

Registration number: 02430421

Indus Foods Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2017

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

Indus Foods Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 to 23

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 2017

The directors present their strategic report for the year ended 30 June 2017.

Principal activity

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

Fair review of the business

The company anticipates further growth in the coming years as the company has continued to invest 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

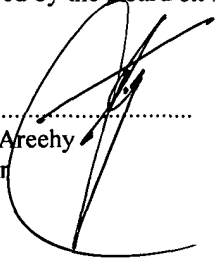
The company is partly reliant on overseas suppliers and has creditors in Euro and US Dollar. Exchange rate exposure is limited by systems put in place by the directors to minimise risks.

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 9 February 2018 and signed on its behalf by:

.....
Mr T I Arechy
Director



Indus Foods Limited

Directors' Report for the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

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 9 February 2018 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

Opinion

We have audited the financial statements of Indus Foods Limited (the 'company') for the year ended 30 June 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

Indus Foods Limited

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Indus Foods Limited

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Haines Watts Leicester LLP

Richard Buckby ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts Leicester LLP, Statutory Auditor

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

9 February 2018

Indus Foods Limited

Profit and Loss Account for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Turnover	3	14,703,929	15,966,919
Cost of sales		<u>(12,136,231)</u>	<u>(13,671,646)</u>
Gross profit		2,567,698	2,295,273
Administrative expenses		(2,218,028)	(1,927,865)
Other operating income	4	<u>7,618</u>	<u>18,435</u>
Operating profit	5	<u>357,288</u>	<u>385,843</u>
Interest payable and similar expenses	7	<u>(27,466)</u>	<u>(28,148)</u>
		<u>(27,466)</u>	<u>(28,148)</u>
Profit before tax		329,822	357,695
Taxation	11	<u>(61,098)</u>	<u>(90,979)</u>
Profit for the financial year		<u><u>268,724</u></u>	<u><u>266,716</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.

Indus Foods Limited

(Registration number: 02430421)

Balance Sheet as at 30 June 2017

	Note	2017 £	2016 £
Tangible assets	12	422,135	491,846
Other financial assets	13	15,000	15,000
		<u>437,135</u>	<u>506,846</u>
Current assets			
Stocks	14	3,407,963	2,734,325
Debtors	15	2,059,916	2,396,292
Other financial assets	13	30	30
Cash at bank and in hand		434,841	304,692
		<u>5,902,750</u>	<u>5,435,339</u>
Creditors: Amounts falling due within one year	17	<u>(2,156,488)</u>	<u>(2,084,123)</u>
Net current assets		<u>3,746,262</u>	<u>3,351,216</u>
Total assets less current liabilities		4,183,397	3,858,062
Creditors: Amounts falling due after more than one year	17	(974,506)	(842,137)
Provisions for liabilities	18	<u>(70,704)</u>	<u>(86,462)</u>
Net assets		<u>3,138,187</u>	<u>2,929,463</u>
Capital and reserves			
Called up share capital	20	685,000	685,000
Profit and loss account		2,453,187	2,244,463
Total equity		<u>3,138,187</u>	<u>2,929,463</u>

Approved and authorised by the Board on 9 February 2018 and signed on its behalf by:

Mr T J Archy
Director

The notes on pages 12 to 23 form an integral part of these financial statements.

Indus Foods Limited

Statement of Changes in Equity for the Year Ended 30 June 2017

	Share capital £	Profit and loss account £	Total £
At 1 July 2016	685,000	2,244,463	2,929,463
Profit for the year	-	268,724	268,724
Total comprehensive income	-	268,724	268,724
Dividends	-	(60,000)	(60,000)
At 30 June 2017	685,000	2,453,187	3,138,187
	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

The notes on pages 12 to 23 form an integral part of these financial statements.

Indus Foods Limited

Statement of Cash Flows for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		268,724	266,716
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	85,397	107,777
Finance costs	7	27,466	28,148
Income tax expense	11	61,098	90,979
Foreign exchange (gains) / losses		(51,308)	(35,100)
		391,377	458,520
Working capital adjustments			
Increase in stocks	14	(673,638)	(145,639)
Decrease in trade debtors	15	336,376	463,548
Decrease in trade creditors	17	(517,636)	(312,847)
Cash generated from operations		(463,521)	463,582
Income taxes paid	11	(61,864)	(48,164)
Net cash flow from operating activities		(525,385)	415,418
Cash flows from investing activities			
Acquisitions of tangible assets		(15,686)	(87,656)
Cash flows from financing activities			
Interest paid	7	(13,862)	(21,176)
Repayment of bank borrowing		270,121	(261,955)
Proceeds from other borrowing draw downs		4,333	12,363
Repayment of other borrowing		83,999	(8,499)
Receipts from finance lease debtors		153,497	54,969
Payments to finance lease creditors		(98,743)	(55,257)
Dividends paid		-	(60,000)
Net cash flows from financing activities		399,345	(339,555)
Net decrease in cash and cash equivalents		(141,726)	(11,793)
Cash and cash equivalents at 1 July		(81,959)	(70,166)
Cash and cash equivalents at 30 June		(223,685)	(81,959)

The notes on pages 12 to 23 form an integral part of these financial statements.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

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 9 February 2018.

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'.

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.

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 2017

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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

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

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

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.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

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.

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.

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

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.

3 Revenue

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

	2017 £	2016 £
Sale of goods	14,703,929	15,966,919

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

	2017 £	2016 £
Sale of goods, UK	14,340,510	15,561,458
Sale of goods, Europe	363,419	405,461
	14,703,929	15,966,919

4 Other operating income

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

	2017 £	2016 £
Government grants	7,618	18,435

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

5 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	85,397	107,777
Foreign exchange gains	<u>(51,308)</u>	<u>(35,100)</u>

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 £7,618 (2016 - £18,435).

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and borrowings	9,529	8,793
Interest on obligations under finance leases and hire purchase contracts	13,604	6,972
Interest expense on other finance liabilities	<u>4,333</u>	<u>12,383</u>
	<u>27,466</u>	<u>28,148</u>

8 Staff costs

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

	2017 £	2016 £
Wages and salaries	985,108	826,154
Social security costs	49,129	32,922
Pension costs, defined contribution scheme	35,653	39,701
Other employee expense	<u>39,495</u>	<u>79,478</u>
	<u>1,109,385</u>	<u>978,255</u>

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

	2017 No.	2016 No.
Administration and support	<u>64</u>	<u>64</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	33,800	33,800
Contributions paid to money purchase schemes	28,105	33,687
	<u>61,905</u>	<u>67,487</u>

10 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>8,500</u>	<u>8,500</u>

11 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	76,856	70,103
UK corporation tax adjustment to prior periods	-	(273)
	<u>76,856</u>	<u>69,830</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(15,758)</u>	<u>21,149</u>
Tax expense in the income statement	<u>61,098</u>	<u>90,979</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.75% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	329,822	357,695
Corporation tax at standard rate	65,140	71,539
Effect of expense not deductible in determining taxable profit (tax loss)	-	2,049
Deferred tax expense / (credit)	(15,756)	21,149
Tax increase (decrease) from effect of capital allowances and depreciation	11,714	(3,485)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	(273)
Total tax charge	61,098	90,979

12 Tangible assets

	Investment property £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2016	103,212	23,280	591,014	306,036	1,023,542
Additions	-	-	15,686	-	15,686
Disposals	-	-	-	(51,500)	(51,500)
At 30 June 2017	103,212	23,280	606,700	254,536	987,728
Depreciation					
At 1 July 2016	-	23,280	284,368	224,048	531,696
Charge for the year	-	-	47,238	38,159	85,397
Eliminated on disposal	-	-	-	(51,500)	(51,500)
At 30 June 2017	-	23,280	331,606	210,707	565,593
Carrying amount					
At 30 June 2017	103,212	-	275,094	43,829	422,135
At 30 June 2016	103,212	-	306,646	81,988	491,846

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Included within the net book value of land and buildings above is £103,212 (2016 - £103,212) in respect of investment properties.

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:

	2017 £	2016 £
Plant and machinery	-	28,153
Motor vehicles	41,828	81,987
	<u>41,828</u>	<u>110,140</u>

13 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 July 2016	<u>15,000</u>	<u>15,000</u>
At 30 June 2017	<u>15,000</u>	<u>15,000</u>
Impairment		
Carrying amount		
At 30 June 2017	<u>15,000</u>	<u>15,000</u>
	2017 £	2016 £
Current financial assets		
Financial assets at fair value through profit and loss	<u>30</u>	<u>30</u>

14 Stocks

	2017 £	2016 £
Stocks	<u>3,407,963</u>	<u>2,734,325</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

15 Debtors

	2017 £	2016 £
Trade debtors	1,785,257	2,152,153
Other debtors	177,533	185,008
Prepayments	97,126	59,131
	<u>2,059,916</u>	<u>2,396,292</u>

16 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	820	820
Cash at bank	<u>434,021</u>	<u>303,872</u>
	434,841	304,692
Bank overdrafts	<u>(658,526)</u>	<u>(386,651)</u>
Cash and cash equivalents in statement of cash flows	<u>(223,685)</u>	<u>(81,959)</u>

17 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	21	1,033,598	458,352
Trade creditors		801,375	1,414,502
Social security and other taxes		18,929	14,405
Other payables		205,038	110,887
Accruals		12,690	15,874
Income tax liability	11	<u>84,858</u>	<u>70,103</u>
		<u>2,156,488</u>	<u>2,084,123</u>
Due after one year			
Loans and borrowings	21	724,506	592,137
Other non-current financial liabilities		<u>250,000</u>	<u>250,000</u>
		<u>974,506</u>	<u>842,137</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

18 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 July 2016	86,462	86,462
At 30 June 2017	86,462	86,462

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 £35,653 (2016 - £39,701).

20 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	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

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	29,064	30,695
Other borrowings	<u>695,442</u>	<u>561,442</u>
	<u>724,506</u>	<u>592,137</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	289,533	28,941
Bank overdrafts	658,526	386,651
Finance lease liabilities	85,539	42,760
	<u>1,033,598</u>	<u>458,352</u>

22 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	85,539	42,760
Later than one year and not later than five years	29,064	30,694
	<u>114,603</u>	<u>73,454</u>

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Later than one year and not later than five years	169,240	169,240

23 Related party transactions

Dividends paid to directors

	2017 £	2016 £
Mr T I Areehy		
	<u>30,000</u>	<u>30,000</u>
Mr Z A Chaudhary		
	<u>-</u>	<u>-</u>
Ms N K Areehy		
	<u>20,000</u>	<u>20,000</u>

Indus Foods Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

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 (2016: £24,000) was charged to Indus Foods Limited during the year. Various other loans and repayments were made and at 30 June 2017 an amount of £12,332 (2016: £23,591) was owed by 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 £29,625 (2016: £59,250) was incurred. A loan of £250,000 (2016: £250,000) was owed to Indus Associates at the balance sheet date.

During the year the company made charitable donations of £40,000 (2016: £50,000) 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 (2016: £105,000) was owed to Indus Foods Limited.

A Chaudhary, a shareholder and son of a director Z Chaudhary, was paid dividends of £10,000 (2016: £10,000).

During the year the directors made loans to the company totalling £695,442 (2016: £561,442). The loans do not attract interest and are repayable on demand.

24 Parent and ultimate parent undertakings

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