

TARAK INTERNATIONAL LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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TARAK INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Tarak Ramzan Sheraz Ramzan Omar Aziz Kasim Akram Khalid Ramzan Nusrat Ramzan Gerard Sweeney
Secretary	Sheraz Ramzan
Company Number	SC350728
Registered Office	61 Hydepark Street Glasgow G3 8BW
Auditors	RSM UK Audit LLP Centenary House Third Floor 69 Wellington Street Glasgow G2 6HG
Bankers	HSBC 2 Buchanan Street Glasgow Ulster Bank College Green Branch 33 College Green PO Box 145

TARAK INTERNATIONAL LIMITED

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TARAK INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their Strategic Report in respect of the year to 31 March 2017.

Business review and results

The directors were delighted with the performance in the year which saw a 86% uplift in revenues and a 134% increase in operating profits. Further to substantial growth in online sales and increased overseas sales turnover increased by £13.6m. The gross margin generated was consistent the £4.7m or 68% increase in operating costs. We will continue to monitor and challenge costs to deliver improvements to gross and operating profits.

The profit before taxation for the year was £3.0m (2016 - £1.3m).

Financial key performance indicators

The directors track the performance of the business by closely monitoring the revenue on all individual income streams on a monthly basis against budget and the prior year figures. Gross profit margins split by income stream, and staff costs as a percentage of turnover are also monitored on a monthly basis against budget and the prior year figures. Overhead spend is also closely controlled and monitored against budgeted figures.

Future developments & risks and uncertainties

The company has both internal and external risk factors that could impact on performance. The company has risk management processes to identify, review and evaluate these risks allowing the directors to take action as required where possible. A review of the key risk factors are detailed below.

A decline in consumer spending

General economic conditions including consumer confidence, employment levels, and interest rates can affect the amount of disposable income available to consumers. Adverse economic conditions could impact on the company's profitability through reduced consumer spending.

Competition

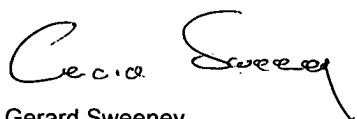
The company operates in a highly competitive market, competing against a variety of other UK and international retailers. Failure to compete on product offering, quality, service or price could adversely affect company performance and profitability.

Supply chain management

The company is reliant on the flexible nature of its supply chain, relationships with suppliers and the lead times for delivery of new stock.

It is anticipated that the company's underlying profitability will continue to increase in the current financial year.

This report was approved by the board on 19 July 2017 and signed on its behalf by:



Gerard Sweeney
Director

TARAK INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company is the retail of ladies fashion clothing, footwear and accessories.

Results and dividends

The results for the year are set out on page 5. No dividend has been paid or recommended for payment in the year.

Directors

The following directors have held office since 1 April 2016:

Tarak Ramzan
Sheraz Ramzan
Omar Aziz
Nusrat Ramzan
Khalid Ramzan
Kasim Akram
Gerard Sweeney appointed 15th December 2016

Donations

During the year, the Company made charitable donations of £3,600 (2016 - £1,600).

Financial instruments

Details of the company's financial risk management objectives and policies are included in the notes to the accounts.

Employees

It is the company policy to consult employees on a regular basis so that their views are taken into account when making decisions that affect their interests as employees. Employees are also made aware of company aims, objectives and its financial performance via a number of communications including face to face briefings.

The company is an equal opportunity employer and recruits and promotes employees on the basis of suitability for the job and on no other grounds. Applications for employment and promotion of disabled persons are treated on the basis as those from other applicants having regard to aptitude, skill and requirements of the job.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

TARAK INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2017

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

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

In preparing these financial statements, the directors are required to:

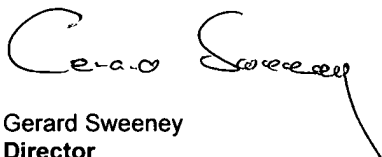
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board:



Gerard Sweeney
Director

Date 19 July 2017

TARAK INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TARAK INTERNATIONAL LIMITED

Opinion on financial statements

We have audited the financial statements on pages 5 to 20. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

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.



Alan Aitchison (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date 19/1/17

TARAK INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

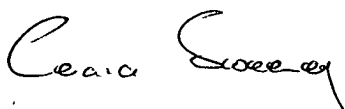
	Notes	2017 £	2016 £
Turnover	3	29,517,704	15,907,045
Cost of sales		(15,006,946)	(8,682,059)
Gross profit		14,510,758	7,224,986
Distribution costs		(6,983,133)	(2,970,888)
Administrative expenses		(4,530,285)	(2,974,754)
Operating profit		2,997,340	1,279,344
Interest receivable and similar income	4	-	21,659
Interest payable and similar charges	5	(8,108)	(6,161)
Fair value gain/(loss) on foreign exchange contracts		3,204	(18,525)
Profit on ordinary activities before taxation	6	2,992,436	1,276,317
Taxation	9	(494,346)	(213,725)
Profit on ordinary activities after taxation and profit for the year		2,498,090	1,062,592
Other comprehensive income (net of tax)			
Foreign exchange reserve gain/(loss) on non-UK assets		165,565	98,737
Total comprehensive income for the year		2,663,655	1,161,329

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

TARAK INTERNATIONAL LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2017**

	Notes	2017 £	2016 £
Fixed assets			
Intangible assets	10	65,133	59,471
Tangible assets	11	370,525	308,824
		<u>435,658</u>	<u>368,295</u>
Current assets			
Stocks	12	3,067,032	1,138,653
Debtors	13	6,990,700	3,118,646
Cash at bank and in hand		1,503,755	2,359,018
		<u>11,561,487</u>	<u>6,616,317</u>
Creditors: amounts falling due within one year	14	<u>(4,338,748)</u>	<u>(1,990,846)</u>
Net current assets		<u>7,222,739</u>	<u>4,625,471</u>
Total assets less current liabilities		<u>7,658,397</u>	<u>4,993,766</u>
Provisions for liabilities	16	<u>(22,037)</u>	<u>(21,061)</u>
Net assets		<u>7,636,360</u>	<u>4,972,705</u>
Capital and reserves			
Called up share capital	18	10,000	10,000
Profit and loss account		7,626,360	4,962,705
Total equity		<u>7,636,360</u>	<u>4,972,705</u>

The financial statements were approved by the Board and authorised for issue on 19 July 2017 and are signed on its behalf by:



Gerard Sweeney
Director

TARAK INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £	Profit and Loss Account £	Total £
Balance at 1 April 2015	10,000	3,801,376	3,811,376
Profit for the year	-	1,062,592	1,062,592
Other comprehensive income, net of tax			
Foreign exchange loss on non-monetary assets	-	98,737	98,737
Total comprehensive income for the year	-	1,161,329	1,161,329
Balance at 31 March 2016	10,000	4,962,705	4,972,705
Profit for the year	-	2,498,090	2,498,090
Other comprehensive income, net of tax			
Foreign exchange gain on non-monetary assets	-	165,565	165,565
Total comprehensive income for the year	-	2,663,655	2,663,655
Balance at 31 March 2017	10,000	7,626,360	7,636,360

TARAK INTERNATIONAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Operating activities			
Cash generated from operations	19	(746,246)	1,942,634
Interest paid		(8,108)	(6,161)
Corporation taxes paid		(276,950)	(151,559)
Net cash from operating activities		(1,031,303)	1,784,915
Investment activities			
Purchase of intangible fixed assets		(15,295)	(33,884)
Purchase of tangible fixed assets		(139,827)	(72,969)
Interest received		-	21,659
Net cash used in investing activities		(155,122)	(85,194)
Financing activities			
Proceeds from new loan		289,000	-
Repayment of obligations under finance leases		(1,037)	(17,326)
Net cash used in financing activities		287,963	(17,326)
Net (decrease)/increase in cash and cash equivalents		(898,462)	1,682,395
Cash and cash equivalents at beginning of year		2,359,018	673,826
Effect of foreign exchange rate changes		43,199	2,797
Cash and cash equivalents at end of year		1,503,755	2,359,018
Relating to			
Cash at bank and in hand		1,503,755	2,359,018

TARAK INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Tarak International Limited is a private company limited by shares incorporated in Scotland. The registered office is 61 Hydepark Street, Glasgow, Strathclyde, G3 8BW.

The principal activity of the group is described in the directors report.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Going Concern

The Directors' have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to in the ordinary nature of the business net of Value Added Tax.

Intangible fixed assets – goodwill

Goodwill is capitalised and written off evenly over 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

Intangible assets - other

Intangible assets purchased are recognised when future economic benefits are probable and are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Computer software	7 years
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Amortisation is revised prospectively for any significant change in useful life or residual value. On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Computer equipment	between 5 and 10 years
Fixtures, fittings & equipment	between 7 and 10 years
Motor vehicles	5 years

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Stock

Stocks are valued at the lower of cost and net realisable value estimated selling price less cost to complete and sell. Cost is determined on a first in first out basis. At each reporting date, the Company assesses whether stocks are impaired. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss.

Retirement benefits

For defined contribution schemes the amount charged to the profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using the tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction for event it relates to and is also charged or credited to other comprehensive income, or equity.

Finance leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalized is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit and loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating leases

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight-line basis over the lease term.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

Financial assets

Trade debtors and other debtors

Trade debtors and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Financial liabilities and equity

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

Trade creditors and other creditors

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit or loss unless hedge accounting is applied and the hedge is a cash flow hedge.

To qualify for hedge accounting, the Company documents the hedged item, the hedging instrument and the hedging relationship between them, and the causes of hedge ineffectiveness (such as different maturities, nominal amounts or variable rates, and counterparty credit risk).

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to liability. The unwinding of the discount is recognised within interest payable and similar charges.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Turnover

The total turnover of the company for the year has been derived from its principal activity. An analysis of turnover is given below:

	2017	2016
	£	£
United Kingdom	11,071,804	7,855,119
Overseas	18,445,900	8,051,926
	<u>29,517,704</u>	<u>15,907,045</u>

4 Interest receivable and similar income

	2017	2016
	£	£
Interest on loans to connected companies	-	21,659
	<u>-</u>	<u>21,659</u>

5 Interest payable and similar charges

	2017	2016
	£	£
On bank loans and overdrafts	6,572	4,911
Hire purchase interest	96	948
On overdue tax	-	302
Other interest	1,440	-
	<u>8,108</u>	<u>6,161</u>

6 Profit on ordinary activities before taxation

	2017	2016
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	9,633	8,019
Depreciation of tangible assets	78,126	53,062
Depreciation of assets held under hire purchase agreements	-	8,771
Profit/(loss) on foreign exchange transactions	-	675
Operating lease rentals:		
- Plant and machinery	-	7,112
Fees payable to the company's auditors for the audit of the company's financial statements	7,280	7,000
	<u>7,280</u>	<u>7,000</u>

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Directors' remuneration

The directors received no remuneration during the year (2016 - £Nil).

8 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2017	2016
	Number	Number
Number of management staff	7	5
Number of other staff – shop staff	123	100
	<u>130</u>	<u>105</u>
Employment costs	£	£
Wages and salaries	1,635,705	1,191,831
Social security costs	141,104	110,282
Other pension costs	5,482	3,880
	<u>1,782,291</u>	<u>1,305,993</u>

TARAK INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

9 Taxation

	2017	2016
	£	£
Domestic current year tax		
Corporation tax	275,806	120,440
Adjustment for prior years	10,612	20,224
	<u>286,418</u>	<u>140,664</u>
Foreign corporation tax		
Foreign corporation tax	203,855	85,712
Adjustment for prior years	-	(3,682)
	<u>203,855</u>	<u>82,030</u>
Total current tax	<u>490,273</u>	<u>222,694</u>
Deferred tax		
Origination and reversal of timing differences	4,073	(8,969)
	<u>494,346</u>	<u>213,725</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>2,992,436</u>	<u>1,276,317</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2016 - 20.00%)	-	598,487
Effects of:		
Impact of change in standard rate of tax	-	(147)
Different tax rates applying in other jurisdictions	(122,616)	(52,196)
Non-deductible expenses	-	4,227
Adjustments to previous periods	18,475	6,578
Current tax charge for the year	<u>494,346</u>	<u>213,725</u>

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Intangible fixed assets

	Goodwill £	Computer software £	Total £
Cost			
At 1 April 2016	18,001	53,333	71,334
Additions	-	15,295	15,295
At 31 March 2017	18,001	68,628	86,629
Amortisation			
At 1 April 2016	5,401	6,462	11,863
Charge for the year	1,800	7,833	9,633
At 31 March 2017	7,201	14,295	21,496
Net book value			
At 31 March 2017	10,800	54,333	65,133
At 31 March 2016	12,600	46,871	59,471

The amortisation of goodwill is included within administrative expenses in the profit and loss account.

11 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost				
At 1 April 2016	84,682	430,947	70,541	586,170
Additions	37,884	101,943	-	139,827
At 31 March 2017	122,566	532,890	70,541	725,997
Depreciation				
At 1 April 2016	44,852	190,547	41,947	277,346
Charge for the year	11,721	51,983	14,422	78,126
At 31 March 2017	56,573	242,530	56,369	355,472
Net book value				
At 31 March 2017	65,993	290,360	14,172	370,525
At 31 March 2016	39,830	240,400	28,594	308,824

TARAK INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

12 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	3,067,032	1,138,653

13 Debtors

	2017	2016
	£	£
Trade debtors	4,321,569	1,597,844
Amounts owed by connected companies	2,073,713	1,274,701
Other debtors	499,160	228,109
Prepayments and accrued income	96,258	17,992
	<u>6,990,700</u>	<u>3,118,646</u>

14 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	289,000	-
Net obligations under hire purchase contracts	-	1,037
Trade creditors	380,120	236,714
Amounts owed to connected companies	2,982,560	1,309,611
Corporation tax	382,971	169,756
Other taxes and social security costs	28,146	191,184
Other creditors	96,044	2,081
Accruals and deferred income	179,907	80,463
	<u>4,338,748</u>	<u>1,990,846</u>

Bank loan, overdraft and other credit facilities are secured by unlimited multilateral and cross company guarantee given by Kast Retail Limited and Tarak International Limited and also by a limited guarantee given by Tarak Manufacturing Company Limited, and by a floating charge over the assets of Kast Retail Limited and Tarak International Limited. The bank also holds a right of set-offs between Kast Retail Limited and Tarak International Limited:

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6,894,442	3,100,654
Carrying amount of financial liabilities		
Measured at amortised cost	3,747,724	1,548,406

16 Provisions for liabilities

	Deferred Tax £	Loss on Foreign Exchange Contracts £	Total £
Balance as at 1 April 2016	2,536	18,525	21,061
Charge/(credit) to profit and loss account	4,073	(3,204)	869
Effect of foreign exchange rate changes	107	-	107
Balance as at 31 March 2017	6,716	15,321	22,037

Deferred Tax

The deferred tax liability is expected to reverse in a period greater than 12 months and relates to accelerated capital allowances that are expected to mature over the same period.

Foreign Exchange Forward Contracts

The company uses foreign currency forward contracts to manage the foreign exchange risk of future transactions and cash flows. The contracts are valued based on available market data. The company does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in profit or loss.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts that the company has committed to are as follows:

	2017 £	2016 £
To sell Euros	633,020	952,917
To buy Chinese Renminbi	939,078	-

17 Retirement benefits

The Company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £5,482 (2016: £3,880). Contributions totalling £574 (2016: £331) were payable to the fund at the year end and are included in creditors.

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

19 Reconciliation of profit after tax to net cash generated for operations

	2017	2016
	£	£
Profit after tax	2,498,090	1,062,592
Adjustments for:		
Depreciation of tangible fixed assets	78,126	61,833
Amortisation of intangible assets	9,633	8,019
Interest receivable	-	(21,659)
Interest payable	8,108	6,161
(Gain)/loss on financial instruments	(3,204)	18,525
Effect of foreign exchange rate changes on non UK profits	122,365	95,940
Taxation	494,346	213,725
Operating cash flows before movements in working capital	3,207,464	1,445,136
Increase in stock	(1,928,379)	(609,288)
Increase in debtors	(3,872,054)	(285,302)
Increase in creditors	1,846,723	1,392,088
Cash generated from operations	(746,246)	1,942,634

TARAK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

20 Related party relationships and transactions

The directors of Tarak International Limited are also directors and shareholders of the following companies with which they traded during the year and are considered to be related parties due to a common controlling board of directors:

	Kast Retail Limited	Tarak Retail Limited	Tarak Manufacturing Limited	Koast Investments Limited	Big Blue Concepts Limited
Tarak Ramzan	Both	Director	Both	Both	Director
Sheraz Ramzan	Both	Director	Director	Both	Director
Omar Aziz	Both	Director	Both	Both	Director
Nusrat Ramzan	Director	Neither	Director	Neither	Neither
Khalid Ramzan	Both	Director	Shareholder	Neither	Neither
Kasim Akram	Shareholder	Director	Both	Shareholder	Neither

Tarak International Limited bought and sold stock from and to both Kast Retail Limited and Tarak Retail Limited. The company also purchased administrative and logistical services from Tarak Manufacturing Company Limited. The amounts of the transactions and balances due to and from the related parties during the year and at the year end are:

	Sales		Purchases From		
	2017	2016	2017	2016	
Kast Retail Limited	-	33,492	17,198,745	8,462,346	
Tarak Retail Limited	475,997	242,017	752,027	484,564	
Tarak Manufacturing Limited	-	-	80,000	80,000	
	Balance owed to		Balance due from		2015
	2017	2016	2017	2016	
Kast Retail Limited	2,987,784	1,309,612	-	-	
Tarak Retail Limited	-	-	1,135,162	458,737	
Tarak Manufacturing Limited	-	-	142,860	25,000	
Koast Investments Limited	-	-	431,764	431,764	
Big Blue Concepts Limited	-	-	359,200	359,200	

21 Remuneration of key management personnel

The total remuneration of directors who are considered to be the key management personnel of the company was £Nil (2016 £Nil) including employers national insurance and pension contributions paid.

22 Reserves

The Profit and Loss Reserve is the cumulative profit and loss net of distribution to owners.