At 1 July 2014	685,000	1,878,319	2,563,319
Profit for the year	-	259,428	259,428
Total comprehensive income	-	259,428	259,428
Dividends	-	(100,000)	(100,000)
At 30 June 2015	685,000	2,037,747	2,722,747

The notes on pages 11 to 24 form an integral part of these financial statements.

Indus Foods Limited

Statement of Cash Flows for the Year Ended 30 June 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		266,716	259,428
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	107,777	83,502
Finance costs	7	28,148	20,872
Income tax expense	11	90,979	72,859
Foreign exchange (gains) / losses		<u>(35,100)</u>	<u>-</u>
		458,520	436,661
Working capital adjustments			
Increase in stocks	14	(145,639)	(711,439)
Decrease/(increase) in trade debtors	15	463,547	(328,898)
(Decrease)/increase in trade creditors	17	<u>(287,981)</u>	<u>355,174</u>
Cash generated from operations		488,447	(248,502)
Income taxes paid	11	<u>(48,165)</u>	<u>(1,948)</u>
Net cash flow from operating activities		<u>440,282</u>	<u>(250,450)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(112,520)	(184,540)
Cash flows from financing activities			
Interest paid	7	(21,176)	(14,503)
Proceeds from bank borrowing draw downs		-	226,836
Repayment of bank borrowing		(261,955)	-
Proceeds from other borrowing draw downs		12,363	250,000
Repayment of other borrowing		(8,499)	-
Receipts from finance lease debtors		54,969	-
Payments to finance lease creditors		(55,257)	(81,940)
Dividends paid		<u>(60,000)</u>	<u>(100,000)</u>
Net cash flows from financing activities		<u>(339,555)</u>	<u>280,393</u>
Net decrease in cash and cash equivalents		(11,793)	(154,597)
Cash and cash equivalents at 1 July		<u>(70,166)</u>	<u>84,431</u>
Cash and cash equivalents at 30 June		<u><u>(81,959)</u></u>	<u><u>(70,166)</u></u>

The notes on pages 11 to 24 form an integral part of these financial statements.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

75 Sampson Road North
Sparkbrook
Birmingham
West Midlands
B11 1BH

These financial statements were authorised for issue by the Board on 21 March 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. This is the first year that the company has presented its results under FRS102. The last financial statements under the UK Generally Accepted Accounting Practice were for the year ended 30 June 2015. The date of transition was 1 July 2015.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

2 Accounting policies (continued)

Tax

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, 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 property

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.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

2 Accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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 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.

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 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.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Sale of goods	<u>15,966,919</u>	<u>14,734,884</u>

The analysis of the company's turnover for the year by market is as follows:

	2016 £	2015 £
Sale of goods, UK	15,561,458	14,417,360
Sale of goods, Europe	<u>405,461</u>	<u>317,524</u>
	<u>15,966,919</u>	<u>14,734,884</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2016 £	2015 £
Government grants	<u>18,435</u>	<u>-</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

5 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	107,777	83,502
Foreign exchange gains	(35,100)	-

6 Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match with the expenditure to which they relate.

The amount of grants recognised in the financial statements was £18,435 (2015 - £Nil).

7 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	8,793	11,948
Interest on obligations under finance leases and hire purchase contracts	6,972	6,369
Interest expense on other finance liabilities	12,383	2,555
	<u>28,148</u>	<u>20,872</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	826,154	709,464
Social security costs	32,922	33,554
Pension costs, defined contribution scheme	39,701	19,250
Other employee expense	79,478	114,040
	<u>978,255</u>	<u>876,308</u>

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

	2016 No.	2015 No.
Administration and support	<u>64</u>	<u>66</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	33,800	33,800
Contributions paid to money purchase schemes	33,687	19,250
	<u>67,487</u>	<u>53,050</u>

10 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	<u>8,500</u>	<u>8,000</u>

11 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	70,103	48,282
UK corporation tax adjustment to prior periods	<u>(273)</u>	<u>442</u>
	69,830	48,724
Deferred taxation		
Arising from origination and reversal of timing differences	<u>21,149</u>	<u>24,135</u>
Tax expense in the income statement	<u>90,979</u>	<u>72,859</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

11 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>357,695</u>	<u>332,287</u>
Corporation tax at standard rate	71,539	66,457
Effect of expense not deductible in determining taxable profit (tax loss)	2,049	1,787
Deferred tax expense / (credit)	21,149	24,135
Tax increase (decrease) from effect of capital allowances and depreciation	(3,485)	(19,962)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(273)</u>	<u>442</u>
Total tax charge	<u>90,979</u>	<u>72,859</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 July 2015	103,212	23,280	218,380	566,150	911,022
Additions	-	-	87,656	24,864	112,520
At 30 June 2016	<u>103,212</u>	<u>23,280</u>	<u>306,036</u>	<u>591,014</u>	<u>1,023,542</u>
Depreciation					
At 1 July 2015	-	21,909	164,139	237,871	423,919
Charge for the year	-	1,371	59,909	46,497	107,777
At 30 June 2016	<u>-</u>	<u>23,280</u>	<u>224,048</u>	<u>284,368</u>	<u>531,696</u>
Carrying amount					
At 30 June 2016	<u>103,212</u>	<u>-</u>	<u>81,988</u>	<u>306,646</u>	<u>491,846</u>
At 30 June 2015	<u>103,212</u>	<u>1,371</u>	<u>54,241</u>	<u>328,279</u>	<u>487,103</u>

Included within the net book value of land and buildings above is £103,212 (2015 - £103,212) in respect of investment properties.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

12 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Plant and machinery	28,153	93,584
Motor vehicles	81,987	50,990
	<u>110,140</u>	<u>144,574</u>

13 Other financial assets (current and non-current)

	2016 £	2015 £
Non-current financial assets		
Financial assets at cost less impairment	<u>15,000</u>	<u>15,000</u>
	<u>2016 £</u>	<u>2015 £</u>
Current financial assets		
Financial assets at fair value through profit and loss	<u>30</u>	<u>30</u>

14 Stocks

	2016 £	2015 £
Other inventories	<u>2,734,325</u>	<u>2,588,686</u>

15 Debtors

	2016 £	2015 £
Trade debtors	2,152,153	2,480,732
Other debtors	185,006	252,315
Prepayments	<u>59,133</u>	<u>126,792</u>
Total current trade and other debtors	<u>2,396,292</u>	<u>2,859,839</u>

16 Cash and cash equivalents

	2016 £	2015 £
Cash on hand	820	820
Cash at bank	<u>303,872</u>	<u>111,640</u>
	304,692	112,460
Bank overdrafts	<u>(386,651)</u>	<u>(182,626)</u>
Cash and cash equivalents in statement of cash flows	<u>(81,959)</u>	<u>(70,166)</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

17 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and borrowings	21	1,019,794	1,116,520
Trade creditors		1,414,502	1,611,971
Social security and other taxes		14,405	2,852
Other payables		110,888	182,564
Accrued expenses		15,874	46,263
Income tax liability	11	70,103	48,438
		<u>2,645,566</u>	<u>3,008,608</u>
Due after one year			
Loans and borrowings	21	30,694	16,450
Other non-current financial liabilities		<u>250,000</u>	<u>250,000</u>
		<u>280,694</u>	<u>266,450</u>

18 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 July 2015	65,313	65,313
Additional provisions	<u>21,149</u>	<u>21,149</u>
At 30 June 2016	<u>86,462</u>	<u>86,462</u>

19 Pension and other 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 £39,701 (2015 - £19,250).

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

20 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	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.

21 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Finance lease liabilities	<u>30,694</u>	<u>16,450</u>
	2016 £	2015 £
Current loans and borrowings		
Bank borrowings	28,941	299,689
Bank overdrafts	386,651	182,626
Finance lease liabilities	42,759	64,263
Other borrowings	<u>561,443</u>	<u>569,942</u>
	<u>1,019,794</u>	<u>1,116,520</u>

22 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	42,759	64,263
Later than one year and not later than five years	<u>30,694</u>	<u>16,450</u>
	<u>73,453</u>	<u>80,713</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

22 Obligations under leases and hire purchase contracts (continued)

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Later than one year and not later than five years	<u>169,240</u>	<u>253,860</u>

23 Contingent liabilities

The company has given the following guarantee: HM Revenue and Customs £12,500 (2015 - £12,500)

24 Related party transactions

Transactions with directors

Dividends paid to directors

	2016 £	2015 £
Mr Z A Chaudhary	<u>30,000</u>	<u>30,000</u>
	<u>-</u>	<u>40,000</u>
Ms N K Areehy	<u>20,000</u>	<u>20,000</u>

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 (2015: £24,000) was charged to Indus Foods Limited during the year. Various other loans and repayments were made and at 30 June 2016 an amount of £7,045 (2015: £23,591) 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 £59,250 (2015: £39,500) was incurred. A loan of £250,000 (2015: £250,000) was owed to Indus Associates at the balance sheet date.

The company traded with Catering Solutions UK Limited, a company in which Mr T Areehy was a director and shareholder for part of the period. Sales of £57,371 (2015: £280,189) and purchases of £73,859 (2015: £167,672) were made during the year. At the year end an amount of £27,386 (2015: £190,260) was owed to Indus Foods Limited in respect of these transactions. Mr T Areehy resigned on 1 November 2015 and the transactions are to this date.

During the year the company made charitable donations of £50,000 (2015: £30,000) 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 £105,000 (2015: £100,000) was owed to Indus Foods Limited.

A Chaudhary a shareholder and son of a director Z Chaudhary was paid dividends of £10,000 (2015: £10,000).

During the year the directors made loans to the company totalling £561,442 (2015: £569,942). The loans do not attract interest and are repayable on demand.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

25 Parent and ultimate parent undertaking

The company is controlled by the directors who own 90% of called up share capital.

26 Transition to FRS 102

Following transition to FRS102 there are no material balances that require restating in relation to prior years.