REGISTERED NUMBER: 02430421 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 FOR INDUS FOODS LIMITED

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

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for the year ended 30 June 2021

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INDUS FOODS LIMITED

COMPANY INFORMATION
for the year ended 30 June 2021

DIRECTORS:	T I Areehy Ms N K Areehy Z A Chaudhary
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
BANKERS:	Natwest Bank plc Bolton Corporate Service Centre Parklands, De Havilland Way Horwich Bolton BL6 4YU

STRATEGIC REPORT
for the year ended 30 June 2021

The directors present their strategic report for the year ended 30 June 2021.

REVIEW OF BUSINESS
The company has broadly maintained its market share this year with turnover of £13,953,316 (2020: £13,562,326). Gross profit margin has also been maintained during this period.

Management have continued to expand operations in the medium term through improvements to the site facilities, following a new warehouse development being completed and in use during the year.

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 prices of products 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.

Impact of Brexit
Management continue to be mindful of the impact of the UK's exit from the European Union and these associated risks have been embedded into management's risk assessments and inform the strategies to mitigate against those risks. Though the company is reliant on importing some goods from the European Union and further afield, management are of the opinion that the company has enough flexibility in its management of working capital and through its maintenance of strong supplier relationships, in order to reduce the impact of adverse changes that Brexit may bring, at least in the short term.

FUTURE DEVELOPMENTS
In the wake of the impact of the Covid-19 pandemic the company initially saw a slight dip in activity but otherwise remained fairly resilient through the year. Management's focus has continued to be on purchasing strategy and this has been assisted with the new warehouse development that became operational during the year.

Trading has been buoyant in the new financial year and the company appears well placed to trade through the continuing uncertainty that Covid-19 continues to bring.

Nonetheless, management took advantage of a Coronavirus Business Interruption Loan (CBILS) facility of £250,000 in the later part of last financial year, in addition to government grants of £41,967 during this financial year. With an otherwise solid balance sheet and other credit facilities in place, management believe the company will be able to continue to invest in its working capital needs and pay its debts as they fall due for the foreseeable future.

The company's strategy for 2021-22 and beyond remains one of growth, although management are mindful that the next 12 months may be challenging. Nevertheless, 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 Arrchy - Director

15 December 2021

REPORT OF THE DIRECTORS
for the year ended 30 June 2021

The directors present their report with the financial statements of the company for the year ended 30 June 2021.

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 2021 will be £100,000 (2020: £100,000).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

T I Areehy
Ms N K Areehy
Z A Chaudhary

CHARITABLE DONATIONS AND EXPENDITURE
During the year the company made charitable donations of £12,000 (2020: £15,000).

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.

REPORT OF THE DIRECTORS
for the year ended 30 June 2021

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 Arechy - Director

15 December 2021

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 2021 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management, including an assessment of any key laws and regulations with which the company must comply in the ordinary course of its business.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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

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

15 December 2021

INCOME STATEMENT
for the year ended 30 June 2021

	Notes	2021 £	2020 £
TURNOVER	3	**13,953,316**	13,562,326
Cost of sales		**11,575,339**	11,315,980
GROSS PROFIT		**2,377,977**	2,246,346
Administrative expenses		**2,017,525**	1,820,371
		360,452	425,975
Other operating income		**49,585**	7,618
OPERATING PROFIT	5	**410,037**	433,593
Interest payable and similar expenses	6	**113,514**	42,291
PROFIT BEFORE TAXATION		**296,523**	391,302
Tax on profit	7	**25,430**	76,478
PROFIT FOR THE FINANCIAL YEAR		**271,093**	314,824

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2021

	Notes	**2021** **£**	2020 £
PROFIT FOR THE YEAR		**271,093**	314,824
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**271,093**	314,824

The notes form part of these financial statements

BALANCE SHEET
30 June 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	9		**2,572,849**		1,420,676
Investments	10		**15,000**		15,000
			2,587,849		1,435,676
CURRENT ASSETS					
Stocks	11	**3,392,347**		2,252,053	
Debtors	12	**3,397,794**		3,327,105	
Investments	13	**30**		30	
Cash at bank and in hand		**324,342**		1,039,225	
		7,114,513		6,618,413	
CREDITORS					
Amounts falling due within one year	14	**3,940,450**		3,170,376	
NET CURRENT ASSETS			**3,174,063**		3,448,037
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,761,912**		4,883,713
CREDITORS					
Amounts falling due after more than one year	15		**(2,330,977)**		(1,648,173)
PROVISIONS FOR LIABILITIES	19		**(93,928)**		(69,626)
NET ASSETS			**3,337,007**		3,165,914
CAPITAL AND RESERVES					
Called up share capital	20		**50,000**		50,000
Capital redemption reserve	21		**635,000**		635,000
Retained earnings	21		**2,652,007**		2,480,914
SHAREHOLDERS' FUNDS			**3,337,007**		3,165,914

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2021 and were signed on its behalf by:

T I Areehy - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2019	50,000	2,266,090	635,000	2,951,090
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	314,824	-	314,824
Balance at 30 June 2020	50,000	2,480,914	635,000	3,165,914
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	271,093	-	271,093
Balance at 30 June 2021	50,000	2,652,007	635,000	3,337,007

The notes form part of these financial statements

CASH FLOW STATEMENT
for the year ended 30 June 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	**(972,641)**	1,670,477
Interest paid		**(113,007)**	(41,784)
Interest element of hire purchase payments paid		**(507)**	(507)
Tax paid		**(97,606)**	(27,629)
Net cash from operating activities		**(1,183,761)**	1,600,557
Cash flows from investing activities			
Purchase of tangible fixed assets		**(1,050,673)**	(1,262,152)
Sale of tangible fixed assets		**2,500**	-
Net cash from investing activities		**(1,048,173)**	(1,262,152)
Cash flows from financing activities			
Loan repayments in year		**(74,900)**	(132,313)
Loan advances in year		**1,140,000**	661,011
Capital repayments in year		**(45,632)**	(5,884)
Amount withdrawn by directors		**(109,564)**	(88,168)
Equity dividends paid		**(50,000)**	(50,000)
Net cash from financing activities		**859,904**	384,646
(Decrease)/increase in cash and cash equivalents		**(1,372,030)**	723,051
Cash and cash equivalents at beginning of year	2	**1,039,225**	316,174
Cash and cash equivalents at end of year	2	**(332,805)**	1,039,225

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 June 2021

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

	2021	2020
	£	£
Profit before taxation	**296,523**	391,302
Depreciation charges	**108,078**	50,853
Loss on disposal of fixed assets	**700**	-
Finance costs	**113,514**	42,291
	518,815	484,446
(Increase)/decrease in stocks	**(1,140,294)**	748,223
Increase in trade and other debtors	**(70,689)**	(244,050)
(Decrease)/increase in trade and other creditors	**(280,473)**	681,858
Cash generated from operations	**(972,641)**	1,670,477

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 2021

	30.6.21	**1.7.20**
	£	**£**
Cash and cash equivalents	**324,342**	**1,039,225**
Bank overdrafts	**(657,147)**	**-**
	(332,805)	**1,039,225**

Year ended 30 June 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	1,039,225	549,596
Bank overdrafts	-	(233,422)
	1,039,225	316,174

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 June 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.20 £	Cash flow £	Other non-cash changes £	At 30.6.21 £
Net cash				
Cash at bank and in hand	1,039,225	(714,883)		324,342
Bank overdrafts	-	(657,147)		(657,147)
	1,039,225	(1,372,030)		(332,805)
Liquid resources				
Current asset investments	30	-	-	30
	30	-	-	30
Debt				
Finance leases	(10,216)	45,632	(212,778)	(177,362)
Debts falling due within 1 year	(878,079)	(320,435)	-	(1,198,514)
Debts falling due after 1 year	(1,354,370)	(635,100)	-	(1,989,470)
	(2,242,665)	(909,903)	(212,778)	(3,365,346)
Total	(1,203,410)	(2,281,933)	(212,778)	(3,698,121)

The notes form part of these financial statements

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. The inventory held is monitored by management to ensure appropriate provisions are made in respect of items of stock which are out of date or which are selling slowly. See note 11 to the financial statements for further disclosure.

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. See note 12 to the financial statements for further disclosure.

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.

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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.

Long leasehold - 2% on cost
Plant & machinery - 10% on cost
Motor vehicles - 25% on cost

Government grants
Other operating income includes government grants arising from the impact of Coronavirus (COVID-19) with the purpose of compensating the company for incremental expenditure incurred or income lost, and are recognised in the period in which they become receivable.

Grants towards capital expenditure are treated as deferred income and released to the profit and loss account over the estimated useful economic life of the related assets.

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.

continued...

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.

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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:

	2021	2020
	£	£
United Kingdom	**12,578,460**	12,109,535
Europe	**1,374,856**	1,452,791
	13,953,316	13,562,326

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

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	**604,033**	531,060
Social security costs	**41,963**	31,776
Other pension costs	**9,021**	8,067
	655,017	570,903

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

	2021	2020
Administration and support	**25**	29

	2021	2020
	£	£
Directors' remuneration	**48,758**	43,488

During the year, the company incurred additional warehouse agency fees of £618,666 (2020: £326,498).

5. OPERATING PROFIT

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

	2021	2020
	£	£
Depreciation - owned assets	**77,703**	48,854
Depreciation - assets on hire purchase contracts	**30,375**	1,999
Loss on disposal of fixed assets	**700**	-
Auditors' remuneration	**9,250**	8,500
Foreign exchange differences	**(155,098)**	(23,346)
Operating leases - land and buildings	**66,600**	196,600
Deferred capital grant	**(7,618)**	(7,618)
Government grants - revenue grants	**(41,967)**	-

continued...

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	**12,272**	18,251
Other interest	**100,735**	23,533
Hire purchase	**507**	507
	113,514	42,291

7. TAXATION

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	**1,128**	38,404
Deferred tax	**24,302**	38,074
Tax on profit	**25,430**	76,478

UK corporation tax has been charged at 19% .

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	**296,523**	391,302
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	**56,339**	74,347
Effects of:		
Expenses not deductible for tax purposes	**28**	1,728
Capital allowances in excess of depreciation	**(30,937)**	-
Depreciation in excess of capital allowances	**-**	403
Total tax charge	**25,430**	76,478

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

Following the budget in March 2021, pledges were made to keep the main rate at 19% up to April 2023, after which the main rate is set to rise to 25%.

8. DIVIDENDS

	2021	2020
	£	£
Interim	**100,000**	100,000

continued...

9. **TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 July 2020	**1,249,652**	**491,269**	**247,386**	**1,988,307**
Additions	**1,035,990**	**172,711**	**54,750**	**1,263,451**
Disposals	**-**	**-**	**(3,200)**	**(3,200)**
At 30 June 2021	**2,285,642**	**663,980**	**298,936**	**3,248,558**
DEPRECIATION				
At 1 July 2020	**-**	**326,620**	**241,011**	**567,631**
Charge for year	**26,666**	**66,399**	**15,013**	**108,078**
At 30 June 2021	**26,666**	**393,019**	**256,024**	**675,709**
NET BOOK VALUE				
At 30 June 2021	**2,258,976**	**270,961**	**42,912**	**2,572,849**
At 30 June 2020	1,249,652	164,649	6,375	1,420,676

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 2020	**23,988**	**-**	**23,988**
Additions	**168,128**	**44,650**	**212,778**
At 30 June 2021	**192,116**	**44,650**	**236,766**
DEPRECIATION			
At 1 July 2020	**5,997**	**-**	**5,997**
Charge for year	**19,212**	**11,163**	**30,375**
At 30 June 2021	**25,209**	**11,163**	**36,372**
NET BOOK VALUE			
At 30 June 2021	**166,907**	**33,487**	**200,394**
At 30 June 2020	17,991	-	17,991

10. **FIXED ASSET INVESTMENTS**

	Unlisted investments £
COST	
At 1 July 2020 and 30 June 2021	**15,000**
NET BOOK VALUE	
At 30 June 2021	**15,000**
At 30 June 2020	15,000

continued...

11. STOCKS

	2021	2020
	£	£
Stocks	**3,392,347**	2,252,053

An impairment loss of £nil (2020: £37,456) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

12. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	**2,488,752**	2,299,104
Other debtors	**522,135**	488,317
VAT	**89,965**	176,452
Prepayments and accrued income	**53,506**	69,429
	3,154,358	3,033,302
Amounts falling due after more than one year:		
Other debtors	**243,436**	293,803
Aggregate amounts	**3,397,794**	3,327,105

An impairment loss of £nil (2020: £23,951) was recognised against trade and other debtors during the year.

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

13. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Unlisted investments	**30**	30

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	**1,228,297**	306,536
Other loans (see note 16)	**627,364**	571,543
Hire purchase contracts (see note 17)	**79,291**	10,216
Trade creditors	**1,672,401**	1,870,229
Tax	**2,002**	98,480
Social security and other taxes	**18,969**	19,078
Other creditors	**218,056**	222,574
Pension creditor	**5,325**	4,982
Accruals and deferred income	**88,745**	66,738
	3,940,450	3,170,376

continued...

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

All creditors are financial liabilities measured at amortised cost.

Accruals include arrears of fixed cumulative dividends of £44,363, of which £20,732 relates to the 5% preference shares over a period between February 2013 to October 2018; and £23,631 relates to the 6% preference shares over a period between April 2014 and October 2018.

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

	2021	2020
	£	£
Bank loans (see note 16)	**202,558**	246,400
Other loans (see note 16)	**1,786,912**	1,107,970
Hire purchase contracts (see note 17)	**98,071**	-
Other creditors - 2-5 years	**201,467**	201,467
Other creditors - over 5 years	**41,969**	92,336
	2,330,977	1,648,173

Within other creditors is an amount totalling £302,197 (2020: £356,761) in relation to a settlement agreement reached with HMRC for amounts that will be subsequently made good by the directors. Accordingly, a corresponding debtor is also shown within other debtors.

The settlement is repayable in instalments and as such the creditor and corresponding debtor have been aged accordingly, with amounts due within one year of £58,761 (2020: £62,958), amounts due within 2-5 years of £201,467 (2020: £201,467) and amounts due in more than 5 years of £41,969 (2020: £92,336).

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	**657,147**	-
Bank loans - less than 1 year	**571,150**	306,536
Other loans	**627,364**	571,543
	1,855,661	878,079
Amounts falling due between one and two years:		
Bank loans - 1-2 years	**45,049**	43,842
Other loans - 1-2 years	**179,654**	64,269
	224,703	108,111
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**157,509**	138,904
Other loans - 2-5 years	**1,433,386**	803,817
	1,590,895	942,721

Amounts falling due in more than five years:

continued...

16. **LOANS - continued**

	2021	2020
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans - more than 5 years	-	63,654
Other loans more 5yrs instal	173,872	239,884
	173,872	303,538

Other loans include loans due within one year from directors of £447,710 (2020: £507,274). These loans are unsecured, do not attract interest and are repayable on demand.

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	79,291	10,216
Between one and five years	98,071	-
	177,362	10,216

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	64,150	91,600
Between one and five years	240,000	4,150
In more than five years	85,200	-
	389,350	95,750

continued...

18. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdrafts	**657,147**	-
Bank loans	**773,708**	552,936
Hire purchase contracts	**177,362**	10,216
Other loans	**1,471,349**	611,011
	3,079,566	1,174,163

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, to which they relate.

During the previous financial year, a finance facility agreement was secured totalling £1,500,000 in respect of the refurbishment and rebuild of premises at Sampson Road North. The site was purchased via a related entity, Moorcroft Holdings Limited and construction work to the end of the year is shown within long leasehold costs in note 9.

Other loans noted above are representative of amounts drawn up to the year end on this finance arrangement. These amounts are secured via the following:

- A debenture from the Borrower in favour of the Lender;
- a personal guarantee of £400,000 made by the directors;
- an inter-company guarantee limited to £1,500,000 and supported by a second legal charge over the property to which this building work relates; and
- the subordination of directors loan monies and preference shares.

Other secured loans incur interest at a fixed rate of 6%, paid quarterly in arrears on the outstanding balance of the loans.

19. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	**93,928**	69,626

	Deferred tax
	£
Balance at 1 July 2020	**69,626**
Provided during year	**24,302**
Balance at 30 June 2021	**93,928**

continued...

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
50,000	Ordinary	£1	**50,000**	50,000

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

21. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 July 2020	**2,480,914**	**635,000**	**3,115,914**
Profit for the year	**271,093**		**271,093**
Dividends	**(100,000)**		**(100,000)**
At 30 June 2021	**2,652,007**	**635,000**	**3,287,007**

Retained earnings

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

Capital redemption reserve

This reserves represents the nominal value of shares repurchased by the company.

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme in respect of certain employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £9,021 (2020: £8,067).

Included within creditors is a balance due to pension providers of £2,282 (2020: £2,135) representing contributions owed to the funds from the company at the year end.

23. CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for in the financial statements	**-**	1,036,061

continued...

24. RELATED PARTY DISCLOSURES

Ordinary dividends to directors
T I Areehy received ordinary dividends of £20,000 (2020: £30,000).

N K Areehy received ordinary dividends of £20,000 (2020: £20,000).

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

Directors' interest on loans
T I Areehy earned interest of £5,326 (2020: £5,745) on loans advanced. The loan balance owed at the year end amounted to £150,992 (2020: £171,119)

N K Areehy earned interest of £6,201 (2020: £6,689) on loans advanced. The loan balance owed at the year end amounted to £175,801 (2020: £199,236)

Z A Choudhary earned interest of £5,940 (2020: £6,408) on loans advanced. The loan balance owed at the year end amounted to £168,423 (2020: £190,874)

Other family members
Other family members were voted dividends of £52,000 (2020: £42,000)

Moorcroft Holdings Limited - a company under common ownership

	2021	2020
	£	£
Rent	**29,167**	24,000
Loans advanced	**41,184**	35,144
Amount due from related party	**340,321**	328,304

Indus Associates Limited ORBS - related pension scheme

	2021	2020
	£	£
Rent	**39,500**	39,500
Amount due from related party	**-**	11,575
Amount due to related party	**27,925**	-

Alnoor Education Foundation Limited - a charitable company under common influence

	2021	2020
	£	£
Donations	**12,000**	15,000
Dividends paid	**8,000**	8,000
Amount due from related party	**87,024**	87,024

Sanam Foods Ltd - entity controlled by son of Z Choudhary, director

	2021	2020
	£	£
Warehouse agency fees	**618,666**	326,408

continued...

24. **RELATED PARTY DISCLOSURES - continued**

Indus Food (Europe)B.V. - entity controlled by a director

	2021	2020
	£	£
Sales	**71,520**	-
Loans advanced	**25,998**	-
Amount due from related party	**97,518**	-

Key management

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

25. **CONTROL**

There is no overall controlling party or parties.

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