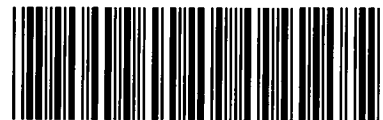


Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 30 June 2017  
for  
Freeworld Trading Limited

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for the Year Ended 30 June 2017

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Freeworld Trading Limited

Company Information  
for the Year Ended 30 June 2017

**DIRECTORS:**

S Das  
H Kiriya  
I Das

**SECRETARY:**

Mrs M Das

**REGISTERED OFFICE:**

21 Annandale Street  
Edinburgh  
EH7 4AW

**REGISTERED NUMBER:**

SC156834 (Scotland)

**AUDITORS:**

Cowan & Partners Limited  
Statutory Auditors  
60 Constitution Street  
Edinburgh  
EH6 6RR

Strategic Report  
for the Year Ended 30 June 2017

The directors present their strategic report for the year ended 30 June 2017.

**REVIEW OF BUSINESS**

The results of the year and the financial position of the company are as shown in the annexed financial statements. The principal activity of the company in the year under review was trading in agricultural commodities.

The profit before tax for the year amounted to £436,579 [2015: £157,659].

This year we have continued to develop our model of distribution of niche commodities. Last year we achieved BRC for Agents and Brokers certification which has been the main instigator of our increase in turnover

The move to BRC certification has required a change in mindset which we have embraced. This has allowed us to stay ahead of our competitors and increase our strength in the market.

Relationships with customers and suppliers continue to flourish where our experience and high standards in relation to quality products are valued.

**PRINCIPAL RISKS AND UNCERTAINTIES**

We are reducing risks wherever we can and feel that we are now supplying the market with what it wants: good safe nutritious food at value for money pricing.

We are continuing to analyse our risks in relation to Brexit and making contingency plans for the eventual outcomes.

**ON BEHALF OF THE BOARD:**

S Das - Director

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned to the right of the name 'S Das - Director'.

7 December 2017

Report of the Directors  
for the Year Ended 30 June 2017

The directors present their report with the financial statements of the company for the year ended 30 June 2017.

**DIVIDENDS**

An interim dividend of £60,000 per share was paid on 4 April 2017. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2017 will be £60,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2016 to the date of this report.

S Das  
H Kiriyaama

Other changes in directors holding office are as follows:

I Das - appointed 7 February 2017

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

Freeworld Trading Limited (Registered number: SC156834)

Report of the Directors  
for the Year Ended 30 June 2017

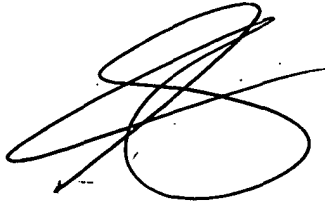
**AUDITORS**

The auditors, Cowan & Partners Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

S Das - Director

7 December 2017

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line and a loop.

Report of the Independent Auditors to the Members of  
Freeworld Trading Limited

**Opinion**

We have audited the financial statements of Freeworld Trading Limited (the 'company') for the year ended 30 June 2017 on pages seven to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

Report of the Independent Auditors to the Members of  
Freeworld Trading Limited

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

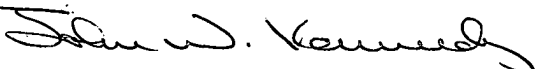
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary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

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

**Our responsibilities for the audit of the financial statements**

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

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



John W Kennedy CA (Senior Statutory Auditor)  
for and on behalf of Cowan & Partners Limited  
Statutory Auditors  
60 Constitution Street  
Edinburgh  
EH6 6RR

7 December 2017



Freeworld Trading Limited (Registered number: SC156834)

Income Statement  
for the Year Ended 30 June 2017

|                                       | Notes | 30.6.17<br>£          | 30.6.16<br>£          |
|---------------------------------------|-------|-----------------------|-----------------------|
| <b>TURNOVER</b>                       | 4     | 79,611,427            | 66,590,939            |
| Cost of sales                         |       | <u>77,563,633</u>     | <u>65,104,908</u>     |
| <b>GROSS PROFIT</b>                   |       | 2,047,794             | 1,486,031             |
| Administrative expenses               |       | <u>1,370,655</u>      | <u>1,146,794</u>      |
| <b>OPERATING PROFIT</b>               | 7     | 677,139               | 339,237               |
| Interest payable and similar expenses | 8     | <u>240,560</u>        | <u>181,578</u>        |
| <b>PROFIT BEFORE TAXATION</b>         |       | 436,579               | 157,659               |
| Tax on profit                         | 9     | <u>88,034</u>         | <u>32,976</u>         |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>  |       | <u><u>348,545</u></u> | <u><u>124,683</u></u> |

The notes form part of these financial statements

Freeworld Trading Limited (Registered number: SC156834)

Other Comprehensive Income  
for the Year Ended 30 June 2017

|  | Notes | 30.6.17<br>£   | 30.6.16<br>£   |
|--|-------|----------------|----------------|
| <b>PROFIT FOR THE YEAR</b>                         |       | 348,545        | 124,683        |
| <b>OTHER COMPREHENSIVE INCOME</b>                  |       | <u>-</u>       | <u>-</u>       |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE YEAR</b> |       | <u>348,545</u> | <u>124,683</u> |

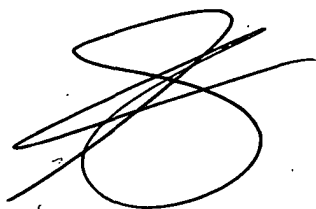
The notes form part of these financial statements

Balance Sheet  
30 June 2017

|  | Notes | 30.6.17<br>£      | 30.6.16<br>£      |
|--|-------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                        |       |                   |                   |
| Stocks                                       | 12    | 11,189,412        | 6,385,554         |
| Debtors                                      | 13    | 13,911,983        | 12,868,400        |
| Cash at bank                                 |       | <u>455,718</u>    | <u>12,862,042</u> |
|  |       | 25,557,113        | 32,115,996        |
| <b>CREDITORS</b>                             |       |                   |                   |
| Amounts falling due within one year          | 14    | <u>18,090,556</u> | <u>24,937,984</u> |
| <b>NET CURRENT ASSETS</b>                    |       | <u>7,466,557</u>  | <u>7,178,012</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>7,466,557</u>  | <u>7,178,012</u>  |
| <b>CAPITAL AND RESERVES</b>                  |       |                   |                   |
| Called up share capital                      | 18    | 1,000             | 1,000             |
| Retained earnings                            | 19    | <u>7,465,557</u>  | <u>7,177,012</u>  |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>7,466,557</u>  | <u>7,178,012</u>  |

The financial statements were approved by the Board of Directors on 7 December 2017 and were signed on its behalf by:

S Das - Director



Freeworld Trading Limited (Registered number: SC156834)

Statement of Changes in Equity  
for the Year Ended 30 June 2017

|                                | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|--------------------------------|------------------------------------|---------------------------|----------------------|
| <b>Balance at 1 July 2015</b>  | 1,000                              | 7,702,329                 | 7,703,329            |
| <b>Changes in equity</b>       |                                    |                           |                      |
| Dividends                      | -                                  | (650,000)                 | (650,000)            |
| Total comprehensive income     | -                                  | <u>124,683</u>            | <u>124,683</u>       |
| <b>Balance at 30 June 2016</b> | <u>1,000</u>                       | <u>7,177,012</u>          | <u>7,178,012</u>     |
| <b>Changes in equity</b>       |                                    |                           |                      |
| Dividends                      | -                                  | (60,000)                  | (60,000)             |
| Total comprehensive income     | -                                  | <u>348,545</u>            | <u>348,545</u>       |
| <b>Balance at 30 June 2017</b> | <u>1,000</u>                       | <u>7,465,557</u>          | <u>7,466,557</u>     |

The notes form part of these financial statements

**Cash Flow Statement**  
**for the Year Ended 30 June 2017**

|   | Notes | 30.6.17<br>£          | 30.6.16<br>£            |
|---|-------|-----------------------|-------------------------|
| <b>Cash flows from operating activities</b>             |       |                       |                         |
| Cash generated from operations                          | 1     | 1,717,456             | (516,128)               |
| Interest paid   |       | (240,560)             | (181,578)               |
| Tax paid  |       | <u>(32,977)</u>       | <u>(2,353)</u>          |
| Net cash from operating activities                      |       | <u>1,443,919</u>      | <u>(700,059)</u>        |
| <b>Cash flows from financing activities</b>             |       |                       |                         |
| Loans advanced in year                                  |       | -                     | 1,078,000               |
| Loan repayments in year                                 |       | (200,000)             | (1,151,823)             |
| Amount introduced by directors                          |       | 250,000               | -                       |
| Equity dividends paid                                   |       | <u>(60,000)</u>       | <u>(650,000)</u>        |
| Net cash from financing activities                      |       | <u>(10,000)</u>       | <u>(723,823)</u>        |
| <b>Increase/(decrease) in cash and cash equivalents</b> |       | <u>1,433,919</u>      | <u>(1,423,882)</u>      |
| <b>Cash and cash equivalents at beginning of year</b>   | 2     | <u>(978,201)</u>      | <u>445,681</u>          |
| <b>Cash and cash equivalents at end of year</b>         | 2     | <u><u>455,718</u></u> | <u><u>(978,201)</u></u> |

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2017

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

|  | 30.6.17                 | 30.6.16                 |
|--|-------------------------|-------------------------|
|  | £                       | £                       |
| Profit before taxation                           | 436,579                 | 157,659                 |
| Finance costs                                    | <u>240,560</u>          | <u>181,578</u>          |
|  | 677,139                 | 339,237                 |
| (Increase)/decrease in stocks                    | (4,803,858)             | 1,672,796               |
| Increase in trade and other debtors              | (1,043,583)             | (2,005,562)             |
| Increase/(decrease) in trade and other creditors | <u>6,887,758</u>        | <u>(522,599)</u>        |
| <b>Cash generated from operations</b>            | <u><u>1,717,456</u></u> | <u><u>(516,128)</u></u> |

2. **CASH AND CASH EQUIVALENTS**

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

**Year ended 30 June 2017**

|                           | 30.6.17               | 1.7.16                  |
|---------------------------|-----------------------|-------------------------|
|                           | £                     | £                       |
| Cash and cash equivalents | 455,718               | 12,862,042              |
| Bank overdrafts           | <u>-</u>              | <u>(13,840,243)</u>     |
|                           | <u><u>455,718</u></u> | <u><u>(978,201)</u></u> |

**Year ended 30 June 2016**

|                           | 30.6.16                 | 1.7.15                |
|---------------------------|-------------------------|-----------------------|
|                           | £                       | £                     |
| Cash and cash equivalents | 12,862,042              | 13,364,434            |
| Bank overdrafts           | <u>(13,840,243)</u>     | <u>(12,918,753)</u>   |
|                           | <u><u>(978,201)</u></u> | <u><u>445,681</u></u> |

Notes to the Financial Statements  
for the Year Ended 30 June 2017

**1. STATUTORY INFORMATION**

Freeworld Trading Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

**2. COMPANY INFORMATION AND STATEMENT OF COMPLIANCE**

Freeworld Trading Limited is a private limited company limited by shares and incorporated in Scotland with company number SC156834.

The registered office and principal operating address is:  
21 Annandale Street  
Edinburgh  
EH7 4AW

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. There were no material departures from that standard.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax. The company's policy is to recognise a sale when substantively all the risks and rewards in connection with the goods have been passed to the buyer.

**Tangible fixed assets**

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

|                       |                           |
|-----------------------|---------------------------|
| Plant and machinery   | - 25% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Computer equipment    | - 33% on cost             |

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Foreign currencies**

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

**Pension costs and other post-retirement benefits**

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

**Leasing commitments**

Rent payments applicable to operating leases where substantially all of the benefits of risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

**Impairment**

At each balance sheet date, the company reviews the carrying amounts of its tangible and investment assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2017

3. **ACCOUNTING POLICIES - continued**

**Critical accounting judgements and estimation uncertainties**

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

**Depreciation and residual values**

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular the useful economic life and residual values, and have concluded that asset lives and residual values are appropriate.

**Stock valuation**

The Directors measure stock to ensure it is held at the lower of cost and estimated selling price less costs to complete and sell.

**Hire purchase and leasing commitments**

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

4. **TURNOVER**

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

An analysis of turnover by geographical market is given below:

|                | 30.6.17<br>£      | 30.6.16<br>£      |
|----------------|-------------------|-------------------|
| United Kingdom | 55,353,126        | 45,576,343        |
| Europe         | 22,347,249        | 20,041,736        |
| Rest of World  | 1,911,052         | 972,860           |
|                | <u>79,611,427</u> | <u>66,590,939</u> |

5. **EMPLOYEES AND DIRECTORS**

|                       | 30.6.17<br>£   | 30.6.16<br>£   |
|-----------------------|----------------|----------------|
| Wages and salaries    | 592,518        | 609,741        |
| Social security costs | 61,856         | 59,758         |
| Other pension costs   | <u>285,613</u> | -              |
|                       | <u>939,987</u> | <u>669,499</u> |

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

|                                     | 30.6.17   | 30.6.16   |
|-------------------------------------|-----------|-----------|
| Sales, logistics, marketing & admin | <u>16</u> | <u>17</u> |

6. **DIRECTORS' EMOLUMENTS**

During the year directors remuneration totalled £98,732 (2016: 71,478). There were additional pension contributions made during the year of £200,000 (2016: £0).



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2017

**7. OPERATING PROFIT**

The operating profit is stated after charging:

|                        | 30.6.17       | 30.6.16       |
|------------------------|---------------|---------------|
|                        | £             | £             |
| Auditors' remuneration | <u>11,400</u> | <u>10,920</u> |

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

|                       | 30.6.17        | 30.6.16        |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Bank interest         | 240,560        | 122,247        |
| Pension loan interest | -              | 59,331         |
|                       | <u>240,560</u> | <u>181,578</u> |

**9. TAXATION**

**Analysis of the tax charge**

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

|                    | 30.6.17       | 30.6.16       |
|--------------------|---------------|---------------|
|                    | £             | £             |
| Current tax:       |               |               |
| UK corporation tax | <u>88,034</u> | <u>32,976</u> |
| Tax on profit      | <u>88,034</u> | <u>32,976</u> |

**Reconciliation of total tax charge included in profit and loss**

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

|   | 30.6.17        | 30.6.16        |
|---|----------------|----------------|
|   | £              | £              |
| Profit before tax   | <u>436,579</u> | <u>157,659</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%) | 87,316         | 31,532         |
| Effects of:   |                |                |
| Expenses not deductible for tax purposes  | 1,873          | 1,498          |
| Capital allowances in excess of depreciation  | (44)           | (54)           |
| Change in tax rate  | (1,111)        | -              |
| Total tax charge  | <u>88,034</u>  | <u>32,976</u>  |

**10. DIVIDENDS**

|                            | 30.6.17       | 30.6.16        |
|----------------------------|---------------|----------------|
|                            | £             | £              |
| Ordinary shares of £1 each |               |                |
| Interim                    | <u>60,000</u> | <u>650,000</u> |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2017

**11. TANGIBLE FIXED ASSETS**

|                                    | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£   |
|------------------------------------|-----------------------------|----------------------------------|----------------------------|---------------|
| <b>COST</b>                        |                             |                                  |                            |               |
| At 1 July 2016<br>and 30 June 2017 | <u>11,830</u>               | <u>17,267</u>                    | <u>7,931</u>               | <u>37,028</u> |
| <b>DEPRECIATION</b>                |                             |                                  |                            |               |
| At 1 July 2016<br>and 30 June 2017 | <u>11,830</u>               | <u>17,267</u>                    | <u>7,931</u>               | <u>37,028</u> |
| <b>NET BOOK VALUE</b>              |                             |                                  |                            |               |
| At 30 June 2017                    | <u>-</u>                    | <u>-</u>                         | <u>-</u>                   | <u>-</u>      |
| At 30 June 2016                    | <u>-</u>                    | <u>-</u>                         | <u>-</u>                   | <u>-</u>      |

The directors consider the residual value of the tangible assets to be £nil.

**12. STOCKS**

|        | 30.6.17<br>£      | 30.6.16<br>£     |
|--------|-------------------|------------------|
| Stocks | <u>11,189,412</u> | <u>6,385,554</u> |

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                | 30.6.17<br>£      | 30.6.16<br>£      |
|--------------------------------|-------------------|-------------------|
| Trade debtors                  | 13,821,244        | 12,802,170        |
| Other debtors                  | 273               | 537               |
| VAT                            | 85,466            | 60,693            |
| Prepayments and accrued income | <u>5,000</u>      | <u>5,000</u>      |
|                                | <u>13,911,983</u> | <u>12,868,400</u> |

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | 30.6.17<br>£      | 30.6.16<br>£      |
|---|-------------------|-------------------|
| Bank loans and overdrafts (see note 15) | -                 | 13,840,243        |
| Other loans (see note 15)               | 878,000           | 1,078,000         |
| Trade creditors                         | 4,296,181         | 3,872,341         |
| Tax                                     | 88,033            | 32,976            |
| Social security and other taxes         | 15,714            | 17,747            |
| Other creditors                         | 31,666            | -                 |
| Invoice financing                       | 9,699,218         | 6,039,857         |
| Trade loan                              | 2,798,811         | -                 |
| Directors' current accounts             | 250,000           | -                 |
| Accrued expenses                        | <u>32,933</u>     | <u>56,820</u>     |
|   | <u>18,090,556</u> | <u>24,937,984</u> |

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2017

15. **LOANS**

An analysis of the maturity of loans is given below:

|   | 30.6.17<br>£   | 30.6.16<br>£      |
|---|----------------|-------------------|
| Amounts falling due within one year or on demand: |                |                   |
| Bank overdrafts                                   | -              | 13,840,243        |
| Other loans                                       | 878,000        | 1,078,000         |
|   | <u>878,000</u> | <u>14,918,243</u> |

16. **SECURED DEBTS**

The following secured debts are included within creditors:

|                   | 30.6.17<br>£      | 30.6.16<br>£      |
|-------------------|-------------------|-------------------|
| Bank overdrafts   | -                 | 13,840,243        |
| Invoice financing | 9,699,218         | 6,039,857         |
| Trade loan        | 2,798,811         | -                 |
|                   | <u>12,498,029</u> | <u>19,880,100</u> |

Barclays Bank PLC hold a floating charge over the company's assets and a deed of charge over the company's debtors.

17. **FINANCIAL INSTRUMENTS**

Short term debtors are generally recognised at transaction price less impairment and short term creditors are recognised at transaction price.

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class:   | Nominal<br>value: | 30.6.17<br>£ | 30.6.16<br>£ |
|---------|----------|-------------------|--------------|--------------|
| 1,000   | Ordinary | £1                | <u>1,000</u> | <u>1,000</u> |

19. **RESERVES**

|                     | Retained<br>earnings<br>£ |
|---------------------|---------------------------|
| At 1 July 2016      | 7,177,012                 |
| Profit for the year | 348,545                   |
| Dividends           | <u>(60,000)</u>           |
| At 30 June 2017     | <u>7,465,557</u>          |

20. **RELATED PARTY DISCLOSURES**

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2017

20. **RELATED PARTY DISCLOSURES - continued**

**Key management personnel of the entity and their close family (in the aggregate)**

|                             | 30.6.17        | 30.6.16  |
|-----------------------------|----------------|----------|
|                             | £              | £        |
| Wages                       | 135,843        | 154,037  |
| Pension Contributions       | 280,000        | -        |
| Amount due to related party | <u>280,000</u> | <u>-</u> |

The above amount due to key management personnel is payable within 12 months, no interest is due on the loan.

**Other related parties**

|                               | 30.6.17        | 30.6.16          |
|-------------------------------|----------------|------------------|
|                               | £              | £                |
| Purchases                     | 30,000         | 30,000           |
| Interest                      | -              | 59,331           |
| Amount due from related party | 5,000          | 5,000            |
| Amount due to related party   | <u>878,000</u> | <u>1,078,000</u> |

The above amount due to a related party is due for repayment in less than 1 year and will have interest charged at 5.5% over the HMRC rate.

21. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling parties are Mr and Mrs S. Das who hold 100% of the share capital.

22. **PROVISION OF NON-AUDIT SERVICES**

We use our auditors to assist our informed management in preparing and submitting returns to the tax authorities and assist in putting our financial statements into a statutory form. The auditors have discussed with us a number of safeguards which they have in place which maintain their objectivity in completing the audit work.

The fees charged for non-audit services amount to £2,070 (2016: £2,100) and the fees relating to audit services amount to £11,400 (2016: £10,920).