

Sun Mark Limited

ANNUAL REPORT

Year ended 31 August 2015



Company Registration No. 03010238

Sun Mark Limited

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Sun Mark Limited

DIRECTORS AND OFFICERS

DIRECTORS

Dr R S Ranger CBE
Mr H S Ahuja

SECRETARY

Mrs Renu Ranger

COMPANY REGISTRATION NUMBER

03010238

REGISTERED OFFICE

Sun House
428 Long Drive
Greenford
Middlesex
UB6 8UH

AUDITOR

RSM UK Audit LLP
Statutory Auditors
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Sun Mark Limited

STRATEGIC REPORT

for the year ended 31 August 2015

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company during the year was that of distribution and export of food and consumer products both overseas and in the UK.

The company has had a challenging year. Turnover was down to £140.3m (2014: 143.7m) due to ongoing challenges in the Middle East and currency devaluations in West African markets.

Gross profit was down to £7.8m (2014: £11.0m) due to challenging market conditions in key export markets. Operating profits were down to £2.3m (2014: £5.3m) as advertising and marketing expenditure remained at previous levels to ensure customers remain brand loyal for the future.

KEY PERFORMANCE INDICATORS OF THE COMPANY

	2015	2014
	£	£
Turnover	140,292,263	143,706,961
Gross profit	7,824,912	10,988,499
Operating profit	2,322,206	5,289,954

PRINCIPAL RISKS

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.

Credit risk

The company strictly monitors amounts outstanding 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

By order of the board



Harmeet Ahuja
Director

11 March 2016

Sun Mark Limited

DIRECTOR'S REPORT

for the year ended 31 August 2015

The directors submit their report and the financial statements of Sun Mark Limited for the year ended 31 August 2015.

DIVIDENDS

Interim dividends of NIL (2014: £400,242) were declared and paid in the year. A final dividend of NIL (2014: £407,258) was declared and approved in the year.

DIRECTORS

The following directors have held office during the year:

Dr R S Ranger CBE
Mr H S Ahuja

POLITICAL AND CHARITABLE DONATIONS

During the year the company made the following contributions:

London South Bank University	£250,000
Gandhi Statue Memorial Trust	£100,000
The Conservative Party	£84,832
The Indian Gymkhana Club Trust 2004	£33,333
The Prince's Trust	£25,000
Ex-Services Mental Welfare Society	£15,000
Watford Conservatives	£5,000
Dr Liam Fox - Conservative Party	£5,000
Shiva Cultural And Community Centre	£5,000
Hertsmere Conservatives	£5,000

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they 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 it has been communicated to the auditor.

AUDITOR

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), has formally indicated its willingness to continue in office and a resolution to reappoint the auditor will be proposed at the Board of Directors meeting.

STRATEGIC REPORT

In accordance with section 414c(ii) of the Companies Act 2006, the information in respect of business activities, risks and future developments are shown in the Strategic Report on page 3 of the financial statements.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provisions are in place for the benefit of all Directors of the Company.

Sun Mark Limited

DIRECTOR'S REPORT (continued)

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, Director's 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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.

Approved by the Directors



Harmeet Ahuja
Director

11 March 2016

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

We have audited the financial statements on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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.

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 www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic 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 by the company, 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.

RSM UK Audit LLP

SUNEEL GUPTA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

|| March 2016

Sun Mark Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2015

	<i>Notes</i>	2015 £	2014 £
TURNOVER	1	140,292,263	143,706,961
Cost of sales		(132,467,351)	(132,718,462)
GROSS PROFIT		<u>7,824,912</u>	<u>10,988,499</u>
Distribution costs		(1,275,528)	(951,307)
Administrative expenses		(5,101,620)	(5,439,330)
Other operating income		874,442	692,092
OPERATING PROFIT	4	<u>2,322,206</u>	<u>5,289,954</u>
Income from shares in group undertakings		0	237,793
Interest receivable	2	22,139	92,323
Interest payable	3	(198,308)	(220,771)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,146,037</u>	<u>5,399,299</u>
Taxation	6	(327,520)	(1,302,133)
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,818,517</u></u>	<u><u>4,097,166</u></u>

The turnover and operating profit for the year arise from the Company's continuing operations.

Sun Mark Limited

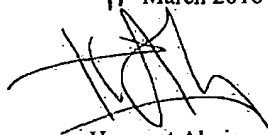
BALANCE SHEET

As at 31 August 2015

Company Registration No. 03010238

	<i>Notes</i>	2015 £	2014 £
FIXED ASSETS			
Intangible assets	7	870,234	740,228
Tangible assets	8	11,412,815	11,086,609
Investments	9	59,783	59,783
		<u>12,342,832</u>	<u>11,886,620</u>
CURRENT ASSETS			
Stocks	10	3,579,845	4,504,751
Debtors	11	35,483,780	29,132,226
Cash at bank and in hand		6,884,792	6,763,367
		<u>45,948,417</u>	<u>40,400,344</u>
CREDITORS: Amounts falling due within one year	12	(24,215,281)	(20,052,213)
NET CURRENT ASSETS		<u>21,733,136</u>	<u>20,348,131</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,075,968</u>	<u>32,234,751</u>
CREDITORS: Amounts falling due after more than one year	13	(5,515,982)	(5,912,698)
Provisions for liabilities and charges	14	(14,578)	(15,162)
NET ASSETS		<u>28,545,408</u>	<u>26,306,891</u>
CAPITAL AND RESERVES			
Called up share capital	15	170,000	170,000
Revaluation reserve	17	550,000	130,000
Profit and loss account	17	27,825,408	26,006,891
SHAREHOLDERS' FUNDS	18	<u>28,545,408</u>	<u>26,306,891</u>

The financial statements on pages 7 to 22 were approved by the board of directors and authorised for issue on 11 March 2016 and are signed on its behalf by:



Harmeet Ahuja
Director

Sun Mark Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

As at 31 August 2015

Company Registration No. 03010238

	<i>Notes</i>	2015 £	2014 £
Profit for the financial year		1,818,517	4,097,166
Unrealised surplus on investment property revaluation reserve	8	420,000	130,000
Total gains and losses recognised in the year		<u>2,238,517</u>	<u>4,227,166</u>

Sun Mark Limited
 CASH FLOW STATEMENT
 for the year ended 31 August 2015

	<i>Notes</i>	2015 £	2014 £
Cash inflow from operating activities	19	2,570,986	3,951,494
Returns on investments and servicing of finance	19	(176,169)	109,345
Taxation paid		(1,369,112)	(1,245,553)
Capital expenditure and financial investment	19	(327,472)	(303,292)
Equity dividends paid		(188,671)	(400,242)
Repayment of loans and borrowings		(388,139)	(379,562)
Increase in cash in the year		<u>121,423</u>	<u>1,732,190</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2015 £	2014 £
Increase in cash in the year	121,423	1,732,190
Cash outflow from decrease in debt	388,139	379,562
Change in net funds resulting from cash flows	<u>509,562</u>	<u>2,111,752</u>
Movement in net funds	509,562	2,111,752
Net funds/(debt) at 1 September	471,107	(1,640,645)
Net funds at 31 August	<u>980,669</u>	<u>471,107</u>

Sun Mark Limited

ACCOUNTING POLICIES

for the year ended 31 August 2015

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with applicable accounting standards.

GROUP ACCOUNTS

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

INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Trade Marks	10% - 20% straight line
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TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	50 years straight line
Freehold improvements	50 years straight line
Plant and Machinery	25% reducing balance
Fixtures and Fittings	25% reducing balance
Motor Vehicles	25% reducing balance
Office Equipment	25% reducing balance

INVESTMENT PROPERTIES

Investment properties are interests in land and/or buildings that are held for their investment potential, rather than for consumption in the business operations. In such cases the current value of these investments, and changes in current value, are of prime importance rather than a calculation of systematic annual depreciation. Investment properties are held in the balance sheet at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. The departure from the provisions of the Act are required in order to give a true and fair view.

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at historical cost less provision for any diminution in value.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete and slow-moving items.

Sun Mark Limited

ACCOUNTING POLICIES

for the year ended 31 August 2015

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCY

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the profit and loss account.

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.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

The company partly hedges against its foreign currency exposures. The company does not hedge account. Any gains and losses are recognised when the forward contracts are closed. Although, at the year end, the fair value on these contracts would amount to a loss of £1.3m (2014: NIL) these are expected to crystallise at a net gain due to exchange rate fluctuations post year end.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 3. The company has adequate cash resources and funding together with a strong customer base and an excellent reputation within the sector. As a consequence, the Directors believe that the company is well placed to manage its business risks successfully.

The Directors have reviewed cash flow forecasts of the company and have 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 annual financial statements.

RENTAL INCOME

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

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1 TURNOVER

The company's turnover, profit before taxation and net assets were predominantly derived from its principal activity which originates in the UK.

An analysis of turnover, by destination, by geographical location is given below:

	2015 £	2014 £
Rest of World	119,594,042	124,918,911
UK	20,698,221	18,788,050
	<u>140,292,263</u>	<u>143,706,961</u>

2 INTEREST RECEIVABLE

	2015 £	2014 £
Bank interest	<u>22,139</u>	<u>92,323</u>

3 INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	<u>198,308</u>	<u>220,771</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £	2014 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	160,635	101,551
Depreciation of owned assets	130,625	153,411
(Profit) on disposal of fixed assets	-	(41,560)
Foreign exchange losses	525,791	177,153
Auditor's remuneration - audit	27,500	27,500
Rent receivable	(624,271)	(692,092)
Taxation refund on related party loans	(250,171)	-
	<u></u>	<u></u>

Sun Mark Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

5 EMPLOYEES

	2015 No	2014 No
The average monthly number of persons (including directors) employed by the company during the year was:		
Administration and Support	42	42
Sales, Marketing and Distribution	32	28
	<u>74</u>	<u>70</u>

	2015 £	2014 £
Staff costs for the above persons:		
Wages and salaries	1,912,116	1,705,825
Social security costs	229,262	203,096
	<u>2,141,378</u>	<u>1,908,921</u>

	2015 £	2014 £
DIRECTORS' REMUNERATION		
Emoluments	<u>120,000</u>	<u>120,000</u>
Emoluments in respect of the highest paid director amounted to:		
Remuneration	<u>60,000</u>	<u>60,000</u>

No directors are accruing benefits under a money purchase pension scheme (2014: none).

Sun Mark Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

6 TAXATION

	2015 £	2014 £
Current tax:		
UK corporation tax on profits of the year	439,396	1,369,110
Adjustments in respect of previous years	(111,292)	(71,829)
Total current tax	<u>328,104</u>	<u>1,297,281</u>
Deferred taxation:		
Origination and reversal of timing differences	(584)	4,852
Tax on profit on ordinary activities	<u>327,520</u>	<u>1,302,133</u>

Factors affecting tax charge for the year:

	2015 £	2014 £
The tax assessed for the year is higher than the average standard rate of corporation tax in the UK 20.6% (2014: 22.2%). The differences are explained below:		
Profit on ordinary activities before tax	<u>2,146,037</u>	<u>5,399,299</u>
Profit on ordinary activities multiplied by average standard rate of corporation tax in the UK of 20.6% (2014: 22.2%)	441,725	1,196,845
Effects of:		
Expenses not deductible for tax purposes	35,806	221,770
Depreciation in excess of capital allowances	13,359	12,419
Income not taxable for tax purposes	(51,494)	(61,923)
Adjustment to tax charge in respect of previous years	(111,292)	(71,829)
Tax charge for the year	<u>328,104</u>	<u>1,297,282</u>

Sun Mark Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

7 INTANGIBLE FIXED ASSETS

	Patents £	Total £
Cost or valuation		
At 1 September 2014	882,106	882,106
Additions	290,641	290,641
At 31 August 2015	<u>1,172,747</u>	<u>1,172,747</u>
Amortisation		
At 1 September 2014	141,878	141,878
Charged in the year	160,635	160,635
At 31 August 2015	<u>302,513</u>	<u>302,513</u>
Net book value		
At 1 September 2014	<u>740,228</u>	<u>740,228</u>
At 31 August 2015	<u><u>870,234</u></u>	<u><u>870,234</u></u>

Sun Mark Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 August 2015

8 TANGIBLE FIXED ASSETS

	Freehold Land, Properties and Improvements £	Investment properties £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Office Equipment £	Total £
Cost or valuation							
At 1 September 2014	4,589,409	6,802,746	296,225	311,853	6,224	322,256	12,328,713
Revaluation	-	420,000	-	-	-	-	420,000
Additions	-	-	7,500	14,779	-	14,552	36,831
At 31 August 2015	4,589,409	7,222,746	303,725	326,632	6,224	336,808	12,785,544
Depreciation							
At 1 September 2014	596,046	-	223,176	203,532	3,688	215,662	1,242,104
Charged in the year	61,192	-	17,603	28,480	567	22,783	130,625
At 31 August 2015	657,238	-	240,779	232,012	4,255	238,445	1,372,729
Net book value							
At 1 September 2014	3,993,363	6,802,746	73,049	108,321	2,536	106,594	11,086,609
At 31 August 2015	3,932,171	7,222,746	62,946	94,620	1,969	98,363	11,412,815

Charges exist over certain fixed assets in relation to the company's banking facilities.

The historical cost of investment properties amounted to £6,672,746. Investment properties were revalued to open market value at the balance sheet date by the Directors. A revaluation of £550,000 was realised at the balance sheet date bringing the value of investment properties to £7,222,746.

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

9	FIXED ASSET INVESTMENTS	Other investments £	Subsidiary undertakings £	Total £
	Cost:			
	At 1 September 2014	24,987	34,796	59,783
	At 31 August 2015	24,987	34,796	59,783
	Net book value:			
	At 1 September 2014	24,987	34,796	59,783
	At 31 August 2015	24,987	34,796	59,783

The company holds more than 20% of the equity of the following companies:

Name of company	Country of incorporation	Holding	Proportion held	Nature of business
Friendship Films Limited	UK	Ordinary	100%	Non trading
Sun Oil International Marketing Company Limited	Nigeria	Ordinary	50%	Dormant

The above companies are not consolidated on the grounds of materiality.

10	STOCKS	2015 £	2014 £
	Goods for resale	3,579,845	4,504,751
11	DEBTORS	2015 £	2014 £
	Trade debtors	26,225,414	24,926,595
	Other debtors	9,030,177	3,985,074
	Amounts due to fellow subsidiary undertakings	195,455	194,735
	Prepayments	32,734	25,822
		35,483,780	29,132,226

All debtors are considered recoverable within one year.

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

12 CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	18,447,450	12,912,670
Corporation tax	328,104	1,369,110
Other taxation and social security costs	60,156	58,327
Other creditors	248,942	102,535
Accruals and deferred income	4,523,903	4,822,751
Bank loans	388,139	379,562
Dividend payable	218,587	407,258
	<u>24,215,281</u>	<u>20,052,213</u>

13 CREDITORS: Amounts falling due in more than one year

	2015 £	2014 £
Between 1 and 2 years	575,497	259,702
Between 2 to 5 years	1,598,670	180,361
More than 5 years	3,341,815	5,472,635
	<u>5,515,982</u>	<u>5,912,698</u>

The above relate to bank loans are secured against certain properties of the company and are all repayable by instalments.

Interest rates on loans range between 1.9% and 3.4% with certain covenants attached.

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £	Total £
At 1 September 2014	15,162	15,162
Charged to the profit and loss account	(584)	(584)
At 31 August 2015	<u>14,578</u>	<u>14,578</u>

The above deferred tax relates to advanced capital allowances.

No provision has been made for deferred tax on gains recognised on revaluing investment property to its market value in accordance with SSAP19. The total amount not provided for is £110,000 (2014: £26,000).

Sun Mark Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

15	SHARE CAPITAL		2015 £	2014 £
	Allotted, issued and fully paid: 170,000 ordinary shares of £1 each		170,000	170,000
			<u>170,000</u>	<u>170,000</u>
16	DIVIDENDS		2015 £	2014 £
	Paid		-	400,242
	Declared and approved		-	407,258
	Total		<u>-</u>	<u>807,500</u>
17	RESERVES			
		Revaluation reserve	Profit and Loss account	Total
		£	£	£
	At 1 September 2014	130,000	26,006,891	26,136,891
	Investment property revaluation	420,000	-	420,000
	Profit for the financial year	-	1,818,517	1,818,517
	Dividends	-	-	-
	At 31 August 2015	<u>550,000</u>	<u>27,825,408</u>	<u>28,375,408</u>
18	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		2015 £	2014 £
	Opening shareholders' funds		26,306,891	22,887,225
	Revaluation reserve		420,000	130,000
	Profit for the financial year		1,818,517	4,097,166
	Dividends		-	(807,500)
	Closing shareholders' funds		<u>28,545,408</u>	<u>26,306,891</u>

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

19 CASH FLOWS

		2015 £	2014 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	2,322,206	5,289,954
	Depreciation and amortisation	291,260	254,962
	(Profit) on disposal of fixed assets	-	(41,560)
	Decrease in stocks	924,906	361,617
	(Increase) in debtors	(6,351,554)	(1,875,566)
	Increase/(Decrease) in creditors	5,384,168	(37,913)
	Net cash flow from operating activities	<u>2,570,986</u>	<u>3,951,494</u>
b	Analysis of cash flows for headings netted in the cash flow	2015 £	2014 £
	Returns on investments and servicing of finance		
	Interest received	22,139	92,323
	Interest paid	(198,308)	(220,771)
	Dividends received	-	237,793
	Net cash inflow for returns on investment and servicing of income	<u>(176,169)</u>	<u>109,345</u>
	Capital expenditure and financial investment		
	Purchase of intangible fixed assets	(290,641)	(478,838)
	Purchase of tangible fixed assets	(36,831)	(240,316)
	Proceeds from disposal of tangible fixed assets	-	415,862
	Net cash outflow for capital expenditure and financial investment	<u>(327,472)</u>	<u>(303,292)</u>
c	Analysis of net funds	At 1 September 2014 £	At 31 August 2015 £
	Cash at bank and in hand	6,763,367	6,884,792
	Debt due within one year	(379,562)	(388,139)
	Debt due after more than one year	(5,912,698)	(5,515,982)
		<u>471,107</u>	<u>980,671</u>
		<u>509,564</u>	<u>980,671</u>

Sun Mark Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

20 RELATED PARTY TRANSACTIONS

Name of party	Relationship	Description of transaction	Value of transactions in the year		Balance at year end	
			2015 £	2014 £	2015 £	2014 £
Sea Air and Land Forwarding Limited	Common Control	Purchase of freight services	4,145,032	4,878,051	(745,368)	(225,462)
Sea Air and Land Forwarding Limited	Common Control	Purchase of storage services	360,000	360,000	NIL	NIL
Sea Air and Land Forwarding Limited	Common Control	Interim dividend	NIL	12,500	NIL	NIL
Sea Air and Land Forwarding Limited	Common Control	Final dividend	NIL	35,000	NIL	(35,000)
Friendship Films Limited (non trading)	Wholly owned subsidiary	Loan	720	840	195,455	194,735
Dr R Ranger	Director and shareholder	Interim dividend	NIL	100,000	NIL	NIL
Dr R Ranger	Director and shareholder	Final dividend	NIL	280,000	(109,294)	(186,129)
S and J Investments Ltd	Common Control	Loan	300,000	NIL	1,099,456	799,456
Mrs Renu Ranger	Company secretary and shareholder	Interim dividend	NIL	100,000	NIL	NIL
Mrs Renu Ranger	Company secretary and shareholder	Final dividend	NIL	280,000	(109,294)	(186,129)
Sun Mark (Gulf) JLT	Common Control	Sales to related party	1,161,325	1,712,414	1,524,981	1,713,617
Sun Mark (Gulf) JLT	Common Control	Purchases from related party	NIL	4,203,086	NIL	47,789
Bulldog Energy Drinks Company Limited	Common Control	Management fee	1,148,952	1,502,687	2,651,639	1,502,687
R&R Asset Management Limited	Common Control	Loan	2,094,825	206,193	2,301,018	206,193

21 CONTROL

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