

REGISTERED NUMBER: 00824300 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2016
for
Katsouris Brothers Limited**

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for the Year Ended 30 June 2016**

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Katsouris Brothers Limited

**Company Information
for the Year Ended 30 June 2016**

DIRECTORS:

L Constantinou
C Constantinou
D Habeshis
A Yerolemou
A Katsouris

SECRETARY:

K Charalambous

REGISTERED OFFICE:

100 Queensbury Road
Wembley
Middlesex
HA0 1WP

REGISTERED NUMBER:

00824300 (England and Wales)

AUDITORS:

Philips Chartered Accountants
1160 High Road
London
N20 0RA

**Strategic Report
for the Year Ended 30 June 2016**

The directors present their strategic report for the year ended 30 June 2016.

Katsouris Brothers Limited are food importers and wholesale distributors.

REVIEW OF BUSINESS

Despite the current economic climate and the continuing difficult trading conditions, the company has continued to successfully focus strongly on increasing sales and reducing costs.

As a result of introducing new products and utilising existing contacts, the directors are pleased to announce that this year's turnover is £49,306,825 (2015: £47,189,262) representing an increased of 4.5% (2015: 9.2%).

The gross profit has increased from £11,733,654 to £13,375,478, representing an increase of 14%.

The company realised a profit of £6,122,398 before tax, compared to the previous year's profit of £5,414,422.

The net assets of the company for the year ended 30 June 2016 amount to £8,811,227 compared to £17,934,299 in the previous year. This represents a decrease of £9,123,072 mainly due to a dividend distribution.

The directors' remain confident of maintaining the company's trading position.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's financial instruments employed during the year consist of borrowings, cash and various other items such as debtors and creditors that arise from its trading activities. These financial instruments do not include derivatives normally used for the purpose of raising finance for the company's operations. The main risks from the above mentioned financial instruments are interest rate risk and liquidity risk.

The directors review the policies for each of the risks as set out below:-

Interest rate risk

The company's operations are supported by the availability of bank facilities and retained profits. The business can be exposed to the risk of interest rate fluctuations on its bank facilities, both of which are supported by fixed and floating charges.

Liquidity risk

The financial risks are managed by the company through the provision of sufficient liquidity available from its own resources to meet the company's foreseeable needs.

Foreign currency risk

The company makes its purchases in Sterling, Euro and US Dollar and accordingly it is exposed to currency fluctuations in respect of overseas purchases. In addition, funds held in foreign currencies also give rise to currency gains or losses. These are recognised in the income statement. The directors' objective is to reduce risk from exchange rate fluctuations.

Food safety

The company supplies various products, some of which are considered to be high risk. In the interest of safety the company employs an independent external testing lab on a daily basis to ensure that none of the company's products are contaminated.

Health and safety

We have a duty of care towards the health and safety of our employees. A health and safety manager is responsible for investigating and reporting to the management team any health and safety issues which may arise for immediate action.

Commodity availability and price fluctuation

The company is likely to be exposed to supplier price fluctuations as well as availability of commodities in the short run. The management has taken steps to minimise the risks by entering in to arrangements with various supplies to ensure continuity in supply at pre-agreed prices for a minimum of 6 months.

**Strategic Report
for the Year Ended 30 June 2016**

EMPLOYEES

The company is an equal opportunities employer and gives fair and equal consideration to employment applications made by all people, from all backgrounds, including those with disabilities. Assessment of employee requirements are reviewed and reasonable adjustments are made to the work environment to assist and accommodate people where necessary.

FUTURE DEVELOPMENTS

The company expects to continue its planned expansion at a steady pace, with a view to meet any further growth for demand of its products.

ON BEHALF OF THE BOARD:

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

K Charalambous - Secretary

24 March 2017

**Report of the Directors
for the Year Ended 30 June 2016**

The directors present their report with the financial statements of the company for the year ended 30 June 2016.

DIVIDENDS

An interim dividend of £474.5763 per share was paid on 27 November 2015. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2016 will be £14,000,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2015 to the date of this report.

L Constantinou
C Constantinou
D Habeshis
A Yerolemou
A Katsouris

POLITICAL DONATIONS AND EXPENDITURE

During the year charitable donations of £19,009 were made to various charities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


Katsouris Brothers Limited (Registered number: 00824300)

**Report of the Directors
for the Year Ended 30 June 2016**

AUDITORS

The auditors, Philips Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

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

K Charalambous - Secretary

24 March 2017

Report of the Independent Auditors to the Members of Katsouris Brothers Limited

We have audited the financial statements of Katsouris Brothers Limited for the year ended 30 June 2016 on pages seven to twenty four. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Strategic Report and the Report of the Directors 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.

Philippos Soteri (Senior Statutory Auditor)
for and on behalf of Philips Chartered Accountants
1160 High Road
London
N20 0RA



24 March 2017

Katsouris Brothers Limited (Registered number: 00824300)

**Income Statement
for the Year Ended 30 June 2016**

	Notes	30.6.16 £	30.6.15 £
TURNOVER		49,306,825	47,189,262
Cost of sales		35,931,347	35,455,608
GROSS PROFIT		13,375,478	11,733,654
Administrative expenses		7,175,032	6,825,451
		6,200,446	4,908,203
Other operating (expenses) income		(76,398)	476,997
OPERATING PROFIT	4	6,124,048	5,385,200
Interest receivable and similar income		22,049	29,222
		6,146,097	5,414,422
Interest payable and similar charges	5	23,699	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,122,398	5,414,422
Tax on profit on ordinary activities	6	1,245,470	1,171,258
PROFIT FOR THE FINANCIAL YEAR		4,876,928	4,243,164

The notes on pages 13 to 21 form part of these financial statements

Katsouris Brothers Limited (Registered number: 00824300)

**Other Comprehensive Income
for the Year Ended 30 June 2016**

	Notes	30.6.16 £	30.6.15 £
PROFIT FOR THE YEAR		4,876,928	4,243,164
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,876,928</u>	<u>4,243,164</u>

The notes on pages 13 to 21 form part of these financial statements

Katsouris Brothers Limited (Registered number: 00824300)

Statement of Financial Position
30 June 2016

	Notes	30.6.16 £	30.6.15 £
FIXED ASSETS			
Intangible assets	8	96,269	67,145
Tangible assets	9	1,991,379	2,156,458
Investments	10	1	1
		<u>2,087,649</u>	<u>2,223,604</u>
CURRENT ASSETS			
Stocks	11	4,199,582	3,971,040
Debtors	12	8,602,883	7,818,619
Cash at bank		1,997,654	9,110,940
		<u>14,800,119</u>	<u>20,900,599</u>
CREDITORS			
Amounts falling due within one year	13	8,063,384	5,189,904
NET CURRENT ASSETS		<u>6,736,735</u>	<u>15,710,695</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,824,384</u>	<u>17,934,299</u>
PROVISIONS FOR LIABILITIES	16	13,157	-
NET ASSETS		<u><u>8,811,227</u></u>	<u><u>17,934,299</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	29,500	29,500
Retained earnings	18	8,781,727	17,904,799
SHAREHOLDERS' FUNDS		<u><u>8,811,227</u></u>	<u><u>17,934,299</u></u>

The financial statements were approved by the Board of Directors on 24 March 2017 and were signed on its behalf by:

L Constantinou - Director



The notes on pages 13 to 21 form part of these financial statements

Katsouris Brothers Limited (Registered number: 00824300)

**Statement of Changes in Equity
for the Year Ended 30 June 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2014	29,500	13,661,635	13,691,135
Changes in equity			
Total comprehensive income	-	4,243,164	4,243,164
Balance at 30 June 2015	29,500	17,904,799	17,934,299
Changes in equity			
Dividends	-	(14,000,000)	(14,000,000)
Total comprehensive income	-	4,876,928	4,876,928
Balance at 30 June 2016	29,500	8,781,727	8,811,227

The notes on pages 13 to 21 form part of these financial statements

Katsouris Brothers Limited (Registered number: 00824300)

**Statement of Cash Flows
for the Year Ended 30 June 2016**

	Notes	30.6.16 £	30.6.15 £
Cash flows from operating activities			
Cash generated from operations	1	6,402,071	5,548,877
Interest paid		(23,699)	-
Tax paid		(1,349,956)	(787,846)
Net cash from operating activities		<u>5,028,416</u>	<u>4,761,031</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(40,649)	(74,606)
Purchase of tangible fixed assets		(139,852)	(68,446)
Sale of tangible fixed assets		16,750	26,809
Interest received		22,049	29,222
Net cash from investing activities		<u>(141,702)</u>	<u>(87,021)</u>
Cash flows from financing activities			
New loans in year		2,000,000	-
Equity dividends paid		(14,000,000)	-
Net cash from financing activities		<u>(12,000,000)</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		<u>(7,113,286)</u>	<u>4,674,010</u>
Cash and cash equivalents at beginning of year	2	9,110,940	4,436,930
Cash and cash equivalents at end of year	2	<u><u>1,997,654</u></u>	<u><u>9,110,940</u></u>

The notes on pages 13 to 21 form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 30 June 2016

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	30.6.16	30.6.15
	£	£
Profit for the financial year	4,876,928	4,243,164
Depreciation charges	302,778	435,930
Profit on disposal of fixed assets	(3,072)	(12,487)
Finance costs	23,699	-
Finance income	(22,049)	(29,222)
Taxation	1,245,470	1,171,258
	<u>6,423,754</u>	<u>5,808,643</u>
Increase in stocks	(228,542)	(322,528)
(Increase)/decrease in trade and other debtors	(784,264)	112,922
Increase/(decrease) in trade and other creditors	991,123	(50,160)
	<u>6,402,071</u>	<u>5,548,877</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	<u>1,997,654</u>	<u>9,110,940</u>

Year ended 30 June 2015

	30.6.15	1.7.14
	£	£
Cash and cash equivalents	<u>9,110,940</u>	<u>4,436,930</u>

**Notes to the Financial Statements
for the Year Ended 30 June 2016**

1. GENERAL INFORMATION

Katsouris Brothers Limited is a company limited by shares, registered in England and Wales, registration number 00824300. The registered office and principal place of business is 100 Queensbury Road, Wembley, Middlesex, HA0 1WP.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Transition to FRS 102

This is the first year the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102). The company transitioned to FRS 102 on 1 July 2014.

No transitional adjustments were required in profit or loss for the year. There has been no change in equity other than the reversal of the freehold revaluation.

Change in policy

On transition to FRS 102, the directors decided to show the freehold property at depreciated cost, which is equivalent to fair market value. This is a change in accounting policy.

Preparation of consolidated financial statements

The company is not required to prepare group accounts by virtue of section 402, Companies Act 2006 as the inclusion of its subsidiary would not be material for the purposes of giving a true and fair view.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

The company's management is required to make judgements, estimations and assumptions regarding carrying values of assets and liabilities which are not apparent from other sources.

The estimates and underlying assumptions are reviewed regularly and judgements are based on historical experience and other relevant factors. Actual results may differ from the results of such assumptions and estimates.

Critical judgements in applying the company's accounting policies

There are no critical judgements that the directors have made in the process of applying the company's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Stock

Estimated selling price less costs to sell represents the Company's best estimate of the selling price that will be achieved in the market less costs in relation to completion and appropriate holding, selling and distribution expenses.

Useful economic lives

Key estimates in the accounts is the assessment of useful life tangible and intangible assets for depreciation and amortisation purposes.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2016**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised in the accounts when the goods are delivered and invoiced to the customer.

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Intellectual property rights

Intellectual property rights are included at cost and are being amortised evenly over an estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Short leasehold	- in accordance with the property
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on cost

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Cost is calculated on a first in, first out basis.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at the market rate of interest for a similar debt instrument.

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 entity after deducting all of its financial liabilities.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

3. STAFF COSTS

	30.6.16	30.6.15
	£	£
Wages and salaries	5,449,878	5,061,669
Social security costs	478,471	481,730
Other pension costs	114,901	126,338
	<u>6,043,250</u>	<u>5,669,737</u>

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

	30.6.16	30.6.15
Directors	5	5
Managerial and administration	42	37
Warehouse and others	162	160
	<u>209</u>	<u>202</u>

4. OPERATING PROFIT

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

	30.6.16	30.6.15
	£	£
Other operating leases	220,000	220,000
Depreciation - owned assets	291,253	428,469
Profit on disposal of fixed assets	(3,072)	(12,487)
Intellectual property rights amortisation	11,525	7,461
Auditors' remuneration	17,000	17,000
Taxation compliance services	3,000	3,000
Other non- audit services	7,000	7,000
Foreign exchange differences	76,398	(476,997)
	<u>872,406</u>	<u>818,795</u>
Directors' remuneration	15,000	15,000
Directors' pension contributions to money purchase schemes		

The number of directors to whom retirement benefits were accruing was as follows:

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	30.6.16	30.6.15
	£	£
Emoluments etc	319,803	293,248
Pension contributions to money purchase schemes	-	12,000

5. INTEREST PAYABLE AND SIMILAR CHARGES

	30.6.16	30.6.15
	£	£
Bank loan interest	<u>23,699</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.16 £	30.6.15 £
Current tax:		
UK corporation tax	1,232,313	1,171,258
Deferred tax	13,157	-
Tax on profit on ordinary activities	<u>1,245,470</u>	<u>1,171,258</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.16 £	30.6.15 £
Profit on ordinary activities before tax	<u>6,122,398</u>	<u>5,414,422</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.751%)	1,224,480	1,123,547
Effects of:		
Expenses not deductible for tax purposes	2,460	2,043
Depreciation in excess of capital allowances	5,373	45,668
Anticipated excess of tax on accelerated capital allowances	13,157	-
Total tax charge	<u>1,245,470</u>	<u>1,171,258</u>

7. DIVIDENDS

	30.6.16 £	30.6.15 £
Ordinary shares of £1.00 each		
Interim	<u>14,000,000</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

8. INTANGIBLE FIXED ASSETS

	Intellectual property rights £
COST	
At 1 July 2015	74,606
Additions	40,649
	<hr/>
At 30 June 2016	115,255
	<hr/>
AMORTISATION	
At 1 July 2015	7,461
Amortisation for year	11,525
	<hr/>
At 30 June 2016	18,986
	<hr/>
NET BOOK VALUE	
At 30 June 2016	96,269
	<hr/>
At 30 June 2015	67,145
	<hr/>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 July 2015	3,311,186	788,839	3,835,761
Additions	-	21,658	91,894
	<hr/>	<hr/>	<hr/>
At 30 June 2016	3,311,186	810,497	3,927,655
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 July 2015	1,956,253	785,912	3,092,858
Charge for year	25,859	2,584	240,286
Eliminated on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 June 2016	1,982,112	788,496	3,333,144
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 June 2016	1,329,074	22,001	594,511
	<hr/>	<hr/>	<hr/>
At 30 June 2015	1,354,933	2,927	742,903
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

9. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 July 2015	885,458	317,440	9,138,684
Additions	9,350	16,950	139,852
Disposals	-	(17,098)	(17,098)
At 30 June 2016	894,808	317,292	9,261,438
DEPRECIATION			
At 1 July 2015	867,125	280,078	6,982,226
Charge for year	6,098	16,426	291,253
Eliminated on disposal	-	(3,420)	(3,420)
At 30 June 2016	873,223	293,084	7,270,059
NET BOOK VALUE			
At 30 June 2016	21,585	24,208	1,991,379
At 30 June 2015	18,333	37,362	2,156,458

Included in cost of land and buildings is freehold land of £640,000 (2015 - £640,000) which is not depreciated.

The directors are of the opinion that the value of the freehold property shown in the financial statements is in line with its current fair market value.

10. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1 July 2015 and 30 June 2016	100
PROVISIONS	
At 1 July 2015 and 30 June 2016	99
NET BOOK VALUE	
At 30 June 2016	1
At 30 June 2015	1

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Cypressa Products Limited
Country of incorporation: England
Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

11. STOCKS

	30.6.16	30.6.15
	£	£
Raw materials	1,951,756	354,122
Finished goods	2,247,826	3,616,918
	<u>4,199,582</u>	<u>3,971,040</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.16	30.6.15
	£	£
Trade debtors	7,725,662	6,798,431
Payments on account	280,607	499,069
Other loans owing	7,433	12,593
Other debtors	309,420	253,480
Prepayments and accrued income	279,761	255,046
	<u>8,602,883</u>	<u>7,818,619</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.16	30.6.15
	£	£
Bank loans and overdrafts (see note 14)	2,000,000	-
Trade creditors	4,879,947	3,765,478
Corporation tax	510,603	628,246
Other creditors	283,343	321,520
Accrued expenses	389,491	474,660
	<u>8,063,384</u>	<u>5,189,904</u>

14. LOANS

An analysis of the maturity of loans is given below:

	30.6.16	30.6.15
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>2,000,000</u>	<u>-</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	30.6.16	30.6.15
	£	£
Bank loans	<u>2,000,000</u>	<u>-</u>

The bank overdraft facilities are secured by a first charge on the company's Water Road freehold property. A supported guarantee by Katsouris Investments Limited, a connected company, is also in place.

The bank loan is secured by a debenture. Interest is charged at 2% p.a. over base rate.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

16. PROVISIONS FOR LIABILITIES

	30.6.16 £	30.6.15 £
Deferred tax	<u>13,157</u>	<u>-</u>
		Deferred tax
		£
Provided during year		<u>13,157</u>
Balance at 30 June 2016		<u>13,157</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.6.16	30.6.15
Number:	Class:	Nominal value:	£	£
29,500	Ordinary	£1.00	<u>29,500</u>	<u>29,500</u>

18. RESERVES

	Retained earnings £
At 1 July 2015	17,904,799
Profit for the year	4,876,928
Dividends	<u>(14,000,000)</u>
At 30 June 2016	<u>8,781,727</u>

19. ULTIMATE PARENT COMPANY

Katsouris Brothers Limited (incorporated in Cyprus) is regarded by the directors as being the company's ultimate parent company.

20. CONTINGENT LIABILITIES

Contingent liabilities of £100,000 exist in connection with a VAT Bond to HM Revenue and Customs (2015: £100,000).

There is a contingent liability of around £6,325,850 (2015: £4,648,852) in respect of goods ordered.

21. CAPITAL COMMITMENTS

	30.6.16 £	30.6.15 £
Contracted but not provided for in the financial statements	<u>140,550</u>	<u>34,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2016**

22. RELATED PARTY DISCLOSURES

Katsouris Investments Limited

An annual rent of £220,000 (2015: £220,000) was paid under a licence to Katsouris Investments Limited, a company where A P Yerolemou is a director and shareholder. L Constantinou and C Constantinou are directors of both companies. As at 30 June 2016, no outstanding liability was due from Katsouris Brothers Limited.

There is a supported guarantee in place by Katsouris Investments Limited.

Reconciliation of Equity

1 July 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		3,030,803	(500,000)	2,530,803
Investments		1	-	1
		<u>3,030,804</u>	<u>(500,000)</u>	<u>2,530,804</u>
CURRENT ASSETS				
Stocks		3,648,512	-	3,648,512
Debtors		7,931,541	-	7,931,541
Cash at bank		4,436,930	-	4,436,930
		<u>16,016,983</u>	<u>-</u>	<u>16,016,983</u>
CREDITORS				
Amounts falling due within one year		(4,856,652)	-	(4,856,652)
NET CURRENT ASSETS		<u>11,160,331</u>	<u>-</u>	<u>11,160,331</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,191,135</u>	<u>(500,000)</u>	<u>13,691,135</u>
NET ASSETS		<u>14,191,135</u>	<u>(500,000)</u>	<u>13,691,135</u>
CAPITAL AND RESERVES				
Called up share capital		29,500	-	29,500
Revaluation reserve		500,000	(500,000)	-
Retained earnings		13,661,635	-	13,661,635
SHAREHOLDERS' FUNDS		<u>14,191,135</u>	<u>(500,000)</u>	<u>13,691,135</u>

Reconciliation of Equity - continued
30 June 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		67,145	-	67,145
Tangible assets		2,656,458	(500,000)	2,156,458
Investments		1	-	1
		<u>2,723,604</u>	<u>(500,000)</u>	<u>2,223,604</u>
CURRENT ASSETS				
Stocks		3,971,040	-	3,971,040
Debtors		7,818,619	-	7,818,619
Cash at bank		9,110,940	-	9,110,940
		<u>20,900,599</u>	<u>-</u>	<u>20,900,599</u>
CREDITORS				
Amounts falling due within one year		(5,189,904)	-	(5,189,904)
NET CURRENT ASSETS		<u>15,710,695</u>	<u>-</u>	<u>15,710,695</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,434,299</u>	<u>(500,000)</u>	<u>17,934,299</u>
NET ASSETS		<u>18,434,299</u>	<u>(500,000)</u>	<u>17,934,299</u>
CAPITAL AND RESERVES				
Called up share capital		29,500	-	29,500
Revaluation reserve		500,000	(500,000)	-
Retained earnings		17,904,799	-	17,904,799
SHAREHOLDERS' FUNDS		<u>18,434,299</u>	<u>(500,000)</u>	<u>17,934,299</u>

Notes to the reconciliation of equity

In line with the provisions of FRS 102, the revaluation reserve of £500,000 has been eliminated on the transition date of 1 July 2014. As a result of this adjustment, the freehold is stated at cost less depreciation, which is also the fair market value.

**Reconciliation of Profit
for the Year Ended 30 June 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	47,189,262	-	47,189,262
Cost of sales	(35,455,608)	-	(35,455,608)
GROSS PROFIT	11,733,654	-	11,733,654
Administrative expenses	(6,825,451)	-	(6,825,451)
Other operating (expenses) income	476,997	-	476,997
OPERATING PROFIT	5,385,200	-	5,385,200
Interest receivable and similar income	29,222	-	29,222
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5,414,422	-	5,414,422
Tax on profit on ordinary activities	(1,171,258)	-	(1,171,258)
PROFIT FOR THE FINANCIAL YEAR	4,243,164	-	4,243,164