

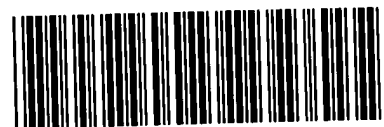
Annual Report and Financial Statements

P. & B. (Foods) Limited

For the year ended 31 March 2018

Registered number: 00988034

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19/12/2018
COMPANIES HOUSE

P. & B. (Foods) Limited

Company Information

Directors

T V Patel
M S Bhatoa
C K Patel

Company secretary

M S Bhatoa

Registered number

00988034

Registered office

Prologis Park
Newhall Way
Bradford
West Yorkshire
BD5 8LZ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
No 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

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Strategic report

For the year ended 31 March 2018

Introduction

The directors present the Strategic report for the year ended 31 March 2018.

Business review and financial key performance indicators

The company's statement of financial position as detailed on page 9 shows a satisfactory position with shareholders' funds amounting to £16,463,970 (2017 - £13,354,607). The directors are satisfied with the trading result for the year, with continued growth achieved through an aggressive sales policy.

The board manages the business by monitoring gross profit margins, debtor levels, sales levels and stock levels.

Gross margin is in line with last year at 23% (2017 - 23%). Debtor levels have increased during the year largely as a result of the growth in sales from prior year. Sales have increased by £2,049,967 to £53,818,562.

In the coming financial year the directors will be concentrating on fully utilising the new production facilities and the opportunities that these will bring. The directors do not foresee any major shift in the market for growth and will not be looking to make any further investments in plant or machinery. The directors will be keeping a close eye on Brexit negotiations and continues asses the possible impact on the company's ability to export to the EU.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to the supply and pricing of the company's extensive product range, compliance with quality standards and legislation, issues relating to product branding, managing currency fluctuations, the risks associated with adequate insurance provisions, and the dependency on key personnel.

The company's operations are exposed to a variety of financial risks that include changes in the debt market prices, credit risk, liquidity risk, and interest rate risk. The directors monitor the level of debt finance and the related financial costs to ensure there are no adverse effects on the company's performance.

Following the EU referendum on 23 June 2016, the UK initiated exit negotiations to leave the EU on 28 March 2017. The outcome on the negotiations on the future trading relationship between the EU and the UK is uncertain. Despite these new challenges, this will not change the importance of all the markets the company trades in, and the directors continue to analyse and monitor the possible consequences as well as to prepare the company to deal with the developments following the Brexit. Although the directors do not believe that the decision has a material impact on these financial statements, or that the Brexit vote poses any going concern issues within the company's business, as a precaution for a "hard brexit" stock holdings will be increased to 4 months trading stock in advance of 29 March 2019.

Strategic report (continued)

For the year ended 31 March 2018

Financial risk management

Currency risk

Management regularly monitor the company's currency position and exchange rate movements and make currency decisions appropriately, including the forward purchase of currencies. There were no material forward exchange contracts in place at the year end or in the prior year.

Fair value interest risk rate

The company does not hedge its interest rate risk.

Price risk

The company uses short term contracts with suppliers and customers to manage its exposure to variation in market prices.

Credit risk

The company mainly trades with long standing customers, the nature of these relationships assist management in controlling its credit risk in addition to the normal credit management process. New customers are often put through a period of proforma invoicing of payment on delivery.

Liquidity risk

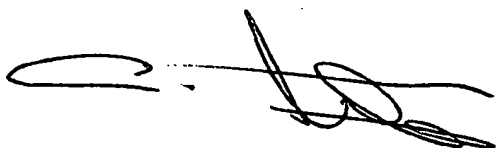
Management control and monitor the company's cash flow on a regular basis, including forecasting future cash flows.

Future developments

In the next financial year, the directors are looking to acquire new brands and companies in the ethnic food industry that will compliment the new production facilities in place and continue to grow the business. Any future expansion will be funded by a mixture of cash and bank loans.

This report was approved by the board on 11 December 2018 and signed on its behalf.

C K Patel
Director

A handwritten signature in black ink, appearing to be 'C K Patel', written over a horizontal line.

P. & B. (Foods) Limited

Directors' report

For the year ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activity

The principal activity of the company during the year was that of importers, exporters and distributors of Afro-Asian foodstuffs.

Results and dividends

The profit for the year, after taxation, amounted to £3,969,363 (2017 - £3,795,610).

Dividends of £860,000 (2017 - £1,610,000) were declared and paid during the year.

Directors

The directors who served during the year were:

T V Patel
M S Bhatoa
C K Patel

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors' report (continued)

For the year ended 31 March 2018

Disclosure of information to auditor

The directors confirm that::

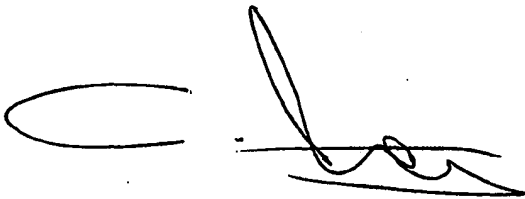
- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 11 December 2018 and signed on its behalf.

C K Patel
Director

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a horizontal line.

Independent auditor's report to the members of P. & B. (Foods) Limited

Opinion

We have audited the financial statements of P. & B. (Foods) Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of comprehensive income, Statement of financial position, Statement of Changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.

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.

Independent auditor's report to the members of P. & B. (Foods) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Independent auditor's report to the members of P. & B. (Foods) Limited (continued)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. This description forms part of our auditor's report.

Grant Thornton UK LLP

Victoria McLoughlin BA FCA
Senior statutory auditor

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

11 December 2018

Statement of comprehensive income
For the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	53,818,562	51,768,595
Cost of sales		(41,633,621)	(39,992,509)
Gross profit		12,184,941	11,776,086
Administrative expenses		(7,255,983)	(7,045,627)
Operating profit	5	4,928,958	4,730,459
Interest payable and expenses	9	(54,008)	(38,900)
Profit before tax		4,874,950	4,691,559
Tax on profit	10	(905,587)	(895,949)
Profit for the financial year		3,969,363	3,795,610

There was no other comprehensive income for 2018 (2017: £NIL).

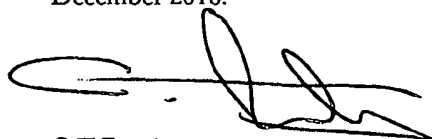
The notes on pages 11 to 22 form part of these financial statements.

Statement of financial position

As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	1,804,447	1,575,864
		<u>1,804,447</u>	<u>1,575,864</u>
Current assets			
Stocks	12	11,119,706	9,843,402
Debtors: amounts falling due within one year	13	12,002,670	9,304,875
Cash at bank and in hand	14	176,944	253,382
		<u>23,299,320</u>	<u>19,401,659</u>
Creditors: amounts falling due within one year	15	(8,191,791)	(7,470,984)
Net current assets		<u>15,107,529</u>	<u>11,930,675</u>
Total assets less current liabilities		<u>16,911,976</u>	<u>13,506,539</u>
Creditors: amounts falling due after more than one year	16	(373,688)	(125,538)
Provisions for liabilities			
Deferred tax	19	(74,318)	(26,394)
		<u>(74,318)</u>	<u>(26,394)</u>
Net assets		<u>16,463,970</u>	<u>13,354,607</u>
Capital and reserves			
Called up share capital	21	68,340	68,340
Share premium account	22	5,138	5,138
Profit and loss account	22	16,390,492	13,281,129
		<u>16,463,970</u>	<u>13,354,607</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2018.



C K Patel
Director

The notes on pages 11 to 22 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2018

	Called up share capital	Share premium account	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 April 2017	68,340	5,138	13,281,129	13,354,607
Comprehensive income for the year				
Profit for the year	-	-	3,969,363	3,969,363
Total comprehensive income for the year	-	-	3,969,363	3,969,363
Dividends: Equity capital	-	-	(860,000)	(860,000)
At 31 March 2018	68,340	5,138	16,390,492	16,463,970

The notes on pages 11 to 22 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2017

	Called up share capital	Share premium account	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 April 2016	68,340	5,138	11,095,519	11,168,997
Comprehensive income for the year				
Profit for the year	-	-	3,795,610	3,795,610
Total comprehensive income for the year	-	-	3,795,610	3,795,610
Dividends: Equity capital	-	-	(1,610,000)	(1,610,000)
At 31 March 2017	68,340	5,138	13,281,129	13,354,607

The notes on pages 11 to 22 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2018

1. General information

P. & B. (Foods) Limited is a private limited company incorporated in the United Kingdom. The registered office is: Prologis Park, Newhall Way, Bradford, West Yorkshire, England, BD5 8LZ.

The principal activity of the company during the year was that of importers, exporters and distributors of Afro-Asian foodstuffs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered how the company will meet the challenges presented by the current economic climate. They have carried out a detailed review of the company's resources including the adequacy of working capital for the next twelve months. The directors are satisfied that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of P. & B. Foods Holdings Limited for the year ended 31 March 2018 and these financial statements may be obtained from Companies House.

Notes to the financial statements

For the year ended 31 March 2018

2. Accounting policies (continued)

2.4 Turnover

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

Sale of goods

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

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

2.5 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Fixtures, fittings and equipment	- 15% on reducing balance

2.6 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Stocks

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

Notes to the financial statements

For the year ended 31 March 2018

2. Accounting policies (continued)

2.8 Cash and cash equivalents

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

2.9 Financial instruments

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

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

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

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

2.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the statement of financial position date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of comprehensive income.

2.11 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of change on the net obligation outstanding in each period.

Notes to the financial statements

For the year ended 31 March 2018

2. Accounting policies (continued)

2.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.14 Deferred taxation

Full provision is made for the deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as highly probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date.

Tangible fixed assets and depreciation

Tangible fixed assets are depreciated over their useful lives taking in to account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, all relevant known factors are taken in to account but there is inherent uncertainty present in making this assessment.

Bad debt provision

Management are required to make judgement on the recoverability of amounts due from customers. A provision is only recognised when it is probable that amounts will not be recoverable and a reliable estimate can be made of the unrecoverable amount.

Notes to the financial statements

For the year ended 31 March 2018

4. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	44,750,359	43,460,085
Rest of Europe	7,967,230	7,285,944
Rest of the World	1,100,973	1,022,566
	<u>53,818,562</u>	<u>51,768,595</u>

The whole of the turnover is attributable to the principal activity of the company.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	435,003	405,257
Profit on disposal of tangible fixed assets	(78,893)	-
Foreign exchange gains	(51,674)	(171,719)
	<u>(85,564)</u>	<u>(66,462)</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	23,500	22,500
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	3,700	3,600
Accountancy services	6,000	6,000
VAT advisory services	1,000	-
	<u>10,700</u>	<u>9,600</u>

Notes to the financial statements

For the year ended 31 March 2018

7. Staff costs

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

	2018 £	2017 £
Wages and salaries	3,841,895	3,681,626
Social security costs	398,519	376,364
Pension costs	199,926	180,983
	<u>4,440,340</u>	<u>4,238,973</u>

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

	2018 No.	2017 No.
Directors	3	3
Administration	28	29
Operations	89	91
	<u>120</u>	<u>123</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	538,481	583,511
Company contributions to defined contribution pension schemes	27,779	64,372
	<u>566,260</u>	<u>647,883</u>

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £286,459 (2017 - £281,021).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,553 (2017 - £52,000).

Notes to the financial statements

For the year ended 31 March 2018

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	44,251	27,372
Finance leases and hire purchase contracts	9,757	10,180
Interest on overdue corporation tax	-	1,348
	<u>54,008</u>	<u>38,900</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	877,710	901,156
Adjustments in respect of previous periods	(20,047)	(3,240)
Total current tax	<u>857,663</u>	<u>897,916</u>
Deferred tax		
Origination and reversal of timing differences	28,898	(1,967)
Adjustments in respect of prior periods	19,026	-
Taxation on profit on ordinary activities	<u>905,587</u>	<u>895,949</u>

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 20% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>4,874,950</u>	<u>4,691,559</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	926,241	938,312
Effects of:		
Expenses not deductible for tax purposes	8,875	1,229
Adjustment in respect of prior periods	(1,021)	(3,240)
Rate difference - deferred tax	-	104
Group relief	(28,508)	(40,456)
Total tax charge for the year	<u>905,587</u>	<u>895,949</u>

Notes to the financial statements

For the year ended 31 March 2018

11. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Assets under construction £	Total £
Cost					
At 1 April 2017	2,289,342	1,320,552	550,658	-	4,160,552
Additions	115,556	390,163	32,927	156,797	695,443
Disposals	-	(97,927)	-	-	(97,927)
At 31 March 2018	<u>2,404,898</u>	<u>1,612,788</u>	<u>583,585</u>	<u>156,797</u>	<u>4,758,068</u>
Depreciation					
At 1 April 2017	1,271,891	933,162	379,635	-	2,584,688
Charge for the year	267,566	139,015	28,422	-	435,003
Disposals	-	(66,070)	-	-	(66,070)
At 31 March 2018	<u>1,539,457</u>	<u>1,006,107</u>	<u>408,057</u>	<u>-</u>	<u>2,953,621</u>
Net book value					
At 31 March 2018	<u>865,441</u>	<u>606,681</u>	<u>175,528</u>	<u>156,797</u>	<u>1,804,447</u>
At 31 March 2017	<u>1,017,451</u>	<u>387,390</u>	<u>171,023</u>	<u>-</u>	<u>1,575,864</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	42,964	57,289
Motor vehicles	507,670	256,129
	<u>550,634</u>	<u>313,418</u>

12. Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>11,119,706</u>	<u>9,843,402</u>

Stock recognised in cost of sales during the year as an expense was £38,691,233 (2017 - £37,678,948).

Notes to the financial statements

For the year ended 31 March 2018

13. Debtors

	2018 £	2017 £
Trade debtors	11,130,853	8,527,350
Amounts owed by group undertakings	11,775	36,016
Other debtors	162,241	741,509
Prepayments and accrued income	697,801	-
	<u>12,002,670</u>	<u>9,304,875</u>

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	176,944	253,382
Less: bank overdrafts	(1,329,168)	(395,786)

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	1,329,168	395,786
Trade creditors	5,655,788	6,161,847
Corporation tax	631,994	624,881
Other taxation and social security	160,728	135,399
Obligations under finance lease and hire purchase contracts	156,494	120,209
Other creditors	8,123	-
Accruals and deferred income	249,496	32,862
	<u>8,191,791</u>	<u>7,470,984</u>

Finance leases are secured over the assets to which they relate.

16. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	156,380	-
Net obligations under finance leases and hire purchase contracts	217,308	125,538
	<u>373,688</u>	<u>125,538</u>

P. & B. (Foods) Limited

Notes to the financial statements

For the year ended 31 March 2018

17. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due 1-2 years		
Bank loans	156,380	-
	<u>156,380</u>	<u>-</u>

18. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Less than one year	156,495	120,209
Between one and five years	217,308	125,538
	<u>373,803</u>	<u>245,747</u>

19. Deferred taxation

	2018 £
At 1 April	(26,394)
Charged to profit or loss	(47,924)
At 31 March	<u>(74,318)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>74,318</u>	<u>26,394</u>

Notes to the financial statements

For the year ended 31 March 2018

20. Financial instruments

	2018 £	2017 £
Financial assets measured at amortised cost	<u>11,481,813</u>	<u>9,558,257</u>
Financial liabilities measured at amortised cost	<u>7,772,757</u>	<u>6,836,242</u>

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

Financial liabilities measured at amortised cost comprise accruals, trade creditors, bank loans and overdrafts, other creditors and net obligations under finance leases.

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
68,340 (2017 - 68,340) Ordinary shares of £1.00 each	<u>68,340</u>	<u>68,340</u>

22. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit & loss account

Includes all current and prior year retained profits and losses.

23. Capital commitments

At the period end the company had capital commitments of £2,340,000 in relation to a milling line project started prior to the year end.

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £199,926 (2017 - £180,983).

Notes to the financial statements

For the year ended 31 March 2018

25. Related party transactions

The directors of the company have taken advantage of the exemption available to them under Section 33, FRS 102, not to disclose information regarding transactions and balances with other companies within the group.

During the year, the group purchased services from Patel & Bhatoa Solicitors where the director is related to one of the partners. At the year end £2,096 (2017 - £2,096) was owed to Patel & Bhatoa Solicitors with £5,929 (2017 - £1,237) worth of purchases made.

26. Controlling party

The controlling party and ultimate parent undertaking is P. & B. Foods Holdings Limited by virtue of its 100% shareholding.

The largest and smallest group of undertakings for which group accounts have been drawn up is P. & B. Foods Holdings Limited. Copies of the group accounts can be obtained at Prologis Park, Newhall Way, Bradford, West Yorkshire, England, BD5 8LZ.