

REGISTERED NUMBER: SC156834 (Scotland)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2014
for
Freeworld Trading Limited

THURSDAY



S3MZ52RM

SCT

18/12/2014

#265

COMPANIES HOUSE

Contents of the Financial Statements
for the Year Ended 30 June 2014

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10

Freeworld Trading Limited

Company Information
for the Year Ended 30 June 2014

DIRECTORS:

S Das
H Kiriyaama

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

Freeworld Trading Limited (Registered number: SC156834)

Strategic Report
for the Year Ended 30 June 2014

The directors present their strategic report for the year ended 30 June 2014.

REVIEW OF BUSINESS

The results of the year and the financial position of the company are as shown in the annexed financial statements.

The profit before tax for the year amounted to £1,456,566 (2013: £1,299,327).

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S Das', written over a horizontal line.

S Das - Director

25 November 2014

Report of the Directors
for the Year Ended 30 June 2014

The directors present their report with the financial statements of the company for the year ended 30 June 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of trading in agricultural commodities.

DIVIDENDS

An interim dividend of 35.313 per share was paid on 30 April 2014. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2014 will be £35,313.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2013 to the date of this report.

S Das
H Kiriyaama

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 2014

AUDITORS

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

ON BEHALF OF THE BOARD:

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

S Das - Director

25 November 2014

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

We have audited the financial statements of Freeworld Trading Limited for the year ended 30 June 2014 on pages six to fifteen. 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).

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.

Respective responsibilities of directors and auditors

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. 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2014 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.

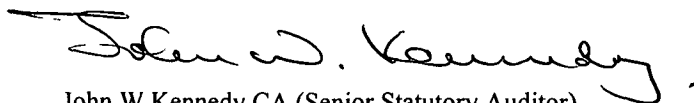
Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.



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

25 November 2014

Profit and Loss Account
for the Year Ended 30 June 2014

	Notes	30.6.14 �	30.6.13 �
TURNOVER	2	86,002,590	71,397,449
Cost of sales		<u>83,150,455</u>	<u>68,668,114</u>
GROSS PROFIT		2,852,135	2,729,335
Administrative expenses		<u>1,242,802</u>	<u>1,278,795</u>
		1,609,333	1,450,540
Other operating income		<u>32,155</u>	<u>-</u>
OPERATING PROFIT	5	1,641,488	1,450,540
Interest receivable and similar income		<u>51</u>	<u>617</u>
		1,641,539	1,451,157
Interest payable and similar charges	6	<u>184,973</u>	<u>151,830</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,456,566	1,299,327
Tax on profit on ordinary activities	7	<u>329,339</u>	<u>308,670</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,127,227</u></u>	<u><u>990,657</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

Balance Sheet

30 June 2014

	Notes	30.6.14 £	30.6.13 £
CURRENT ASSETS			
Stocks	10	7,432,495	6,254,714
Debtors	11	10,876,901	10,081,079
Cash at bank and in hand		<u>15,648,394</u>	<u>11,133,019</u>
		33,957,790	27,468,812
CREDITORS			
Amounts falling due within one year	12	<u>26,178,447</u>	<u>20,670,822</u>
NET CURRENT ASSETS		<u>7,779,343</u>	<u>6,797,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,779,343	6,797,990
CREDITORS			
Amounts falling due after more than one year	13	<u>679,478</u>	<u>790,039</u>
NET ASSETS		<u><u>7,099,865</u></u>	<u><u>6,007,951</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	1,000	1,000
Profit and loss account	17	<u>7,098,865</u>	<u>6,006,951</u>
SHAREHOLDERS' FUNDS	20	<u><u>7,099,865</u></u>	<u><u>6,007,951</u></u>

The financial statements were approved by the Board of Directors on 25 November 2014 and were signed on its behalf by:

S Das - Director



The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 30 June 2014

	Notes	30.6.14 £	£	30.6.13 £	£
Net cash (outflow)/inflow from operating activities	1		(648,179)		296,213
Returns on investments and servicing of finance	2		(184,922)		(151,213)
Taxation			(301,640)		(162,985)
Equity dividends paid			<u>(35,313)</u>		<u>(82,436)</u>
			(1,170,054)		(100,421)
Financing	2		<u>53,421</u>		<u>68,252</u>
Decrease in cash in the period			<u>(1,116,633)</u>		<u>(32,169)</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		(1,116,633)		(32,169)	
Cash inflow from increase in debt		<u>(53,421)</u>		<u>(68,252)</u>	
Change in net funds resulting from cash flows			<u>(1,170,054)</u>		<u>(100,421)</u>
Movement in net funds in the period			(1,170,054)		(100,421)
Net funds at 1 July			<u>34,030</u>		<u>134,451</u>
Net (debt)/funds at 30 June			<u>(1,136,024)</u>		<u>34,030</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 June 2014

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	30.6.14 £	30.6.13 £
Operating profit	1,641,488	1,450,540
Increase in stocks	(1,177,781)	(1,956,423)
Increase in debtors	(795,822)	(911,055)
(Decrease)/increase in creditors	<u>(316,064)</u>	<u>1,713,151</u>
Net cash (outflow)/inflow from operating activities	<u>(648,179)</u>	<u>296,213</u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	30.6.14 £	30.6.13 £
Returns on investments and servicing of finance		
Interest received	51	617
Interest paid	<u>(184,973)</u>	<u>(151,830)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(184,922)</u>	<u>(151,213)</u>

Financing

Loans advanced in year	699,468	521,000
Loan repayments in year	<u>(646,047)</u>	<u>(452,748)</u>
Net cash inflow from financing	<u>53,421</u>	<u>68,252</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.13 £	Cash flow £	At 30.6.14 £
Net cash:			
Cash at bank and in hand	11,133,019	4,515,375	15,648,394
Bank overdrafts	<u>(10,250,355)</u>	<u>(5,632,008)</u>	<u>(15,882,363)</u>
	<u>882,664</u>	<u>(1,116,633)</u>	<u>(233,969)</u>
Debt:			
Debts falling due within one year	(651,293)	(163,482)	(814,775)
Debts falling due after one year	<u>(197,341)</u>	<u>110,061</u>	<u>(87,280)</u>
	<u>(848,634)</u>	<u>(53,421)</u>	<u>(902,055)</u>
Total	<u>34,030</u>	<u>(1,170,054)</u>	<u>(1,136,024)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 June 2014

1. **ACCOUNTING POLICIES**

Accounting convention

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

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.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

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 the profit and loss account 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.

2. **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:

	30.6.14 £	30.6.13 £
United Kingdom	51,455,604	43,358,913
Europe	29,473,388	24,298,814
Rest of World	<u>5,073,598</u>	<u>3,739,722</u>
	<u>86,002,590</u>	<u>71,397,449</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2014

3. **STAFF COSTS**

	30.6.14	30.6.13
	£	£
Wages and salaries	617,979	610,491
Social security costs	65,083	65,082
Other pension costs	<u>31,000</u>	<u>1,300</u>
	<u>714,062</u>	<u>676,873</u>

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

	30.6.14	30.6.13
Sales, logistics, marketing & admin	<u>19</u>	<u>19</u>

4. **DIRECTORS' EMOLUMENTS**

During the year directors remuneration totalled £65,799 (2013: £78,617). £20,000 pension contributions were made in current year (2013: £Nil).

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.6.14	30.6.13
	£	£
Auditors' remuneration	<u>9,700</u>	<u>9,000</u>

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	30.6.14	30.6.13
	£	£
Bank interest	156,952	129,311
Tax interest	-	(878)
Pension loan interest	<u>28,021</u>	<u>23,397</u>
	<u>184,973</u>	<u>151,830</u>

7. **TAXATION**

Analysis of the tax charge

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

	30.6.14	30.6.13
	£	£
Current tax:		
UK corporation tax	<u>329,339</u>	<u>308,670</u>
Tax on profit on ordinary activities	<u>329,339</u>	<u>308,670</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2014

7. **TAXATION - continued**

Factors affecting the tax charge

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

	30.6.14 £	30.6.13 £
Profit on ordinary activities before tax	<u>1,456,566</u>	<u>1,299,327</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.501% (2013 - 23.751%)	327,742	308,603
Effects of:		
Expenses not deductible for tax purposes	1,681	186
Capital allowances in excess of depreciation	(90)	(115)
Change in tax rate from financial year 2013 (2012)	6	(4)
	<u>329,339</u>	<u>308,670</u>
Current tax charge	<u>329,339</u>	<u>308,670</u>

8. **DIVIDENDS**

	30.6.14 £	30.6.13 £
Ordinary shares of £1 each		
Interim	<u>35,313</u>	<u>82,436</u>

9. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 July 2013				
and 30 June 2014	<u>11,830</u>	<u>17,267</u>	<u>7,931</u>	<u>37,028</u>
DEPRECIATION				
At 1 July 2013				
and 30 June 2014	<u>11,830</u>	<u>17,267</u>	<u>7,931</u>	<u>37,028</u>
NET BOOK VALUE				
At 30 June 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

10. **STOCKS**

	30.6.14 £	30.6.13 £
Stocks	<u>7,432,495</u>	<u>6,254,714</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2014

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.14	30.6.13
	£	£
Trade debtors	10,814,471	9,918,105
Other debtors	6,225	556
VAT	51,205	157,418
Prepayments and accrued income	5,000	5,000
	<u>10,876,901</u>	<u>10,081,079</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.14	30.6.13
	£	£
Bank loans and overdrafts (see note 14)	15,882,363	10,250,355
Other loans (see note 14)	814,775	651,293
Trade creditors	4,294,189	4,071,332
Tax	173,384	145,685
Social security and other taxes	18,094	15,312
Invoice financing	4,950,750	5,500,177
Accrued expenses	44,892	36,668
	<u>26,178,447</u>	<u>20,670,822</u>

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

	30.6.14	30.6.13
	£	£
Other loans (see note 14)	87,280	197,341
Directors' loan accounts	592,198	592,698
	<u>679,478</u>	<u>790,039</u>

14. LOANS

An analysis of the maturity of loans is given below:

	30.6.14	30.6.13
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	15,882,363	10,250,355
Other loans	814,775	651,293
	<u>16,697,138</u>	<u>10,901,648</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>87,280</u>	<u>197,341</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2014

15. SECURED DEBTS

The following secured debts are included within creditors:

	30.6.14	30.6.13
	£	£
Bank overdrafts	15,882,363	10,250,355
Invoice financing	<u>4,950,750</u>	<u>5,500,177</u>
	<u>20,833,113</u>	<u>15,750,532</u>

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

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.14	30.6.13
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

17. RESERVES

	Profit and loss account £
At 1 July 2013	6,006,951
Profit for the year	1,127,227
Dividends	<u>(35,313)</u>
At 30 June 2014	<u>7,098,865</u>

18. RELATED PARTY DISCLOSURES

S Das

A director of the company

During the year the director withdrew £500 from the company. This loan is interest free with no fixed repayment terms.

	30.6.14	30.6.13
	£	£
Amount due to related party at the balance sheet date	<u>592,198</u>	<u>592,698</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2014

18. RELATED PARTY DISCLOSURES - continued

Directors' Pension Fund

During the year the Directors' Pension Fund advanced the company £699,468. In addition the company repaid £646,047. The loan is to be repaid over the period ending February 2016.

During the year interest of £28,021 was incurred and paid by the company relating to this loan. The company also made rental payments to the Directors' Pension Fund totalling £30,000.

	30.6.14	30.6.13
	£	£
Amount due to related party at the balance sheet date	<u>902,055</u>	<u>848,634</u>

Directors' Pension Fund

In addition to the disclosure above, during the year the company paid for expenditure on behalf of the Directors' Pension Fund. This totalled £6,225 and was due to the company at the year end and included within other debtors.

	30.6.14	30.6.13
	£	£
Amount due from related party at the balance sheet date	<u>6,225</u>	<u>-</u>

19. ULTIMATE CONTROLLING PARTY

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

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.6.14	30.6.13
	£	£
Profit for the financial year	1,127,227	990,657
Dividends	<u>(35,313)</u>	<u>(82,436)</u>
Net addition to shareholders' funds	1,091,914	908,221
Opening shareholders' funds	<u>6,007,951</u>	<u>5,099,730</u>
Closing shareholders' funds	<u>7,099,865</u>	<u>6,007,951</u>

21. PROVISION OF NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements and the monthly payroll bureau. The fees charged for non-audit services amount to £2,880 (2013: £2,160) and the fees relating to audit services amount to £9,700 (2013: £9,000).