

Registration number: 03010238

Sun Mark Limited

Director's Report and Financial Statements
for the Year Ended 31 August 2009

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COMPANIES HOUSE

Paul & Co
Chartered Accountants and Registered Auditors
11-12 Freetrade House
Lowther Road
Stanmore
Middx
United Kingdom
HA7 1EP

Sun Mark Limited

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The following pages do not form part of the statutory financial statements:

Detailed profit and loss account	22 to 24
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Sun Mark Limited
Company Information

Director	Dr R S Ranger
Secretary	Mrs Renu Ranger
Registered office	11-12 Freetrade House Lowther Road Stanmore Middx United Kingdom HA7 1EP
Bank	Barclays Bank plc Wembley & Park Royal Br Acorn House 36/38 Park Royal Road Park Royal London NW10 7JA
Auditors	Paul & Co Chartered Accountants and Registered Auditors 11-12 Freetrade House Lowther Road Stanmore Middx United Kingdom HA7 1EP

Sun Mark Limited

Director's Report for the Year Ended 31 August 2009

The director presents his report and the audited financial statements for the year ended 31 August 2009.

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The director has taken 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. The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware of.

Principal activity

The principal activity of the company is distribution and export of food and consumer products both overseas and in the UK.

Business review

Fair review of the business

I am pleased to report that the company has continued its impressive performance in the year ended 31st August 2009. The consistent growth and success of the company has been achieved over the years and is the result of continuous product development and the progressive market penetration achieved worldwide. An analysis of company's performance over recent years is given below:

Development and performance of the business

	2009	2008	2007	2006	2005
Turnover	£59,624,029	£41,021,524	£31,959,400	£25,602,474	£18,852,806
Turnover growth	45%	28%	25%	36%	28%
Gross profit margin	8%	8%	8%	6%	8%
Profit before tax	£2,730,704	£1,057,183	£973,214	£145,298	£376,200

Sun Mark Limited
Director's Report for the Year Ended 31 August 2009

..... *continued*

The reasons behind this success is due to the following three factors:

1. Focus on providing our customers with a range of products.
2. The strength and expertise of a well motivated management team which takes pride in the success of their company and believes in the director's vision.
3. The support of our suppliers with whom we work as partners to achieve good quality and value for money products.

Position of the business

At the end of the year, the net assets totalled £5,745,913.

Financial risk

Financial risk management objectives and policies

The principal financial risks to which the Company is exposed are those of liquidity, interest rate, foreign currency and credit. Each of these are managed in accordance with Board-approved policies. These policies are set out below.

Price risk, credit risk, liquidity risk and cash flow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from financial institutions. The interest rates and monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The Company does not use derivative financial instruments for speculative purposes.

Results and dividend

The results for the company are set out in the financial statements.

An interim ordinary dividend of £85,000 was paid during the year.

Sun Mark Limited
Director's Report for the Year Ended 31 August 2009

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Charitable donations

During the year the company made charitable donations of £25,010.

Director

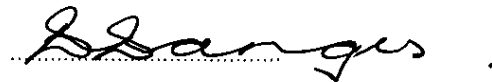
The director who held office during the year was as follows:

- Dr R S Ranger

Auditors

The auditors, Paul & Co, will be proposed for re-appointment in accordance with section 487 of the Companies Act 2006.

Approved by the Board on 2 November 2009 and signed on its behalf by:



Mrs Renu Ranger
Company Secretary

Independent Auditors' Report to the Members of Sun Mark Limited

We have audited the financial statements of Sun Mark Limited for the year ended 31 August 2009, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our 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

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/uknp.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

**Independent Auditors' Report to the Members of
Sun Mark Limited**

continued


V Paul, FCA
Senior Statutory Auditor

for and on behalf of:
Paul & Co, Statutory Auditor

2 November 2009

11-12 Freetrade House
Lowther Road
Stanmore
Middx
United Kingdom
HA7 1EP

Sun Mark Limited
Profit and Loss Account for the Year Ended 31 August 2009

	Note	2009 £	2008 £
Turnover	2	59,624,029	41,021,524
Cost of sales		(54,851,682)	(37,893,207)
Gross profit		<u>4,772,347</u>	<u>3,128,317</u>
Distribution costs		(145,899)	(230,573)
Administrative expenses		(1,993,282)	(1,849,199)
Other operating income	3	175,296	184,234
Operating profit	4	<u>2,808,462</u>	<u>1,232,779</u>
Exceptional profit on disposal of fixed assets	5	2,146	-
Other interest receivable and similar income		13,038	13,025
Interest payable and similar charges	8	(92,942)	(188,621)
Profit on ordinary activities before taxation		<u>2,730,704</u>	<u>1,057,183</u>
Tax on profit on ordinary activities	9	(788,276)	(332,008)
Profit for the financial year	19	<u>1,942,428</u>	<u>725,175</u>
Profit and loss reserve brought forward		2,874,831	2,200,656
Other profit and loss reserve movements	19	(85,000)	(51,000)
Profit and loss reserve carried forward		<u><u>4,732,259</u></u>	<u><u>2,874,831</u></u>

Turnover and operating profit derive wholly from continuing operations.

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

Sun Mark Limited

Statement of Total Recognised Gains and Losses for the Year Ended 31 August 2009

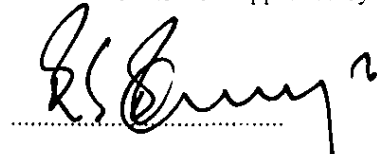
	2009	2008
	£	£
Profit for the financial year	1,942,428	725,175
Unrealised surplus on revaluation of properties	-	801,500
Total recognised gains for the year	<u>1,942,428</u>	<u>1,526,675</u>

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

Sun Mark Limited
Balance Sheet as at 31 August 2009

		2009	2008
	Note	£	£
Fixed assets			
Tangible assets	11	5,502,020	5,046,787
Investments	12	<u>173,957</u>	<u>25,000</u>
		5,675,977	5,071,787
Current assets			
Stocks	13	3,917,374	3,220,264
Debtors	14	5,866,852	4,264,606
Cash at bank and in hand		<u>855,792</u>	<u>930,909</u>
		10,640,018	8,415,779
Creditors: Amounts falling due within one year	15	<u>(7,790,427)</u>	<u>(7,154,016)</u>
Net current assets		<u>2,849,591</u>	<u>1,261,763</u>
Total assets less current liabilities		8,525,568	6,333,550
Creditors: Amounts falling due after more than one year	16	(2,817,024)	(2,482,434)
Provisions for liabilities	17	<u>(4,785)</u>	<u>(4,785)</u>
Net assets		<u>5,703,759</u>	<u>3,846,331</u>
Capital and reserves			
Called up share capital	18	170,000	170,000
Revaluation reserve	19	801,500	801,500
Profit and loss reserve	19	<u>4,732,259</u>	<u>2,874,831</u>
Shareholders' funds	20	<u>5,703,759</u>	<u>3,846,331</u>

These accounts were approved by the Director on 2 November 2009



Dr R S Ranger
Director

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

Sun Mark Limited
Cash Flow Statement for the Year Ended 31 August 2009

		2009	2008
	Note	£	£
Net cash flow from operating activities	21	950,917	663,348
Returns on investment and servicing of finance	22	(79,904)	(175,596)
Taxation	22	(318,294)	(316,146)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(732,700)	(87,335)
Sale of tangible fixed assets		4,326	-
		<u>(728,374)</u>	<u>(87,335)</u>
Equity dividends paid		<u>(136,000)</u>	<u>-</u>
Cash (outflow)/inflow before management of liquid resources and financing		(311,655)	84,271
Financing			
Increase in loans and borrowings		362,550	-
Repayment of loans and borrowings		<u>(126,010)</u>	<u>(46,860)</u>
		<u>236,540</u>	<u>(46,860)</u>
(Decrease)/increase in cash		<u><u>(75,116)</u></u>	<u><u>37,411</u></u>

Reconciliation of net cash flow to movement in net debt

		2009	2008
	Note	£	£
(Decrease)/increase in cash in the year	23	(75,116)	37,411
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(236,540)</u>	<u>46,860</u>
Change in net funds resulting from cash flows		(311,656)	84,271
Net debt at the start of the year	23	<u>(1,790,493)</u>	<u>(1,874,764)</u>
Net debt at the end of the year	23	<u><u>(2,102,149)</u></u>	<u><u>(1,790,493)</u></u>

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

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

I Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Land and buildings	2% straight line
Plant and machinery	25% written down value
Fixtures and fittings	25% written down value
Motor vehicles	25% written down value
Office equipment	25% written down value

Fixed assets are included in the balance sheet at revalued amounts.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

..... continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

An analysis of turnover by geographical market is given below:

	2009 £	2008 £
Sales - UK	7,937,130	7,298,458
Sales - Rest of world	51,686,899	33,723,066
	<u>59,624,029</u>	<u>41,021,524</u>

3 Other operating income

	2009 £	2008 £
Rent receivable	<u>175,296</u>	<u>184,234</u>

4 Operating profit

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Hire of other assets - operating leases	8,400	4,000
The audit of the company's annual accounts	8,000	8,000
Foreign currency (gains)/losses	(185,162)	75,543
Depreciation of owned assets	<u>126,331</u>	<u>108,617</u>

5 Exceptional items

	2009 £	2008 £
Exceptional profit on disposal of fixed assets	<u>(2,146)</u>	<u>-</u>

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

..... continued

6 Particulars of employees

The average number of persons employed by the company (including director) during the year, analysed by category, was as follows:

	2009 No.	2008 No.
Distribution	10	9
Administration	20	18
Management	5	5
	<u>35</u>	<u>32</u>

The aggregate payroll costs of these persons were as follows:

	2009 £	2008 £
Wages and salaries	729,873	588,176
Social security costs	69,584	55,827
	<u>799,457</u>	<u>644,003</u>

7 Director's remuneration

The director's remuneration for the year are as follows:

	2009 £	2008 £
Director's remuneration (including benefits in kind)	<u>25,000</u>	<u>25,000</u>

8 Interest payable and similar charges

	2009 £	2008 £
Interest on bank borrowings	<u>92,942</u>	<u>188,621</u>

Sun Mark Limited
Notes to the Financial Statements for the Year Ended 31 August 2009

..... *continued*

9 Taxation

Analysis of current period tax charge

	2009 £	2008 £
Current tax		
Corporation tax charge	<u>788,276</u>	<u>332,008</u>

10 Dividends

	2009 £	2008 £
Paid	85,000	-
Proposed	<u>-</u>	<u>51,000</u>
Total dividends	<u>85,000</u>	<u>51,000</u>

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

11 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost or Valuation						
As at 1 September 2008	5,035,241	143,122	92,212	45,019	95,552	5,411,146
Additions	517,550	42,065	2,175	4,325	17,629	583,744
Disposals	-	-	-	(16,329)	-	(16,329)
As at 31 August 2009	<u>5,552,791</u>	<u>185,187</u>	<u>94,387</u>	<u>33,015</u>	<u>113,181</u>	<u>5,978,561</u>
Depreciation						
As at 1 September 2008	118,660	80,251	61,518	37,734	66,196	364,359
Eliminated on disposals	-	-	-	(14,148)	-	(14,148)
Charge for the year	77,775	26,234	8,217	2,358	11,746	126,330
As at 31 August 2009	<u>196,435</u>	<u>106,485</u>	<u>69,735</u>	<u>25,944</u>	<u>77,942</u>	<u>476,541</u>
Net book value						
As at 31 August 2009	<u>5,356,356</u>	<u>78,702</u>	<u>24,652</u>	<u>7,071</u>	<u>35,239</u>	<u>5,502,020</u>
As at 31 August 2008	<u>4,916,581</u>	<u>62,871</u>	<u>30,694</u>	<u>7,285</u>	<u>29,356</u>	<u>5,046,787</u>
Revaluation of fixed assets						

The freehold land and buildings were revalued for the first time during the year ended 31 August 2008 at open market value basis by the director. The aggregate depreciation on freehold buildings under historical cost basis would have been £269,501 (2008 - £235,501).

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

12 Investments held as fixed assets

	2009 £	2008 £
Shares in group undertakings	10,000	10,000
Loans to group undertakings	163,957	15,000
	<u>173,957</u>	<u>25,000</u>

Additional information is as follows:

	Shares in group undertakings £
Cost	
As at 1 September 2008 and 31 August 2009	<u>10,000</u>
Net book value	
As at 31 August 2009	<u>10,000</u>
As at 31 August 2008	<u>10,000</u>
	Loans to group undertakings £
As at 1 September 2008	15,000
Additions	<u>148,957</u>
As at 31 August 2009	<u>163,957</u>

The company holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Friendship Films Ltd	UK	Production and distribution of films	Ordinary	100
		Capital & reserves £	Profit/(loss) for the period £	
Subsidiary undertakings				
Friendship Films Ltd		10,000	-	

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

..... continued

13 Stocks and work in progress

	2009 £	2008 £
Stocks	<u>3,917,374</u>	<u>3,220,264</u>

14 Debtors

	2009 £	2008 £
Trade debtors	5,550,474	3,632,280
Other debtors	299,142	621,375
Prepayments and accrued income	17,236	10,951
	<u>5,866,852</u>	<u>4,264,606</u>

15 Creditors: Amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	140,917	238,967
Trade creditors	4,895,399	3,975,084
Corporation tax	801,990	332,008
Social security and other taxes	20,974	16,034
Other creditors	1,278,528	1,266,375
Accruals and deferred income	652,619	1,325,548
	<u>7,790,427</u>	<u>7,154,016</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2009 £	2008 £
Bank loans	<u>140,917</u>	<u>238,967</u>

Sun Mark Limited
Notes to the Financial Statements for the Year Ended 31 August 2009

..... continued

16 Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Bank loans and overdrafts	<u>2,817,024</u>	<u>2,482,434</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2009 £	2008 £
Bank loans	<u>2,817,024</u>	<u>2,482,434</u>

Included in the creditors are the following amounts due after more than five years:

	2009 £	2008 £
After more than five years by instalments	<u>2,817,024</u>	<u>2,482,434</u>

17 Provisions for liabilities

	Deferred tax provision £
As at 1 September 2008	4,785
As at 31 August 2009	<u>4,785</u>

18 Share capital

	2009 £	2008 £
Allotted, called up and fully paid		
Equity		
170,000 Ordinary shares of £1 each	<u>170,000</u>	<u>170,000</u>

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

..... continued

19 Reserves

	Revaluation reserve £	Profit and loss reserve £	Total £
Balance at 1 September 2008	801,500	2,874,831	3,676,331
Transfer from profit and loss account for the year	-	1,942,428	1,942,428
Dividends	-	(85,000)	(85,000)
Balance at 31 August 2009	<u>801,500</u>	<u>4,732,259</u>	<u>5,533,759</u>

20 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit attributable to members of the company	1,942,428	725,175
Dividends	<u>(85,000)</u>	<u>(51,000)</u>
	1,857,428	674,175
Other recognised gains for the year	-	801,500
Net addition to shareholders' funds	<u>1,857,428</u>	<u>1,475,675</u>
Opening shareholders' funds (originally £3,846,330 before adding prior year adjustment of £1)	3,846,331	2,370,656
Closing shareholders' funds	<u>5,703,759</u>	<u>3,846,331</u>

Sun Mark Limited

Notes to the Financial Statements for the Year Ended 31 August 2009

..... continued

21 Reconciliation of operating profit to operating cash flows

	2009	2008
	£	£
Operating profit	2,808,463	1,232,779
Depreciation, amortisation and impairment charges	126,330	108,617
Increase in stocks	(697,109)	(1,244,237)
Increase in debtors	(1,602,245)	(1,601,922)
Increase in creditors	315,478	2,168,111
Net cash inflow from operating activities	950,917	663,348

22 Analysis of cash flows

	2009	2008
	£	£
Returns on investment and servicing of finance		
Other interest paid	(92,942)	(188,621)
Interest received	13,038	13,025
	<u>(79,904)</u>	<u>(175,596)</u>
Taxation		
Taxation paid	<u>(318,294)</u>	<u>(316,146)</u>

23 Analysis of net debt

	At start of period	Cash flow	Other non-cash changes	At end of period
	£	£	£	£
Cash at bank and in hand	<u>930,908</u>	<u>(75,116)</u>	-	<u>855,792</u>
Debt due within one year	(238,967)	238,967	(140,917)	(140,917)
Debt due after one year	<u>(2,482,434)</u>	<u>(475,507)</u>	140,917	<u>(2,817,024)</u>
Change in debt	<u>(2,721,401)</u>	<u>(236,540)</u>	-	<u>(2,957,941)</u>
Net debt	<u>(1,790,493)</u>	<u>(311,656)</u>	-	<u>(2,102,149)</u>

Sun Mark Limited
Notes to the Financial Statements for the Year Ended 31 August 2009

..... *continued*

24 Related parties

Controlling entity

The company was under the control of Dr R S Ranger throughout the current and previous years. Dr Ranger is the Managing Director and majority shareholder.

Related party transactions

The Company traded with its related company Sea Air & Land Forwarding Limited in providing goods and services worth £4,290,598 (2008: £3,358,835) during the year. The company paid storage charges worth £360,000 (2008: £360,000) to Sea Air & Land Forwarding Ltd during the year and charged £90,000 (2008: £120,000) towards usage of unit 5 and 6 to Sea Air and Land Forwarding Limited.