

MAINSTREAM INTERNATIONAL FOODS LIMITED

Annual Report and Financial Statements

For the period ended 29 March 2018

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MAINSTREAM INTERNATIONAL FOODS LIMITED

Company Information

Directors	M T Pick D J Pick (resigned 3 April 2018) P Broadbent
Company secretary	D J Pick
Registered number	02938070
Registered office	Hill Top Handley Lane Clay Cross Chesterfield Derbyshire S45 9AT
Independent auditors	Smith Cooper Audit Limited Chartered Accountants and Statutory Auditors St Helen's House King Street Derby DE1 3EE

MAINSTREAM INTERNATIONAL FOODS LIMITED

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 21

MAINSTREAM INTERNATIONAL FOODS LIMITED

Strategic Report For the period ended 29 March 2018

Introduction

The principal activity of the company is that of a wholesale meat supplier.

Business review

Within this report the directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the period end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

Principal risks and uncertainties

Considering the risks and uncertainties the company has identified, we are aware that any plans for the future development of the business may be subject to unforeseen events outside our control.

Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin, EBITDA, and cash flow.

This report was approved by the board on 21 December 2018 and signed on its behalf.


.....
M T Pick
Director

MAINSTREAM INTERNATIONAL FOODS LIMITED

Directors' Report For the period ended 29 March 2018

The directors present their report and the financial statements for the period ended 29 March 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the 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 year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. 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 for the Company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the period, after taxation, amounted to £115,173 (2017 - £272,453).

The directors recommend payment of dividends of £215,000 (2017 - £158,250).

Directors

The directors who served during the period were:

M T Pick
D J Pick (resigned 3 April 2018)
P Broadbent

Future developments

There are no future developments that require disclosure within the accounts.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

MAINSTREAM INTERNATIONAL FOODS LIMITED

**Directors' Report (continued)
For the period ended 29 March 2018**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Smith Cooper Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 December 2018 and signed on its behalf.



.....
M T Pick
Director

MAINSTREAM INTERNATIONAL FOODS LIMITED

Independent Auditors' Report to the Shareholders of Mainstream International Foods Limited

Opinion

We have audited the financial statements of Mainstream International Foods Limited (the 'Company') for the period ended 29 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 Financial Reporting Standard 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 29 March 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Independent Auditors' Report to the Shareholders of Mainstream International Foods Limited (continued)

We have nothing to report in this regard.

Opinion 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, 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.

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Independent Auditors' Report to the Shareholders of Mainstream International Foods Limited (continued)

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 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.

Smith Cooper Audit Limited

James Delve (Senior statutory auditor)
for and on behalf of
Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE
Date: 21 December 2018

MAINSTREAM INTERNATIONAL FOODS LIMITED

Statement of Comprehensive Income For the period ended 29 March 2018

	Note	2018 £	2017 £
Turnover	4	12,043,660	11,188,512
Cost of sales		(9,858,725)	(9,048,354)
Gross profit		2,184,935	2,140,158
Administrative expenses		(2,030,877)	(1,786,890)
Operating profit	5	154,058	353,268
Interest payable and expenses	9	(5,811)	(13,920)
Profit before tax		148,247	339,348
Tax on profit	10	(33,074)	(66,895)
Profit for the financial period		115,173	272,453

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 11 to 21 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED
Registered number: 02938070

Balance Sheet
As at 29 March 2018

	Note	29 March 2018 £	30 March 2017 £
Fixed assets			
Tangible assets	12	724,289	730,663
		<u>724,289</u>	<u>730,663</u>
Current assets			
Stocks	13	388,301	381,000
Debtors: amounts falling due within one year	14	1,145,811	1,102,172
Cash at bank and in hand	15	1,000	30,897
		<u>1,535,112</u>	<u>1,514,069</u>
Creditors: amounts falling due within one year	16	(1,063,846)	(951,819)
Net current assets		<u>471,266</u>	<u>562,250</u>
Total assets less current liabilities		<u>1,195,555</u>	<u>1,292,913</u>
Creditors: amounts falling due after more than one year	17	(63,604)	(64,154)
Provisions for liabilities			
Deferred tax	19	(67,477)	(64,458)
Net assets		<u><u>1,064,474</u></u>	<u><u>1,164,301</u></u>
Capital and reserves			
Called up share capital	20	100	100
Profit and loss account	21	1,064,374	1,164,201
		<u><u>1,064,474</u></u>	<u><u>1,164,301</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21 December 2018

.....
M T Pick
Director

The notes on pages 11 to 21 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Statement of Changes in Equity For the period ended 29 March 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 31 March 2017	100	1,164,201	1,164,301
Comprehensive income for the period			
Profit for the period	-	115,173	115,173
Dividends: Equity capital	-	(215,000)	(215,000)
At 29 March 2018	100	1,064,374	1,064,474

The notes on pages 11 to 21 form part of these financial statements.

Statement of Changes in Equity For the period ended 30 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	100	1,049,998	1,050,098
Comprehensive income for the period			
Profit for the period	-	272,453	272,453
Dividends: Equity capital	-	(158,250)	(158,250)
At 30 March 2017	100	1,164,201	1,164,301

The notes on pages 11 to 21 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Statement of Cash Flows For the period ended 29 March 2018

	29 March 2018 £	30 March 2017 £
Cash flows from operating activities		
Profit for the financial period	115,173	272,453
Adjustments for:		
Depreciation of tangible assets	107,675	100,416
Loss on disposal of tangible assets	7,911	10,385
Interest paid	5,811	13,920
Taxation charge	33,074	66,895
(Increase) in stocks	(7,301)	(62,135)
(Increase) in debtors	(43,639)	(159,918)
(Decrease)/increase in creditors	(6,402)	11,243
Corporation tax (paid)	(69,271)	(88,726)
Net cash generated from operating activities	143,031	164,533
Cash flows from investing activities		
Purchase of tangible fixed assets	(126,212)	(107,115)
Sale of tangible fixed assets	17,000	11,000
HP interest paid	(5,811)	(13,920)
Net cash from investing activities	(115,023)	(110,035)
Cash flows from financing activities		
Repayment of loans	(14,064)	(5,638)
Repayment of/new finance leases	6,583	(25,103)
Dividends paid	(215,000)	(158,250)
Net cash used in financing activities	(222,481)	(188,991)
Net (decrease) in cash and cash equivalents	(194,473)	(134,493)
Cash and cash equivalents at beginning of period	(42,954)	91,539
Cash and cash equivalents at the end of period	(237,427)	(42,954)
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,000	30,897
Bank overdrafts	(238,427)	(73,851)
	(237,427)	(42,954)

The notes on pages 11 to 21 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

1. General information

Mainstream International Foods Limited is a private company, limited by shares and incorporated in England in the United Kingdom. The address of the registered office is Hill Top, Handley Lane, Clay Cross, Chesterfield, S45 9AT. The company's registration number is 02938070.

The nature of the company's operations and principal activities is that of wholesale meat suppliers.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- Straight line over 50 years
Plant and machinery	- 10%-33% reducing balance or straight line

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

2. Accounting policies (continued)

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no significant accounting judgements leading to material estimation uncertainty that require disclosure.

4. Turnover

An analysis of turnover by class of business⁴ is as follows:

	2018 £	2017 £
Wholesale supply of meat	<u>12,043,660</u>	<u>11,188,512</u>

All turnover arose within the United Kingdom.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	107,675	100,416
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,000	7,500
Defined contribution pension cost	15,181	16,697
	<u>125,856</u>	<u>124,613</u>

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,000	7,500
	<u>8,000</u>	<u>7,500</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	1,197,319	1,061,073
Social security costs	97,129	82,627
Cost of defined contribution scheme	15,181	16,697
	<u>1,309,629</u>	<u>1,160,397</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2018 No.	2017 No.
Staff	56	51
	<u>56</u>	<u>51</u>

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	36,835	15,328
Company contributions to defined contribution pension schemes	7,400	12,000
	<u>44,235</u>	<u>27,328</u>

During the period retirement benefits were accruing to 3 directors (2017 - 3) in respect of defined contribution pension schemes.

9. Interest payable and similar expenses

	2018 £	2017 £
Finance leases and hire purchase contracts	5,811	13,920
	<u>5,811</u>	<u>13,920</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	27,961	69,272
Adjustments in respect of previous periods	2,094	726
Total current tax	<u>30,055</u>	<u>69,998</u>
Deferred tax		
Origination and reversal of timing differences	3,019	(3,568)
Changes to tax rates	-	465
Total deferred tax	<u>3,019</u>	<u>(3,103)</u>
Taxation on profit on ordinary activities	<u>33,074</u>	<u>66,895</u>

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	148,247	339,348
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	28,167	67,870
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,737	-
Capital allowances for period in excess of depreciation	-	(1,332)
Adjustments to tax charge in respect of prior periods	2,094	-
Short term timing difference leading to an increase (decrease) in taxation	76	357
Total tax charge for the period	33,074	66,895

Factors that may affect future tax charges

The rate of corporation tax reduced from 20% to 19% in April 2017 and will then reduce to 17% from April 2020.

11. Dividends

	29 March 2018 £	30 March 2017 £
Dividends	215,000	158,250

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 31 March 2017	630,301	888,446	1,518,747
Additions	-	126,212	126,212
Disposals	-	(66,768)	(66,768)
At 29 March 2018	<u>630,301</u>	<u>947,890</u>	<u>1,578,191</u>
Depreciation			
At 31 March 2017	246,745	541,339	788,084
Charge for the period on owned assets	14,407	67,947	82,354
Charge for the period on financed assets	-	25,321	25,321
Disposals	-	(41,857)	(41,857)
At 29 March 2018	<u>261,152</u>	<u>592,750</u>	<u>853,902</u>
Net book value			
At 29 March 2018	<u>369,149</u>	<u>355,140</u>	<u>724,289</u>
At 30 March 2017	<u>383,556</u>	<u>347,107</u>	<u>730,663</u>

The net book value of land and buildings may be further analysed as follows:

	29 March 2018 £	30 March 2017 £
Freehold	<u>369,149</u>	<u>383,556</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	29 March 2018 £	30 March 2017 £
Plant and machinery	57,238	69,638
Motor vehicles	169,980	173,001
	<u>227,218</u>	<u>242,639</u>

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

13. Stocks

	29 March 2018 £	30 March 2017 £
Finished goods and goods for resale	388,301	381,000

Stock recognised in cost of sales during the period as an expense was £9,866,026 (2017 - £9,110,489).

14. Debtors

	29 March 2018 £	30 March 2017 £
Trade debtors	813,246	864,634
Other debtors	331,410	237,538
Prepayments and accrued income	1,155	-
	<u>1,145,811</u>	<u>1,102,172</u>

An impairment against trade debtors has been recognised totaling £9,314.

15. Cash and cash equivalents

	29 March 2018 £	30 March 2017 £
Cash at bank and in hand	1,000	30,897
Less: bank overdrafts	(238,427)	(73,851)
	<u>(237,427)</u>	<u>(42,954)</u>

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

16. Creditors: Amounts falling due within one year

	29 March 2018 £	30 March 2017 £
Bank overdrafts	238,427	73,851
Bank loans	-	14,064
Trade creditors	666,255	575,439
Corporation tax	30,055	69,272
Other taxation and social security	18,136	37,136
Obligations under finance lease and hire purchase contracts	92,661	85,527
Other creditors	1,595	48,415
Accruals and deferred income	16,717	48,115
	<u>1,063,846</u>	<u>951,819</u>

A fixed charge exists over the property and a floating charge over plant and machinery in relation to the overdraft.

17. Creditors: Amounts falling due after more than one year

	29 March 2018 £	30 March 2017 £
Net obligations under finance leases and hire purchase contracts	<u>63,604</u>	<u>64,154</u>

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	29 March 2018 £	30 March 2017 £
Within one year	92,661	85,527
Between 2-5 years	63,604	64,154
	<u>156,265</u>	<u>149,681</u>

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

19. Deferred taxation

	2018 £
At beginning of year	(64,458)
Charged to profit or loss	(3,019)
At end of year	<u>(67,477)</u>

The provision for deferred taxation is made up as follows:

	29 March 2018 £	30 March 2017 £
Accelerated capital allowances	<u>67,477</u>	<u>64,458</u>

20. Share capital

	29 March 2018 £	30 March 2017 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

21. Reserves

Profit and loss account

Profit and loss account - includes all current and prior period distributable retained profits and losses.

22. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £7,781 (2017: £4,697). Contributions totalling £1,480 (2017: £7,822) were payable to the fund at the balance sheet date.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the Financial Statements For the period ended 29 March 2018

23. Commitments under operating leases

At 29 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	29 March 2018 £	30 March 2017 £
Not later than 1 year	26,345	15,381
Later than 1 year and not later than 5 years	34,376	22,162
	<u>60,721</u>	<u>37,543</u>

The total expense recognised during the year in relation to operating leases totaled £21,440.

24. Transactions with directors

Included in other debtors is a loan to M Pick, a director and shareholder. The balance at the period end was £135,347 (2017: £109,757). The maximum outstanding balance during the period was £245,347 (2017: £245,347). Amounts withdrawn in total over the year £135,590 and monies repaid in total over the year £110,000. The loan is unsecured and repayable on demand with no interest to be charged.

Included in other debtors is a loan to P Broadbent, a director and shareholder. The balance at the period end was £181,057 (2017: £104,395). The maximum outstanding balance during the period was £286,057 (2017: £104,395). Amounts withdrawn in total over the year £181,662 and monies repaid in total over the year £105,000. The loan is unsecured and repayable on demand with no interest to be charged.

Included in other debtors is a loan to D Pick, a director and shareholder. The balance at the period end was £7,070 (2017: £6,170). The maximum outstanding balance during the period was £7,070 (2017: £6,170). Amounts withdrawn in total over the year £900 and monies repaid in total over the year £6,000. The loan is unsecured and repayable on demand with no interest to be charged.

25. Related party transactions

During the year, total dividends of £215,000 (2017: £158,250) were paid to directors.

The directors do not consider there to be any key management personnel.

26. Controlling party

The controlling party is M Pick by virtue of his 99% holding in the issued ordinary share capital of the company.