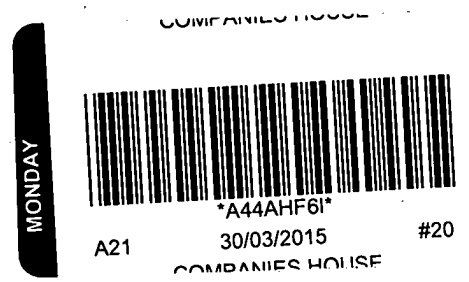


Sun Mark Limited

ANNUAL REPORT

Year ended 31 August 2014



Company Registration No. 03010238

Sun Mark Limited

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Sun Mark Limited

DIRECTORS AND OFFICERS

DIRECTORS	Dr R S Ranger MBE Mr H S Ahuja
SECRETARY	Mrs Renu Ranger
COMPANY REGISTRATION NUMBER	03010238
REGISTERED OFFICE	Sun House 428 Long Drive Greenford Middlesex UB6 8UH
AUDITOR	Baker Tilly UK Audit LLP Statutory Auditors Chartered Accountants 25 Farringdon Street London EC4A 4AB

Sun Mark Limited

STRATEGIC REPORT

for the year ended 31 August 2014

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 strong year both in terms of turnover and profitability. Turnover was slightly up on 2013 to £143.7m (2013: 143.3m) in spite of difficult conditions in a number of markets in the Middle East.

Gross profit was up 9% to £11.0m (2013: 10.1m) which can be explained by a shift towards more profitable own brand products and a fall in freight costs. Operating profits remained broadly flat year on year at £5.3m (2013: £5.4m) due to an increase in overheads on targeted advertising and marketing in key existing growth markets and also new markets.

KEY PERFORMANCE INDICATORS OF THE COMPANY

	2014	2013
	£	£
Turnover	143,706,961	143,280,701
Gross profit	10,988,499	10,077,384
Operating profit	5,289,954	5,430,799

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 on a forward budget basis and this has proved to be an effective strategy.

Credit risk

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

Interest rate risk

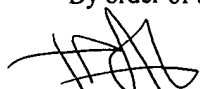
The company ensures that it has sufficient cash to meet interest payments. The level of borrowing is low relative to the size of the company.

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

25 March 2015

Sun Mark Limited

DIRECTOR'S REPORT

for the year ended 31 August 2014

The directors submit their report and the financial statements of Sun Mark Limited for the year ended 31 August 2014.

DIVIDENDS

Interim dividends of £400,242 (2013: £1,479,000) were declared and paid in the year. A final dividend of £407,258 (2013: NIL) was declared and approved in the year and will be paid in the next financial year.

DIRECTORS

The following directors have held office during the year:

Dr R S Ranger MBE

Mr H S Ahuja

POLITICAL AND CHARITABLE DONATIONS

During the year the company made the following contributions:

The Conservative Party	168,700
Watford Conservative Party	10,000
Westminster Kids Club Christmas Party	7,500
House of Commons	6,323
ECACA Parliamentary	5,000
Friends of Speaker Bercow	5,000
Enfield North Conservatives	2,500
Oxfam	2,100
Chippenham Conservatives	2,000
Greater London Conservatives	2,000
Norwich Conservatives	2,000
Southeast Cambridge Conservatives	2,000
The Parliamentary Club	2,000

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

During the year, Paul & Co resigned as auditors and the Directors appointed Baker Tilly UK Audit LLP.

The auditor, Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

In accordance with section 414c(ii) of the Companies Act 2006, included in the Strategic Report is the Review of Business, principal risks and uncertainties and key performance indicators. This information would have been required by section 7 of the 'large and medium' sized Companies and Group (Accounts and Reports) Regulations 2008 to be contained within the Directors Report.

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

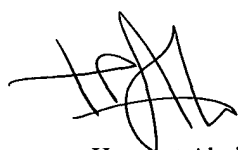
The directors are responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

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
25 March 2015

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

We have audited the financial statements on pages 7 to 23. 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.

Baker Tilly UK Audit LLP

SUNEEL GUPTA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

25 March 2015

Sun Mark Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2014

	<i>Notes</i>	2014 £	2013 £
TURNOVER	1	143,706,961	143,280,701
Cost of sales		(132,718,462)	(133,203,317)
GROSS PROFIT		<u>10,988,499</u>	<u>10,077,384</u>
Distribution costs		(951,307)	(963,172)
Administrative expenses		(5,439,330)	(4,069,353)
Other operating income		692,092	385,940
OPERATING PROFIT	4	<u>5,289,954</u>	<u>5,430,799</u>
Income from shares in group undertakings		237,793	239,044
Interest receivable	2	92,323	102,827
Interest payable	3	(220,771)	(148,170)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>5,399,299</u>	<u>5,624,500</u>
Taxation	6	(1,302,133)	(1,631,881)
PROFIT FOR THE FINANCIAL YEAR		<u><u>4,097,166</u></u>	<u><u>3,992,619</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 2014

Company Registration No. 03010238

	<i>Notes</i>	2014 £	Restated 2013 £
FIXED ASSETS			
Intangible assets	7	740,228	362,941
Tangible assets	8	11,086,609	11,244,007
Investments	9	59,783	59,783
		<u>11,886,620</u>	<u>11,666,731</u>
CURRENT ASSETS			
Stocks	10	4,504,751	4,866,368
Debtors	11	29,132,226	27,256,660
Cash at bank and in hand		6,763,367	5,031,177
		<u>40,400,344</u>	<u>37,154,205</u>
CREDITORS: Amounts falling due within one year	12	<u>(20,052,213)</u>	<u>(19,642,376)</u>
NET CURRENT ASSETS		<u>20,348,131</u>	<u>17,511,829</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,234,751</u>	<u>29,178,560</u>
CREDITORS: Amounts falling due after more than one year	13	<u>(5,912,698)</u>	<u>(6,281,025)</u>
Provisions for liabilities and charges	14	(15,162)	(10,310)
NET ASSETS		<u>26,306,891</u>	<u>22,887,225</u>
CAPITAL AND RESERVES			
Called up share capital	15	170,000	170,000
Investment revaluation reserve	17	130,000	-
Profit and loss account	17	26,006,891	22,717,225
SHAREHOLDERS' FUNDS	18	<u>26,306,891</u>	<u>22,887,225</u>

The financial statements on pages 7 to 23 were approved by the board of directors and authorised for issue on *25 March* 2015 and are signed on its behalf by:


Harmeet Ahuja
Director

Sun Mark Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

As at 31 August 2014

Company Registration No. 03010238

	<i>Notes</i>	2014 £	2013 £
Profit for the financial year		4,097,166	3,992,619
Unrealised surplus on investment property revaluation reserve	8	130,000	-
Total gains and losses recognised in the year		<u>4,227,166</u>	<u>3,992,619</u>
Prior year adjustment	8	(551,940)	
Total gains and losses recognised since the last annual report		<u><u>3,675,226</u></u>	

Sun Mark Limited
CASH FLOW STATEMENT
for the year ended 31 August 2014

	<i>Notes</i>	2014 £	2013 £
Cash inflow from operating activities	19	3,951,494	4,478,141
Returns on investments and servicing of finance	19	109,345	193,701
Taxation paid		(1,245,553)	(2,056,045)
Capital expenditure and financial investment	19	(303,292)	(3,967,865)
Equity dividends paid		(400,242)	(1,649,000)
Repayment of loans and borrowings		(379,562)	3,169,572
Increase in cash in the year		<u>1,732,190</u>	<u>168,504</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS/ (DEBT)

	2014 £	2013 £
Increase in cash in the year	1,732,190	168,504
Cash outflow/(inflow) from decrease/(increase) in debt	379,562	(3,169,572)
Change in net funds/(debt) resulting from cash flows	<u>2,111,752</u>	<u>(3,001,068)</u>
Movement in net funds/(debt)	2,111,752	(3,001,068)
Net (debt)/funds at 1 September	(1,640,645)	1,360,423
Net funds/(debt) at 31 August	<u>471,107</u>	<u>(1,640,645)</u>

Sun Mark Limited

ACCOUNTING POLICIES

for the year ended 31 August 2014

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
-------------	-------------------------

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 2014

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. At the year end prior year end the company had no material gains or losses on these hedging instruments.

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.

PRIOR YEAR ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

The Directors are of the view that the historical cost convention provides more relevant and reliable information about the Company's Freehold Land and Properties compared to the revaluation model. As a result, a prior year adjustment has been made to restate Freehold Land and Properties to cost. The prior year adjustment has resulted in a reduction in prior year net assets of £551,940 and has no material impact on the prior year profit and loss account.

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

1 TURNOVER

The company's turnover and profit before taxation were predominantly derived from its principal activity which arose in the UK and abroad.

An analysis of turnover by geographical location is given below:

	2014 £	2013 £
Rest of World	124,918,911	126,712,040
UK	18,788,050	16,568,661
	<u>143,706,961</u>	<u>143,280,701</u>

2 INTEREST RECEIVABLE

	2014 £	2013 £
Bank interest	92,323	102,827
	<u>92,323</u>	<u>102,827</u>

3 INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	220,771	148,170
	<u>220,771</u>	<u>148,170</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014 £	2013 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	101,551	40,327
Depreciation of owned assets	153,411	273,963
(Profit) on disposal of fixed assets	(41,560)	(94,467)
(Profit) on disposal of intangible assets	-	(1,461)
(Profit) on disposal of investments	-	(148,774)
Foreign exchange losses	177,153	172,255
Auditor's remuneration - audit	27,500	16,000
- tax services	-	2,944
	<u>1,000,000</u>	<u>1,000,000</u>

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

5 EMPLOYEES

	2014 No	2013 No
The average monthly number of persons (including directors) employed by the company during the year was:		
Administration and Support	42	41
Sales, Marketing and Distribution	28	28
	<u>70</u>	<u>69</u>

	2014 £	2013 £
Staff costs for the above persons:		
Wages and salaries	1,705,825	1,828,330
Social security costs	203,096	185,164
	<u>1,908,921</u>	<u>2,013,494</u>

	2014 £	2013 £
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 (2013: none).

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

6 TAXATION

	2014 £	2013 £
Current tax:		
UK corporation tax on profits of the year	1,369,110	1,334,639
Adjustments in respect of previous years	(71,829)	290,740
Total current tax	<u>1,297,281</u>	<u>1,625,379</u>
Deferred taxation:		
Origination and reversal of timing differences	4,852	6,502
Tax on profit on ordinary activities	<u>1,302,133</u>	<u>1,631,881</u>

Factors affecting tax charge for the year:

	2014 £	2013 £
The tax assessed for the year is higher than the average standard rate of corporation tax in the UK 22.2% (2013: 23.6%). The differences are explained below:		
Profit on ordinary activities before tax	<u>5,399,299</u>	<u>5,624,500</u>
Profit on ordinary activities multiplied by average standard rate of corporation tax in the UK of 22.2% (2013: 23.6%)	1,196,845	1,326,257
Effects of:		
Expenses not deductible for tax purposes	221,770	30,401
Depreciation in excess of capital allowances	12,419	35,493
Income not taxable for tax purposes	(61,923)	(57,701)
Adjustment to tax charge in respect of previous years	(71,829)	290,739
Other timing differences	-	189
Tax charge for the year	<u>1,297,282</u>	<u>1,625,379</u>

Sun Mark Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

7 INTANGIBLE FIXED ASSETS

	Patents £	Total £
Cost or valuation		
At 1 September 2013	403,268	403,268
Additions	478,838	478,838
At 31 August 2014	<u>882,106</u>	<u>882,106</u>
Amortisation		
At 1 September 2013	40,327	40,327
Charged in the year	101,551	101,551
At 31 August 2014	<u>141,878</u>	<u>141,878</u>
Net book value		
At 1 September 2013	<u>362,941</u>	<u>362,941</u>
At 31 August 2014	<u><u>740,228</u></u>	<u><u>740,228</u></u>

Sun Mark Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

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 31 August 2013 (As previously stated)	12,223,578	-	296,225	274,647	4,324	298,044	13,096,818
Prior year adjustment	(600,000)	-	-	-	-	-	(600,000)
At 1 September 2013 (Restated)	<u>11,623,578</u>	<u>-</u>	<u>296,225</u>	<u>274,647</u>	<u>4,324</u>	<u>298,044</u>	<u>12,496,818</u>
Reclassification	(6,820,738)	6,820,738	-	-	-	-	-
Revaluation	-	(17,992)	-	-	-	-	(17,992)
Additions	176,998	-	-	37,206	1,900	24,212	240,316
Disposals	(390,429)	-	-	-	-	-	(390,429)
At 31 August 2014	<u>4,589,409</u>	<u>6,802,746</u>	<u>296,225</u>	<u>311,853</u>	<u>6,224</u>	<u>322,256</u>	<u>12,328,713</u>
Depreciation							
At 31 August 2013 (As previously stated)	729,341	-	201,499	176,952	3,300	189,779	1,300,871
Prior year adjustment	(48,060)	-	-	-	-	-	(48,060)
At 1 September 2013 (Restated)	<u>681,281</u>	<u>-</u>	<u>201,499</u>	<u>176,952</u>	<u>3,300</u>	<u>189,779</u>	<u>1,252,811</u>
Reclassification	(147,992)	147,992	-	-	-	-	-
Revaluation	-	(147,992)	-	-	-	-	(147,992)
Charged in the year	78,883	-	21,677	26,580	388	25,883	153,411
Disposals	(16,126)	-	-	-	-	-	(16,126)
At 31 August 2014	<u>596,046</u>	<u>-</u>	<u>223,176</u>	<u>203,532</u>	<u>3,688</u>	<u>215,662</u>	<u>1,242,104</u>
Net book value							
At 1 September 2013 (Restated)	<u>10,942,297</u>	<u>-</u>	<u>94,726</u>	<u>97,695</u>	<u>1,024</u>	<u>108,265</u>	<u>11,244,007</u>
At 31 August 2014	<u>3,993,363</u>	<u>6,802,746</u>	<u>73,049</u>	<u>108,321</u>	<u>2,536</u>	<u>106,594</u>	<u>11,086,609</u>

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

8 TANGIBLE FIXED ASSETS (continued)

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

The Directors have taken the view that the historical cost convention provides more reliable and relevant information about the company's Freehold Land and Properties (excluding investment properties) compared to the revaluation model. In line with FRS 18, opening reserves have been restated on the assumption that the historical cost convention had always been adopted. Opening reserves have reduced by £551,940 which reflects the reversal of the revaluation reserve less depreciation charged in previous years on the revalued amount. The prior year profit and loss account has not been adjusted on the grounds of materiality.

At the start of the current financial year the Directors reclassified a proportion of Freehold Land and Properties to investment properties to better reflect their intended use going forward. These assets were subsequently revalued to market value at the balance sheet date by the Directors. The historical cost of investment properties amounted to £6,820,738. These were transferred to investment properties at their net book value as at 1 September 2013 which amounted to £6,672,746.

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

9	FIXED ASSET INVESTMENTS	Other investments £	Subsidiary undertakings £	Total £
	Cost:			
	At 1 September 2013 and 31 August 2014	24,987	34,796	59,783
	Net book value:			
	At 1 September 2013	24,987	34,796	59,783
	At 31 August 2014	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	2014 £	2013 £
	Goods for resale	4,504,751	4,866,368
		4,504,751	4,866,368

11	DEBTORS	2014 £	2013 £
	Trade debtors	24,926,595	24,691,082
	Other debtors	3,985,074	2,529,485
	Amounts due to fellow subsidiary undertakings	194,735	-
	Prepayments	25,822	36,093
		29,132,226	27,256,660

All debtors are considered recoverable within one year.

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

12 CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	12,912,670	11,735,291
Corporation tax	1,369,110	1,317,383
Other taxation and social security costs	58,327	50,347
Other creditors	102,535	586,404
Accruals and deferred income	4,822,751	5,552,496
Bank loans	379,562	390,797
Director's current accounts	-	9,658
Dividend payable	407,258	-
	<u>20,052,213</u>	<u>19,642,376</u>

13 CREDITORS: Amounts falling due in more than one year

	2014 £	2013 £
Between 1 and 2 years	259,702	-
Between 2 to 5 years	180,361	467,765
More than 5 years	5,472,635	5,813,260
	<u>5,912,698</u>	<u>6,281,025</u>

Bank loans are secured against certain properties of the company.

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 2013	10,310	10,310
Charged to the profit and loss account	4,852	4,852
At 31 August 2014	<u>15,162</u>	<u>15,162</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 £26,000.

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

15	SHARE CAPITAL		
		2014	2013
		£	£
	Allotted, issued and fully paid: 170,000 ordinary shares of £1 each	170,000	170,000
		<u> </u>	<u> </u>
16	DIVIDENDS		
		2014	2013
		£	£
	Paid	400,242	1,479,000
	Declared and approved	407,258	-
	Total	<u>807,500</u>	<u>1,479,000</u>
		<u> </u>	<u> </u>
17	RESERVES		
		Revaluation reserve	Profit and Loss
		£	account
			£
	At 31 August 2013 (As previously stated)	600,000	22,669,165
	Prior year adjustment (see note 8)	(600,000)	48,060
		<u> </u>	<u> </u>
	At 1 September 2013 (Restated)	-	22,717,225
	Investment property revaluation	130,000	-
	Profit for the financial year	-	4,097,166
	Dividends	-	(807,500)
	At 31 August 2014	<u>130,000</u>	<u>26,006,891</u>
		<u> </u>	<u> </u>
18	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
		2014	2013
		£	£
	Opening shareholders' funds (As previously stated)	23,439,165	20,925,546
	Prior year adjustment (see note 8)	(551,940)	-
		<u> </u>	<u> </u>
	Opening shareholders' funds (Restated)	22,887,225	20,925,546
	Investment property revaluation reserve	130,000	-
	Profit for the financial year	4,097,166	3,992,619
	Dividends	(807,500)	(1,479,000)
	Closing shareholders' funds	<u>26,306,891</u>	<u>23,439,165</u>
		<u> </u>	<u> </u>

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

19 CASH FLOWS

		2014 £	2013 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	5,289,954	5,430,799
	Depreciation and amortisation	254,962	314,290
	(Profit) on disposal of fixed assets	(41,560)	(95,928)
	(Profit) on disposal of fixed asset investments	-	(148,774)
	Decrease in stocks	361,617	180,062
	(Increase) in debtors	(1,875,566)	(1,005,124)
	(Decrease) in creditors	(37,913)	(197,184)
	Net cash flow from operating activities	<u>3,951,494</u>	<u>4,478,141</u>
		2014 £	2013 £
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	92,323	102,827
	Interest paid	(220,771)	(148,170)
	Dividends received	237,793	239,044
	Net cash inflow for returns on investment and servicing of income	<u>109,345</u>	<u>193,701</u>
	Capital expenditure and financial investment		
	Purchase of intangible fixed assets	(478,838)	(404,807)
	Purchase of tangible fixed assets	(240,316)	(6,151,200)
	Proceeds from disposal of intangible fixed assets	-	3,000
	Proceeds from disposal of tangible fixed assets	415,862	1,048,173
	Proceeds from disposal of investments	-	133,152
	Proceeds from disposal of investments in subsidiary	-	1,403,817
	Net cash outflow for capital expenditure and financial investment	<u>(303,292)</u>	<u>(3,967,865)</u>
		At 1 September 2013 £	At 31 August 2014 £
c	Analysis of net funds		
	Cash at bank and in hand	5,031,177	1,732,190
	Debt due within one year	(390,797)	11,235
	Debt due after more than one year	(6,281,025)	368,327
		<u>(1,640,645)</u>	<u>2,111,752</u>
			<u>471,107</u>

Sun Mark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

20 RELATED PARTY TRANSACTIONS

Name of party	Relationship	Description of transaction	Value of transactions in the year		Balance at year end	
			2014 £	2013 £	2014 £	2013 £
Sea Air and Land Forwarding Limited	Common Control	Purchase of freight services	4,878,051	6,277,286	(225,462)	(527,011)
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	12,500	NIL	NIL	NIL
Sea Air and Land Forwarding Limited	Common Control	Final dividend	35,000	NIL	(35,000)	NIL
Friendship Films Limited (non trading)	Wholly owned subsidiary	Loan	840	NIL	194,735	193,895
Dr R Ranger	Director and shareholder	Interim dividend	100,000	1,479,000	NIL	NIL
Dr R Ranger	Director and shareholder	Final dividend	280,000	NIL	(186,129)	NIL
Dr R Ranger	Director and shareholder	Sale of shares in S and J Investments	NIL	500	NIL	NIL
Dr R Ranger	Director and shareholder	Sale of shares in NV Konings	NIL	1,469,343	NIL	NIL
S and J Investments Ltd	Common Control	Loan	NIL	NIL	799,456	799,456
Mrs Renu Ranger	Company secretary and shareholder	Interim dividend	100,000	NIL	NIL	NIL
Mrs Renu Ranger	Company secretary and shareholder	Final dividend	280,000	NIL	(186,129)	NIL
Mrs Renu Ranger	Company secretary and shareholder	Sale of shares in Sun Mark (Gulf) JLT	NIL	67,127	NIL	NIL
Mrs Renu Ranger	Company secretary and shareholder	Sale of office space	NIL	98,174	NIL	NIL
Dr Amita Ranger	Close Family	Loan and repayment of loan	NIL	NIL	NIL	1,064,406
Sun Mark (Gulf) JLT	Common Control	Sales to related party	1,712,414	377,639	1,713,617	377,639
Sun Mark (Gulf) JLT	Common Control	Purchases from related party	4,203,086	175,073	47,789	NIL
Bulldog Energy Drinks Company Limited	Common Control	Management fee	1,502,687	NIL	1,502,687	NIL
R&R Asset Management Limited	Common Control	Loan	206,193	NIL	206,193	NIL

The 2013 dividend was waived by Mrs Renu Ranger and Sea Air and Land Forwarding Limited.

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