Supreme Imports Limited

Report and Financial Statements

Year Ended

31 March 2016

Company Number 05292196

Supreme Imports Limited

Company Information

Directors	S Chadha A Chadha G Chadha
Registered number	05292196
Registered office	4 Beacon Road Ashburton Park Trafford Park Manchester M17 1AF
Independent auditors	BDO LLP 3 Hardman Street Manchester M3 3AT

Supreme Imports Limited

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Supreme Imports Limited

Strategic Report
For the Year Ended 31 March 2016

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 March 2016.

The company is engaged in wholesale distribution of batteries, lighting and associated sundry products.

Financial review

The directors are pleased with the results for the year with turnover increasing 39% to £59m and operating profit increasing 294% to £6m. This growth largely reflects organic growth from existing customers along with the impact from the introduction of new products. The group have also continued to closely manage its cost base which has seen operating margins increase from 3.6% to 10.2% and net worth increase from £7.5m to £12.4m.

Principal risks and uncertainties

The company's key risks are considered to be foreign exchange and credit risk. The company obtains credit insurance to help mitigate its exposure to credit risk and obtains hedging arrangements to mitigate its risk of foreign exchange movements.

Key performance indicators

The directors consider that turnover and operating profit are they key performance indicators for the business. As noted above, the directors are pleased with the outcome of these KPIs during the year.

This report was approved by the board on JUNE 27 2016 and signed on its behalf.

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S Chadha
Director

Supreme Imports Limited

Directors' Report
For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Results and dividends

The profit for the year, after taxation, amounted to £4,847,878 (2015 - £1,475,588).

A dividend of £Nil (2015 - £750,000) was paid during the year.

Directors

The directors who served during the year were:

S Chadha
A Chadha
G Chadha

Post balance sheet events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on JUNE 27 2016 and signed on its behalf.

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S Chadha
Director

Supreme Imports Limited

Directors' Responsibilities Statement
For the Year Ended 31 March 2016

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give 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 for the company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Supreme Imports Limited

Independent Auditor's report to the members of Supreme Imports Limited

We have audited the financial statements of Supreme Imports Limited for year ended 31 March 2016 which comprise the Statement of Comprehensive Income, a Statement of Financial Position, Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

Opinion on other matters prescribed by the Companies Act 2006

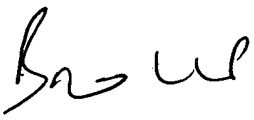
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's report to the members of Supreme Imports Limited

Matters on which we are required to report by exception

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.



Julien Rye (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Manchester
United Kingdom
29 June 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Supreme Imports Limited

Statement of Comprehensive Income
For the Year Ended 31 March 2016

	Note	2016 £	As restated 2015 £
Turnover	3	59,028,131	42,519,660
Cost of sales		(47,739,549)	(36,221,188)
Gross profit		11,288,582	6,298,472
Administrative expenses (includes exceptional items of £Nil (2015 - £420,000))		(5,254,817)	(4,765,704)
Operating profit	4	6,033,765	1,532,768
Finance income	8	357,018	616,301
Finance costs	9	(383,550)	(274,108)
Profit before tax		6,007,233	1,874,961
Tax on profit	10	(1,159,355)	(399,373)
Profit for the year		4,847,878	1,475,588
Other comprehensive income		-	-
Total comprehensive income for the year		4,847,878	1,475,588

The notes on pages 10 to 28 form part of these financial statements.

Supreme Imports Limited

Registered number:05292196

Statement of Financial Position
As at 31 March 2016

	Note		2016 £		As restated 2015 £
Fixed assets					
Intangible assets	13		189,489		216,520
Tangible assets	14		1,419,305		85,062
Investments			-		-
			1,608,794		301,582
Current assets					
Stocks	16	8,979,212		7,569,153	
Debtors	17	11,087,300		8,048,307	
Cash at bank and in hand	18	854,001		641,369	
		20,920,513		16,258,829	
Creditors: amounts falling due within one year	19	(10,162,279)		(9,041,261)	
Net current assets			10,758,234		7,217,568
Total assets less current liabilities			12,367,028		7,519,150
Net assets			12,367,028		7,519,150
Equity					
Called up share capital	22		10		10
Retained earnings	23		12,367,018		7,519,140
Shareholders' funds			12,367,028		7,519,150

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

JUNE 27 2016

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S Chadha
Director

The notes on pages 10 to 28 form part of these financial statements.

Supreme Imports Limited

Statement of Changes in Equity
For the Year Ended 31 March 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015 (as restated)	10	7,519,140	7,519,150
Comprehensive income for the year			
Profit for the year	-	4,847,878	4,847,878
Total comprehensive income for the year	-	4,847,878	4,847,878
Total transactions with owners	-	-	-
At 31 March 2016	10	12,367,018	12,367,028

Statement of Changes in Equity
For the Year Ended 31 March 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014 (as restated)	10	6,793,552	6,793,562
Comprehensive income for the year			
Profit for the year	-	1,475,588	1,475,588
Total comprehensive income for the year	-	1,475,588	1,475,588
Dividends: Equity capital	-	(750,000)	(750,000)
Total transactions with owners	-	(750,000)	(750,000)
At 31 March 2015	10	7,519,140	7,519,150

The notes on pages 10 to 28 form part of these financial statements.

Supreme Imports Limited

Statement of Cash Flows
For the Year Ended 31 March 2016

	2016 £	As restated 2015 £
Cash flows from operating activities		
Profit for the financial year	4,847,878	1,475,588
Adjustments for:		
Amortisation of intangible assets	27,031	16,667
Depreciation of tangible assets	45,795	47,763
Increase in stocks	(1,410,059)	(72,505)
Finance costs	383,550	274,108
Finance income	(357,018)	616,301
Taxation expense	1,159,355	399,373
Increase in debtors	(3,364,553)	(1,433,315)
Increase/(decrease) in creditors	1,183,659	(41,200)
Corporation tax paid	(1,113,571)	20,626
Net cash generated from operating activities	1,402,067	1,303,406
Cash flows from investing activities		
Purchase of tangible fixed assets	(681,736)	(56,344)
Sale of tangible fixed assets	-	259,305
Net cash from investing activities	(681,736)	202,961
Cash flows from financing activities		
Repayment of other loans	(227,873)	(300,587)
Repayment of/new finance leases	-	(306,227)
Dividends paid	-	(750,000)
Finance costs	(252,705)	(274,108)
Net cash used in financing activities	(480,578)	(1,630,922)
Net increase / (decrease) in cash and cash equivalents	239,753	(124,555)
Cash and cash equivalents at beginning of year	614,248	738,803
Cash and cash equivalents at the end of year	854,001	614,248
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	854,001	641,369
Bank overdrafts	-	(27,121)
	854,001	614,248

1. Accounting policies

1.1 Company information

Supreme Imports Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is 4 Beacon Close, Ashburton Park, Trafford Park, Manchester, M17 1AF. The nature of the company's operations and its principal activities during the year was the wholesale distribution of batteries, lighting and associated sundry products.

1.2 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Consolidated financial statements

The financial statements contain information about Supreme Imports Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt from preparing consolidated financial statements on the basis that subsidiary undertakings are not material.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1. Accounting policies (continued)

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line
Fashion hire assets	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1. Accounting policies (continued)

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

1.11 Financial instruments

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Accounting policies (continued)

1.11 Financial instruments (continued)

The company has entered into forward foreign exchange contracts in the year which are not classed as a basic financial instrument. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Foreign currency translation

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Statement of Financial Position date. Any differences are taken to the Statement of Comprehensive Income.

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at board meetings. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.16 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

1.17 Finance income

Finance income is recognised in the Statement of Comprehensive Income using the effective interest method.

1. Accounting policies (continued)

1.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 14)

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. Analysis of turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	46,815,909	34,120,457
Rest of Europe	11,272,106	7,628,420
Rest of the world	940,116	770,783
	59,028,131	42,519,660

Turnover is wholly attributable to the principal activity of the company.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	45,795	47,763
Amortisation of intangible assets, including goodwill	27,031	16,667
Exchange differences	130,845	(616,301)
Stock write-down	-	300,000
Impairment of investment	-	420,000

5. Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	15,500	12,500
Fees payable to the company's auditor and its associates for taxation and compliance services	10,000	2,500

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	2,160,962	2,056,334
Social security costs	252,020	188,983
Cost of defined contribution scheme	190,609	39,957
	2,603,591	2,285,274

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Management	4	4
Administration	22	19
Warehouse	37	34
Sales	16	18
	79	75

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	16,245	15,946

The highest paid director received remuneration of £8,998 (2015 - £15,946).

The total accrued pension provision of the highest paid director at 31 March 2016 amounted to £NIL (2015 - £NIL).

8. Finance income

	2016 £	As restated 2015 £
Change in fair value of foreign exchange contracts	-	616,301
Other interest receivable	357,018	-

9. Finance costs

	2016 £	2015 £
Bank interest payable	46,149	69,612
Other loan interest payable	206,556	204,496
Change in fair value of foreign exchange contracts	130,845	-
	383,550	274,108

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	1,185,954	399,373
Adjustments in respect of previous periods	(9,039)	-
Total current tax	1,176,915	399,373
Deferred tax		
Origination and reversal of timing differences	(7,579)	-
Adjustments in respect of prior periods	(11,090)	-
Effect of tax rate change on opening balance	1,109	-
Total deferred tax	(17,560)	-
Taxation on profit on ordinary activities	1,159,355	399,373

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	As restated 2015 £
Profit on ordinary activities before tax	6,007,233	1,874,961
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	1,201,447	393,742
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,945	121,660
Capital allowances for year in excess of depreciation	5,437	3,953
Adjustments to tax charge in respect of prior periods	(17,684)	9,441
Deferred tax not recognised	(40,790)	-
Fair value change on forward foreign exchange contracts - non-taxable	-	(129,423)
Total tax charge for the year	1,159,355	399,373

Factors that may affect future tax charges

There are no significant factors other than the enacted tax rate that is due to change to 19% for the financial year beginning 1 April 2017.

11. Dividends

	2016 £	2015 £
Ordinary		
Interim paid of £Nil (2015 - £75,000) per share	-	750,000

12. Exceptional items

	2016 £	2015 £
Impairment of investment in subsidiary undertakings	-	420,000

The exceptional costs relate to the impairment of the investment in Bargain Foods Limited following the liquidation of that company. Cost of sales for the year ended 31 March 2015 also includes a one-off £0.3m stock provision.

13. Intangible assets

	Purchased goodwill £
Cost	
At 1 April 2015	612,040
At 31 March 2016	612,040
Amortisation	
At 1 April 2015	395,520
Charge for the year	27,031
At 31 March 2016	422,551
Net book value	
At 31 March 2016	189,489
At 31 March 2015	216,520

14. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Fashion hire assets	Total
	£	£	£	£
Cost or valuation				
At 1 April 2015	68,284	92,117	69,096	229,497
Additions	180,859	81,092	1,118,087	1,380,038
At 31 March 2016	249,143	173,209	1,187,183	1,609,535
Depreciation				
At 1 April 2015	23,158	90,520	30,757	144,435
Charge for the year	25,387	8,685	11,723	45,795
At 31 March 2016	48,545	99,205	42,480	190,230
Net book value				
At 31 March 2016	200,598	74,004	1,144,703	1,419,305
At 31 March 2015	45,126	1,597	38,339	85,062

Assets which were classified as other fixed assets in the prior year have been reclassified as fashion hire assets.

15. Fixed asset investments

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
Subsidiary undertakings				
Battery Force Limited	England and Wales	Ordinary	100%	Dormant
Lazoron Plc	England and Wales	Ordinary	100%	Dormant
Saira Shoes Limited	England and Wales	Ordinary	100%	Dormant

In the year Fashion Hire Limited changed its name to Saira Shoes Limited.

16. Stocks

	2016 £	2015 £
Finished goods and goods for resale	8,979,212	7,569,153

There is no material difference between the replacement cost of stock and the amounts stated above.

17. Debtors

	2016 £	As restated 2015 £
Due after more than one year		
Other debtors (note 27)	1,734,197	1,483,212
Due within one year		
Trade debtors	7,126,447	5,738,169
Amounts owed by group undertakings	116,621	-
Other debtors (note 27)	38,457	467,659
Prepayments and accrued income	2,010,469	357,431
VAT recoverable	43,549	-
Deferred taxation	17,560	-
Forward foreign exchange contracts	-	1,836
	11,087,300	8,048,307

18. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	854,001	641,369
Less: bank overdrafts	-	(27,121)
	854,001	614,248

19. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	27,121
Other loans	4,156,321	4,384,194
Trade creditors	3,005,826	1,444,354
Amounts owed to group undertakings	73,553	73,553
Corporation tax	1,164,266	1,100,922
Taxation and social security	67,445	411,333
Other creditors	88,740	-
Accruals and deferred income	1,477,119	1,599,784
Forward foreign exchange contracts	129,009	-
	10,162,279	9,041,261

Other loans includes an invoice discounting facility of £3,396,995 (2015 - £3,177,749) and a supply chain facility of £759,326 (2015 - £1,201,706).

A debenture exists relating to the other loans, including a fixed and floating charge over all assets.

A guarantee exists in favour of HM Revenue and Customs for £300,000.

20. Financial instruments

	2016 £	2015 £
Financial assets		
Derivative financial instruments	-	1,836
Financial assets that are debt instruments measured at amortised cost	9,882,372	8,330,409
	9,882,372	8,332,245
Financial liabilities		
Financial liabilities measured at amortised cost	(8,524,110)	(7,529,006)
Derivative financial instruments	(129,009)	-
	(8,653,119)	(7,529,006)

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and cash.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans and overdrafts, other loans, amounts owed to group undertakings and accruals.

Derivative financial instruments relate to forward exchange contracts recognised at fair value through profit or loss.

21. Deferred taxation

	Deferred tax £
Charged to the profit or loss	17,560
At 31 March 2016	17,560

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(48,658)	-
Short term timing differences	66,218	-
	17,560	-

22. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
10 Ordinary shares of £1 each	10	10

23. Reserves

The company's reserves are as follows:

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Retained earnings

Retained earnings represents cumulative profits or losses net of dividends paid and other adjustments.

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £190,609 (2015 - £39,957). Contributions totalling £Nil (2015 - £Nil) were payable to the fund at the reporting date and are included in creditors.

25. Commitments under operating leases

At 31 March 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Operating leases which expire:		
Not later than 1 year	256,493	238,860
Later than 1 year and not later than 5 years	224,410	523,461
Total	480,903	762,321

26. Other financial commitments

The company has entered into US dollar and Euro forward exchange contracts. As at the 31 March 2016 the company had commitments to purchasing $12,197,500 and a commitment to selling $2,000,000 at varying forward rates within the financial year.

27. Related party transactions

The company has taken advantage of the exemption conferred by Section 33.1A of FRS102 not to disclose transactions entered into between two or more members of a group.

Within creditors, there is a directors loan of £16,771 (2015 - debtor of £467,659). There is also an accrual for unpaid interest on the directors loan of £265,528.

Chadha Properties, an entity owned by G Chadha, owns the property that is occupied by Supreme Imports Limited. Total rental costs and service charges in the year were £180,000 (2015 - £180,000).

Nash Peters is a related party through S Chadha being a shareholder within the company. Supreme Imports Limited provided £323,383 (2015 - £210,000) of loans to Nash Peters during the year. At the year end, Nash Peters owed Supreme Imports Limited £1,734,197 (2015 - £1,483,212) which is shown within debtors due after more than one year.

During the year Supreme Imports bought fashion hire assets from a Director of the company for £1,118,087.

During the year the company sold goods to a value of £314,348 (2015 - Nil) to Vape Nation Limited, a company in which S Chadha is a shareholder. The transactions were on normal commercial terms. The year end balance with Vape Nation Limited is £31,041 (2015 - Nil) which is shown within other debtors.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £429,886 (2015 - £350,100).

28. Ultimate parent company and parent undertaking of larger group

The immediate parent company is SI Jersey Limited, a company incorporated in Jersey. The company is under the ultimate control of S Chadha and G Chadha due to their shareholdings in SI Jersey Limited.

29. First time adoption of FRS 102

	Note	As previously stated 1 April 2014 £	Effect of transition 1 April 2014 £	FRS 102 (as restated) 1 April 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Fixed assets		988,973	-	988,973	301,582	-	301,582
Current assets	1	15,502,173	-	15,502,173	16,256,993	1,836	16,258,829
Creditors: amounts falling due within one year	1	(8,869,931)	(614,465)	(9,484,396)	(9,041,261)	-	(9,041,261)
Net current assets		6,632,242	(614,465)	6,017,777	7,215,732	1,836	7,217,568
Total assets less current liabilities		7,621,215	(614,465)	7,006,750	7,517,314	1,836	7,519,150
Creditors: amounts falling due after more than one year		(213,188)	-	(213,188)	-	-	-
Net assets		7,408,027	(614,465)	6,793,562	7,517,314	1,836	7,519,150
Capital and reserves		7,408,027	(614,465)	6,793,562	7,517,314	1,836	7,519,150

29. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Turnover		42,519,660	-	42,519,660
Cost of sales		(36,221,188)	-	(36,221,188)
Gross profit		6,298,472	-	6,298,472
Administrative expenses		(4,765,704)	-	(4,765,704)
Operating profit		1,532,768	-	1,532,768
Interest receivable and similar income	1	-	616,301	616,301
Interest payable and similar charges		(274,108)	-	(274,108)
Taxation		(399,373)	-	(399,373)
Profit on ordinary activities after taxation and for the financial year		859,287	616,301	1,475,588

Explanation of changes to previously reported profit and equity:

1 Forward foreign exchange contracts

FRS 102 requires the recognition of the fair value movement of hedging instruments in the income statement. The effect of this, when compared to previous UK GAAP, has been to increase reported profits for the year ended 31 March 2015 because previous UK GAAP only required the disclosure of the fair value of the hedging instrument. This has resulted in the reported equity to reduce as at 1 April 2014.