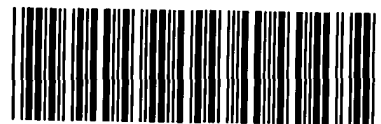


Company Registration No. 03010238 (England and Wales)

SUN MARK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2016

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SUN MARK LIMITED

COMPANY INFORMATION

Directors	Dr R S Ranger CBE Mr H S Ahuja
Secretary	Mrs Renu Ranger
Company number	03010238
Registered office	Sun House 428 Long Drive Greenford Middlesex UB6 8UH
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London United Kingdom EC4A 4AB

SUN MARK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present the strategic report for the year ended 31 August 2016:

Fair review of the business and future developments

I am pleased to report that the company has had a very sound performance this year. It has been able to achieve a significant increase in sales from £140.3m to £161.1m (15%) and an even higher increase in operating profit from £2.3m to £6.3m. The prior year was beset by geopolitical uncertainty but the company has continued to invest in its own label business and those of the companies which it represents and with further diversification of its sales into new markets it has been able to not only recover lost ground from previous periods but to reach its best sales figure ever. The trading environment remains challenging in the new trading period but with a continuation of the current strategy we are confident of continuing growth in 2017.

Principal risks and uncertainties

The principal risks of the company are foreign exchange fluctuations, credit risk and interest rate risk.

Foreign exchange fluctuations

The company makes sales and purchases in foreign currencies and so is exposed to fluctuations in these currencies. To mitigate the risk the company partly hedges by taking out forward contracts on a projected budget basis as considered necessary.

Credit risk

The company strictly monitors amounts outstanding balances from customers and grants credit only to established customers.

Interest rate risk

The company ensures that it has sufficient cash to meet interest payments. The level of borrowing is low relative to the size of the company.

Strategy

The strategic aims of the company are as follows:

- Develop new own brand products in response to tastes in end user markets
- Expand the distribution footprint to cover other emerging markets
- Build on existing distributor relationships to grow turnover

Key performance indicators

	2016	2015
	£	£
Turnover	161,124,828	140,292,263
Gross profit	11,530,726	7,824,912
Operating profit	6,288,803	2,322,206

On behalf of the board


.....
Mr H S Ahuja

Director

3 March 17

SUN MARK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

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

Principal activities

The principal activity of the company continued to be that of the distribution and export of food and consumer products both overseas and in the UK.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr R S Ranger CBE
Mr H S Ahuja

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £212,500 (2015: Nil). The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Political donations

During the year the company made the following contributions:

The Conservative Party	£221,760
Theresa May Campaign	£25,000
UK Indians for Europe	£7,400
The College of Arms	£7,150
European Britain	£5,000
World Peace Prosperity	£2,000

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

SUN MARK LIMITED

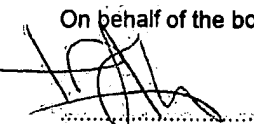
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Going concern

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

On behalf of the board



.....
Mr H S Ahuja

Director

3 March, 17

SUN MARK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors are responsible for preparing the Strategic Report and 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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUN MARK LIMITED

Opinion on financial statements

We have audited the financial statements on pages 6 to 29. 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 FRS102 "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 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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.

RSM UK Audit LLP

Suneel Gupta (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
United Kingdom
EC4A 4AB
5 March 2017

SUN MARK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Turnover	3	161,124,828	140,292,263
Cost of sales		(149,594,102)	(132,467,351)
Gross profit		11,530,726	7,824,912
Distribution costs		(2,363,270)	(1,275,528)
Administrative expenses		(3,530,356)	(5,101,620)
Other operating income		651,703	874,442
Operating profit	4	6,288,803	2,322,206
Interest receivable and similar income	8	15,613	22,139
Interest payable and similar charges	9	(186,650)	(198,308)
Other gains and losses	10	1,267,167	(847,167)
Profit on ordinary activities before taxation		7,384,933	1,298,870
Taxation	11	(1,525,527)	(175,030)
Profit for the financial year	28	5,859,406	1,123,840

SUN MARK LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	13		740,475		870,234
Tangible assets	14		4,122,694		4,190,069
Investment properties	15		7,252,283		7,222,746
Investments	16		63,808		59,783
			<u>12,179,260</u>		<u>12,342,832</u>
Current assets					
Stocks	18	3,952,661		3,579,845	
Debtors	19	40,385,965		35,598,292	
Cash at bank and in hand		4,659,964		6,884,792	
		<u>48,998,590</u>		<u>46,062,929</u>	
Creditors: amounts falling due within one year	20	(23,296,319)		(25,482,448)	
Net current assets			<u>25,702,271</u>		<u>20,580,481</u>
Total assets less current liabilities			<u>37,881,531</u>		<u>32,923,313</u>
Creditors: amounts falling due after more than one year	21		(4,710,852)		(5,515,982)
Provisions for liabilities	25		(116,442)		-
Net assets			<u><u>33,054,237</u></u>		<u><u>27,407,331</u></u>
Capital and reserves					
Called up share capital	27		170,000		170,000
Fair value reserves	28		451,000		451,000
Profit and loss reserves	28		32,433,237		26,786,331
Total equity			<u><u>33,054,237</u></u>		<u><u>27,407,331</u></u>

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


Mr H S Ahuja
Director

SUN MARK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2016

	Share capital	Fair value reserves	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 September 2014	170,000	106,600	26,006,891	26,283,491
Year ended 31 August 2015:				
Profit and total comprehensive income for the year	-	-	1,123,840	1,123,840
Transfers	-	344,400	(344,400)	-
Balance at 31 August 2015	170,000	451,000	26,786,331	27,407,331
Year ended 31 August 2016:				
Profit and total comprehensive income for the year	-	-	5,859,406	5,859,406
Dividends	12	-	(212,500)	(212,500)
Balance at 31 August 2016	170,000	451,000	32,433,237	33,054,237

SUN MARK LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	32		(839,304)		2,570,986
Interest paid			(186,650)		(198,308)
Income taxes paid			(216,228)		(1,369,110)
Net cash (outflow)/inflow from operating activities			<u>(1,242,182)</u>		<u>1,003,568</u>
Investing activities					
Purchase of intangible assets		(69,571)		(290,641)	
Purchase of tangible fixed assets		(58,050)		(36,831)	
Purchase of investment property		(29,537)		-	
Purchase of fixed asset investments		(4,025)		-	
Interest received		15,613		22,139	
Net cash used in investing activities			<u>(145,570)</u>		<u>(305,333)</u>
Financing activities					
Repayment of bank loans		(405,989)		(388,139)	
Dividends paid		(431,087)		(188,671)	
Net cash used in financing activities			<u>(837,076)</u>		<u>(576,810)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(2,224,828)</u>		<u>121,425</u>
Cash and cash equivalents at beginning of year			6,884,792		6,763,367
Cash and cash equivalents at end of year			<u>4,659,964</u>		<u>6,884,792</u>

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Company information

Sun Mark Limited is a company limited by shares incorporated in England and Wales. The registered office is Sun House, 428 Long Drive, Greenford, Middlesex, UB6 8UH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Sun Mark Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Sun Mark Limited for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 33.

Group accounts

The financial statements present information about the company as an individual entity and not about its group. The company has taken advantage of the exemption under section 402 of the Companies Act 2006 not to prepare consolidated accounts on the basis that its subsidiary undertakings are not material to the company.

Going concern

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

Turnover

Turnover predominantly represents the value, net of Value Added Tax, of goods sold to customers during the year. Turnover is recognised when goods are despatched.

Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trade Marks and Patents	10% - 20% straight line
-------------------------	-------------------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	50 years straight line
Freehold improvements	50 years straight line
Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	25% reducing balance
Computer equipment	25% reducing balance
Motor vehicles	25% reducing balance

Land is not depreciated

Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and stated at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of comprehensive income.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in statement of comprehensive income.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Provision is made for obsolete and slow moving items.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being the transaction price less any amounts settled and impairment losses. If the arrangement constitutes a financing transactions, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in statement of comprehensive income, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

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 statement of comprehensive income, as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

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.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to 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.

Rental income

Rental income on operating leases is recognised as the rent become receivable.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) 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 statement of comprehensive income, 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.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment properties

Investment properties measured at fair value at each reporting date with any revaluation gains or losses recognised in profit or loss. The accuracy of any such valuation will be affected by unexpected changes to the economic situation, and assumptions which differ from actual outcomes. As such, judgement is applied when determining the fair value of the investment properties.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Turnover from principal activities	161,124,828	140,292,263

Other revenue

Interest income	15,613	22,139
Rent receivable	635,241	624,271
Taxation refunded on loans to participators	16,462	250,171

Turnover analysed by geographical market

	2016 £	2015 £
Rest of the world	140,752,940	119,594,042
United Kingdom	20,371,888	20,698,221
	161,124,828	140,292,263

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(1,728,006)	525,791
Depreciation of owned tangible fixed assets	125,425	130,625
Amortisation of intangible assets	199,330	160,635
Cost of stocks recognised as an expense	149,516,578	132,346,120

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	34,500	27,500
For other services		
Accounts preparation services	3,000	-
Other advisory services	17,750	-
	20,750	-

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administration and support	42	42
Sales, marketing and distribution	31	32
	<u>73</u>	<u>74</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,124,776	1,912,116
Social security costs	243,276	229,262
Pension costs	15,790	2,434
	<u>2,383,842</u>	<u>2,143,812</u>

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	<u>120,000</u>	<u>120,000</u>

No directors are accruing any benefits under a money purchase pension scheme (2015: Nil).

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	<u>15,613</u>	<u>22,139</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>15,613</u>	<u>22,139</u>
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SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

9 Interest payable and similar charges	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	173,484	198,308
Other finance costs:		
Other interest	13,166	-
	<u>186,650</u>	<u>198,308</u>
10 Other gains and losses	2016	2015
	£	£
Fair value gains/(losses) on financial instruments		
Change in the value of financial liabilities held at fair value through profit or loss	1,267,167	(1,267,167)
Fair value gains on investment properties	-	420,000
	<u>1,267,167</u>	<u>(847,167)</u>
11 Taxation	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	1,294,573	439,396
Adjustments in respect of prior periods	-	(111,292)
Total current tax	<u>1,294,573</u>	<u>328,104</u>
Deferred tax		
Origination and reversal of timing differences	<u>230,954</u>	<u>(153,074)</u>
Total tax charge	<u>1,525,527</u>	<u>175,030</u>

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Taxation (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £	2015 £
Profit before taxation	7,384,933	1,298,870
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.60%)	1,476,987	267,567
Tax effect of expenses that are not deductible in determining taxable profit	68,345	210,323
Tax effect of income not taxable in determining taxable profit	(253,433)	(51,494)
Adjustments in respect of prior years	-	(111,292)
Depreciation on assets not qualifying for tax allowances	2,675	13,359
Movement on deferred taxation	230,954	(153,074)
Other taxation adjustments	(1)	(359)
Tax expense for the year	1,525,527	175,030

12 Dividends

	2016 £	2015 £
Interim paid	212,500	-

13 Intangible fixed assets

	Trade Marks and Patents £
Cost	
At 1 September 2015	1,172,747
Additions - separately acquired	69,571
At 31 August 2016	1,242,318
Amortisation and impairment	
At 1 September 2015	302,513
Amortisation charged for the year	199,330
At 31 August 2016	501,843
Carrying amount	
At 31 August 2016	740,475
At 31 August 2015	870,234

SUN MARK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

14 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	4,589,409	303,725	326,632	336,808	6,224	5,562,798
Additions	4,000	5,250	105	48,695	-	58,050
Reclassification	-	5,000	(5,000)	-	-	-
At 31 August 2016	4,593,409	313,975	321,737	385,503	6,224	5,620,848
Depreciation and impairment						
At 1 September 2015	657,238	240,779	232,012	238,445	4,255	1,372,729
Depreciation charged in the year	61,232	14,053	21,124	28,576	440	125,425
At 31 August 2016	718,470	254,832	253,136	267,021	4,695	1,498,154
Carrying amount						
At 31 August 2016	3,874,939	59,143	68,601	118,482	1,529	4,122,694
At 31 August 2015	3,932,171	62,946	94,620	98,363	1,969	4,190,069

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

15 Investment property

	2016 £
Fair value	
At 1 September 2015	7,222,746
Additions through external acquisition	29,537
At 31 August 2016	<u>7,252,283</u>

Investment property comprises residential and commercial properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

16 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	17	34,796	34,796
Listed investments		24,987	24,987
Unlisted investments		4,025	-
		<u>63,808</u>	<u>59,783</u>
Listed investments included above:			
Listed investments carrying amount		<u>24,987</u>	<u>24,987</u>

The director believe that the carrying value of list investments are materially similar to the market value at the 31 August 2016.

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 September 2015	34,796	24,987	59,783
Additions	-	4,025	4,025
At 31 August 2016	<u>34,796</u>	<u>29,012</u>	<u>63,808</u>
Carrying amount			
At 31 August 2016	<u>34,796</u>	<u>29,012</u>	<u>63,808</u>
At 31 August 2015	<u>34,796</u>	<u>24,987</u>	<u>59,783</u>

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Subsidiaries

These financial statements are separate company financial statements for Sun Mark Limited.

The below subsidiaries are not consolidated on the grounds of materiality.

Details of the company's subsidiaries at 31 August 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Friendship Films Limited	UK	Non-trading	100.00	
Sun Oil International Marketing Company Limited	Nigeria	Dormant	50.00	

18 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	3,952,661	3,579,845

19 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	25,523,833	26,225,414
Amounts due from subsidiary undertakings	195,515	195,455
VAT recoverable	726,422	448,025
Other debtors	13,905,009	8,582,152
Prepayments and accrued income	35,186	32,734
	40,385,965	35,483,780
Deferred tax asset (note 25)	-	114,512
	40,385,965	35,598,292

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

20 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	23	787,280	388,139
Trade creditors		18,679,698	18,447,450
Corporation tax		1,406,449	328,104
Other taxation and social security		66,723	60,156
Foreign currency forward contracts		-	1,267,167
Dividends payable		-	218,587
Other creditors		664,738	248,942
Accruals and deferred income		1,691,431	4,523,903
		<u>23,296,319</u>	<u>25,482,448</u>

The above bank loads are secured against certain assets of the company. Interest rates on loans range between 1.9% and 3.4%.

21 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	23	<u>4,710,852</u>	<u>5,515,982</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>3,237,709</u>	<u>3,341,815</u>
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22 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	39,624,357	35,003,021
Equity instruments measured at cost less impairment	29,012	24,987
	<u>39,653,369</u>	<u>35,028,008</u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities		1,267,167
Measured at amortised cost	26,533,999	29,343,003
	<u>26,533,999</u>	<u>30,610,170</u>

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Borrowings

	2016 £	2015 £
Bank loans	5,498,132	5,904,121
Payable within one year	787,280	388,139
Payable after one year	4,710,852	5,515,982

The bank loans are secured by fixed charges over certain properties and repayable by instalments.

Interest rates on loans range between 1.9% and 3.4%.

24 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	25	116,442	-
		116,442	-

25 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Balances:				
Timing difference	17,442	14,578	-	-
Assets measured at fair value	99,000	99,000	-	228,090
	116,442	113,578	-	228,090

	2016 £
Movements in the year:	
Asset at 1 September 2015	(114,512)
Charge to profit or loss	230,954
Liability at 31 August 2016	116,442

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

25 Deferred taxation (Continued)

The deferred tax liability set out above relates to accelerated capital allowances and fair value gain on investment properties.

The deferred tax assets measured at fair value of £nil (2015: £228,090) relate to fair value movements on forward currency contracts that were realised in the current year.

26 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £15,790 (2015: £2,434).

Contributions totalling £2,353 (2015: £2,181) were payable to the fund at the year end and are included in other taxation and social security.

27 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
170,000 Ordinary shares of £1 each	170,000	170,000

The ordinary shares have attached to them full voting, dividend and capital distribution rights.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

28 Reserves

Profit and loss reserves

Profit and loss reserves represent accumulated earnings of the business net of distributions to owners.

Fair value reserves

The cumulative fair value gains and losses in respect of investment properties net of associated deferred tax.

29 Events after the reporting date

On 1 September 2016 the Company completed the acquisition of 49% of the ordinary share capital of a business located in Dubai for total consideration of AED 4 million.

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016	2015
	£	£
Aggregate compensation	120,000	120,000

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

30 Related party transactions (Continued)

Transactions with related parties

Relationship	Description of transaction	Value of transactions in the period		Balance at period end	
		2016 £	2015 £	2016 £	2015 £
Common Control Entities	Purchase of freight services	5,024,144	4,505,032	(1,099,466)	(745,368)
Common Control Entities	Dividends	12,500	Nil	Nil	(35,000)
Common Control Entities	Loans	2,545,208	2,394,825	5,383,788	3,400,474
Common Control Entities	Management fees	1,497,621	1,050,588	4,149,260	2,553,275
Common Control Entities	Sales & Purchases	6,125,174	1,161,325	4,504,947	1,524,981
Directors, secretary & shareholders	Dividends	200,000	Nil	Nil	(230,588)

The above balances are included within trade debtors, other debtors or trade creditors, as appropriate.

There are no further transactions with related parties which are required to be disclosed under FRS 102 Section 33: Related Party Disclosures.

31 Controlling party

The company is controlled by Dr R Ranger who along with his wife, Mrs R Ranger, and through an associated company control 100% of the called up share capital.

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

32 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	5,859,406	1,123,840
Adjustments for:		
Taxation charged	1,525,527	175,030
Finance costs	186,650	198,308
Investment income	(15,613)	(22,139)
Amortisation and impairment of intangible assets	199,330	160,635
Depreciation and impairment of tangible fixed assets	125,425	130,625
Other gains and losses	(1,267,167)	847,167
Movements in working capital:		
(Increase)/decrease in stocks	(372,816)	924,906
(Increase) in debtors	(4,902,185)	(6,351,554)
(Decrease)/increase in creditors	(2,177,861)	5,384,168
Cash (absorbed by)/generated from operations	<u>(839,304)</u>	<u>2,570,986</u>

33 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 September 2014 £	31 August 2015 £
Equity as reported under previous UK GAAP		26,306,891	28,545,408
Adjustments arising from transition to FRS 102:			
Deferred tax on fair value gain in respect of Investment properties	2	(23,400)	(99,000)
Recognition of forward contracts	3	-	(1,267,167)
Deferred tax on forward contracts	3	-	228,090
Equity reported under FRS 102		<u>26,283,491</u>	<u>27,407,331</u>

SUN MARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

33 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of profit/ (loss)

	Notes	2015 £
Profit/ (loss) as reported under previous UK GAAP		1,818,517
Adjustments arising from transition to FRS 102:		
Fair value gain on investment properties	1	420,000
Deferred tax on fair value gain in respect of Investment properties	2	(75,600)
Recognition of forward contracts	3	(1,267,167)
Deferred tax on forward contracts	3	228,090
Profit/ (loss) reported under FRS 102		<u>1,123,840</u>

Notes to reconciliations on adoption of FRS 102

1. Fair value gain on investment properties

Under FRS102, fair value gains on investment properties were recognised in the income statement and were transferred to the fair value reserve as at 31 August 2015.

2. Deferred tax on fair value gain in respect of Investment properties

At 1 September 2014, a deferred tax liability of £23,400 has been recognised, with a corresponding amount recognised in the fair value reserve. An additional deferred tax liability of £75,600 in relation to fair value gain on investment property of £420,000 has been recognised in the year ended 31 August 2015, with the corresponding amount recognised in the fair value reserve. The total deferred tax liability relating to the of fair value gains on investment property at 31 August 2015 is £99,000. The deferred tax liability is expected to reverse when the investment properties are sold.

3. Recognition of forward contracts

Under FRS102, the fair value of forward contracts, along with associated deferred taxation assets, has been recognised on the balance sheet at each year end date.