

AVT TEA SERVICES LIMITED

COMPANY REGISTRATION NUMBER : 08176881

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

**HEATHMANS HOUSE
19 HEATHMANS ROAD
LONDON
SW6 4TJ**

AVT TEA SERVICES LIMITED
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FOR THE YEAR ENDING 31 MARCH 2017

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**AVT TEA SERVICES LIMITED
COMPANY INFORMATION**

FOR THE YEAR ENDING 31 MARCH 2017

Directors:	Mr. Richard Darlington Mr. Ajit Thomas
Company No:	08176881 (England and Wales)
Registered Office:	Heathmans House 19 Heathmans Road London SW6 4TJ
Auditors:	Reza Samii Chartered Accountant and Statutory Auditor 5 Calico Row Plantation Wharf London SW11 3YH
Bankers:	HSBC Bank Plc 240 Lavender Hill Clapham Junction London SW11 1LH

AVT TEA SERVICES LIMITED
(Company Registration No: 08176881)
DIRECTORS' REPORT

FOR THE YEAR ENDING 31 MARCH 2017

The directors present their report together with the audited accounts for the year ending 31st March 2017.

PRINCIPAL ACTIVITIES:

The principal activity of the company is the manufacture and supply of decaffeinated tea and tea extracts to the tea industry and beverage market.

DIRECTORS AND THEIR SHAREHOLDINGS:

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

Mr. Richard Darlington
Mr. Ajit Thomas

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS:

The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

* so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and

* they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIRECTORS' STATEMENTS OF RESPONSIBILITY IN RELATION TO THE ACCOUNTS:

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to :

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT CONTINUED ON PAGE 3

AVT TEA SERVICES LIMITED
(Company Registration No: 08176881)
DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDING 31 MARCH 2017

DIRECTORS' STATEMENTS OF RESPONSIBILITY IN RELATION TO THE ACCOUNTS (Continued):

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and that 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.

AUDITORS:

Mr. Reza Samii, Chartered Accountant and Statutory Auditor was appointed as auditor to the company on 27th October 2016 to fill the vacancy arising on the resignation of Melvyn Davies & Co.

Mr. Samii has expressed his willingness to continue in office and he is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

SMALL COMPANY REGIME:

This report has been prepared taking advantage of the exemptions for small companies within Part 15 of the Companies Act 2006.

This report was approved by the board on 12th May 2017 and signed on its behalf:

Mr. Richard Darlington  Director

Date: 12th May 2017

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AVT TEA SERVICES LIMITED**

FOR THE YEAR ENDING 31 MARCH 2017

We have audited the financial statements of AVT Tea Services Limited on pages 6 to 17 for the year ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows and related notes. 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 FRS 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors:

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Practice Board's Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note (13) to the financial statements.

Scope of the audit of the financial statements:

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

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 March 2017 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 properly prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT CONTINUED ON PAGE 5....

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AVT TEA SERVICES LIMITED**

FOR THE YEAR ENDING 31 MARCH 2017

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 15 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a loss for the year of £96,631 and at the year-end had net liability of £75,701. The company's ability to continue as a going concern is largely dependent on the parent company's support. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

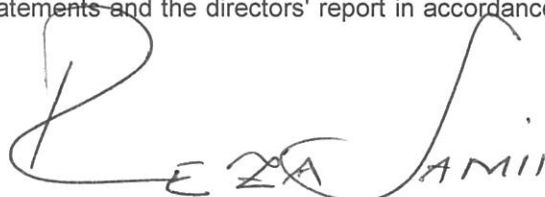
Opinion on other matters prescribed by the Companies Act 2006:

In our opinion the information given in the Directors' 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; or
- in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified material misstatements in the directors' report; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small company's regime.



REZA SAMII ACA (Senior Statutory Auditor)

Date: 12th May 2017.

**5 Calico Row
Plantation Wharf
Battersea, London
SW11 3YH**

**Reza Samii
Chartered Accountant and
Registered Auditor.**

Firm no. 7390233

AVT TEA SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDING 31 MARCH 2017

	Notes	From 1.04.16 to 31.03.2017 £	From 1.04.15 to 31.03.2016 £
Turnover	1 (d)	8,496,383	5,220,890
Cost of sales		(7,832,626)	(4,752,897)
Gross profit		663,757	467,993
Less: expenditure			
Distribution expenses		(2,093)	(4,588)
Administrative expenses		(710,570)	(593,565)
Operating profit / (loss)	3	(48,906)	(130,160)
Interest receivable and similar income		0	0
Interest payable	3	(47,725)	(42,225)
Profit / (loss) on ordinary activities before taxation	3	(96,631)	(172,385)
Taxation - (Debit) / credit	4	0	0
Retained (loss) / profit for the financial year after taxation		(96,631)	(172,385)
Dividends for the year		0	0
		(96,631)	(172,385)
Reserves brought forward		(979,070)	(806,685)
Reserves carried forward		(1,075,701)	(979,070)

All the activities of the company are from continuing operations.

Notes 1 to 15 form part of these accounts

AVT TEA SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

		<u>31 March 2017</u>		<u>31 March 2016</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	5		3,045		5,555
CURRENT ASSETS					
Investment	6	602		602	
Stocks	7	1,756,514		130,459	
Debtors	8	1,801,157		1,203,159	
Cash at bank and in hand		<u>579,736</u>		<u>399,388</u>	
		4,138,009		1,733,608	
CREDITORS : Amounts falling due within one year	9	(4,216,755)		(1,718,233)	
NET CURRENT ASSETS / (LIABILITIES)			<u>(78,746)</u>		<u>15,375</u>
NET ASSETS / (LIABILITIES)			<u>(75,701)</u>		<u>20,930</u>
CAPITAL AND RESERVES:					
Called up shared capital	10	1,000,000		1,000,000	
Profit and loss account		(1,075,701)		(979,070)	
Equity shareholders' funds / (deficits)			<u>(75,701)</u>		<u>20,930</u>

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the board of directors on 12th May 2017 and signed on its behalf.

Mr. Richard Darlington Director

Company No 08176881 (England and Wales)

Notes 1 to 15 form part of these accounts

AVT TEA SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2017

	Called up share capital	Profit & loss account	Total
	£	£	£
At 1 April 2015	618,540	(806,685)	(188,145)
Total comprehensive income / (loss) for the year	0	(172,385)	(172,385)
Issue of equity shares during year	381,460	0	381,460
At 31 March 2016	1,000,000	(979,070)	20,930
Total comprehensive income / (loss) for the year	0	(96,631)	(96,631)
At 31 March 2017	1,000,000	(1,075,701)	(75,701)

Notes 1 to 15 form part of these accounts

AVT TEA SERVICES LIMITED
CASH FLOW STATEMENT

AS AT 31 MARCH 2017

	2017 £	2016 £
Net cash inflow / (outflow) from operating activities (see below)	228,823	(146,840)
Returns on investments and servicing of finance		
Interest paid	(47,725)	(42,225)
Tax repaid	<u>0</u>	<u>0</u>
	(47,725)	(42,225)
Capital expenditure		
Payments to acquire tangible fixed assets	(752)	(5,357)
Financing		
Long term funding - finance leases more than 1 year	0	0
Increase / (decrease) in cash balances in the year	<u>180,348</u>	<u>(194,421)</u>

NOTES TO CASH FLOW STATEMENT:

Reconciliation of operating losses to net cash inflow / (outflow) from operations	2017 £	2016 £
Operating profit / (loss) before interest	(48,906)	(130,160)
Depreciation of tangible assets	3,262	4,981
Decrease / (increase) in debtors	(597,998)	202,877
(Decrease) / increase in creditors	2,498,520	(427,431)
Decrease / (increase) in stock	<u>(1,626,055)</u>	<u>202,892</u>
Net cash inflow / (outflow) from operating activities	<u>228,823</u>	<u>(146,840)</u>

	1.04.2016	<u>Cash flow</u>	31.03.2017
Analysis of net funds	£	£	£
Cash at bank and in hand	399,388	180,348	579,736
	<u>399,388</u>	<u>180,348</u>	<u>579,736</u>

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

1 . GENERAL INFORMATION:-

The company is a wholly owned subsidiary of AVT Natural Products Limited, a company incorporated in India and listed on Bombay Stock Exchange and the National Stock Exchange of India.

The registered address of AVT Tea Services Limited is: C/O Haggards Crowther, Heathmans House, 19 Heathmans Road, London, SW6 4TJ.

2 . STATEMENT OF COMPLIANCE:

These financial statements have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

3 . ACCOUNTING POLICIES:-

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company accounts.

a) BASIS OF PREPARATION:

The financial statements have been prepared on the historical cost basis.

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

b) TRANSITION TO FRS 102:

The entity transitioned from previous UK GAAP to FRS 102 as at 1st April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

c) CONSOLIDATION:

The company is exempt from the requirement to produce consolidated accounts on the basis that the company is a wholly owned subsidiary of AVT Natural Products Limited and its accounts are included in the consolidated accounts of the parent company.

d) TURNOVER:

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognized when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of services provided to date based on a proportion of the total contract value. Where payments are received in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

e) STOCKS:

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

Goods in transit to the company are not recognized in stock unless title for goods has passed to the company. Contracted liabilities associated with the purchase of goods in transit are recognized in trade creditors where it is deemed that the title has passed to the company.

f) TANGIBLE FIXED ASSETS:

All fixed assets are initially recorded at cost.

Depreciation

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

Leasehold improvements	- 33% straight line (lease expires on 20.03.2025 with option to terminate on 20.03.2020)
Fixtures and fittings	- 20% straight line
Office equipment	- 33% straight line

g) OPERATING LEASE AGREEMENTS:

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the period of the lease.

h) PENSION COSTS:

The company operates a defined contribution pension scheme for the employees. The assets for the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

i) DEFERRED TAXATION:

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:-

Deferred tax assets are recognized only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

j) FOREIGN CURRENCY TRANSLATION:

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are taken into profit and loss account.

k) HOLIDAY PAY ACCRUAL:

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2 . TURNOVER:-

Overseas turnover amounted to 85.31 % (2016: 76.30%) of the total turnover for the year.

3 . OPERATING RESULTS:-

The operating results are stated after charging:

	£ 31.03.2017	£ 31.03.2016
Directors' remuneration	148,040	187,988
Staff Pension Contributions	29,670	24,264
Audit fees	5,000	4,000
Depreciation charges - note 5	3,262	4,981
Net Loss/(profit) on foreign currency translation	<u>124,303</u>	<u>14,284</u>

Employee information and costs:-

Number of employees

The average monthly number of employees during the year was:

Selling and distribution
Management - directors

	2017 Number	2016 Number
Selling and distribution	4	4
Management - directors	<u>2</u>	<u>2</u>
	<u>6</u>	<u>6</u>

Employment costs

Wages and salaries including directors', employer NIC and pension contributions net of recharges

	£	£
Wages and salaries including directors', employer NIC and pension contributions net of recharges	<u>335,497</u>	<u>420,038</u>

Interest payable and similar charges

Interest charges
Facility charges

	£	£
Interest charges	33,041	32,726
Facility charges	14,684	9,500
	<u>47,725</u>	<u>42,226</u>

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

4 . CORPORATION TAX:-	£ 31.03.2017	£ 31.03.2016
UK corporation tax at 20.00% (2016: 20.00%)	0	0
Over provision in respect of prior years	0	0
Deferred tax charge / (credit)	0	0
	<u>0</u>	<u>0</u>

Factors effecting the tax charge for the year

Profit / (Loss) on ordinary activities before taxation	<u>(96,631)</u>	<u>(172,385)</u>
Profit / (Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2016: 20.00%)	(19,326)	(34,477)
Current tax on disallowable expenditure for period @ 20%	1,193	630
Current tax on difference between capital allowances and depreciation charges for period @ 20%	469	(115)
Adjustment in respect of losses carried forward @ 20%	17,664	33,962
Current tax charge as above	<u>0</u>	<u>0</u>

Factors affecting future tax charge

At 31st March 2017 the company had tax losses of £1,063,228 to carry forward and offset against future profits.

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

5 .TANGIBLE FIXED ASSETS:-	Leasehold Improve- ments £	Office Equipment £	Fixtures & fittings £	Total £
Cost or valuation:				
Balance as at 01.04.2016	3,308	11,760	4,863	19,931
Additions during the year	0	752	0	752
Disposals in respect of fully depreciated items	0	0	0	0
As at 31.03.2017	3,308	12,512	4,863	20,683
Depreciation:				
Balance as at 01.04.2016	3,308	7,706	3,362	14,375
Charge for the year	0	2,288	974	3,262
Disposals in respect of fully depreciated items	0	0	0	0
As at 31.03.2017	3,308	9,994	4,336	17,638
Net Book Value as at 31.03.2017	0	2,518	527	3,045
Net Book Value as at 31.03.2016	0	4,054	1,501	5,555

6 .INVESTMENTS:-	£ 31.03.2017	£ 31.03.2016
Investment in Subsidiary	<u>602</u>	<u>602</u>

During the year 2014-15, the company set up a subsidiary in the United States of America. The investment represents 100% of the share capital and is stated at cost. The subsidiary has since remained dormant.

7 .STOCKS:-	£ 31.03.2017	£ 31.03.2016
Stocks of goods for resale at cost	<u>1,756,514</u>	<u>130,459</u>

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

8 .DEBTORS:-	£ 31.03.2017	£ 31.03.2016
Trade debtors	1,141,841	850,398
Amounts due from associated undertakings (see note 12)	235,859	97,696
Loans & advances	400,513	227,185
VAT Recoverable	4,343	4,536
Prepayments	16,646	10,941
Other debtor	1,062	11,509
Security deposit	893	893
	<u><u>1,801,157</u></u>	<u><u>1,203,159</u></u>

The debtors above include the following amounts falling due after more than one year:

	£ 31.03.2017	£ 31.03.2016
Other Debtors	<u><u>893</u></u>	<u><u>893</u></u>

9 .CREDITORS-amounts falling due within one year:-	£ 31.03.2017	£ 31.03.2016
Bank loans	1,904,800	1,033,042
Trade creditors	282,901	93,265
Amounts owed to associated undertakings (see note 12)	1,983,924	315,359
Other taxation and social security	10,073	15,022
Other Creditors	35,057	34,360
Loans & advances	<u>0</u>	<u>227,185</u>
	<u><u>4,216,755</u></u>	<u><u>1,718,233</u></u>

The bank loans and overdrafts are secured by a fixed and floating charge dated 21st October 2016 against the assets of the company both present and future.

10 . CALLED UP SHARE CAPITAL:-	Number 31.03.2017	Number 31.03.2016
Allotted, called-up and fully paid: Ordinary shares of £1 each	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

11 . FINANCIAL COMMITMENTS

At 31st March 2017 the company had annual commitments under non - cancellable leases as follows:-

	2017	2016
	£	£
Operating leases - office rent expiring:		
Between 1 and 5 years	28,160	28,160
	<u>28,160</u>	<u>28,160</u>

12 . RELATED PARTY TRANSACTIONS:-

AVT Natural Products Ltd

The company's immediate and ultimate parent throughout the current period was AVT Natural Products Limited, a company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange of India.

During the period the company entered into the following transactions with AVT Natural Products Ltd. Sales of £1,395,292 (2016: £505,283); Other Income £34,427 (2016: £15,870), Purchases of £6,772,942 (2016: £3,678,001); Recharged costs of £60,464 (2016: £69,271).

The balances outstanding as at 31st March 2017 were a debtor balance of £235,859 (2016: £97,696) and a creditor balance of £1,983,924 (2016: £315,359).

The company is under the ultimate control of Mr. Ajit Thomas by virtue of his controlling interest in a number of companies that, taken together, exercise control over AVT Natural Products Limited.

Serica Tea Limited / The Darlington Tea Company Limited

The company is related to the above through its director Mr. Richard Darlington. During the year the company entered into the following transactions with the above:-

Serica Tea Limited: Sales £6,096 (2016: £4,896), Purchases £96,524 (2016: £34,650). The balances outstanding as at 31st March 2017 were;- Trade creditors £54,340 and Trade debtors £NIL.

The Darlington Tea Company Limited: Commission receivable £6,441 (2016: £5,846), Recharged costs £30,248 (2016: £32,949), Loan received - £NIL (2016: £227,974). The balance outstanding as at 31st March 2017 was £NIL (2016: Loan balance - £227,185).

13 . SERVICES PROVIDED BY AUDITORS

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

AVT TEA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2017

14 . TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The Company transitioned to FRS 102 on 1 April 2015.

Reconciliation of equity

No transitional adjustments were required.

Reconciliation of profit and loss for the year

No transitional adjustments were required.

15 . FINANCIAL POSITION

Financial Statements have been prepared on going concern basis as the group undertaking (holding company) who is the major creditor falling due within one year, has expressed its willingness, until sufficient income is generated by the company, to continue with its existing level of financial support to enable the company to operate as a going concern.

AVT TEA SERVICES LIMITED
DETAILED INCOME STATEMENT

FOR THE YEAR ENDING 31 MARCH 2017

	Y/E 31 March 2017		Y/E 31 March 2016	
	£	£	£	£
TURNOVER				
Sales	8,440,284		5,161,467	
Other Income	<u>56,099</u>		<u>59,423</u>	
		8,496,383		5,220,890
COST OF SALES:				
Opening stock	130,459		333,351	
Purchases	9,392,793		4,490,873	
Storage Rent & Transportation	60,879		51,495	
Sample testing charges	5,009		7,637	
Closing stock	<u>(1,756,514)</u>		<u>(130,459)</u>	
		(7,832,626)		(4,752,897)
GROSS PROFIT	7.81%	663,757	8.96%	467,993
DISTRIBUTION EXPENSES:				
Sales Commission	<u>2,093</u>		<u>4,588</u>	
		(2,093)		(4,588)
ADMINISTRATIVE EXPENSES:				
Rent & Rates	14,018		30,896	
Service Charges	8,254		3,520	
Water expenses	292		231	
Light and Heat	1,559		2,625	
General Office Expenses	6,721		520	
Cleaning charges	<u>1,590</u>		<u>1,530</u>	
- <i>Establishment expenses</i>		(32,434)		(39,323)
Director's remuneration	148,040		see note 1	
Wages and salaries - UK staff	187,457		420,038	
- US staff	109,753			
Employer's NIC incl. director - UK	25,425			
UK Pension	29,670			
Less: recharges to related undertakings	<u>(68,312)</u>			
				see note 2
Employee Health Insurance	21,368		13,304	
Advertisement & Publicity	871		2,805	
Audit fees including corporation tax works	5,000		4,000	
Courier charges	7,803		4,276	
Domestic travel	4,389		1,016	
Foreign travel	23,915		40,487	
Foreign travel US	12,966		17,037	
Entertainment Expenses	5,965		3,148	
Insurance charges	351		605	
Internet charges	<u>1,717</u>		<u>405</u>	
C/F TO THE NEXT PAGE	516,378	629,230	507,121	424,082

This page does not form part of the statutory accounts.

AVT TEA SERVICES LIMITED
DETAILED INCOME STATEMENT

FOR THE YEAR ENDING 31 MARCH 2017

B/F FROM PREVIOUS PAGE	516,378	629,230	507,121	424,082
Legal expenses	0		385	
Postal expenses	0		762	
Printing and stationery	929		973	
Professional fees	7,886		3,329	
Stock insurance	899		540	
Subscription charges	5,008		5,972	
Telephone expenses	6,214		11,079	
Provision for bad and doubtful debts	1,634		0	
Penalties	200		0	
Depreciation charges	<u>3,262</u>		<u>4,981</u>	
		(542,410)		(535,142)
FINANCIAL COSTS:				
Bank charges	11,423		4,815	
Exchange gain / loss	<u>124,303</u>		<u>14,284</u>	
		(135,726)		(19,099)
		(48,906)		(130,159)
Interest receivable		0		0
Interest charges		(33,041)		(32,726)
Facility charges		<u>(14,684)</u>		<u>(9,500)</u>
PROFIT / (LOSS) FOR THE YEAR		<u><u>(96,631)</u></u>		<u><u>(172,385)</u></u>

Note 1.

Director's remuneration for 2015/16, due to change of accountants, is not readily available and is therefore included in the total wages and salaries for the year.

Note 2.

Split of staff costs for 2015/16, due to the change of accountants, are not readily available and are therefore included in total wages and salaries for the year.

**AVT TEA SERVICES LIMITED
CORPORATION TAX COMPUTATION**

FOR THE YEAR ENDING 31 MARCH 2017

	£	£
Profit / (Loss) per accounts		(96,631)
Add: Depreciation charges	3,262	
Entertaining expenses	5,965	
Less: Capital Allowances - see below	<u>(915)</u>	
		8,312
Schedule D Case I loss for the year		<u>(88,319)</u>
Trading losses B/F		(974,909)
Trading losses C/F as at 31.03.2017		<u><u>(1,063,228)</u></u>
Corporation tax payable		<u><u>0</u></u>

	General pool £	Allowances £
Capital allowances computations:		
Written down value B/F	904	
Written down allowance @ 18%	(163)	163
Additions during year - computer & office equipment	752	
Additions during year - furniture, fixtures & fittings	<u>0</u>	
	752	
Less: Annual Investment Allowance	<u>(752)</u>	752
	0	
Written down value C/F @ 31.03.2017	<u><u>(163)</u></u>	<u><u>915</u></u>