

**Company registration number: 08176881**

**AVT Tea Services Limited**

**Financial statements**

**31 March 2019**

## AVT Tea Services Limited

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## **AVT Tea Services Limited**

### **Directors and other information**

<b>Directors</b>	Mr Richard Darlington Mr Ajit Thomas Mr M. A. Alagappan	(Appointed 1 April 2019)
<b>Company number</b>	08176881	
<b>Registered office</b>	2nd Floor Heathmans House 19 Heathmans Road London SW6 4TJ	
<b>Auditor</b>	Reza Samii 5 Calico Row Plantation Wharf London SW11 3YH	
<b>Bankers</b>	HSBC Bank Plc 240 Lavender Hill Clapham Junction London SW11 1LH	

## **AVT Tea Services Limited**

### **Directors report Year ended 31 March 2019**

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

#### **Directors**

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

Mr Richard Darlington

Mr Ajit Thomas

#### **Other matters**

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 responsibilities statement**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**AVT Tea Services Limited**

**Directors report (continued)**  
**Year ended 31 March 2019**

This report was approved by the board of directors on 17 May 2019 and signed on behalf of the board by:

A handwritten signature in dark ink, appearing to be 'Mr Richard Darlington', followed by a period.

Mr Richard Darlington  
Director



## **AVT Tea Services Limited**

### **Independent auditor's report to the members of AVT Tea Services Limited Year ended 31 March 2019**

#### **Opinion**

We have audited the financial statements of AVT Tea Services Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, 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 FRS 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 31 March 2019 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.

#### **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 auditor's 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 UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out below, 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

We have nothing to report in this regard.



## **AVT Tea Services Limited**

### **Independent auditor's report to the members of AVT Tea Services Limited (continued) Year ended 31 March 2019**

#### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

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 the 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

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, 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.

#### **Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



**AVT Tea Services Limited**

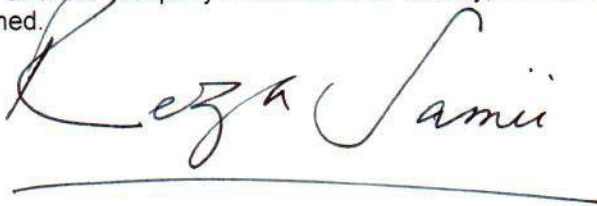
**Independent auditor's report to the members of  
AVT Tea Services Limited (continued)  
Year ended 31 March 2019**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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.



Reza Samii (Senior Statutory Auditor)

For and on behalf of  
Reza Samii  
Chartered Accountant and Statutory Auditor  
5 Calico Row  
Plantation Wharf  
London  
SW11 3YH

17 May 2019



**AVT Tea Services Limited**

**Statement of comprehensive income  
Year ended 31 March 2019**

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	8,941,992	12,444,620
Cost of sales		(8,252,099)	(11,632,474)
<b>Gross profit</b>		689,893	812,146
Distribution costs		(18,984)	(247)
Administrative expenses		(580,234)	(549,287)
<b>Operating profit</b>	<b>5</b>	90,675	262,612
Other interest receivable and similar income	<b>9</b>	26,323	20,379
Interest payable and similar expenses	<b>10</b>	(86,978)	(87,813)
<b>Profit before taxation</b>		30,020	195,178
Tax on profit	<b>11</b>	(5,001)	(3,872)
<b>Profit for the financial year and total comprehensive income</b>		25,019	191,306

All the activities of the company are from continuing operations.

The notes on pages 10 to 18 form part of these financial statements.

**AVT Tea Services Limited**

**Statement of financial position  
31 March 2019**

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12	2,791		3,058	
Investments	13	602		602	
			3,393		3,660
<b>Current assets</b>					
Stocks	14	819,652		646,475	
Debtors	15	1,528,869		1,817,672	
Cash at bank and in hand		341,842		264,255	
		2,690,363		2,728,402	
<b>Creditors: amounts falling due within one year</b>	16	(2,553,132)		(2,616,457)	
<b>Net current assets</b>			137,231		111,945
<b>Total assets less current liabilities</b>			140,624		115,605
<b>Net assets</b>			140,624		115,605
<b>Capital and reserves</b>					
Called up share capital	18	1,000,000		1,000,000	
Profit and loss account		(859,376)		(884,395)	
<b>Shareholders funds</b>			140,624		115,605

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 17 May 2019, and are signed on behalf of the board by:



Mr Richard Darlington  
Director

Company registration number: 08176881

**The notes on pages 10 to 18 form part of these financial statements.**

**AVT Tea Services Limited**

**Statement of changes in equity  
Year ended 31 March 2019**

	Called up share capital	Profit and loss account	<b>Total</b>
	£	£	£
<b>At 1 April 2017</b>	1,000,000	(1,075,701)	(75,701)
Profit for the year		191,306	191,306
<b>Total comprehensive income for the year</b>	-	191,306	191,306
<b>At 31 March 2018 and 1 April 2018</b>	1,000,000	(884,395)	115,605
Profit for the year		25,019	25,019
<b>Total comprehensive income for the year</b>	-	25,019	25,019
<b>At 31 March 2019</b>	1,000,000	(859,376)	140,624



## **AVT Tea Services Limited**

### **Notes to the financial statements Year ended 31 March 2019**

#### **1. General information**

The company is a private company limited by shares, registered in United Kingdom. The address of the registered office is 2nd Floor, Heathmans House, 19 Heathmans Road, London, SW6 4TJ.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.



## **AVT Tea Services Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2019**

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

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

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

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## AVT Tea Services Limited

### Notes to the financial statements (continued) Year ended 31 March 2019

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

#### 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.

#### 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.

#### Going Concern

The financial statements have been prepared on the going concern basis as the holding company who is also the major trading partner has indicated its intention to continue with its existing financial and operational arrangements.

#### 4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	8,757,816	12,413,853
Other Income	184,176	30,767
	<u>8,941,992</u>	<u>12,444,620</u>

#### 5. Operating profit

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible assets	1,524	3,178
(Gain)/loss on disposal of tangible assets	(70)	-
Cost of stocks recognised as an expense	8,135,461	11,550,270
Rent & Rates - net of recharges	1,911	17,806
Foreign exchange differences	73,483	(86,645)
Fees payable for the audit of the financial statements	<u>5,000</u>	<u>5,172</u>



**AVT Tea Services Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 March 2019**

**6. Auditors remuneration**

	<b>2019</b>	2018
	<b>£</b>	£
<b>Fees payable to Reza Samii</b>		
Fees payable for the audit of the financial statements	4,000	4,000
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	1,000	1,172

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.

**7. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2019</b>	2018
Distribution staff	3	3
Management - directors	2	2
	<u>5</u>	<u>5</u>

The aggregate payroll costs incurred during the year were:

	<b>2019</b>	2018
	<b>£</b>	£
Wages and salaries	358,422	428,494
Social security costs	29,208	28,803
Other pension costs	14,768	22,831
	<u>402,398</u>	<u>480,128</u>

**8. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2019</b>	2018
	<b>£</b>	£
Remuneration	143,048	148,040

**9. Other interest receivable and similar income**

	<b>2019</b>	2018
	<b>£</b>	£
Other interest receivable and similar income	26,323	20,379

**AVT Tea Services Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 March 2019**

**10. Interest payable and similar expenses**

	<b>2019</b>	2018
	<b>£</b>	£
Bank loans and overdrafts	68,893	72,813
Other interest payable and similar expenses	18,085	15,000
	<u>86,978</u>	<u>87,813</u>

**11. Tax on profit**

**Major components of tax expense**

	<b>2019</b>	2018
	<b>£</b>	£
<b>Current tax:</b>		
UK current tax expense	5,001	3,872
<b>Tax on profit</b>	<u>5,001</u>	<u>3,872</u>

**Reconciliation of tax expense**

The tax assessed on the profit for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

	<b>2019</b>	2018
	<b>£</b>	£
Profit before taxation	<u>30,020</u>	<u>195,178</u>
Profit multiplied by rate of tax	5,704	37,084
Effect of expenses not deductible for tax purposes	298	1,283
Effect of capital allowances and depreciation	37	(2)
Adjustment in respect of losses carried forward @ 19% (2017: 20%)	(1,038)	(34,493)
<b>Tax on profit</b>	<u>5,001</u>	<u>3,872</u>

**Factors affecting future tax expense**

At 31st March 2019 the company had tax losses of £876,968 (2018: £882,522) to carry forward and offset against future profits.

**AVT Tea Services Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 March 2019**

**12. Tangible assets**

	Office equipment	Fixtures and fittings	Leasehold improvements	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 April 2018	15,703	4,863	3,308	23,874
Additions	1,257	-	-	1,257
Disposals	(369)	-	-	(369)
<b>At 31 March 2019</b>	<u>16,591</u>	<u>4,863</u>	<u>3,308</u>	<u>24,762</u>
<b>Depreciation</b>				
At 1 April 2018	12,644	4,864	3,308	20,816
Charge for the year	1,524	-	-	1,524
Disposals in respect of fully depreciated items	(369)	-	-	(369)
<b>At 31 March 2019</b>	<u>13,799</u>	<u>4,864</u>	<u>3,308</u>	<u>21,971</u>
<b>Carrying amount</b>				
<b>At 31 March 2019</b>	<u>2,792</u>	<u>(1)</u>	<u>-</u>	<u>2,791</u>
At 31 March 2018	<u>3,059</u>	<u>(1)</u>	<u>-</u>	<u>3,058</u>

**13. Investments**

	Shares in group undertakings	<b>Total</b>
	£	£
<b>Cost</b>		
At 1 April 2018 and 31 March 2019	<u>602</u>	<u>602</u>
<b>Impairment</b>		
At 1 April 2018 and 31 March 2019	<u>-</u>	<u>-</u>
<b>Carrying amount</b>		
<b>At 31 March 2019</b>	<u>602</u>	<u>602</u>
At 31 March 2018	<u>602</u>	<u>602</u>



**AVT Tea Services Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 March 2019**

**Investments in associates**

	<b>2019</b>	2018
	£	£
Carrying amount of investments in associates	<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.

**14. Stocks**

	<b>2019</b>	2018
	£	£
Stocks of goods for resale at cost	<u>819,652</u>	<u>646,475</u>

**15. Debtors**

	<b>2019</b>	2018
	£	£
Trade debtors	853,123	1,203,622
Amounts owed by group undertakings	279,608	245,044
Prepayments and accrued income	7,040	7,040
Other debtors	389,098	361,966
	<u>1,528,869</u>	<u>1,817,672</u>

**16. Creditors: amounts falling due within one year**

	<b>2019</b>	2018
	£	£
Bank loans and overdrafts	1,847,427	1,399,713
Trade creditors	216,819	12,218
Amounts owed to group undertakings	432,136	1,150,125
Corporation tax	5,001	3,872
Social security and other taxes	8,686	15,306
Other creditors	43,063	35,223
	<u>2,553,132</u>	<u>2,616,457</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.

**AVT Tea Services Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 March 2019**

**17. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £14,768 (2018: £22,831).

**18. Called up share capital**  
**Issued, called up and fully paid**

	2019		2018	
	No	£	No	£
Ordinary shares of £ 1.00 each	1,000,000	1,000,000	1,000,000	1,000,000

**19. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Later than 1 year and not later than 5 years	28,160	28,160

## **AVT Tea Services Limited**

### **Notes to the financial statements (continued) Year ended 31 March 2019**

#### **20. 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 year the company entered into the following transactions with AVT Natural Products Ltd. Sales of £2,311,975 (2018: £1,263,623); Sales Commission of £181,558 (2018: £30,767), Purchases of £5,349,656 (2018: £7,950,499); Recharged costs of £51,885 (2018: £60,515).

The balances outstanding as at 31st March 2019 were a debtor balance of £272,214 (2018: £238,986) and a creditor balance of £420,668 (2018: £1,136,125).

##### **AVT Leather Inc.**

During the year the company was charged a sum of £142,105 (2018: £144,515) by AVT Leather Inc, a company incorporated in USA towards services provided in USA.

The creditor balance due to AVT Leather Inc. as at 31st March 2019 amounted to £11,468 (2018: £14,000).

##### **Serica Tea Limited / The Darlington Tea Company Limited**

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

Serica Tea Limited - Sales £19,449 (2018: £NIL), Purchases £34,456 (2018: £19,200). There were no outstanding balances as at 31st March 2019.

The Darlington Tea Company Limited: Purchases £23,232 (2018: £NIL), Recharged costs £30,103 (2018: £28,972). The balance as at 31st March 2019 was a debtor balance of £7,395 (2018: £6,058) and a creditor balance of £23,081 (2018: £NIL).

#### **21. Controlling party**

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



**AVT Tea Services Limited**

**The following pages do not form part of the statutory accounts.**

# AVT Tea Services Limited

Year ended 31 March 2019

	2019 £	2018 £
<b>Turnover</b>		
Sales	8,757,816	12,413,853
Other income	184,176	30,767
	<u>8,941,992</u>	<u>12,444,620</u>
<b>Cost of sales</b>		
Opening stock	(646,475)	(1,756,514)
Purchases	(8,308,638)	(10,440,231)
Storage Rent & Transportation	(82,538)	(57,174)
Sample testing charges	(34,100)	(25,030)
	<u>(9,071,751)</u>	<u>(12,278,949)</u>
Closing stock	819,652	646,475
	<u>8,252,099</u>	<u>11,632,474</u>
<b>Gross profit</b>	<u>689,893</u>	<u>812,146</u>
<b>Gross profit percentage</b>	7.7%	6.5%
<b>Overheads</b>		
Distribution costs	(18,984)	(247)
Administrative expenses	(580,234)	(549,287)
	<u>(599,218)</u>	<u>(549,534)</u>
<b>Operating profit</b>	90,675	262,612
<b>Operating profit percentage</b>	1.0%	2.1%
Other interest receivable and similar income	26,323	20,379
Interest payable and similar expenses	(86,978)	(87,813)
<b>Profit before taxation</b>	<u>30,020</u>	<u>195,178</u>

**AVT Tea Services Limited**

**Detailed income statement (continued)**  
**Year ended 31 March 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Overheads</b>		
<b>Distribution costs</b>		
Sales Commission	(18,984)	(247)
	<u>(18,984)</u>	<u>(247)</u>
 <b>Administrative expenses</b>		
Wages and salaries	(255,759)	(310,968)
Less: recharges to related undertakings	51,885	60,514
Directors remuneration	(143,048)	(148,040)
Employer's NIC incl. director - UK	(29,208)	(28,803)
UK pension	(14,768)	(22,831)
Redundancy Payment	(11,500)	(30,000)
Staff welfare	(1,070)	(495)
Meeting expenses	-	(134)
Rent and rates	(1,911)	(17,806)
Water expenses	(90)	(161)
Service charges	(5,604)	(5,604)
Insurance	(901)	(665)
Light and heat	(357)	(32)
Cleaning	(1,590)	(1,530)
Printing, postage and stationery	(599)	(5,660)
Courier charges	(8,819)	(745)
Advertising & Publicity	(750)	(726)
Telephone	(3,584)	(3,143)
Travelling - UK and US	(34,156)	(58,081)
Entertaining	(1,566)	(6,754)
Legal and professional	(5,748)	(3,073)
Audit fees including corporation tax works	(5,000)	(5,172)
Bank charges	(11,860)	(15,437)
Profit on exchange	-	86,645
Loss on exchange	(73,483)	-
Employee Health Insurance	(9,863)	(15,715)
General office expenses	(5,534)	(1,541)
Subscriptions	(3,897)	(10,152)
Depreciation of tangible assets	(1,524)	(3,178)
Gain/loss on disposal of tangible assets	70	-
	<u>(580,234)</u>	<u>(549,287)</u>