

# Financial statements East End Foods plc

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**For the Year Ended 30 April 2009**

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## Company information

**Company registration number**

01159183

**Registered office**

East End House  
Kenrick Way  
West Bromwich  
West Midlands  
B71 4EA

**Directors**

Kuldip Singh Wouhra  
Devender Singh Wouhra  
Jasbir Singh Wouhra  
Gurdarshan Singh Wouhra  
Jitendra Singh Wouhra  
Dev Paul Wouhra  
Paul Deep Wouhra

**Secretary**

Jaswinder Singh Wouhra  
Kuldip Singh Wouhra

**Bankers**

HSBC Bank Plc  
328 High Street  
West Bromwich  
West Midlands  
B70 8DL

Barclays Bank Plc  
15 Colmore Row  
Birmingham  
B3 2BH

**Solicitors**

Murria Solicitors  
180 Corporation Street  
Birmingham  
B4 6UD

Shakespeare Putman  
Somerset House  
Temple Street  
Birmingham  
B2 5DJ

**Auditor**

Grant Thornton UK LLP  
Chartered Accountants  
Registered Auditors  
Enterprise House  
115 Edmund Street  
Birmingham  
B3 2HJ

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## Report of the directors

The directors present their report together with the audited financial statements for the year ended 30 April 2009.

### **Principal activity**

The company's principal activity is that of wholesale distribution of food.

### **Business review and key performance indicators**

There was a profit for the year after taxation amounting to £180,681 (2008: £366,507). The directors do not recommend the payment of a dividend.

The directors monitor the following key performance indicators; turnover, gross profit margin and net profit. The company's turnover has increased by 4% to £114.6m (2008: £110.4m). Gross margin has increased slightly from 12.75% to 13.07% with the total gross profit amounting to £14.98m (2008: £14.1m).

### **Future developments**

The directors aim to maintain management policies which have resulted in the company's substantial growth in recent years. They consider the growth to continue through greater efficiency and new product development.

### **Directors**

The directors who served during the year are set out below. All served on the Board throughout the year:

Kuldip Singh Wouhra  
Devender Singh Wouhra  
Jasbir Singh Wouhra  
Gurdarshan Singh Wouhra  
Jitendra Singh Wouhra  
Dev Paul Wouhra  
Paul Deep Wouhra

### **Company's policy on payment of creditors**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 30 April 2009 the company had an average of 34 days (2008: 28 days) purchases outstanding in trade creditors.

## Report of the directors

### **Charitable donations**

During the year the company made charitable donations totaling £38,000 (2008: £100,000).

### **Financial risk management objectives and policies**

The company uses various financial instruments these include directors' loan accounts, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken. The main risks arising from the company's financial instruments are market risks. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Market risk**

Market risk encompasses various types of risk, being currency risk, price risk, liquidity risk and credit risk. The company's policies for managing these are:

#### **Currency risk**

The company is exposed to translation and transaction foreign exchange risk. In relation to translation risk the company has access to a forward exchange contract facility and minimises this risk by balancing its currency assets and liabilities wherever possible.

#### **Price risk**

The company's exposure to price risk consists mainly of movements in the value of the raw materials. The directors keep under review the price fluctuations and agree quarterly prices in advance with customers and suppliers.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities.

#### **Credit risk**

The company's principal financial assets are trade debtors. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

## Report of the directors

### **Directors' responsibilities**

The directors are responsible for preparing 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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;
- 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 proper accounting records that 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Report of the directors

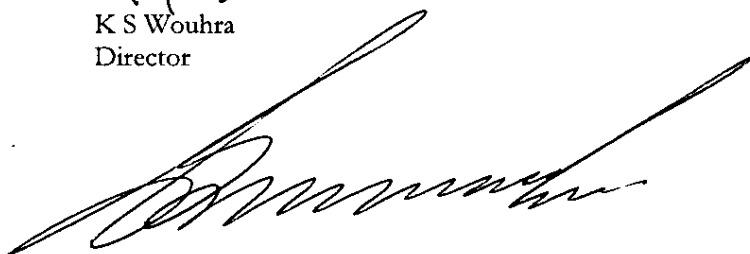
### Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 485 of the Companies Act 2006.

BY ORDER OF THE BOARD



K S Wouhra  
Director



D S Wouhra  
Director

16 October 2009

## Report of the independent auditor to the members of East End Foods plc (Company number 01159183)

We have audited the financial statements of East End Foods plc for the year ended 30 April 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet, cash flow statement and notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



## Report of the independent auditor to the members of East End Foods plc (Company number 01159183)

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
BIRMINGHAM**

16 October 2009

## Principal accounting policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year except as set out below.

### Consolidation accounts

The subsidiary's results are not consolidated with those of the company on the grounds that the amounts are immaterial and the subsidiary undertaking was struck off the register and dissolved during the current financial year.

### Turnover

Turnover represents net invoiced sales of goods, for goods delivered during the year, excluding value added tax.

### Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by the reducing balance method over their expected useful lives. The rates generally applicable are:

Freehold property	-	4% reducing balance
Leasehold property	-	4% reducing balance
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance

A full year of depreciation is charged in the year in which an asset is acquired irrespective of the date of purchase. No depreciation is charged in the year of disposal.

### Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion.

## Principal accounting policies

### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

### **Investments**

Fixed asset investments are valued at cost less amounts written off. Current asset investments are stated at the lower of cost and net realisable value.

### **Leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **Contributions to pension schemes**

#### *Defined Contribution Schemes*

The company operates two defined contribution pension schemes. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

### **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.

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

## Principal accounting policies

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Profit and loss account

	Note	2009 £	2008 £
Turnover	1	114,624,654	110,368,718
Cost of sales		99,641,108	96,297,141
Gross profit		14,983,546	14,071,577
Distribution costs		3,544,433	3,539,543
Administrative expenses		10,966,103	9,909,718
Other operating income		(2,437)	(21,540)
<b>Operating profit</b>		<b>475,447</b>	<b>643,856</b>
Interest receivable and similar income		82,505	145,934
Interest payable and similar charges	3	(166,237)	(318,147)
<b>Profit on ordinary activities before taxation</b>		<b>391,715</b>	<b>471,643</b>
Tax on profit on ordinary activities	4	(211,034)	(105,136)
<b>Profit on ordinary activities for the financial year</b>	20	<b>180,681</b>	<b>366,507</b>

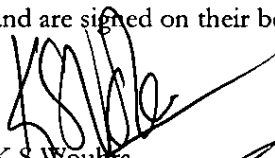
All of the activities of the company are classed as continuing.

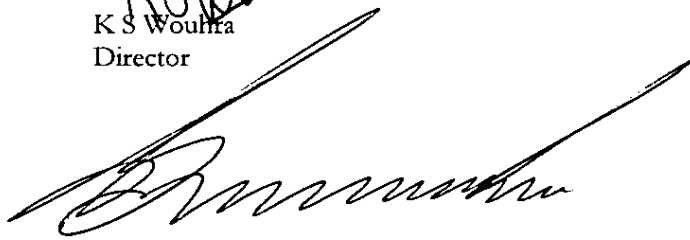
The company has no recognised gains or losses other than the results for the year as set out above.

## Balance sheet

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	5	<u>9,472,880</u>	<u>7,579,981</u>
<b>Current assets</b>			
Stocks	6	16,040,380	11,874,124
Debtors	7	4,831,298	4,439,673
Investments	8	-	-
Cash at bank and in hand		<u>175,782</u>	<u>926,165</u>
		<u>21,047,460</u>	<u>17,239,962</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>20,986,793</u>	<u>14,984,871</u>
<b>Net current assets</b>		<u>60,667</u>	<u>2,255,091</u>
<b>Total assets less current liabilities</b>		<u>9,533,547</u>	<u>9,835,072</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>2,354,282</u>	<u>2,810,989</u>
		<u>7,179,265</u>	<u>7,024,083</u>
<b>Provisions for liabilities and charges</b>	12	<u>391,596</u>	<u>417,095</u>
		<u>6,787,669</u>	<u>6,606,988</u>
<b>Capital and reserves</b>			
Called-up share capital	14	200,000	200,000
Profit and loss account	20	<u>6,587,669</u>	<u>6,406,988</u>
<b>Shareholders' funds</b>	21	<u>6,787,669</u>	<u>6,606,988</u>

These financial statements were approved by the directors and authorised for issue on 16 October 2009, and are signed on their behalf by:

  
K S Wouhra  
Director

  
D S Wouhra  
Director

**The accompanying accounting policies and notes form part of these financial statements.**

## Cash flow statement

	Note	2009 £	2008 £
<b>Net cash inflow from operating activities</b>	22	<u>2,057,994</u>	<u>605,357</u>
<b>Returns on investment and servicing of finance</b>			
Interest received		82,505	145,934
Interest paid		<u>(166,237)</u>	<u>(318,147)</u>
<b>Net cash outflow from returns on investment and servicing of finance</b>		<u>(83,732)</u>	<u>(172,213)</u>
<b>Taxation</b>		<u>(178,435)</u>	<u>(198,597)</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(2,861,988)	(357,231)
Capital contribution from EBT		-	54,519
Sale of tangible fixed assets		<u>71,900</u>	<u>2,865</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(2,790,088)</u>	<u>(299,847)</u>
<b>Net cash outflow before financing</b>		<u>(994,261)</u>	<u>(65,300)</u>
<b>Financing</b>			
Repayment of loan		<u>(301,103)</u>	<u>(702,789)</u>
<b>Decrease in cash in the year</b>	23	<u>(1,295,364)</u>	<u>(768,089)</u>

**The accompanying accounting policies and notes form part of these financial statements.**

## Notes to the financial statements

### **1 Turnover and profit on ordinary activities before taxation**

The turnover and profit on ordinary activities before taxation is attributable to the wholesale distribution of food.

An analysis of turnover by geographical market is given below:

	2009 £	2008 £
United Kingdom	111,659,582	107,924,690
United States of America	260,752	268,482
Europe	2,704,320	2,175,546
	<u>114,624,654</u>	<u>110,368,718</u>

The profit on ordinary activities before taxation is stated after:

	2009 £	2008 £
Auditors' remuneration:		
Audit services	20,000	24,100
Taxation services	4,400	4,400
Depreciation of tangible fixed assets owned	921,149	866,679
Hire of plant and machinery under operating leases	268,852	143,606
Land and buildings rentals	455,000	465,338
(Profit)/loss on disposal of fixed assets	(23,960)	4,635
Government grant	(26,666)	(26,666)
Net rent (receivable)	(2,437)	(11,635)
	<u></u>	<u></u>

### **2 Directors and employees**

	2009 £	2008 £
Wages and salaries	10,224,891	9,243,437
Social security costs	1,044,368	979,398
Other pension costs	47,396	88,874
	<u>11,316,655</u>	<u>10,311,709</u>



## Notes to the financial statements

### **2 Directors and employees (continued)**

The average monthly number of employees of the company during the year was:

	2009 Number	2008 Number
Directors	6	7
Production	211	205
Administration	37	37
	<u>254</u>	<u>249</u>

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Emoluments	5,631,558	5,096,926
Pension contributions to money purchase pension schemes	6,600	23,363
	<u>5,638,158</u>	<u>5,120,289</u>

During the year, 6 directors (2008: 6) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2009 £	2008 £
Emoluments	<u>1,245,798</u>	<u>1,383,527</u>

### **3 Interest payable and similar charges**

	2009 £	2008 £
Bank interest	5,882	2,867
Other interest	160,355	315,280
	<u>166,237</u>	<u>318,147</u>

## Notes to the financial statements

### **4 Taxation on profit on ordinary activities**

(a) The tax charge is based on the profit for the year and represents:

	2009 £	2008 £
United Kingdom corporation tax at 27.66% (2008: 29.84%)	173,764	180,196
Adjustment in respect of previous periods	62,769	(72,224)
Total current tax (see note 4(b))	236,533	107,972
Total deferred taxation (note 12)	(25,499)	(2,836)
Tax on profit on ordinary activities	<u>211,034</u>	<u>105,136</u>

(b) Factors affecting tax charge for the period:

The tax assessed for the period is higher than the standard rate of corporation tax in the United Kingdom.

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>391,715</u>	<u>471,643</u>
Profit on ordinary activities multiplied by standard rate of corporation tax on the UK of 28% (2008: 29.84%)	109,680	140,738
Effect of:		
Expenses not deductible for tax purposes	40,467	69,425
Depreciation for the period in excess of capital allowances	26,887	(26,675)
Income not taxable for tax purposes	(1,138)	-
Adjustment to tax charge in respect of previous periods	62,769	(72,224)
Marginal relief	(2,132)	(3,292)
Current tax charge for the period (see note 4(a))	<u>236,533</u>	<u>107,972</u>

## Notes to the financial statements

### 5 Tangible fixed assets

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 May 2008	1,652,314	2,936,739	10,615,467	552,759	15,757,279
Additions	2,406,500	-	362,300	93,188	2,861,988
Disposals	-	-	-	(321,921)	(321,921)
At 30 April 2009	<u>4,058,814</u>	<u>2,936,739</u>	<u>10,977,767</u>	<u>324,026</u>	<u>18,297,346</u>
Depreciation					
At 1 May 2008	415,368	596,541	6,769,839	395,550	8,177,298
Provided in the year	145,738	93,608	631,189	50,614	921,149
Disposals	-	-	-	(273,981)	(273,981)
At 30 April 2009	<u>561,106</u>	<u>690,149</u>	<u>7,401,028</u>	<u>172,183</u>	<u>8,824,466</u>
Net book value					
At 30 April 2009	<u>3,497,708</u>	<u>2,246,590</u>	<u>3,576,739</u>	<u>151,843</u>	<u>9,472,880</u>
At 30 April 2008	<u>1,236,946</u>	<u>2,340,198</u>	<u>3,845,628</u>	<u>157,209</u>	<u>7,579,981</u>

### 6 Stocks

	2009 £	2008 £
Goods for resale	<u>16,040,380</u>	<u>11,874,124</u>

## Notes to the financial statements

### **7 Debtors**

	2009	2008
	£	£
Trade debtors	4,368,188	3,945,412
Other debtors	43,730	40,592
VAT	377,962	-
Prepayments and accrued income	41,418	453,669
	<u>4,831,298</u>	<u>4,439,673</u>

### **8 Investments**

The East End Foods plc Employees' Benefit Trust (the Trust) was established to provide benefits to certain employees and directors of the company. Assets held by the Trust may be distributed to individuals at the unfettered discretion of the trustees, from time to time.

During the year the remaining assets held by the Trust were distributed to the Company and the employee benefit trust has been wound up.

### **9 Creditors: amounts falling due within one year**

	2009	2008
	£	£
Bank loans and overdrafts	544,981	-
Trade creditors	10,800,271	6,939,530
Other creditors	382,258	311,726
Other loans	877,693	748,755
Directors' and related parties' loan accounts (note 18)	1,635,785	751,260
Other taxes and social security costs	1,038,028	994,370
Corporation tax	173,764	115,666
Accruals	5,534,013	5,123,564
	<u>20,986,793</u>	<u>14,984,871</u>

## Notes to the financial statements

### 10 Creditors: amounts falling due after more than one year

	2009 £	2008 £
<b>Deferred income</b>		
Balance bought forward	262,533	289,199
Released during the year	(26,666)	(26,666)
Balance carried forward	235,867	262,533
 Other loans	 2,118,415	 2,548,456
	<u>2,354,282</u>	<u>2,810,989</u>

Other loans are due for repayment as follows:

	2009 £	2008 £
<b>Amounts repayable:</b>		
In less than one year	877,693	748,753
In more than one year but not more than two years	932,918	796,659
In more than two years but not more than five years	1,185,497	1,751,799
	<u>2,996,108</u>	<u>3,297,211</u>

### 11 Commitments under leasing agreements

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2009 £	2008 £	2009 £	2008 £
<b>Operating leases which expire:</b>				
Within one year	-	-	50,954	6,552
Within 2 to 5 years	-	-	210,656	72,956
In more than 5 years	455,000	390,000	-	-
	<u>455,000</u>	<u>390,000</u>	<u>261,610</u>	<u>79,508</u>

## Notes to the financial statements

### 12 Provisions for liabilities and charges

	Deferred taxation
At 1 May 2008	£ 417,095
Credited to profit and loss account	(25,499)
At 30 April 2009	<u>391,596</u>

### 13 Deferred taxation

Deferred taxation provided and unprovided for in the financial statements is set out below.

	Provided		Not provided	
	2009	2008	2009	2008
	£	£	£	£
Accelerated capital allowances	<u>391,596</u>	<u>417,095</u>		-

### 14 Share capital

	2009	2008
	£	£
Authorised, allotted, issued and fully paid		
A Class Ordinary shares of £1 each	50,000	50,000
B Class Ordinary shares of £1 each	150,000	150,000
	<u>200,000</u>	<u>200,000</u>

A class shares and B class shares carry the same rights in all respects save for the instance of the winding up of the company whereby A class shares shall rank above B class shares in respect of the first £100 of the value of the shares, thereafter A class and B class shall rank equally for the distribution of the company's assets upon the winding up of the company.

### 15 Contingent liabilities

There is also a company unlimited cross guarantee in favour of HSBC with Jason Paul Montgomery Limited, a dormant company, registered in England and Wales, which is a related party to East End Foods plc. The amount of the contingent liability is £Nil (2008: £Nil).

### 16 Pension commitments

The company operates two defined contribution pension schemes, one for directors and one for the employees. The assets of the scheme are held separately from those of the company in independently administered funds.

### 17 Capital commitments

Amounts contracted for but not provided for in the financial statements amounted to £Nil (2008: £Nil).

## Notes to the financial statements

### 18 Transactions with directors and related parties

The amount owed by the directors representing the maximum overdrawn balance was £Nil (2008: £Nil). During the year the following directors made loans to the company which remain outstanding at the year end. The balances due to the directors at 1 May 2008 and 30 April 2009 are as follows:

	2009	2008
Directors	£	£
Kuldip Singh Wouhra	110,137	64,968
Devender Singh Wouhra	820,741	504,277
Jasbir Singh Wouhra	381,324	63,697
Gurdarshan Singh Wouhra	268,722	-
Jitendra Singh Wouhra	31,900	58,063
Dev Paul Wouhra	20,627	22,940
Paul Deep Wouhra	2,334	15,555
	<u>1,635,785</u>	<u>729,500</u>
Other related parties		
Trilok Singh Wouhra	-	21,760
	<u>-</u>	<u>21,760</u>
	<u>1,635,785</u>	<u>751,260</u>

### 19 Related party transactions

During the year the company entered into transactions with East End Foods Retirement Benefit Scheme, an entity of which some of the directors are trustees. The transactions were as follows:

- rentals of £65,000 (2008: £65,000) were paid to the pension scheme for the use of one property (2008: one property) and £390,000 (2008: £390,000) to The Wouhra Family Settlement Trust for the use of one property (2008: one).
- a net loan of £4.0m was received from the pension scheme during the prior years and a new loan of £450,000. At 30 April 2009 the balance included in other loans amounted to £3.0m (2008 £3.3m). Interest charged by the pension scheme amounted to £259k for the year (2008: £259k).

During the year the company purchased, from East End Foods Dubai £2,837,691 (2008: £4,068,914) of goods and services and at 30 April 2009 owed that company £nil (2008: £425,996). East End Foods Dubai is a company in which K S Wouhra, D S Wouhra, G S Wouhra and J S Wouhra are directors. During the year the company made a donation of £38,000 (2008: £100,000) to The Wouhra Family Foundation, a registered charity.

## Notes to the financial statements

### **20 Profit and loss account**

	2009	2008
	£	£
Reserves brought forward	6,406,988	6,040,481
Profit for the financial year	180,681	366,507
Reserves carried forward	<u>6,587,669</u>	<u>6,406,988</u>

### **21 Reconciliation of movement in shareholders' funds**

	2009	2008
	£	£
Shareholders' funds at 1 May 2008	6,606,988	6,240,481
Profit for the financial year	180,681	366,507
Shareholders' funds at 30 April 2009	<u>6,787,669</u>	<u>6,606,988</u>

### **22 Net cash inflow from operating activities**

	2009	2008
	£	£
Operating profit	475,447	643,856
Depreciation	921,149	866,679
(Profit)/loss on sale of tangible fixed assets	(23,960)	4,635
Profit on winding up of investments	-	(2,636)
Amortisation of grant	(26,666)	(26,666)
(Increase)/decrease in stock	(4,166,256)	231,375
Increase in debtors	(391,625)	(668,541)
Increase/(decrease) in creditors	5,269,905	(443,345)
Net cash inflow from operating activities	<u>2,057,994</u>	<u>605,357</u>

### **23 Reconciliation of net cash flow to movement in net debt**

	2009	2008
	£	£
Decrease in cash in the year	(1,295,364)	(768,089)
Cash inflow from other loans	301,103	702,789
Change in net debt resulting from cash flows	(994,261)	(65,300)
Net debt at 1 May 2008	(2,371,046)	(2,305,746)
Net debt at 30 April 2009	<u>(3,365,307)</u>	<u>(2,371,046)</u>



## Notes to the financial statements

### 24 Analysis of changes in net debt

	At 1 May 2008	Cash flow	At 30 April 2009
	£	£	£
Cash at bank and cash in hand	926,165	(1,295,364)	(369,199)
Loans	(3,297,211)	301,103	(2,996,108)
	<u>(2,371,046)</u>	<u>(994,261)</u>	<u>(3,365,307)</u>