

REGISTERED NUMBER: 04855200 (England and Wales)

MASALA BAZAAR LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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FOR THE YEAR ENDED 31 DECEMBER 2015

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MASALA BAZAAR LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTOR:

S HUSSAIN

SECRETARY:

S GHAFOR

REGISTERED OFFICE:

Churchgate House
3 Church Road
Whitchurch
CARDIFF
CF14 2DX

REGISTERED NUMBER:

04855200 (England and Wales)

AUDITORS:

HODGE BAKSHI
CHARTERED ACCOUNTANTS &
STATUTORY AUDITORS
CHURCHGATE HOUSE
CHURCH ROAD
CARDIFF
CF14 2DX

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his strategic report for the year ended 31 December 2015.

REVIEW OF BUSINESS

The company continued its principal activity throughout the current year.

Details of the company's performance for the financial year are set out in detail on page 8. Its results and future prospects are considered to be satisfactory.

On the 1st January 2015 Masala Bazaar Limited became a 75% subsidiary of EFG Food & Tech Holdings Limited (formerly known as Masala Food Group Limited).

PRINCIPAL RISKS AND UNCERTAINTIES

The Management continually monitors the key risks facing the company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows;

Competitor risks

Competitive pressure in the UK and the general economic environment is a continuing risk to the company as is the ability of suppliers to keep pace with the competition. The company manages this risk by providing fast response times in fulfilling sales orders and by maintaining strong relationships with key customers and suppliers.

Reliance on key suppliers

The company's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressure. The company manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that may be used if necessary.

Economic downturn

The company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.

Loss of key personnel

This would present significant operational difficulties for the company. Management seeks to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

MASALA BAZAAR LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

During the year the company recorded a turnover of £10.3m compared to the previous year of £11.0m. The company generated an operating loss of £378,737 in the year. The directors will continue to focus on improving margins and driving down costs in the company where possible for the forthcoming year.

The director is forever aware of the challenging retail environment in which the company operates. There has been a restructuring of operations since the year end, whilst it is hoped to reduce overheads and increase the gross profit margin. Ongoing uncertainty regarding the general economic recovery of the UK poses a threat to the business, particularly any squeeze on the cost of living of customers, which could have a detrimental impact on the retail sales of Masala Bazaar.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. One of the company's key measurements of effectiveness of its operations is calculating gross margin after direct costs. The company achieved a gross margin after direct costs of 18.3% (2014-21.4%).

Financial Position at the reporting date

The balance sheet on Page 10 shows that the company's net liabilities have increased by £378,737 compared to the prior year.

Having considered the above, the director is generally optimistic regarding the future expansion of the business, with new outlets being planned in the near future. This is also taking into account the consideration on going concern on page 14 in note 1 to these financial statements.

ON BEHALF OF THE BOARD:



S HUSSAIN - Director

30 September 2016

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his report with the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of general retail sales.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

FUTURE DEVELOPMENTS

The Directors aim is to continue implement the management policies which have been introduced in recent years which have assisted in successfully developing the company in recent years. Overall, the directors believe that the company is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand.

DIRECTOR

S HUSSAIN was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.15	1.1.15
Ordinary £1 shares	158	900

FINANCIAL INSTRUMENTS

The company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities. The company principle financial instruments include bank overdrafts. In addition, the company has various financial assets and liabilities such as trade receivables and trade payables arising from its operations.

Liquidity risk- The operations of the company are financed by a mixture of retained profits and cash. The company's policy to manage liquidity risk and cash flow risk is to ensure that adequate funds are held in readily accessible current accounts, to meet the working capital requirements of the company. The directors of the company monitor these risks carefully and, when appropriate, steps are taken to ensure liquidity risk and cash flow risk are reduced.

Interest rate risk- The company operates an overdraft account. As such, it is exposed to interest rate risks. This risk is managed by regular and consistent monitoring of interest rates.

Credit risk -The company is exposed to credit risk. It is company policy to assess the credit risk of all customers before entering into a trading relationship and to ensure that credit risk is kept to a minimum.

GOING CONCERN

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future, therefore it continues to adopt the going concern basis for accounting in preparing the annual financial statements.

DIRECTORS INDEMNITY

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2015

EMPLOYEE CONSULTATION

The company is committed to employee involvement and encourages the development of co-operation with employees. To this end, the company's policy is to ensure that employees are kept informed on matters which affect them, through direct communication and established procedures for joint consultation.

The company has continued to examine ways and means of providing employment for disabled employees, under normal terms and conditions, with opportunities and established procedures for joint consultation.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he 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, HODGE BAKSHI, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



S HUSSAIN - Director

30 September 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MASALA BAZAAR LIMITED

CHARTERED ACCOUNTANTS
& CHARTERED TAX ADVISERS

We have audited the financial statements of Masala Bazaar Limited for the year ended 31 December 2015 on pages eight to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page five, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

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Directors • Pankaj Bakshi FCA CTA • Khurshed Bamji BSc (Hons) ACA FCA (ICAI) FCCA
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Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business by the Institute of Chartered Accountants in England and Wales.

Registered with The Chartered Institute of Taxation as a firm of Chartered Tax Advisers.

Hodge Bakshi is the trading name of Hodge Bakshi Limited Company number 07199071. Registered in Wales at the above address.

**REPORT OF THE INDEPENDENT AUDITORS TO THE
MEMBERS OF MASALA BAZAAR LIMITED**

Emphasis of Matter

Without qualifying our opinion, in forming our opinion on the financial statements, we draw attention to Note 1 in the financial statements which indicate that the Company, as at 31 December 2015, is continuing in operational existence as a result of its continuing dependence on financial support from the director, its bankers with whom the company owes £1,438 and connected businesses with whom the company owes £1,954,434. As a result of the above, as at the 31st December 2015 the company has current liabilities exceeding total assets by £1,736,308. These conditions, along with the other matters explained in the note 1 on page 8 to the financial statements, indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Director 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Pankaj Bakshi (Senior Statutory Auditor)
for and on behalf of HODGE BAKSHI
CHARTERED ACCOUNTANTS &
STATUTORY AUDITORS
CHURCHGATE HOUSE
CHURCH ROAD
CARDIFF
CF14 2DX

30 September 2016

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Directors • Pankaj Bakshi FCA CTA • Khurshed Bamji BSc (Hons) ACA FCA (ICAI) FCCA
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MASALA BAZAAR LIMITED (REGISTERED NUMBER: 04855200)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
TURNOVER	2	10,390,504	11,010,271
Cost of sales		<u>8,478,835</u>	<u>8,643,522</u>
GROSS PROFIT		1,911,669	2,366,749
Distribution costs		38,819	26,121
Administrative expenses		<u>2,252,715</u>	<u>2,339,962</u>
		2,291,534	2,366,083
		(379,865)	666
Other operating income		<u>1,128</u>	<u>1,530</u>
OPERATING (LOSS)/PROFIT	4	(378,737)	2,196
Interest receivable and similar income		<u>-</u>	<u>2,180</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(378,737)	4,376
Tax on (loss)/profit on ordinary activities	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(378,737)</u>	<u>4,376</u>

The notes form part of these financial statements

MASALA BAZAAR LIMITED (REGISTERED NUMBER: 04855200)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
(LOSS)/PROFIT FOR THE YEAR		(378,737)	4,376
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(378,737)</u>	<u>4,376</u>

The notes form part of these financial statements

MASALA BAZAAR LIMITED (REGISTERED NUMBER: 04855200)**BALANCE SHEET**
31 DECEMBER 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	6	745,828	903,822
CURRENT ASSETS			
Stocks	7	682,092	753,842
Debtors	8	213,599	356,601
Cash in hand		184,908	242,649
		<u>1,080,599</u>	<u>1,353,092</u>
CREDITORS			
Amounts falling due within one year	9	<u>2,816,907</u>	<u>2,867,531</u>
NET CURRENT LIABILITIES		<u>(1,736,308)</u>	<u>(1,514,439)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(990,480)</u>	<u>(610,617)</u>
ACCRUALS AND DEFERRED INCOME		-	1,126
NET LIABILITIES		<u><u>(990,480)</u></u>	<u><u>(611,743)</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	900	900
Retained earnings	14	<u>(991,380)</u>	<u>(612,643)</u>
SHAREHOLDERS' FUNDS		<u><u>(990,480)</u></u>	<u><u>(611,743)</u></u>

The financial statements were approved by the director on 30 September 2016 and were signed by:



S HUSSAIN - Director

The notes form part of these financial statements

MASALA BAZAAR LIMITED (REGISTERED NUMBER: 04855200)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2014	900	(617,019)	(616,119)
Changes in equity			
Total comprehensive income	-	4,376	4,376
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	900	(612,643)	(611,743)
	<hr/>	<hr/>	<hr/>
Changes in equity			
Total comprehensive income	-	(378,737)	(378,737)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	900	(991,380)	(990,480)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

MASALA BAZAAR LIMITED (REGISTERED NUMBER: 04855200)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	1	<u>40,113</u>	<u>241,042</u>
Net cash from operating activities		<u>40,113</u>	<u>241,042</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(112,883)
Interest received		-	2,180
Net cash from investing activities		<u>-</u>	<u>(110,703)</u>
Cash flows from financing activities			
Amount withdrawn by directors		<u>(6,491)</u>	<u>(11,109)</u>
Net cash from financing activities		<u>(6,491)</u>	<u>(11,109)</u>
Increase in cash and cash equivalents		<u>33,622</u>	<u>119,230</u>
Cash and cash equivalents at beginning of year	2	<u>149,848</u>	<u>30,618</u>
Cash and cash equivalents at end of year	2	<u><u>183,470</u></u>	<u><u>149,848</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2015	2014
	£	£
(Loss)/profit before taxation	(378,737)	4,376
Depreciation charges	157,994	163,509
Finance income	-	(2,180)
	(220,743)	165,705
Decrease/(increase) in stocks	71,750	(130,049)
Decrease in trade and other debtors	149,493	84,537
Increase in trade and other creditors	39,613	120,849
	40,113	241,042

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	184,908	242,649
Bank overdrafts	(1,438)	(92,801)
	183,470	149,848

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	242,649	65,210
Bank overdrafts	(92,801)	(34,592)
	149,848	30,618

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of the assumption depends upon the continuing support of its Bankers to which the company owes £1,438 and Connected businesses with whom it has loans and trade creditors totalling £1,954,434. The company has provided forecasted trading results indicating profits in the forthcoming year. The company's forecasted cash flows also indicate a reduction in the company overdraft and an increase in cash available therefore allowing debts to be paid as they fall due. The director remains confident that sufficient monies generated by the trading activities and the support of the connected company will encourage the company's bankers to continue to provide support until the forecasted profits are realised.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and to provide for further liabilities that might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities. The Director believes that it is appropriate for the financial statements to be prepared on a going concern basis.

Turnover

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

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 property	- 5% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% 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.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

Deferred government grants

Grant received from government for the capital expenditure has been written off to profit and loss account over the term of lease of the property occupied.

2. TURNOVER

The turnover and loss (2014 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2015	2014
	£	£
United Kingdom	10,390,504	11,010,271
	10,390,504	11,010,271

3. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	1,087,093	1,087,553
Social security costs	26,415	37,502
Other pension costs	1,200	-
	1,114,708	1,125,055

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

	2015	2014
Management	1	1
Retail	68	77
	69	78

4. OPERATING (LOSS)/PROFIT

The operating loss (2014 - operating profit) is stated after charging:

	2015	2014
	£	£
Hire of plant and machinery	38,819	26,121
Other operating leases	376,804	366,627
Depreciation - owned assets	157,994	163,509
Auditors' remuneration	4,140	5,500
Rent	363,409	366,627

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

4. OPERATING (LOSS)/PROFIT - continued

Director's remuneration	-	-
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5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2015 nor for the year ended 31 December 2014.

6. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2015			
and 31 December 2015	881,460	40,856	736,748
DEPRECIATION			
At 1 January 2015	274,285	15,781	484,297
Charge for year	53,065	5,703	92,378
At 31 December 2015	327,350	21,484	576,675
NET BOOK VALUE			
At 31 December 2015	554,110	19,372	160,073
At 31 December 2014	607,175	25,075	252,451
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2015			
and 31 December 2015	3,270	78,343	1,740,677
DEPRECIATION			
At 1 January 2015	898	61,594	836,855
Charge for year	493	6,355	157,994
At 31 December 2015	1,391	67,949	994,849
NET BOOK VALUE			
At 31 December 2015	1,879	10,394	745,828
At 31 December 2014	2,372	16,749	903,822

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

7. STOCKS

	2015	2014
	£	£
Stock of goods for resale	682,092	753,842

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	-	15,506
Other debtors	34,379	27,352
Amounts due from connected company	-	146,198
Directors' current accounts	45,251	38,760
Prepayments	133,969	128,785
	213,599	356,601

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loans and overdrafts (see note 10)	1,438	92,801
Trade creditors	2,677,671	2,635,930
Social security and other taxes	61,714	72,091
Other creditors	962	1,875
Accrued expenses	75,122	64,834
	2,816,907	2,867,531

10. LOANS

An analysis of the maturity of loans is given below:

	2015	2014
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,438	92,801

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

11. SECURED DEBTS

The following secured debts are included within creditors:

	2015	2014
	£	£
Bank overdrafts	<u>1,438</u>	<u>92,801</u>

The bank overdraft has been secured by an unlimited debenture dated 29/11/2007 incorporating a fixed and floating charge.

Mr S Hussain has given a guarantee to Lloyds Bank for a principal amount of £50,000 plus interest and other costs.

12. ACCRUALS AND DEFERRED INCOME

	2015	2014
	£	£
Deferred government grants	<u>-</u>	<u>1,126</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
900	Ordinary	£1	<u>900</u>	<u>900</u>

14. RESERVES

	Retained earnings
	£
At 1 January 2015	(612,643)
Deficit for the year	<u>(378,737)</u>
At 31 December 2015	<u>(991,380)</u>

15. ULTIMATE PARENT COMPANY

EFG Food & Tech Holdings Limited is regarded by the director as being the company's ultimate parent company.

The company's ultimate parent undertaking is EFG Food & Tech Holdings Limited (formerly known as Masala Food Group Limited), a company incorporated in England & Wales.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

16. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

During the period ended 31st December 2015 the director maintained an interest free loan account with the company. The movements in the loan were as follows:

S Hussain

	Year ended 31.12 15	year ended 31.12.14
	£	£
Balance brought forward	-38,760	-27,651
Amounts drawn by the director	-6,491	-8,929
Interest charged	0	-2,180
Balance carried forward	-45,251	-38,760
Maximum amount owed to the company	-45,251	-38,760

17. RELATED PARTY DISCLOSURES

S Hussain is a director and shareholder in Euro Foods Group Ltd. During the period, the company purchased goods from Euro Foods Group Ltd amounting to £3,243,281 (2014: £3,600,193) and made sales to Euro Foods Group Ltd amounting to £55,405 (2014: £119,262). Included in Trade Creditors is an amount of £1,953,554 (2014: £1,909,678) due to and included in trade debtors is £7,197 (£2014: £15,506) owed by Euro Foods Group Limited.

S Hussain is a director and shareholder in Euro Foods (UK) Ltd. Included in trade creditors is £881 due to Euro Foods (UK) Ltd.

In addition, as at the year end, a loan of £53,563 (2014: £146,198) was due to) was owed by Euro Foods Group Ltd.

18. ULTIMATE CONTROLLING PARTY

The controlling party is S HUSSAIN.

MASALA BAZAAR LIMITED (REGISTERED NUMBER: 04855200)

RECONCILIATION OF EQUITY

1 JANUARY 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		954,448	-	954,448
CURRENT ASSETS				
Stocks		623,793	-	623,793
Debtors		436,942	-	436,942
Cash in hand		65,210	-	65,210
		1,125,945	-	1,125,945
CREDITORS				
Amounts falling due within one year		(2,693,856)	-	(2,693,856)
NET CURRENT LIABILITIES		(1,567,911)	-	(1,567,911)
TOTAL ASSETS LESS CURRENT LIABILITIES		(613,463)	-	(613,463)
ACCRUALS AND DEFERRED INCOME		(2,656)	-	(2,656)
NET LIABILITIES		(616,119)	-	(616,119)
CAPITAL AND RESERVES				
Called up share capital		900	-	900
Retained earnings		(617,019)	-	(617,019)
SHAREHOLDERS' FUNDS		(616,119)	-	(616,119)

The notes form part of these financial statements

MASALA BAZAAR LIMITED (REGISTERED NUMBER: 04855200)

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		903,822	-	903,822
CURRENT ASSETS				
Stocks		753,842	-	753,842
Debtors		356,601	-	356,601
Cash in hand		242,649	-	242,649
		1,353,092	-	1,353,092
CREDITORS				
Amounts falling due within one year		(2,867,531)	-	(2,867,531)
NET CURRENT LIABILITIES		(1,514,439)	-	(1,514,439)
TOTAL ASSETS LESS CURRENT LIABILITIES		(610,617)	-	(610,617)
ACCRUALS AND DEFERRED INCOME		(1,126)	-	(1,126)
NET LIABILITIES		(611,743)	-	(611,743)
CAPITAL AND RESERVES				
Called up share capital		900	-	900
Retained earnings		(612,643)	-	(612,643)
SHAREHOLDERS' FUNDS		(611,743)	-	(611,743)

The notes form part of these financial statements

RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2014

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	11,010,271	-	11,010,271
Cost of sales	(8,643,522)	-	(8,643,522)
GROSS PROFIT	2,366,749	-	2,366,749
Distribution costs	(26,121)	-	(26,121)
Administrative expenses	(2,339,962)	-	(2,339,962)
Other operating income	1,530	-	1,530
OPERATING PROFIT	2,196	-	2,196
Interest receivable and similar income	2,180	-	2,180
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,376	-	4,376
Tax on profit on ordinary activities	-	-	-
PROFIT FOR THE FINANCIAL YEAR	4,376	-	4,376