

REGISTERED NUMBER: 02430421 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
FOR
INDUS FOODS LIMITED**



Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

INDUS FOODS LIMITED

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INDUS FOODS LIMITED
COMPANY INFORMATION
for the year ended 30 June 2018

DIRECTORS:	T I Areehy Ms N K Areehy Z A Choudhary
SECRETARY:	T I Areehy
REGISTERED OFFICE:	75 Sampson Road North Sparkbrook Birmingham B11 1BH
REGISTERED NUMBER:	02430421 (England and Wales)
AUDITORS:	Harrison Beale & Owen Limited Chartered Accountants and Statutory Auditors Seven Stars House 1 Wheler Road Coventry CV3 4LB

INDUS FOODS LIMITED
STRATEGIC REPORT
for the year ended 30 June 2018

The directors present their strategic report for the year ended 30 June 2018.

REVIEW OF BUSINESS

The company has broadly maintained its market share this year with turnover of £14,529,302 (2017: £14,703,929). Continued pressure on prices and other market difficulties have seen the gross profit fall to £2,182,934 (2017: £2,567,698), at 15.0% (2017: 17.5%) of turnover.

Management are seeking to expand operations in the short to medium term through improvements to the site facilities.

Overall, management are satisfied with this level of performance in the current trading environment.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal exposure to risks are through pricing volatility, both as a result of changes in raw material prices and through exchange rate fluctuations, as management are in part reliant on suppliers based overseas.

Management are mindful of these key risks to the business and have adopted strategies which include: continued scrutiny of pricing and rates of exchange; sourcing of product from various suppliers; and management of its purchase cycle.

Management also acknowledge exposure to interest rate and credit risks and these are also assessed continuously in order to minimise their impact.

FUTURE DEVELOPMENTS

The company's immediate strategy for 2018-19 and beyond is to maintain its market share and profitability.

In the short to medium term, the company's strategy is growth and the directors have started to put in place measures to expand the company's market share through a planned improvement and expansion to the company's operating facilities.

As the company is soundly financed and has historically made profits and generated cash, the directors believe the company will trade profitably and generate net cash inflows again in 2018-19 and beyond. As such, the directors believe the company to be a going concern and have adopted this assumption in preparing the financial statements.

ON BEHALF OF THE BOARD:

T I Areehy - Director

12 March 2019



INDUS FOODS LIMITED
REPORT OF THE DIRECTORS
for the year ended 30 June 2018

The directors present their report with the financial statements of the company for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of wholesale grocery and packaging.

DIVIDENDS

The total distribution of ordinary dividends for the year ended 30 June 2018 will be £100,000 (2017: £60,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

T I Areehy
Ms N K Areehy
Z A Choudhary

DISCLOSURE IN THE STRATEGIC REPORT

The company's review of business, principal risks and uncertainties and future developments are disclosed within the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

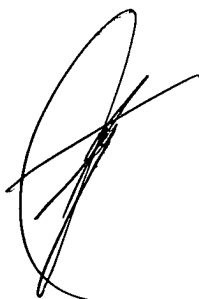
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

T I Areehy - Director

12 March 2019



REPORT OF THE INDEPENDENT AUDITORS 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 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INDUS FOODS LIMITED

Matters on which we are required to report by exception

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

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 three, 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 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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



Wayne Gutteridge ACA (Senior Statutory Auditor)
for and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditors
Seven Stars House
1 Wheler Road
Coventry
CV3 4LB

12 March 2019

INDUS FOODS LIMITED
INCOME STATEMENT
for the year ended 30 June 2018

		2018	2017
	Notes	£	as restated £
TURNOVER	3	14,529,302	14,703,929
Cost of sales		<u>12,346,368</u>	<u>12,136,231</u>
GROSS PROFIT		2,182,934	2,567,698
Administrative expenses		<u>1,740,902</u>	<u>2,189,923</u>
		442,032	377,775
Other operating income		<u>7,618</u>	<u>7,618</u>
OPERATING PROFIT	5	449,650	385,393
Interest payable and similar expenses	6	<u>105,229</u>	<u>55,571</u>
PROFIT BEFORE TAXATION		344,421	329,822
Tax on profit	7	<u>125,152</u>	<u>61,098</u>
PROFIT FOR THE FINANCIAL YEAR		<u>219,269</u>	<u>268,724</u>

The notes form part of these financial statements

INDUS FOODS LIMITED

OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2018

	2018	2017 as restated
Notes	£	£
PROFIT FOR THE YEAR	219,269	268,724
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>219,269</u>	
Prior year adjustment		<u>250,000</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		<u>518,724</u>

The notes form part of these financial statements

INDUS FOODS LIMITED (REGISTERED NUMBER: 02430421)

BALANCE SHEET
30 June 2018

		2018		2017 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10		280,059		318,923
Investments	11		15,000		15,000
Investment property	12		-		103,212
			<u>295,059</u>		<u>437,135</u>
CURRENT ASSETS					
Stocks	13	3,498,700		3,407,963	
Debtors	14	2,522,773		2,059,916	
Investments	15	30		30	
Cash at bank and in hand		290,048		434,841	
		<u>6,311,551</u>		<u>5,902,750</u>	
CREDITORS					
Amounts falling due within one year	16	3,680,116		3,486,930	
NET CURRENT ASSETS			<u>2,631,435</u>		<u>2,415,820</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,926,494</u>		<u>2,852,955</u>
CREDITORS					
Amounts falling due after more than one year	17		(10,787)		(29,064)
PROVISIONS FOR LIABILITIES	21		<u>(43,251)</u>		<u>(70,704)</u>
NET ASSETS			<u><u>2,872,456</u></u>		<u><u>2,753,187</u></u>
CAPITAL AND RESERVES					
Called up share capital	22		50,000		50,000
Retained earnings	23		2,822,456		2,703,187
SHAREHOLDERS' FUNDS			<u><u>2,872,456</u></u>		<u><u>2,753,187</u></u>

The financial statements were approved by the Board of Directors on 12 March 2019 and were signed on its behalf by:

T I Areehy - Director



The notes form part of these financial statements

INDUS FOODS LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2016	50,000	2,244,463	2,294,463
Prior year adjustment	-	250,000	250,000
As restated	50,000	2,494,463	2,544,463
Changes in equity			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	268,724	268,724
Balance at 30 June 2017	50,000	2,703,187	2,753,187
Changes in equity			
Dividends	-	(100,000)	(100,000)
Total comprehensive income	-	219,269	219,269
Balance at 30 June 2018	<u>50,000</u>	<u>2,822,456</u>	<u>2,872,456</u>

The notes form part of these financial statements

INDUS FOODS LIMITED

CASH FLOW STATEMENT
for the year ended 30 June 2018

		2018	2017
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	386,938	(384,110)
Interest paid		(12,968)	(13,862)
Interest element of hire purchase payments paid		(8,803)	(13,604)
Finance costs paid		(83,458)	(28,105)
Tax paid		(79,410)	(62,101)
Net cash from operating activities		<u>202,299</u>	<u>(501,782)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,809)	(15,686)
Net cash from investing activities		<u>(11,809)</u>	<u>(15,686)</u>
Cash flows from financing activities			
New loans in year		-	260,592
Loan repayments in year		(73,099)	-
Capital repayments in year		(88,461)	41,150
Amount introduced by directors		-	164,000
Amount withdrawn by directors		(10,000)	(30,000)
Equity dividends paid		(60,000)	(60,000)
Net cash from financing activities		<u>(231,560)</u>	<u>375,742</u>
Decrease in cash and cash equivalents		<u>(41,070)</u>	<u>(141,726)</u>
Cash and cash equivalents at beginning of year	2	(223,685)	(81,959)
Cash and cash equivalents at end of year	2	<u>(264,755)</u>	<u>(223,685)</u>

The notes form part of these financial statements

INDUS FOODS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 June 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017 as restated
	£	£
Profit before taxation	344,421	329,822
Depreciation charges	70,661	85,397
Profit on disposal of fixed assets	(26,788)	-
Finance costs	105,229	55,571
	<u>493,523</u>	<u>470,790</u>
Increase in stocks	(90,737)	(673,638)
(Increase)/decrease in trade and other debtors	(462,857)	336,376
Increase/(decrease) in trade and other creditors	447,009	(517,638)
	<u>386,938</u>	<u>(384,110)</u>
Cash generated from operations	<u><u>386,938</u></u>	<u><u>(384,110)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	290,048	434,841
Bank overdrafts	(554,803)	(658,526)
	<u>(264,755)</u>	<u>(223,685)</u>

Year ended 30 June 2017

	30.6.17	1.7.16
	as restated	
	£	£
Cash and cash equivalents	434,841	304,692
Bank overdrafts	(658,526)	(386,651)
	<u>(223,685)</u>	<u>(81,959)</u>

The notes form part of these financial statements

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

1. STATUTORY INFORMATION

Indus Foods Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied from the previous year.

Significant judgements and estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Accounting estimates:

i) Inventory provisioning

The company holds significant levels of inventory - generally one quarter's trade - at any point. At times, it becomes apparent that there are items which are out of date or which are selling slowly and management make appropriate provisions to reflect this.

ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Accounting judgements:

iii) Operating leases

The company utilises assets which it does not own and pays for on an ongoing basis. In making the judgement as to whether such arrangements constitute finance leases or operating leases, management have assessed where the substantial risk and rewards of the ownership of the assets fall, and assessed that the counter-party, rather than the company, bears substantially all of the risks and rewards of ownership of the assets.

Turnover

Sale of goods

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on delivery of the goods.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & machinery - 10% on cost

Furniture and equipment - 25% on cost

Motor vehicles - 25% on cost

Government grants

Government grants are recognised in the Income Statement on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants relating to tangible fixed assets are included in liabilities as deferred income and are credited to the Income Statement in line with the depreciation charged on the assets concerned.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase and other costs incurred in bringing stock to its present location and condition, including any import costs, duties and carriage.

Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2018

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

The company has in place an employer financed retirement benefit scheme for the benefits of its officers, employees and their wider families. The scheme is known as The Indus Foods Limited 2011 Employer Finances 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.

Share capital

Share capital is treated as an equity instrument where there is evidence of a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the company exchanging a fixed amount of cash or other assets for a fixed number of the company's own equity instruments.

Where shares are issued for a value in excess of their nominal value, the resultant premium is included in a share premium account.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these shares are recognised in the income statement as interest expense.

Dividends

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by shareholders. These amounts are recognised in the statement of changes in equity.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the year ended 30 June 2018**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2018	2017 as restated
	£	£
United Kingdom	14,009,541	14,340,510
Europe	519,761	363,419
	<u>14,529,302</u>	<u>14,703,929</u>

All turnover in the current and prior year was derived from the sale of goods.

4. EMPLOYEES AND DIRECTORS

	2018	2017 as restated
	£	£
Wages and salaries	955,887	985,108
Social security costs	48,880	49,129
Other pension costs	11,201	7,548
	<u>1,015,968</u>	<u>1,041,785</u>

The average number of employees during the year was as follows:

	2018	2017 as restated
Administration and support	<u>58</u>	<u>64</u>

Included within other pension costs in 2017 was £28,105 classified as directors' pension contributions which have been restated as interest charges on preference dividends within note 6 to the financial statements.

	2018	2017 as restated
	£	£
Directors' remuneration	<u>33,800</u>	<u>33,800</u>

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2018

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018	2017 as restated
	£	£
Depreciation - owned assets	28,718	45,453
Depreciation - assets on hire purchase contracts	41,943	39,944
Profit on disposal of fixed assets	(26,788)	-
Auditors' remuneration	8,500	8,500
Foreign exchange differences	(210)	(51,308)
Operating leases - land and buildings	43,750	53,625
Inventory recognised as an expense	12,346,368	12,136,231
Deferred capital grant	(7,618)	(7,618)
	<u>12,346,368</u>	<u>12,136,231</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017 as restated
	£	£
Bank interest	12,685	9,529
Other interest	283	4,333
Hire purchase	8,803	13,604
Preference dividend - 5%	43,000	19,250
Preference dividend - 6%	40,458	8,855
	<u>105,229</u>	<u>55,571</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017 as restated
	£	£
Current tax:		
UK corporation tax	152,605	76,856
Deferred tax	(27,453)	(15,758)
Tax on profit	<u>125,152</u>	<u>61,098</u>

UK corporation tax has been charged at 19% (2017 - 19.75%).

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2018

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017 as restated
	£	£
Profit before tax	<u>344,421</u>	<u>329,822</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.750%)	65,440	65,140
Effects of:		
Expenses not deductible for tax purposes	11,687	-
Depreciation in excess of capital allowances	5,764	11,716
Chargeable gain	2,854	-
Other tax adjustments	66,860	-
Deferred tax	<u>(27,453)</u>	<u>(15,758)</u>
Total tax charge	<u>125,152</u>	<u>61,098</u>

During the year the UK corporation tax rate remained at 19%.

A further reduction to 17% (effective from 1 April 2020) was enacted in the 2016 Finance Act.

8. DIVIDENDS

	2018	2017 as restated
	£	£
Ordinary shares of £1 each		
Interim	<u>100,000</u>	<u>60,000</u>

9. PRIOR YEAR ADJUSTMENT

During the 2015 year end, £250,000 was erroneously recorded as a creditor in the financial statements and as such the accounting profit and associated retained earnings were understated by this amount in this and subsequent years. A prior year adjustment has therefore been made to effect this change and the brought forward retained earnings have been restated accordingly.

The following changes in presentation and classification have also been made in the financial statements that have impacted on the disclosures of comparatives, which have been restated accordingly:-

635,000 preference shares of £1 each have been treated in accordance with FRS 102 as debt instruments and have been classified as loans repayable on demand, rather than as equity instruments within share capital. The associated dividend payments have been classified within interest payable.

Loans from directors of £555,442 (2017: £695,442), have been reclassified as creditors due within one year rather than long term creditors, as there is no interest due under the terms of these loans and they are deemed to be repayable on demand.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2018

10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Furniture and equipment £	Motor vehicles £	Totals £
COST				
At 1 July 2017	606,700	23,280	254,536	884,516
Additions	31,797	-	-	31,797
At 30 June 2018	638,497	23,280	254,536	916,313
DEPRECIATION				
At 1 July 2017	331,606	23,280	210,707	565,593
Charge for year	48,747	-	21,914	70,661
At 30 June 2018	380,353	23,280	232,621	636,254
NET BOOK VALUE				
At 30 June 2018	258,144	-	21,915	280,059
At 30 June 2017	275,094	-	43,829	318,923

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 July 2017	180,301	87,656	267,957
Additions	19,988	-	19,988
At 30 June 2018	200,289	87,656	287,945
DEPRECIATION			
At 1 July 2017	54,088	43,828	97,916
Charge for year	20,029	21,914	41,943
At 30 June 2018	74,117	65,742	139,859
NET BOOK VALUE			
At 30 June 2018	126,172	21,914	148,086
At 30 June 2017	126,213	43,828	170,041

The prior year comparatives for fixed assets held under hire purchase contracts have been restated to reflect those assets actually held under such contracts.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2018

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 July 2017 and 30 June 2018	<u>15,000</u>
NET BOOK VALUE	
At 30 June 2018	<u>15,000</u>
At 30 June 2017	<u>15,000</u>

12. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 July 2017	103,212
Disposals	<u>(103,212)</u>
At 30 June 2018	-
NET BOOK VALUE	
At 30 June 2018	-
At 30 June 2017	<u>103,212</u>

The investment property, which was disposed in the year, was formerly held at its fair value as assessed annually by the directors. There was no material difference between fair value as assessed by the directors and the historic cost of the investment property.

13. STOCKS

	2018	2017 as restated
	£	£
Stocks	<u>3,498,700</u>	<u>3,407,963</u>

An impairment loss of £nil (2017: £122,632) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Trade debtors	2,207,071	1,785,257
Other debtors	214,570	177,533
Prepayments and accrued income	101,132	97,126
	<u>2,522,773</u>	<u>2,059,916</u>

A reversal of an impairment loss of £28,185 (2017: impairment loss of £314,085) was recognised against trade debtors during the year.

All debtors are financial assets that are debt instruments measured at amortised cost.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2018

15. CURRENT ASSET INVESTMENTS

	2018	2017 as restated
	£	£
Unlisted investments	<u>30</u>	<u>30</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017 as restated
	£	£
Bank loans and overdrafts (see note 18)	771,237	948,059
Other loans (see note 18)	1,190,442	1,330,442
Hire purchase contracts (see note 19)	35,343	85,539
Trade creditors	1,281,261	801,375
Tax	158,053	84,858
Social security and other taxes	35,464	11,099
VAT	6,837	7,830
Other creditors	137,451	205,038
Accruals and deferred income	64,028	12,690
	<u>3,680,116</u>	<u>3,486,930</u>

All creditors are financial liabilities measured at amortised cost.

Accruals include arrears of fixed cumulative dividends of £49,208, of which £23,750 relates to the 5% dividends over a period between February 2013 to June 2018; and £25,458 relates to the 6% dividends over a period between April 2014 and June 2018.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017 as restated
	£	£
Hire purchase contracts (see note 19)	<u>10,787</u>	<u>29,064</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2018	2017 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	554,803	658,526
Bank loans - less than 1 year	216,434	289,533
Other loans	555,442	695,442
Preference shares	635,000	635,000
	<u>1,961,679</u>	<u>2,278,501</u>

Other loans are loans from directors of £555,442 (2017: £695,442). The loans do not attract interest and are repayable on demand.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the year ended 30 June 2018**

18. LOANS - continued

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:		Nominal value:	2018	2017
Number:	Class:		£	as restated £
385,000	Preference 5%	£1	385,000	385,000
250,000	Preference 6%	£1	250,000	250,000
			<u>635,000</u>	<u>635,000</u>

Preference shares are comprised of 385,000 5% shares and 250,000 6% shares, all with a nominal value of £1 each.

The shares carry an entitlement to fixed cumulative dividends, and have first priority on the distribution of assets in the event of a winding up, with amounts due including the nominal value of the shares and any arrears of fixed cumulative dividends.

The preference shares carry no voting rights.

The preference shares are redeemable and redemption can be triggered by either the shareholder or the company at any point following 7 days' written notice from either party.

Since the year end, the directors have entered into an arrangement to redeem the preference shares.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

		Hire purchase contracts	
		2018	2017
		£	as restated £
Net obligations repayable:			
Within one year		35,343	85,539
Between one and five years		10,787	29,064
		<u>46,130</u>	<u>114,603</u>
		Non-cancellable operating leases	
		2018	2017
		£	as restated £
Within one year		63,500	63,500

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2018

20. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017 as restated
	£	£
Bank overdrafts	554,803	658,526
Bank loans	216,434	289,533
Hire purchase contracts	46,130	114,603
	<u>817,367</u>	<u>1,062,662</u>

Bank borrowings are secured by fixed charges over all properties, plant and equipment, stocks and securities, book and other debts; and by a floating charge on all other property and assets present and future.

HP loans are secured on the relevant assets under the finance agreement.

21. PROVISIONS FOR LIABILITIES

	2018	2017 as restated
	£	£
Deferred tax		
Accelerated capital allowances	43,251	70,704

	Deferred tax £
Balance at 1 July 2017	70,704
Credit to Income Statement during year	(27,453)
Balance at 30 June 2018	<u>43,251</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017 as restated
Number:	Class:	Nominal value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

All Ordinary shares rank pari passu with respect to voting rights, the rights to distribution of dividends and the repayment of capital.

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2018

23. RESERVES

	Retained earnings £
At 1 July 2017	2,703,187
Profit for the year	219,269
Dividends	(100,000)
At 30 June 2018	<u>2,822,456</u>

Retained earnings

This reserve represents all current and prior year retained profits and losses.

24. PENSION COMMITMENTS

The pension charge of £11,201 (2017: £7,548) represents contributions to the defined contribution scheme. At the current and previous year end, there were no prepaid or outstanding contributions.

25. RELATED PARTY DISCLOSURES

Ordinary dividends to directors

T I Areehy received ordinary dividends of £30,000 (2017: £30,000).

N K Areehy received ordinary dividends of £20,000 (2017: £20,000).

Z A Choudhary received ordinary dividends of £nil in the current and prior year.

Preference dividends to directors

T I Areehy received 5% preference dividends of £3,252 (2017: £nil).

N K Areehy received 5% preference dividends of £3,787 (2017: £nil).

Z A Choudhary received 5% preference dividends of £3,628 (2017: £nil).

The above dividends have been disclosed within interest payable and accruals.

Other family members

Other family members were voted dividends of £42,000 (2017: £10,000)

Other transactions with directors

In June 2018 the company disposed of its investment property at 70 Highgate Street, Birmingham to Z A Choudhary, director, for £130,000.

Moorcroft Holdings Limited - a company under common ownership

	2018	2017 as restated
	£	£
Rent	24,000	24,000
Loans advanced	134,070	35,259
Amount due from related party	105,088	-
Amount due to related party	-	12,332

INDUS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the year ended 30 June 2018**

25. RELATED PARTY DISCLOSURES - continued

Indus Associates Limited ORBS - related pension scheme

	2018	2017 as restated
	£	£
Rent	19,750	29,625
Preference dividends charged as interest payable	72,791	28,105
Accrued preference dividends	38,541	-
	<u>131,082</u>	<u>57,730</u>

Alnoor Education Foundation Limited - a charitable company under common influence

	2018	2017 as restated
	£	£
Donations	-	40,000
Loans advanced	262	-
Dividends paid	8,000	-
Amount due from related party	105,262	105,000
	<u>113,524</u>	<u>145,000</u>

Key management

Key management are considered to be the directors, whose remuneration is disclosed in the preceding notes to these financial statements.

26. CONTROL

There is no overall controlling party or parties.