

COMPANY REGISTRATION NUMBER: 5230059

Premium Halal Meat Poultry Limited

Financial Statements

30th April 2019

JAVED & CO

Chartered accountants & statutory auditor
109 Hagley Road
Birmingham
B16 8LA

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Premium Halal Meat Poultry Limited

Financial Statements

Year Ended 30th April 2019

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Premium Halal Meat Poultry Limited

Officers and Professional Advisers

The board of directors

Mr Vaseem Rafiq
Mr Qamran Rafiq
Mr Naheem Rafiq

Registered office

205 Formans Road
Sparkhill
Birmingham
West Midlands
B11 3AX

Auditor

Javed & Co
Chartered accountants & statutory auditor
109 Hagley Road
Birmingham
B16 8LA

Bankers

National Westminster Bank Plc
134b New Street
Birmingham
B2 4NS

Premium Halal Meat Poultry Limited

Strategic Report

Year Ended 30th April 2019

Introduction

The principal activity of the business continued to be that of the wholesale and distribution of poultry and other related products. There have not been any significant changes in the company's activities in the year under review. The directors are not aware, as at the date of the report, of any likely major changes in the company's principal activities in the next year.

Business Review

Premium Halal Meat Poultry Limited's (PHMPL) turnover during the year increased from £14.11 million to £16.87 million and the company made a profit of £366,982 after tax. The company's balance sheet as detailed on page 12 shows a satisfactory position, shareholders' funds amounting to £2,295,560.

Given the straight forward nature of the business the company's directors are of the opinion that the following Key Performance Indicators (KPI's) are appropriate for an understanding of the development performance of the entity.

	2019	2018	Percentage Change
	£	£	
Turnover	16,865,030	14,111,604	20
Gross Profit	1,903,359	1,610,942	18
Profit/(Loss) before tax	464,193	479,028	(3)
Cash at bank & in hand	83,422	68,182	22
Trade debtors	1,348,326	1,136,318	19
Trade creditors	1,656,997	1,337,323	24
Bank loan & overdraft	1,518,669	1,843,269	(18)
Stock	263,300	205,341	28

Principle risks and uncertainties

The company's principal financial assets are plant and machinery, freehold properties and trade debtors. The principal credit risk is attributable to trade receivables. The company has a strong credit control department and procedures.

PHMPL import poultry products from Europe therefore there is risk as a result of Brexit. UK Parliament voted in March 2019 that they would not leave the European Union (EU) without an agreement hence the supply being completely cut off from EU countries is unlikely. There may be a risk of tariff from the EU which would affect margins, however any tariff risk would be passed onto customers. Furthermore, PHMPL can always source its products domestically.

Premium Halal Meat Poultry Limited

Strategic Report *(continued)*

Year Ended 30th April 2019

This report was approved by the board of directors on 19 February 2020 and signed on behalf of the board by:



Mr Qamran Rafiq
Director

Registered office:
205 Formans Road
Sparkhill
Birmingham
West Midlands
B11 3AX

Premium Halal Meat Poultry Limited

Directors' Report

Year Ended 30th April 2019

The directors present their report and the financial statements of the company for the year ended 30th April 2019.

Principal activities

The principal activity of the company during the period was the wholesale and distribution of poultry and other related products.

Directors

The directors who served the company during the year were as follows:

Mr Vaseem Rafiq	
Mr Qamran Rafiq	
Mr Naheem Rafiq	
Mrs Rehana Kauser	(Resigned 26th January 2019)
Mrs Rashida Waseem	(Resigned 26th January 2019)
Mrs Neelma Hanif	(Resigned 26th January 2019)
Mr Mohammed Rafiq	(Resigned 26th January 2019)
Mrs Irshad Bibi	(Resigned 26th January 2019)

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments 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.

Premium Halal Meat Poultry Limited

Directors' Report *(continued)*

Year Ended 30th April 2019

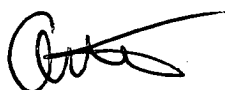
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 19 February 2020 and signed on behalf of the board by:



Mr Qamran Rafiq
Director

Registered office:
205 Formans Road
Sparkhill
Birmingham
West Midlands
B11 3AX

Premium Halal Meat Poultry Limited

Independent Auditor's Report to the Members of Premium Halal Meat Poultry Limited

Year Ended 30th April 2019

Opinion

We have audited the financial statements of Premium Halal Meat Poultry Limited (the 'company') for the year ended 30th April 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 30th April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Premium Halal Meat Poultry Limited

Independent Auditor's Report to the Members of Premium Halal Meat Poultry Limited
(continued)

Year Ended 30th April 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Premium Halal Meat Poultry Limited

Independent Auditor's Report to the Members of Premium Halal Meat Poultry Limited

(continued)

Year Ended 30th April 2019

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Premium Halal Meat Poultry Limited

Independent Auditor's Report to the Members of Premium Halal Meat Poultry Limited

(continued)

Year Ended 30th April 2019

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 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.

Mr Rizwan Javed (Senior Statutory Auditor)

For and on behalf of
Javed & Co
Chartered accountants & statutory auditor
109 Hagley Road
Birmingham
B16 8LA

19 February 2020

Premium Halal Meat Poultry Limited
Statement of Income and Retained Earnings
Year Ended 30th April 2019

	Note	2019 £	2018 £
Turnover	4	16,865,030	14,111,604
Cost of sales		(14,961,671)	(12,500,662)
Gross profit		<u>1,903,359</u>	<u>1,610,942</u>
Administrative expenses		(1,452,730)	(1,356,196)
Other operating income		<u>68,582</u>	<u>281,758</u>
Operating profit	5	<u>519,211</u>	<u>536,504</u>
Interest payable and similar expenses	9	<u>(55,018)</u>	<u>(57,476)</u>
Profit before taxation		<u>464,193</u>	<u>479,028</u>
Tax on profit	10	<u>(97,212)</u>	<u>(96,681)</u>
Profit for the financial year and total comprehensive income		<u><u>366,981</u></u>	<u><u>382,347</u></u>
Dividends paid and payable	11	(243,000)	(252,000)
Retained earnings at the start of the year		<u>2,171,474</u>	<u>2,041,127</u>
Retained earnings at the end of the year		<u><u>2,295,455</u></u>	<u><u>2,171,474</u></u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 28 form part of these financial statements.

Premium Halal Meat Poultry Limited

Statement of Financial Position

30th April 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	2,926,314	3,055,439
Current assets			
Stocks	14	263,300	205,341
Debtors	15	2,783,374	2,798,090
Cash at bank and in hand		83,422	68,182
		<u>3,130,096</u>	<u>3,071,613</u>
Creditors: amounts falling due within one year	17	<u>2,498,455</u>	<u>2,652,080</u>
Net current assets		<u>631,641</u>	<u>419,533</u>
Total assets less current liabilities		<u>3,557,955</u>	<u>3,474,972</u>
Creditors: amounts falling due after more than one year	18	1,214,915	1,261,497
Provisions			
Taxation including deferred tax	20	(47,480)	(41,896)
Net assets		<u>2,295,560</u>	<u>2,171,579</u>

The statement of financial position
continues on the following page.

The notes on pages 14 to 28 form part of these financial statements.

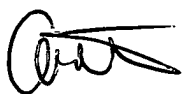
Premium Halal Meat Poultry Limited

Statement of Financial Position *(continued)*

30th April 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	23	90	90
Revaluation reserve	24	15	15
Profit and loss account	24	<u>2,295,455</u>	<u>2,171,474</u>
Shareholders funds		<u>2,295,560</u>	<u>2,171,579</u>

These financial statements were approved by the board of directors and authorised for issue on 19 February 2020, and are signed on behalf of the board by:



Mr Qamran Rafiq
Director

Company registration number: 5230059

The notes on pages 14 to 28 form part of these financial statements.

Premium Halal Meat Poultry Limited

Statement of Cash Flows

Year Ended 30th April 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		366,981	382,347
<i>Adjustments for:</i>			
Depreciation of tangible assets		194,522	213,913
Interest payable and similar expenses		55,018	57,476
Loss on disposal of tangible assets		7,993	13,406
Tax on profit		97,212	96,681
Accrued expenses/(income)		1	(2,674)
<i>Changes in:</i>			
Stocks		(57,959)	(5,701)
Trade and other debtors		14,716	5,561
Trade and other creditors		73,826	(123,503)
Cash generated from operations		752,310	637,506
Interest paid		(55,018)	(57,476)
Tax received/(paid)		34,040	(169,766)
Net cash from operating activities		<u>731,332</u>	<u>410,264</u>
Cash flows from investing activities			
Purchase of tangible assets		(74,554)	(96,395)
Proceeds from sale of tangible assets		1,165	16,500
Net cash used in investing activities		<u>(73,389)</u>	<u>(79,895)</u>
Cash flows from financing activities			
Proceeds from borrowings		(147,614)	(182,069)
Payments of finance lease liabilities		14,391	(3,848)
Dividends paid		(243,000)	(252,000)
Net cash used in financing activities		<u>(376,223)</u>	<u>(437,917)</u>
Net increase/(decrease) in cash and cash equivalents		281,720	(107,548)
Cash and cash equivalents at beginning of year		<u>(455,470)</u>	<u>(347,922)</u>
Cash and cash equivalents at end of year	16	<u>(173,750)</u>	<u>(455,470)</u>

The notes on pages 14 to 28 form part of these financial statements.

Premium Halal Meat Poultry Limited

Notes to the Financial Statements

Year Ended 30th April 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 205 Formans Road, Sparkhill, Birmingham, West Midlands, B11 3AX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Significant accounting policies

Basis of preparation

Premium Halal Meat Poultry Limited is a company limited by shares incorporated in England within the United Kingdom. The registered office address is given in the company information on page 1 of these financial statements. The principal activity of the company during the period was the wholesale and distribution of poultry and other related products.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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

Judgements and key sources of estimation uncertainty

The judgements made by management during the current period are based on a long term understanding of the market they operate in and based on how the business has been conducted historically.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows

Sale of goods

Turnover from the sale of goods is recognised at the point of dispatch.

Premium Halal Meat Poultry Limited

Notes to the Financial Statements *(continued)*

Year Ended 30th April 2019

3. Significant accounting policies *(continued)*

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable

Premium Halal Meat Poultry Limited
Notes to the Financial Statements (continued)
Year Ended 30th April 2019

3. Significant accounting policies (continued)

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line and is fully amortised

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Plant and machinery	- 15% reducing balance
Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Premium Halal Meat Poultry Limited

Notes to the Financial Statements *(continued)*

Year Ended 30th April 2019

3. Significant accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Premium Halal Meat Poultry Limited

Notes to the Financial Statements *(continued)*

Year Ended 30th April 2019

3. Significant accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Premium Halal Meat Poultry Limited
Notes to the Financial Statements *(continued)*
Year Ended 30th April 2019

3. Significant accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	<u>16,865,030</u>	<u>14,111,604</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	194,521	213,913
Loss on disposal of tangible assets	7,993	13,406
Impairment of trade debtors	42,583	32,219
Operating lease rentals	<u>4,637</u>	<u>—</u>

Premium Halal Meat Poultry Limited
Notes to the Financial Statements (continued)
Year Ended 30th April 2019

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>7,400</u>	<u>7,400</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>17,100</u>	<u>17,100</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Production staff	31	32
Distribution staff	6	7
Administrative staff	9	10
Management staff	<u>9</u>	<u>5</u>
	<u>55</u>	<u>54</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	676,638	604,818
Social security costs	30,730	24,398
Other pension costs	<u>6,597</u>	<u>2,372</u>
	<u>713,965</u>	<u>631,588</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	<u>35,744</u>	<u>39,203</u>

The three directors are currently under a pension scheme but no contributions were made during the current or prior year.

Premium Halal Meat Poultry Limited
Notes to the Financial Statements *(continued)*
Year Ended 30th April 2019

9. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	12,757	11,689
Interest on obligations under finance leases and hire purchase contracts	483	218
Other interest payable and similar charges	41,778	45,569
	<u>55,018</u>	<u>57,476</u>

10. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	91,629	86,922
Deferred tax:		
Origination and reversal of timing differences	5,583	9,759
Tax on profit	<u>97,212</u>	<u>96,681</u>

Reductions in the UK Corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted. The deferred tax liability at 30th April 2018 has been calculated based on these rates.

An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability.

Premium Halal Meat Poultry Limited

Notes to the Financial Statements *(continued)*

Year Ended 30th April 2019

10. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>464,193</u>	<u>479,028</u>
Profit on ordinary activities by rate of tax	88,197	91,015
Effect of expenses not deductible for tax purposes	2,897	1,173
Effect of capital allowances and depreciation	535	(5,266)
Deferred tax movement	<u>5,583</u>	<u>9,759</u>
Tax on profit	<u>97,212</u>	<u>96,681</u>

11. Dividends

Dividends paid during the year:

	2019 £	2018 £
Dividends on equity shares	<u>243,000</u>	<u>252,000</u>

12. Intangible assets

	Goodwill £
Cost	
At 1st May 2018 and 30th April 2019	<u>175,538</u>
Amortisation	
At 1st May 2018 and 30th April 2019	<u>175,538</u>
Carrying amount	
At 30th April 2019	<u>—</u>
At 30th April 2018	<u>—</u>

Premium Halal Meat Poultry Limited
Notes to the Financial Statements (continued)
Year Ended 30th April 2019

13. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1st May 2018	2,180,138	1,345,093	135,380	180,061	3,840,672
Additions	4,924	39,870	8,760	21,000	74,554
Disposals	—	(1,825)	(8,329)	(19,900)	(30,054)
At 30th April 2019	2,185,062	1,383,138	135,811	181,161	3,885,172
Depreciation					
At 1st May 2018	84,313	552,850	47,483	100,587	785,233
Charge for the year	32,201	124,772	14,281	23,267	194,521
Disposals	—	(1,523)	(6,877)	(12,496)	(20,896)
At 30th April 2019	116,514	676,099	54,887	111,358	958,858
Carrying amount					
At 30th April 2019	2,068,548	707,039	80,924	69,803	2,926,314
At 30th April 2018	2,095,825	792,243	87,897	79,474	3,055,439

Hire Purchase agreements

Included within the net book value of £2,926,314 is £15,750 (2018 - Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £5,250 (2018 - Nil).

Tangible assets held at valuation

An investment property included in the accounts with a cost of £175,000 was revalued in March 2017 by Imran Azam BSc (Hons) of Chivers Commercial on an open market basis. The Directors believe that there is no change in the market value of this property.

No deprecation has been provided this year on the investment property

Should the property be sold at its estimated market value, no corporation tax will be due after indexation and capital losses. The company is carrying capital losses of £653 which will be utilised against any capital gains first. No deferred tax provision has been provided for this revaluation.

Premium Halal Meat Poultry Limited
Notes to the Financial Statements (continued)
Year Ended 30th April 2019

14. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>263,300</u>	<u>205,341</u>

15. Debtors

	2019 £	2018 £
Trade debtors	1,348,326	1,136,318
Prepayments and accrued income	42,550	–
Amounts owed by related undertakings	1,289,787	1,604,428
Other debtors	<u>102,711</u>	<u>57,344</u>
	<u>2,783,374</u>	<u>2,798,090</u>

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	83,422	68,182
Bank overdrafts	<u>(257,172)</u>	<u>(523,652)</u>
	<u>(173,750)</u>	<u>(455,470)</u>

17. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	315,291	581,772
Trade creditors	1,656,997	1,337,323
Accruals and deferred income	33,916	33,915
Corporation tax	178,551	52,882
Social security and other taxes	9,276	2,937
Obligations under finance leases and hire purchase contracts	2,854	–
Director loan accounts	265,262	354,756
Amounts owed to related undertakings	–	270,781
Other creditors	<u>36,308</u>	<u>17,714</u>
	<u>2,498,455</u>	<u>2,652,080</u>

The bank loans and overdraft are secured by a debenture, a first legal charge over one freehold property (Net book value of £1.894 million) and assets of the company.

Premium Halal Meat Poultry Limited

Notes to the Financial Statements (continued)

Year Ended 30th April 2019

17. Creditors: amounts falling due within one year (continued)

Included within other creditors balance of £36,308 is £5,868 (2018 - £367) in respect of outstanding contributions to employee pension schemes.

18. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	1,203,378	1,261,497
Obligations under finance leases and hire purchase contracts	<u>11,537</u>	<u>—</u>
	<u>1,214,915</u>	<u>1,261,497</u>

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2018: £1,018,914) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Creditors: amounts falling due after more than five years of £1,018,914 comprises of three bank loans, the first repayable 16 years after the balance sheet date. The following two loans are subject to fixed repayments for 68 months from the balance sheet date before the outstanding balance, approximately £290,000, will be renegotiated and new terms agreed.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019	2018
	£	£
Not later than 1 year	3,684	—
Later than 1 year and not later than 5 years	<u>10,707</u>	<u>—</u>
	<u>14,391</u>	<u>—</u>

20. Provisions

	Deferred tax (note 21)
	£
At 1st May 2018	41,896
Other movements	<u>5,584</u>
At 30th April 2019	<u>47,480</u>

Premium Halal Meat Poultry Limited
Notes to the Financial Statements (continued)
Year Ended 30th April 2019

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 20)	<u>47,480</u>	<u>41,896</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	<u>47,480</u>	<u>41,896</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £6,597 (2018: £2,372).

23. Called up share capital

Authorised share capital

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000.00</u>	<u>100,000</u>	<u>100,000.00</u>

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>90</u>	<u>90.00</u>	<u>90</u>	<u>90.00</u>

24. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. Profit and loss account
 - This reserve records retained earnings and accumulated losses.

Premium Halal Meat Poultry Limited
Notes to the Financial Statements *(continued)*
Year Ended 30th April 2019

25. Interim dividends

The directors proposed the following interim dividends in respect of the year ended 30th April 2020.

Date	Amount £
10.08.2019	£243,000

26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	37,849	—
Later than 1 year and not later than 5 years	82,006	—
	<u>119,855</u>	<u>—</u>

27. Directors' advances, credits and guarantees

The directors loan account was not overdrawn during the current year and last year.

Premium Halal Meat Poultry Limited

Notes to the Financial Statements *(continued)*

Year Ended 30th April 2019

28. Related party transactions

Controlling Party

The company was under the control of Mr & Mrs Naheem Rafiq (11.11% each), Mr & Mrs Vaseem Rafiq (11.11 % each), Mr & Mrs Qamran Rafiq (11.11 % each) and Mr & Mrs Mohammed Rafiq (11.11 % each) throughout the current year and previous period. Other shares are held by two family members (11.11 % in total). The directors (Naheem Rafiq, Vaseem Rafiq and Qamran Rafiq) are the key management personnel of the company.

Dividends paid to directors

Dividends amounting to £216,000 was paid during the year to the shareholders & directors (2018 - £224,000).

Dividends paid to other shareholders

Dividends amounting to £27,000 was paid during the year to the shareholders other than directors (2018 - £28,000).

Intercompany balance

Related undertaking debtor balance of £1,289,787 (2018 - £1,604,428) relates to Lehri House Ltd (LHL), a company owned 75% by the directors and 25% by other family members. There is no interest charged on the related party balance and the balance is not secured. During the year operating lease payments were made to a third party in regards to vending machines. These amounts were then recharged to LHL.

Premium Group SIPP

Most of the directors of the company are also trustees of Premium Group SIPP. An amount of £16,562 (2018 - £17,347) was due to the SIPP at the year end, as rental income from a property sold to SIPP in a prior year continued to be banked in the company's business account even after it was sold.

Premium Halal Meat Poultry Limited

Management Information

Year Ended 30th April 2019

The following pages do not form part of the financial statements.