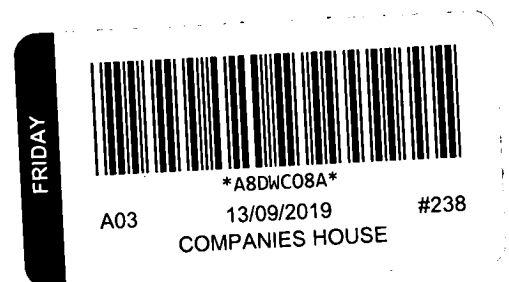


**COMPANY REGISTRATION NUMBER: 2166058**

**Johal Dairies Limited**  
**Financial Statements**  
**29th September 2018**



**JAVED & CO**  
Chartered accountants & statutory auditor  
109 Hagley Road  
Birmingham  
B16 8LA

**Johal Dairies Limited**  
**Financial Statements**  
**Period Ended 29th September 2018**

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**Johal Dairies Limited**

**Officers and Professional Advisers**

**The board of directors**

Mr Surbjit Singh Johal  
Mrs Manjit Kaur Johal  
Mr Gurnek Singh Johal

**Company secretary**

Mrs Manjit Kaur Johal

**Registered office**

Cannock Road  
Wolverhampton  
West Midlands  
WV1 4PN

**Auditor**

Javed & Co  
Chartered accountants & statutory auditor  
109 Hagley Road  
Birmingham  
B16 8LA

**Bankers**

Barclays Bank Plc  
8 Lichfield Street  
Bilston  
West Midlands  
WV14 0AE

## **Johal Dairies Limited**

### **Strategic Report**

**Period Ended 29th September 2018**

#### **Introduction**

The principal activity of the company is that of selling milk, dairy and other associated products.

There have not been any significant changes in the company's activities in the period under review. The directors are not aware, as at the date of the report, of any likely major changes in the company's principal activities in the next year.

The strategic report is only part of the full accounts and additional reports.

#### **Business Review**

Johal Dairies Ltd's turnover increased during the period from £32.3 million to £33.5 million but the net profitability of the company decreased from £1.76 million to £1.38 million during the period. The company's balance sheet as detailed on page shows a satisfactory position, shareholders' funds amounting to £ million.

Given the straight forward nature of the business the company's directors are of the opinion that the following Key Performance Indicators (KPI's) are appropriate for an understanding of the development, performance or position of the entity.

	<b>2018</b>	<b>2017</b>	<b>Percentage</b>
	<b>£</b>	<b>£</b>	<b>%</b>
Turnover	33.5m	32.3m	3.7
Gross Profit	6.87m	6.72m	2.2
Net Profit after tax	1.66m	1.76m	(5.6)
Cash at bank and in hand	0.85m	1.93m	(55.9)
Bank Loan and Overdraft	2.69m	1.88m	43.1
Trade Debtors	3.12m	3.82m	(22.4)
Trade Creditors	3.54m	3.82m	(7.3)
Amounts due from Holding Company	12.22m	7.87m	55.2

Although the turnover of the company increased during the period, its net profit has fallen due to increased competition and increases in the price of processed milk.

#### **Principle risks and uncertainties**

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company with the exception of credit risk which the directors monitor closely and the company has a strong credit control department and procedures. The directors consider that the company's current policies of credit checks meet its objectives of managing exposure to credit risk.

**Johal Dairies Limited**

**Strategic Report** *(continued)*

**Period Ended 29th September 2018**

This report was approved by the board of directors on 11 September 2019 and signed on behalf of the board by:



Mr Surbjit Singh Johal  
Director

Registered office:  
Cannock Road  
Wolverhampton  
West Midlands  
WV1 4PN

## **Johal Dairies Limited**

### **Directors' Report**

**Period Ended 29th September 2018**

The directors present their report and the financial statements of the company for the period ended 29th September 2018.

#### **Principal activities**

The principal activity of the company is that of selling milk, dairy and other associated products.

#### **Directors**

The directors who served the company during the period were as follows:

Mr Surbjit Singh Johal  
Mrs Manjit Kaur Johal  
Mr Gurnek Singh Johal

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial period. 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

**Johal Dairies Limited**

**Directors' Report** *(continued)*

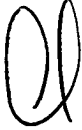
**Period Ended 29th September 2018**

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 11 September 2019 and signed on behalf of the board by:



Mr Surbjit Singh Johal  
Director

Registered office:  
Cannock Road  
Wolverhampton  
West Midlands  
WV1 4PN

## **Johal Dairies Limited**

### **Independent Auditor's Report to the Members of Johal Dairies Limited**

**Period Ended 29th September 2018**

#### **Opinion**

We have audited the financial statements of Johal Dairies Limited (the 'company') for the period ended 29th September 2018 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29th September 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## **Johal Dairies Limited**

### **Independent Auditor's Report to the Members of Johal Dairies Limited** *(continued)*

**Period Ended 29th September 2018**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

## **Johal Dairies Limited**

### **Independent Auditor's Report to the Members of Johal Dairies Limited** *(continued)*

**Period Ended 29th September 2018**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## **Johal Dairies Limited**

### **Independent Auditor's Report to the Members of Johal Dairies Limited** *(continued)*

**Period Ended 29th September 2018**

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

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.

Mr Rizwan Javed (Senior Statutory Auditor)

For and on behalf of

Javed & Co

Chartered accountants & statutory auditor

109 Hagley Road

Birmingham

B16 8LA

11 September 2019

**Johal Dairies Limited**  
**Statement of Income and Retained Earnings**  
**Period Ended 29th September 2018**

		Period from 1 Oct 17 to 29 Sep 18	Period from 2 Oct 16 to 30 Sep 17
	Note	£	£
<b>Turnover</b>	<b>4</b>	<b>33,460,129</b>	<b>32,326,178</b>
Cost of sales		(26,589,317)	(25,604,970)
<b>Gross profit</b>		<b>6,870,812</b>	<b>6,721,208</b>
Administrative expenses		(5,183,352)	(4,524,986)
Other operating income		11,054	3,740
<b>Operating profit</b>	<b>5</b>	<b>1,698,514</b>	<b>2,199,962</b>
Other interest receivable and similar income		5,793	824
Interest payable and similar expenses	<b>9</b>	(40,841)	(16,476)
<b>Profit before taxation</b>		<b>1,663,466</b>	<b>2,184,310</b>
Tax on profit	<b>10</b>	(325,514)	(426,007)
<b>Profit for the financial period and total comprehensive income</b>		<b>1,337,952</b>	<b>1,758,303</b>
<b>Retained earnings at the start of the period</b>		<b>8,550,795</b>	<b>6,792,492</b>
<b>Retained earnings at the end of the period</b>		<b>9,888,747</b>	<b>8,550,795</b>

All the activities of the company are from continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

**Johal Dairies Limited**  
**Statement of Financial Position**  
**29th September 2018**

	Note	29 Sep 18 £	30 Sep 17 £
<b>Fixed assets</b>			
Intangible assets	11	144,152	47,538
Tangible assets	12	<u>728,009</u>	<u>680,585</u>
		<b>872,161</b>	<b>728,123</b>
<b>Current assets</b>			
Stocks	13	5,648	7,062
Debtors	14	15,448,198	11,996,774
Cash at bank and in hand		<u>853,358</u>	<u>1,934,849</u>
		<b>16,307,204</b>	<b>13,938,685</b>
<b>Creditors: amounts falling due within one year</b>	15	<u>4,500,303</u>	<u>5,337,773</u>
<b>Net current assets</b>		<b>11,806,901</b>	<b>8,600,912</b>
<b>Total assets less current liabilities</b>		<b>12,679,062</b>	<b>9,329,035</b>
<b>Creditors: amounts falling due after more than one year</b>	16	<b>2,006,000</b>	<b>—</b>
<b>Provisions</b>			
Taxation including deferred tax	17	<u>(84,315)</u>	<u>(78,240)</u>
<b>Net assets</b>		<b><u>10,588,747</u></b>	<b><u>9,250,795</u></b>

The statement of financial position  
continues on the following page.  
The notes on pages 13 to 26 form part of these financial statements.


**Johal Dairies Limited**

**Statement of Financial Position** *(continued)*

**29th September 2018**

	Note	29 Sep 18 £	30 Sep 17 £
<b>Capital and reserves</b>			
Called up share capital	20	700,000	700,000
Profit and loss account	21	9,888,747	8,550,795
<b>Shareholders funds</b>		<u>10,588,747</u>	<u>9,250,795</u>

These financial statements were approved by the board of directors and authorised for issue on 11 September 2019, and are signed on behalf of the board by:



Mr Surbjit Singh Johal  
Director

Company registration number: 2166058

The notes on pages 13 to 26 form part of these financial statements.

## **Johal Dairies Limited**

### **Notes to the Financial Statements**

**Period Ended 29th September 2018**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Cannock Road, Wolverhampton, West Midlands, WV1 4PN.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Significant accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The significant accounting policies applied in the presentation of the financial statements are set out below. These policies have been applied consistently to all years presented unless otherwise stated.

##### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Johal Dairies Holding Co Ltd which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.

##### **Judgements and key sources of estimation uncertainty**

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

## **Johal Dairies Limited**

### **Notes to the Financial Statements** *(continued)*

**Period Ended 29th September 2018**

#### **3. Significant accounting policies** *(continued)*

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows Sale of goods Turnover from the sale of goods is recognised at the point of dispatch

##### **Taxation**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

##### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.



## **Johal Dairies Limited**

### **Notes to the Financial Statements (continued)**

**Period Ended 29th September 2018**

#### **3. Significant accounting policies (continued)**

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 25% reducing balance method with maximum life of 10 year
----------	--

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- 3% reducing balance
Plant and machinery	- 15% reducing balance
Fixtures and fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

## **Johal Dairies Limited**

### **Notes to the Financial Statements *(continued)***

**Period Ended 29th September 2018**

#### **3. Significant accounting policies *(continued)***

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provision is made for any impairment

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

##### **Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised costs using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts

##### **Trade and other creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

## **Johal Dairies Limited**

### **Notes to the Financial Statements (continued)**

**Period Ended 29th September 2018**

#### **3. Significant accounting policies (continued)**

##### **Provisions (continued)**

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **4. Turnover**

Turnover arises from:

	<b>Period from 1 Oct 17 to 29 Sep 18 £</b>	<b>Period from 2 Oct 16 to 30 Sep 17 £</b>
Sale of goods	<b><u>33,460,129</u></b>	<b><u>32,326,178</u></b>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# **Johal Dairies Limited**

## **Notes to the Financial Statements (continued)**

### **Period Ended 29th September 2018**

#### **5. Operating profit**

Operating profit or loss is stated after charging:

	<b>Period from 1 Oct 17 to 29 Sep 18</b>	<b>Period from 2 Oct 16 to 30 Sep 17</b>
	<b>£</b>	<b>£</b>
Amortisation of intangible assets	58,386	18,893
Depreciation of tangible assets	207,184	184,626
Loss on disposal of tangible assets	11,770	22,679
Impairment of trade debtors	207,986	11,208
Operating lease rentals	<u>4,739</u>	<u>7,582</u>

#### **6. Auditor's remuneration**

	<b>Period from 1 Oct 17 to 29 Sep 18</b>	<b>Period from 2 Oct 16 to 30 Sep 17</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	<u>8,500</u>	<u>7,500</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>22,500</u>	<u>22,000</u>

Full detail of auditors' remuneration for the group is available in the consolidated accounts of Johal Dairies Holding Co Ltd, parent company of Johal Dairies Ltd.

#### **7. Staff costs**

The average number of persons employed by the company during the period, including the directors, amounted to:

	<b>29 Sep 18 No.</b>	<b>30 Sep 17 No.</b>
Distribution staff	10	11
Administrative staff	22	13
Management staff	<u>3</u>	<u>3</u>
	<u>35</u>	<u>27</u>

# **Johal Dairies Limited**

## **Notes to the Financial Statements (continued)**

### **Period Ended 29th September 2018**

#### **7. Staff costs (continued)**

The aggregate payroll costs incurred during the period, relating to the above, were:

	<b>Period from 1 Oct 17 to 29 Sep 18 £</b>	<b>Period from 2 Oct 16 to 30 Sep 17 £</b>
Wages and salaries	1,001,559	997,481
Social security costs	83,903	48,801
Other pension costs	9,740	3,956
	<u>1,095,202</u>	<u>1,050,238</u>

Wages and salaries via RKH Logistics include contracted labour and distribution costs of £54,574, (2017 - £427,993). Other pension costs relate to contributions made to a defined contribution pension scheme see note 15.

#### **8. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services was:

	<b>Period from 1 Oct 17 to 29 Sep 18 £</b>	<b>Period from 2 Oct 16 to 30 Sep 17 £</b>
Remuneration	<u>103,873</u>	<u>104,520</u>

#### **9. Interest payable and similar expenses**

	<b>Period from 1 Oct 17 to 29 Sep 18 £</b>	<b>Period from 2 Oct 16 to 30 Sep 17 £</b>
Interest on banks loans and overdrafts	<u>40,841</u>	<u>16,476</u>

**Johal Dairies Limited**

**Notes to the Financial Statements** *(continued)*

**Period Ended 29th September 2018**

**10. Tax on profit**

**Major components of tax expense**

	Period from 1 Oct 17 to 29 Sep 18 £	Period from 2 Oct 16 to 30 Sep 17 £
<b>Current tax:</b>		
UK current tax expense	319,822	423,765
Adjustments in respect of prior periods	(382)	235
Total current tax	<u>319,440</u>	<u>424,000</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>6,074</u>	<u>2,007</u>
<b>Tax on profit</b>	<u>325,514</u>	<u>426,007</u>

Reductions in the UK Corporation Tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. The deferred tax liability at 30 September 2018 has been calculated based on these rates. This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability.

**Johal Dairies Limited**

**Notes to the Financial Statements (continued)**

**Period Ended 29th September 2018**

**10. Tax on profit (continued)**

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the period is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.50%).

	<b>Period from 1 Oct 17 to 29 Sep 18 £</b>	<b>Period from 2 Oct 16 to 30 Sep 17 £</b>
Profit on ordinary activities before taxation	1,663,466	2,184,310
Profit on ordinary activities by rate of tax	316,059	425,881
Adjustment to tax charge in respect of prior periods	(382)	235
Effect of expenses not deductible for tax purposes	745	867
Effect of capital allowances and depreciation	3,018	(2,983)
Deferred Tax movement	6,074	2,007
Tax on profit	<u>325,514</u>	<u>426,007</u>

**11. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1st October 2017	811,627
Additions	155,000
<b>At 29th September 2018</b>	<u>966,627</u>
<b>Amortisation</b>	
At 1st October 2017	764,089
Charge for the period	58,386
<b>At 29th September 2018</b>	<u>822,475</u>
<b>Carrying amount</b>	
<b>At 29th September 2018</b>	<u>144,152</u>
At 30th September 2017	<u>47,538</u>

**Johal Dairies Limited**

**Notes to the Financial Statements (continued)**

**Period Ended 29th September 2018**

**12. Tangible assets**

	<b>Land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1st October 2017	81,751	212,308	197,810	1,108,094	<b>1,599,963</b>
Additions	—	539	3,172	324,936	<b>328,647</b>
Disposals	—	—	(49,894)	(144,792)	<b>(194,686)</b>
<b>At 29th September 2018</b>	<b>81,751</b>	<b>212,847</b>	<b>151,088</b>	<b>1,288,238</b>	<b>1,733,924</b>
<b>Depreciation</b>					
At 1st October 2017	28,101	118,285	126,012	646,980	<b>919,378</b>
Charge for the period	1,610	14,185	11,254	180,135	<b>207,184</b>
Disposals	—	—	(41,364)	(79,283)	<b>(120,647)</b>
<b>At 29th September 2018</b>	<b>29,711</b>	<b>132,470</b>	<b>95,902</b>	<b>747,832</b>	<b>1,005,915</b>
<b>Carrying amount</b>					
<b>At 29th September 2018</b>	<b>52,040</b>	<b>80,377</b>	<b>55,186</b>	<b>540,406</b>	<b>728,009</b>
<b>At 30th September 2017</b>	<b>53,650</b>	<b>94,023</b>	<b>71,798</b>	<b>461,114</b>	<b>680,585</b>

Land and building relates to short term leasehold property.

**13. Stocks**

	<b>29 Sep 18 £</b>	<b>30 Sep 17 £</b>
Finished goods and goods for resale	<b>5,648</b>	<b>7,062</b>



# Johal Dairies Limited

## Notes to the Financial Statements (continued)

Period Ended 29th September 2018

### 14. Debtors

	29 Sep 18	30 Sep 17
	£	£
Trade debtors	3,121,578	4,020,831
Amounts owed by group undertakings	12,219,606	7,874,475
Prepayments and accrued income	27,865	25,290
Other debtors	79,149	76,178
	<u>15,448,198</u>	<u>11,996,774</u>

### 15. Creditors: amounts falling due within one year

	29 Sep 18	30 Sep 17
	£	£
Bank loans and overdrafts	692,044	991,388
Trade creditors	3,541,101	3,821,604
Accruals and deferred income	45,000	29,500
Corporation tax	108,891	424,711
Social security and other taxes	18,370	11,499
Director loan accounts	48,917	10,626
Other creditors	45,980	48,445
	<u>4,500,303</u>	<u>5,337,773</u>

Other creditors include pension liability as period end of £2,636, (2017 - £677).

The bank loan and overdraft are secured by a debenture over the company's assets, a charge over three freehold properties owned by the parent company Johal Dairies Holding Co. Ltd (JDHL), a £900k guarantee given by JDHL, a £50k personal guarantee given by a company director and a charge on their one personal property.

JDHL has provided a legal charge over a freehold property to a supplier of Johal Dairies Limited (JDL), accounts balance £44,360 (2017- £26,714).

### 16. Creditors: amounts falling due after more than one year

	29 Sep 18	30 Sep 17
	£	£
Bank loans and overdrafts	<u>2,006,000</u>	<u>—</u>

Bank loans are due within 2-5 years. The bank loans are secured on the charges as shown in note 15.

**Johal Dairies Limited**

**Notes to the Financial Statements (continued)**

**Period Ended 29th September 2018**

**17. Provisions**

	<b>Deferred tax (note 18) £</b>
At 1st October 2017	78,240
Other movements	<u>6,075</u>
<b>At 29th September 2018</b>	<b><u>84,315</u></b>

**18. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	<b>29 Sep 18 £</b>	<b>30 Sep 17 £</b>
Included in provisions (note 17)	<u>84,315</u>	<u>78,240</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>29 Sep 18 £</b>	<b>30 Sep 17 £</b>
Accelerated capital allowances	<u>84,315</u>	<u>78,240</u>

**19. Employee benefits**

**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £9,740 (2017: £3,956).

**20. Called up share capital**

**Authorised share capital**

	<b>29 Sep 18</b>	<b>30 Sep 17</b>
	No.      £	No.      £
Ordinary shares of £1 each	<u>700,000</u> <u>700,000.00</u>	<u>700,000</u> <u>700,000.00</u>

**Issued, called up and fully paid**

	<b>29 Sep 18</b>	<b>30 Sep 17</b>
	No.      £	No.      £
Ordinary shares of £1 each	<u>700,000</u> <u>700,000.00</u>	<u>700,000</u> <u>700,000.00</u>

## **Johal Dairies Limited**

### **Notes to the Financial Statements** *(continued)*

**Period Ended 29th September 2018**

#### **21. Reserves**

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### **22. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>29 Sep 18</b>	<b>30 Sep 17</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b><u>36,000</u></b>	<b><u>36,000</u></b>

#### **23. Directors' advances, credits and guarantees**

The directors loan account was not overdrawn during the current and previous year.

#### **24. Related party transactions**

Exemption has been taken in respect of related party disclosure of group transactions on the grounds that details of the subsidiaries are included in the publicly available consolidated accounts.

During the current and previous period Johal Dairies Limited (JDL), a wholly owned subsidiary of Johal Dairies Holding Co Ltd (JDHL), occupied part of Chartwell Point, Wigston - a property owned by JDHL. No rent was charged to JDL for occupying this property during the previous period but £36,500 was charged during the current period to JDL by JDHL.

During the period the directors charged rent of £36,000, (2017 - £36,000) to Johal Dairies Limited for the property at Cannock Road, Wolverhampton which is owned personally by the directors and their family members. The company directors are key management of the company.

#### **25. Controlling party**

Johal Dairies Limited's (JDL) ultimate holding company at the balance sheet date was Johal Dairies Holding Co Limited (JDHL), a company incorporated in England & Wales. JDHL own 100% of the ordinary shares in JDL. Copies of the Group financial statements can be obtained from the Company Secretary, Cannock Road, Wolverhampton, West Midlands, WV1 1PN.

**Johal Dairies Limited**

**Notes to the Financial Statements** *(continued)*

**Period Ended 29th September 2018**

**26. Accounting period**

Due to the nature of business, business is conducted on a weekly basis. The accounts of Johal Dairies Ltd and other group companies have been prepared to 29th September 2018, Saturday closest to the period end date. The comparative amounts presented in the financial statements are not entirely comparable due to varying period end dates.

**Johal Dairies Limited**  
**Management Information**  
**Period Ended 29th September 2018**

**The following pages do not form part of the financial statements.**