

**Report of the Directors and**  
**Financial Statements for the Year Ended 31 December 2007**  
**for**  
**TRS International Foods Limited**

Ward Divecha Limited  
Chartered Accountants &  
Registered Auditors  
29 Welbeck Street  
London  
W1G 8DA

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# **TRS International Foods Limited**

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# **TRS International Foods Limited**

## **Company Information** **for the Year Ended 31 December 2007**

**DIRECTORS:**

F T Suterwalla  
H T Suterwalla  
S T Suterwalla  
M T Suterwalla  
I T Suterwalla

**SECRETARY:**

H T Suterwalla

**REGISTERED OFFICE:**

29 Welbeck Street  
London  
W1G 8DA

**REGISTERED NUMBER:**

938359

**AUDITORS:**

Ward Divecha Limited  
Chartered Accountants &  
Registered Auditors  
29 Welbeck Street  
London  
W1G 8DA

**BANKERS:**

National Westminster Bank Plc

**HOLDING COMPANY:**

The company is a 100% subsidiary of  
TRS International Foods (Holdings) Ltd

## **TRS International Foods Limited**

### **Report of the Directors** **for the Year Ended 31 December 2007**

The directors present their report with the financial statements of the company for the year ended 31 December 2007

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of wholesale provision merchants and cash & carry operators

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

Although the turnover of the business has decreased to £48.3 million from £49.7 million in the previous year, there has been a marginal increase in the gross profit percentage

The Company's position and reputation within the industry remains strong and the "TRS" brand of product continues to grow in popularity

#### **RESULTS AND DIVIDEND**

The trading profit for the year after taxation was £1,071,013 (2006 £1,281,875)

#### **FUTURE DEVELOPMENTS**

The Directors do not envisage the current economic climate to have an effect on the healthy profitability of the Company

The Company expects to maintain its highly successful relationship with its suppliers and the loyalty of its customers

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

F T Suterwalla

H T Suterwalla

S T Suterwalla

M T Suterwalla

I T Suterwalla

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year, the company made charitable donations of £505 (2006 Nil)

## **TRS International Foods Limited**

### **Report of the Directors** **for the Year Ended 31 December 2007**

#### **EVENTS SINCE BALANCE SHEET DATE**

No events of note have taken place since Balance sheet date

#### **COMPANY'S POLICY ON PAYMENT OF CREDITORS**

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made in accordance with these terms and conditions being met by the supplier. The number of creditor days at 31 December 2007 was 32 (2006 32)

#### **FINANCIAL INSTRUMENTS**

The Company's principal financial instruments comprise bank balances and trade creditors

The main purpose of these instruments is to provide finance for its day to day operation

Due to the nature of the financial instruments there is little exposure to price risks other than normal inflationary risks which under the current economic climate may be a factor

The trade creditors liquidity risks are managed by ensuring sufficient funds are available to meet the amounts due

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties are

##### **Management risks**

The Company is family run and is therefore reliant on its five directors and its small team of advisors

##### **Credit risk**

The Company has negligible credit risk as the bulk of its customers are "cash & carry "

##### **Financial Risks**

See Financial Instruments

#### **KEY PERFORMANCE INDICATOR**

The Board of Directors uses both financial and non financial performance indicators to review the Company's position

The main financial performance indicators are

- gross profits
- cash generated
- levels of debt
- stock available and stock levels

The non financial indicators are

- supplier confidence
- customer satisfaction
- staff turnover & a healthy employee / manager relationship

**TRS International Foods Limited**

**Report of the Directors**  
**for the Year Ended 31 December 2007**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 proper accounting records which 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 1985. 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.

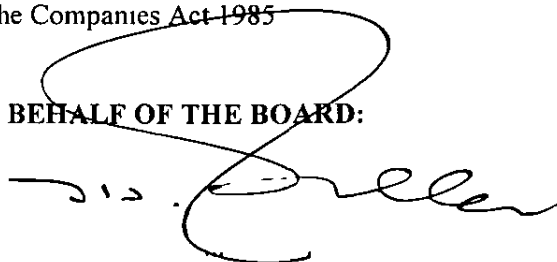
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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.

**AUDITORS**

The auditors, Ward Divecha Limited, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



H T Suterwalla - Director

Date 22.07.08

**Report of the Independent Auditors to the Shareholders of**  
**TRS International Foods Limited**

We have audited the financial statements of TRS International Foods Limited for the year ended 31 December 2007 on pages six to fifteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages three and four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.



Ward Divecha Limited  
Chartered Accountants &  
Registered Auditors  
29 Welbeck Street  
London  
W1G 8DA

Date 23.07.08

# **TRS International Foods Limited**

## **Profit and Loss Account** **for the Year Ended 31 December 2007**

	Notes	31.12.07 £	£	31 12 06 £	£
<b>TURNOVER</b>			<b>48,277,637</b>		<b>49,742,462</b>
Changes in stocks of finished goods and work in progress			<u>57,078</u>		<u>(390,924)</u>
			<b>48,334,715</b>		<b>49,351,538</b>
Raw materials and consumables			<u>44,018,776</u>		<u>45,315,915</u>
			<b>4,315,939</b>		<b>4,035,623</b>
Staff costs	2	898,826		911,573	
Depreciation		25,217		29,821	
Other operating charges		<u>2,157,632</u>		<u>1,563,074</u>	
			<u><b>3,081,675</b></u>		<u><b>2,504,468</b></u>
<b>OPERATING PROFIT</b>	3		<b>1,234,264</b>		<b>1,531,155</b>
Profit on sale of investment			<u>-</u>		<u>2,080</u>
			<b>1,234,264</b>		<b>1,533,235</b>
Interest receivable and similar income			<u>301,635</u>		<u>299,655</u>
			<b>1,535,899</b>		<b>1,832,890</b>
Interest payable and similar charges	4		<u>8,728</u>		<u>302</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>1,527,171</b>		<b>1,832,588</b>
Tax on profit on ordinary activities	5		<u>456,158</u>		<u>550,713</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u><b>1,071,013</b></u>		<u><b>1,281,875</b></u>

### **CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

### **TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements



# **TRS International Foods Limited**

## **Balance Sheet**

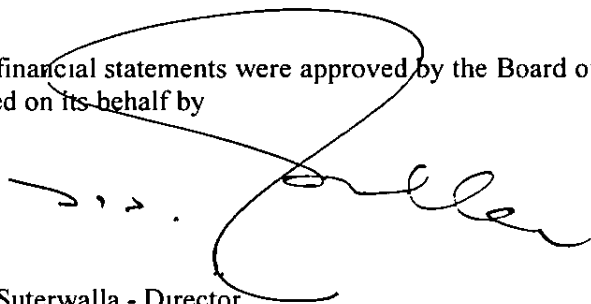
**31 December 2007**

		31.12.07	31 12 06
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	1,114,685	1,090,545
<b>CURRENT ASSETS</b>			
Stocks	7	3,616,528	3,559,450
Debtors	8	532,348	201,794
Cash at bank and in hand		<u>8,491,221</u>	<u>9,305,174</u>
		12,640,097	13,066,418
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>6,219,085</u>	<u>7,692,279</u>
<b>NET CURRENT ASSETS</b>		<u>6,421,012</u>	<u>5,374,139</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,535,697</u>	<u>6,464,684</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	76,000	76,000
Capital redemption reserve	12	24,000	24,000
Profit and loss account	12	<u>7,435,697</u>	<u>6,364,684</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>7,535,697</u>	<u>6,464,684</u>

The financial statements were approved by the Board of Directors on  
signed on its behalf by

22.07.08

and were



H T Suterwalla - Director

The notes form part of these financial statements

## **TRS International Foods Limited**

### **Cash Flow Statement** **for the Year Ended 31 December 2007**

	Notes	31.12.07 £	31 12 06 £
Net cash (outflow)/inflow from operating activities	1	(416,318)	2,538,097
Returns on investments and servicing of finance	2	292,907	299,353
Taxation		(847,153)	(291,435)
Capital expenditure and financial investment	2	<u>(49,357)</u>	<u>(16,572)</u>
(Decrease)/Increase in cash in the period		<u>(1,019,921)</u>	<u>2,529,443</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(1,019,921)</u>	<u>2,529,443</u>
Change in net funds resulting from cash flows		<u>(1,019,921)</u>	<u>2,529,443</u>
Movement in net funds in the period		<u>(1,019,921)</u>	<u>2,529,443</u>
Net funds at 1 January		<u>8,410,549</u>	<u>5,881,106</u>
Net funds at 31 December		<u>7,390,628</u>	<u>8,410,549</u>

The notes form part of these financial statements

# **TRS International Foods Limited**

## **Notes to the Cash Flow Statement** **for the Year Ended 31 December 2007**

### **1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.12.07	31 12 06
	£	£
Operating profit	1,234,264	1,531,155
Depreciation charges	25,217	29,821
(Increase)/Decrease in stocks	(57,078)	390,924
(Increase)/Decrease in debtors	(330,554)	166,972
(Decrease)/Increase in creditors	(1,288,167)	419,225
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(416,318)</b>	<b>2,538,097</b>

### **2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.12.07	31 12 06
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	301,635	299,655
Interest paid	(8,728)	(302)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>292,907</b>	<b>299,353</b>
	=====	=====
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(49,357)	(18,652)
Sale of current asset investment	-	2,080
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(49,357)</b>	<b>(16,572)</b>
	=====	=====

### **3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.07	Cash flow	At
	£	£	31.12.07
			£
Net cash			
Cash at bank and in hand	9,305,174	(813,953)	8,491,221
Bank overdraft	(894,625)	(205,968)	(1,100,593)
	<u>8,410,549</u>	<u>(1,019,921)</u>	<u>7,390,628</u>
<b>Total</b>	<b><u>8,410,549</u></b>	<b><u>(1,019,921)</u></b>	<b><u>7,390,628</u></b>

The notes form part of these financial statements

# **TRS International Foods Limited**

## **Notes to the Financial Statements** **for the Year Ended 31 December 2007**

### **1 ACCOUNTING POLICIES**

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention

#### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Improvements to leasehold	- 1% on cost
Plant and machinery	- 10% to 25% on cost
Motor vehicles	- 25% on cost

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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

#### **Pension costs and other post-retirement benefits**

The company operates a defined contribution scheme for its employees, the funds of which are held separately from the company in independently administered funds. Contributions are charged to the profit and loss account

### **2 STAFF COSTS**

	<b>31.12.07</b>	<b>31 12 06</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>813,838</b>	<b>828,411</b>
Social security costs	<b>72,996</b>	<b>74,765</b>
Other pension costs	<b><u>11,992</u></b>	<b><u>8,397</u></b>
	<b><u>898,826</u></b>	<b><u>911,573</u></b>

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

	<b>31.12.07</b>	<b>31 12 06</b>
Administration	<b>7</b>	<b>8</b>
Sales and others	<b><u>57</u></b>	<b><u>52</u></b>
	<b><u>64</u></b>	<b><u>60</u></b>

# **TRS International Foods Limited**

## **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2007**

### **3 OPERATING PROFIT**

The operating profit is stated after charging

	31.12.07	31 12 06
	£	£
Depreciation - owned assets	25,217	29,821
Auditors' remuneration	8,500	8,200
Auditors' remuneration for non audit work	2,500	3,000
Management Fees	<u>1,385,400</u>	<u>601,350</u>

Directors' emoluments	<u>-</u>	<u>-</u>
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### **4 INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.07	31 12 06
	£	£
Other interest paid	<u>8,728</u>	<u>302</u>

### **5 TAXATION**

#### **Analysis of the tax charge**

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

	31.12.07	31 12 06
	£	£
Current tax		
UK corporation tax	<u>456,158</u>	<u>550,713</u>
Tax on profit on ordinary activities	<u>456,158</u>	<u>550,713</u>

#### **Factors affecting the tax charge**

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

	31.12.07	31 12 06
	£	£
Profit on ordinary activities before tax	<u>1,527,171</u>	<u>1,832,588</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	458,151	549,776
Effects of		
Difference between capital allowances and Depreciation	(2,144)	937
Others	<u>151</u>	<u>-</u>
Current tax charge	<u>456,158</u>	<u>550,713</u>

# **TRS International Foods Limited**

## **Notes to the Financial Statements - continued for the Year Ended 31 December 2007**

### **6 TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 January 2007	1,181,018	667,766	1,848,784
Additions	-	49,357	49,357
At 31 December 2007	<u>1,181,018</u>	<u>717,123</u>	<u>1,898,141</u>
<b>DEPRECIATION</b>			
At 1 January 2007	128,724	629,515	758,239
Charge for year	<u>11,810</u>	<u>13,407</u>	<u>25,217</u>
At 31 December 2007	<u>140,534</u>	<u>642,922</u>	<u>783,456</u>
<b>NET BOOK VALUE</b>			
At 31 December 2007	<u>1,040,484</u>	<u>74,201</u>	<u>1,114,685</u>
At 31 December 2006	<u>1,052,294</u>	<u>38,251</u>	<u>1,090,545</u>

### **7 STOCKS**

	31.12.07 £	31 12 06 £
Finished goods	<u>3,616,528</u>	<u>3,559,450</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

### **8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.07 £	31 12 06 £
Trade debtors	35,282	57,042
Other debtors	25,167	35,419
Taxation	429,734	65,523
Prepayments	<u>42,165</u>	<u>43,810</u>
	<u>532,348</u>	<u>201,794</u>

### **9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.07 £	31 12 06 £
Bank overdrafts (see note 10)	1,100,593	894,625
Trade creditors	3,721,540	4,044,900
Corporation tax payable	80,802	471,797
Social security and other taxes	14,897	16,458
Other creditors	53,368	60,144
Accrued expenses	<u>1,247,885</u>	<u>2,204,355</u>
	<u>6,219,085</u>	<u>7,692,279</u>

## **TRS International Foods Limited**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2007**

#### **10 LOANS**

An analysis of the maturity of loans is given below

	31.12.07 £	31 12 06 £
Amounts falling due within one year or on demand		
Bank overdrafts	<u>1,100,593</u>	<u>894,625</u>

#### **11 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	31.12.07 £	31 12 06 £
100,000	Ordinary shares	1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	31.12.07 £	31 12 06 £
76,000	Ordinary shares	1	<u>76,000</u>	<u>76,000</u>

#### **12 RESERVES**

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 January 2007	6,364,684	24,000	6,388,684
Profit for the year	<u>1,071,013</u>		<u>1,071,013</u>
At 31 December 2007	<u>7,435,697</u>	<u>24,000</u>	<u>7,459,697</u>

#### **13 RELATED PARTY DISCLOSURES**

The directors of TRS International Foods limited jointly control the following companies

##### **Companies: Registered in England and Wales**

TRS Cash & Carry Ltd  
TRS Wholesale Co Ltd  
T R Suterwalla & Sons Ltd

##### **Registered Number**

0920682  
2108436  
0621178

The following transactions have been recorded in the accounts of TRS International Foods limited

	Sale £	Purchases £	Management Fee £
TRS Cash & Carry Ltd	(57,347)	46,747	250,000
TRS Wholesale Co Ltd	(18,406)	3,161,497	-
T R Suterwalla & Sons Ltd	-	-	1,385,400

## **TRS International Foods Limited**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2007**

#### **14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>31.12.07</b>	<b>31 12 06</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b><u>1,071,013</u></b>	<b><u>1,281,875</u></b>
<b>Net addition to shareholders' funds</b>	<b>1,071,013</b>	<b>1,281,875</b>
Opening shareholders' funds	<b><u>6,464,684</u></b>	<b><u>5,182,809</u></b>
<b>Closing shareholders' funds</b>	<b><u>7,535,697</u></b>	<b><u>6,464,684</u></b>

#### **15 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes funds invested jointly by all associate companies into a Money Market account

#### **16 CONTINGENT LIABILITIES**

The company's defined benefit pension scheme ceased to exist on 13 July 1994 and was replaced by a defined contribution scheme. A shortfall in the former scheme exists which will result in the company having to make good the difference. The amount of the shortfall is not known and the company is unable to provide a reliable estimate for this possible obligation.