

GRM International Holdings Limited

Report and Financial Statements

for the year ended 31 March 2019

Company Registration No: 10474555

**Taylors
Chartered Accountants
Battle House
1 East Barnet Road
Hertfordshire
EN4 8RR**

GRM International Holdings Limited
Report and accounts
Contents

| | Page |
|--|-------------|
| Company information | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 3 |
| Strategic report | 4 |
| Independent auditor's report | 7 |
| Income statement | 9 |
| Statement of comprehensive income | 10 |
| Statement of financial position | 11 |
| Statement of changes in equity | 12 |
| Statement of cash flows | 13 |
| Notes to the financial statements | 14 |

**GRM International Holdings Limited
Company Information**

Directors

A Garg

Auditors

Taylor's
Battle House
1 East Barnet Road
New Barnet
Hertfordshire
EN4 8RR

Registered office

259-269 Old Marylebone Road
Office 2.08 Winchester House
London
England
NW1 5RA

Registered number

10474555

GRM International Holdings Limited
Registered number: 10474555
Directors' Report

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

Principal activities

The company's principal activity during the period was that of trade in wholesale grain, drinks and other food products.

Future developments

All activities of companies are currently supported by parent company GRM Overseas Ltd. In future company plans to generate positive cash flows from its operations in the European continent and reinvest in the company's growth to reduce its support from the parent company.

Financial instrument risk

There was no financial instrument risk applicable for the company during the year.

Dividends

The loss for the year after taxation was £790,267. No dividend has been recommended for the year.

Events since the balance sheet date

There was no significant event since the balance sheet date.

Directors

The following persons served as directors during the year:

A Garg

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

This report was approved by the board on 7 August 2019 and signed on its behalf.

A Garg
Director

GRM International Holdings Limited Statement of Directors' Responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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.

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.

GRM International Holdings Limited Strategic Report

The director present company's strategic report for the period ended 31 March 2019.

Review of the business

GRM International Holdings Limited ("the company") mainly trades in basmati and other variety of rice. During the period the company imported basmati and other rice varieties mainly from parent company, GRM Overseas Ltd in India. The company core basmati rice brand "Himalaya River" continued to perform well in the UK and in other European countries. During the year, many new products were introduced and sold to existing customers. Some of the new products includes Basil seed drink, tea, peanut butter and other Afro Caribbean range.

The company's major revenue is from sale of "Himalaya River" rice to mainstream superstores, medium sized stores and cash and carry businesses in the UK and other European countries.

The loss after tax for the year ended 31 March 2019 amounted to £790,267.

The board considers the results for the period to below expectation with nearly 33% of the losses arising from exchange loss on amount payable to parent company. Other losses were due to higher warehouse storage charges, these arose from higher inventory levels right at the beginning of the year. Overall there has been increased operational costs resulting in high losses for the year.

On the other hand, turnover has more than doubled in comparison to last year.

Overall Himalaya River brand is performing very well in terms of the growth in the number of the customers in the UK and other European countries.

Key performance indicators

The company has key financial and non-financial performance indicators (KPI's) that assist in assessing the performance of the company. Considered together, these KPI's give a holistic view of the underlying performance of the company and the alignment with the overall strategy.

Financial KPI's include: revenue growth which has increased quarter on quarter during the period. Operating losses has also increased quarter on quarter.

Non-financial KPI's include the number of customers which is 96 as at the period end.

This is the second year of operation for the company and most of the KPI targets except profit target are achieved during the period.

Principal risks and uncertainties

The company is primarily exposed to operational and reputational risks due to the sector GRM operates in and high growth of the business. With regards to risk appetite and approach, the company is proactive and focused on understanding and managing the risks it is naturally exposed to and actively seeks to mitigate these wherever possible.

To embed risk management throughout the company, GRM is currently working on setting up governance structure, policies and procedures, effective management reporting and controls in place to identify, mitigate and control risks.

GRM International Holdings Limited Strategic Report (continued)

Financial risk management objectives and policies

The company's activities expose it to several financial risks including credit risk, price risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes.

Credit risk

Credit risk is the potential for loss caused by a counterparty failing to meet their obligation as they become due. The main counterparty risk for GRM is with its customer and the risk is managed by regular monitoring and reviewing the limits of the customer before and after the actual sales are carried out by finance and sales team jointly. The company is not exposed to high levels of credit risk from mainstream superstores when compared to small cash and carry businesses.

Price Risk

Price risk arises from adverse changes to the market price of the rice and other food grains being imported in other currencies, values of outstanding debts and outstanding amounts payable to suppliers in other currencies. For import of rice we rely on parent company for hedging the price risk.

Liquidity risk

Liquidity risk is both the risk arising from holding inventory that cannot be readily realised and converted into cash and the risk that net cash flow is insufficient to meet the funding demands of the business on an ongoing basis.

Inventory levels are reviewed on regular basis to ensure that all inventory lines are moving. Net cash flow are currently sufficient to meet the funding demands on an ongoing basis but any deficient funds are being provided by parent company from India. Mid-term forecasting is also undertaken to identify any future cash deficiency to allow time for corrective actions to be taken if required.

Brexit risk

The 27 members of the European Union have responded to Britain's request to extend the Brexit process deadline extended to October 2019, having agreed that the original Brexit date of March 29 is no longer feasible.

The decision therefore leads to uncertainty over what the impact would be on overall economic conditions of UK and the company. We are taking a proactive approach in identifying, monitoring and dealing with any such effects.

**GRM International Holdings Limited
Strategic Report (continued)**

Future developments

The director forecast increased levels of business activity in the forthcoming year arising from repeat orders from the customers due to superior quality of GRM's product compared to other established brands in the market.

Additionally, board is very strongly considering a new operational model to shift most of the logistics to the traders and thereby reducing majority of the costs which will eventually increase the profit margins.

This report was approved by the board on 7 August 2019 and signed on its behalf.

**A Garg
Director**

GRM International Holdings Limited
Independent auditor's report
to the members of GRM International Holdings Limited

Opinion

We have audited the financial statements of GRM International Holdings Limited for the year ended 31 March 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 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 report and financial statements, 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

GRM International Holdings Limited
Independent auditor's report
to the members of GRM International Holdings Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

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.

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

Rajesh Gulabivala ACA

(Senior Statutory Auditor)
for and on behalf of

Taylors

Accountants and Statutory Auditors
7 August 2019

Battle House
1 East Barnet Road
New Barnet
Hertfordshire
EN4 8RR

GRM International Holdings Limited
Income Statement
for the year ended 31 March 2019

| | Notes | 2019 £ | 2018 £ |
|---|-------|-------------------------|---------------------|
| Turnover | 3 | 4,245,263 | 2,104,461 |
| Cost of sales | | (4,608,232) | (1,868,178) |
| Gross (loss)/profit | | <u>(362,969)</u> | <u>236,283</u> |
| Distribution costs | | (216,946) | (95,225) |
| Administrative expenses | | (199,212) | (142,544) |
| Other operating income | | - | 7,845 |
| Operating (loss)/profit | 4 | <u>(779,127)</u> | <u>6,359</u> |
| Interest payable | 6 | (12,395) | - |
| (Loss)/profit on ordinary activities before taxation | | <u>(791,522)</u> | <u>6,359</u> |
| Tax on (loss)/profit on ordinary activities | 7 | 1,255 | (1,255) |
| (Loss)/profit for the financial year | | <u><u>(790,267)</u></u> | <u><u>5,104</u></u> |

**GRM International Holdings Limited
Statement of comprehensive income
for the year ended 31 March 2019**

| | Notes | 2019 £ | 2018 £ |
|--|--------------|-------------------|-------------------|
| (Loss)/profit for the financial year | | (790,267) | 5,104 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>(790,267)</u> | <u>5,104</u> |

GRM International Holdings Limited
Statement of Financial Position
as at 31 March 2019

| | Notes | 2019 £ | 2018 £ |
|---|-------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 1,075 | 921 |
| Current assets | | | |
| Stocks | 9 | 837,658 | 3,562,742 |
| Debtors | 10 | 763,354 | 467,119 |
| Cash at bank and in hand | | 192,860 | 68,753 |
| | | <u>1,793,872</u> | <u>4,098,614</u> |
| Creditors: amounts falling due within one year | 11 | (2,410,110) | (3,924,256) |
| Net current (liabilities)/assets | | <u>(616,238)</u> | <u>174,358</u> |
| Total assets less current liabilities | | <u>(615,163)</u> | <u>175,279</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 12 | - | (175) |
| Net (liabilities)/assets | | <u><u>(615,163)</u></u> | <u><u>175,104</u></u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 170,000 | 170,000 |
| Profit and loss account | 14 | (785,163) | 5,104 |
| Total equity | | <u><u>(615,163)</u></u> | <u><u>175,104</u></u> |

A Garg
Director
Approved by the board on 7 August 2019

GRM International Holdings Limited
Statement of Changes in Equity
for the year ended 31 March 2019

| | Share capital | Profit and loss account | Total |
|-----------------------------|------------------|-------------------------------|------------------|
| | £ | £ | £ |
| At 11 November 2016 | - | - | - |
| Profit for the period | | 5,104 | 5,104 |
| Shares issued | 170,000 | - | 170,000 |
| At 31 March 2018 | <u>170,000</u> | <u>5,104</u> | <u>175,104</u> |
| At 1 April 2018 | 170,000 | 5,104 | 175,104 |
| Loss for the financial year | - | (790,267) | (790,267) |
| At 31 March 2019 | <u>170,000</u> | <u>(785,163)</u> | <u>(615,163)</u> |

GRM International Holdings Limited
Statement of Cash Flows
for the year ended 31 March 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|----------------|------------------|
| Operating activities | | | |
| (Loss)/profit for the financial year | | (790,267) | 5,104 |
| Adjustments for: | | | |
| Interest payable | | 12,395 | - |
| Tax on (loss)/profit on ordinary activities | | (1,255) | 1,255 |
| Depreciation | | 460 | 307 |
| Decrease/(increase) in stocks | | 2,725,084 | (3,562,742) |
| Increase in debtors | | (296,235) | (467,119) |
| (Decrease)/increase in creditors | | (1,513,066) | 3,923,176 |
| | | <u>137,116</u> | <u>(100,019)</u> |
| Interest paid | | (12,395) | - |
| Cash generated by/(used in) operating activities | | <u>124,721</u> | <u>(100,019)</u> |
| Investing activities | | | |
| Payments to acquire tangible fixed assets | | (614) | (1,228) |
| Cash used in investing activities | | <u>(614)</u> | <u>(1,228)</u> |
| Financing activities | | | |
| Proceeds from the issue of shares | | - | 170,000 |
| Cash generated by financing activities | | <u>-</u> | <u>170,000</u> |
| Net cash generated | | | |
| Cash generated by/(used in) operating activities | | 124,721 | (100,019) |
| Cash used in investing activities | | (614) | (1,228) |
| Cash generated by financing activities | | - | 170,000 |
| Net cash generated | | <u>124,107</u> | <u>68,753</u> |
| Cash and cash equivalents at 1 April | | <u>68,753</u> | - |
| Cash and cash equivalents at 31 March | | <u>192,860</u> | <u>68,753</u> |
| Cash and cash equivalents comprise: | | | |
| Cash at bank | | <u>192,860</u> | <u>68,753</u> |

GRM International Holdings Limited
Notes to the Accounts
for the year ended 31 March 2019

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|---|----------------------------|
| Fixtures, fittings, tools and equipment | 25% on straight line basis |
|---|----------------------------|

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

GRM International Holdings Limited
Notes to the Accounts
for the year ended 31 March 2019

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate. The company's pension scheme is Master Trust, Smart Pension in accordance with Auto Enrolment requirements.

2 Going Concern

The company incurred a loss for the year after taxation of £790,267 during the year ended 31 March 2019 and, as of that date, the company's current liabilities exceeded its total assets by £615,163.

The company has reviewed its current business model and will implement a new business strategy set out in the strategic report. The forecasts indicate that the company will return to profitability in the short term.

The ultimate holding company, GRM Overseas Limited, a company listed on the Mumbai stock exchange will continue to provide financial support until such time as when the company is able to support itself.

3 Analysis of turnover

| | 2019 | 2018 |
|-------------------------|------------------|------------------|
| | £ | £ |
| Sale of goods | <u>4,245,263</u> | <u>2,104,461</u> |
| By geographical market: | | |
| UK | 3,095,421 | 1,633,419 |
| Europe | <u>1,149,842</u> | <u>471,042</u> |
| | <u>4,245,263</u> | <u>2,104,461</u> |

GRM International Holdings Limited
Notes to the Accounts
for the year ended 31 March 2019

| | | |
|--|------------------|----------------|
| 4 Operating profit | 2019 | 2018 |
| | £ | £ |
| This is stated after charging: | | |
| Depreciation of owned fixed assets | 460 | 307 |
| Auditors' remuneration for audit services | 5,750 | 8,500 |
| Carrying amount of stock sold | 3,835,967 | 729,887 |
| | <u>3,835,967</u> | <u>729,887</u> |
| 5 Staff costs | 2019 | 2018 |
| | £ | £ |
| Wages and salaries | 19,505 | - |
| Other pension costs | 208 | - |
| | <u>19,713</u> | <u>-</u> |
| 6 Interest payable | 2019 | 2018 |
| | £ | £ |
| Bank loans and overdrafts | <u>12,395</u> | <u>-</u> |
| 7 Taxation | 2019 | 2018 |
| | £ | £ |
| Analysis of charge in period | | |
| Current tax: | | |
| UK corporation tax on profits of the period | (1,080) | 1,080 |
| Deferred tax: | | |
| Origination and reversal of timing differences | (175) | 175 |
| | <u>(1,255)</u> | <u>1,255</u> |
| Tax on (loss)/profit on ordinary activities | <u>(1,255)</u> | <u>1,255</u> |
| Factors affecting tax charge for period | | |
| The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows: | | |
| | 2019 | 2018 |
| | £ | £ |
| (Loss)/profit on ordinary activities before tax | <u>(791,522)</u> | <u>6,359</u> |
| Standard rate of corporation tax in the UK | 19% | 19% |
| | £ | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | (150,389) | 1,208 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 55 | 793 |
| Capital allowances for period in excess of depreciation | 87 | (921) |
| Tax losses | 149,167 | - |
| Current tax charge for period | <u>(1,080)</u> | <u>1,080</u> |

GRM International Holdings Limited
Notes to the Accounts
for the year ended 31 March 2019

Factors that may affect future tax charges

Tax losses at 31 March 2019 amounted to £980,410.

8 Tangible fixed assets

| | Fixtures, fittings & equipment |
|--------------------------|---|
| | <i>At cost</i> |
| | £ |
| Cost or valuation | |
| At 1 April 2018 | 1,228 |
| Additions | 614 |
| At 31 March 2019 | <u>1,842</u> |
| Depreciation | |
| At 1 April 2018 | 307 |
| Charge for the year | 460 |
| At 31 March 2019 | <u>767</u> |
| Carrying amount | |
| At 31 March 2019 | <u>1,075</u> |
| At 31 March 2018 | <u>921</u> |

9 Stocks

| | 2019 | 2018 |
|-------------------------------------|----------------|------------------|
| | £ | £ |
| Finished goods and goods for resale | <u>837,658</u> | <u>3,562,742</u> |

10 Debtors

| | 2019 | 2018 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 719,779 | 395,111 |
| Amounts owed by group undertakings | 6,392 | - |
| Other debtors | 29,248 | 51,213 |
| Prepayments and accrued income | 7,935 | 20,795 |
| | <u>763,354</u> | <u>467,119</u> |

11 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 2,203,087 | 3,617,251 |
| Amounts owed to group undertakings | 131,273 | 138,826 |
| Corporation tax | - | 1,080 |
| Accruals and deferred income | 75,750 | 167,099 |
| | <u>2,410,110</u> | <u>3,924,256</u> |

GRM International Holdings Limited
Notes to the Accounts
for the year ended 31 March 2019

| 12 Deferred taxation | 2019 | 2018 |
|---|-------------|-------------|
| | £ | £ |
| Accelerated capital allowances | <u>-</u> | <u>175</u> |
| | 2019 | 2018 |
| | £ | £ |
| At 1 April | 175 | - |
| (Credited)/charged to the profit and loss account | (175) | 175 |
| At 31 March | <u>-</u> | <u>175</u> |

| 13 Share capital | Nominal value | 2019 | 2019 | 2018 |
|--|----------------------|---------------|----------------|----------------|
| | | Number | £ | £ |
| Allotted, called up and fully paid: Ordinary shares | £1 each | 170,000 | <u>170,000</u> | <u>170,000</u> |

| 14 Profit and loss account | 2019 | 2018 |
|--------------------------------------|------------------|--------------|
| | £ | £ |
| At 1 April | 5,104 | - |
| (Loss)/profit for the financial year | (790,267) | 5,104 |
| At 31 March | <u>(785,163)</u> | <u>5,104</u> |

15 Controlling party

The ultimate controlling party is GRM Overseas Limited, a company listed on the Bombay Stock Exchange and registered in New Delhi, India.

16 Presentation currency

The financial statements are presented in Sterling.

17 Legal form of entity and country of incorporation

GRM International Holdings Limited is a private company limited by shares and incorporated in England.

18 Principal place of business

The address of the company's principal place of business and registered office is:

259-269 Old Marylebone Road
Office 2.08 Winchester House
London
England
NW1 5RA

GRM International Holdings Limited
Detailed profit and loss account
for the year ended 31 March 2019

This schedule does not form part of the statutory accounts

| | 2019 | 2018 |
|---------------------------------|-------------------------|---------------------|
| | £ | £ |
| Sales | 4,245,263 | 2,104,461 |
| Cost of sales | (4,608,232) | (1,868,178) |
| Gross (loss)/profit | <u>(362,969)</u> | <u>236,283</u> |
| Distribution costs | (216,946) | (95,225) |
| Administrative expenses | (199,212) | (142,544) |
| Other operating income | - | 7,845 |
| Operating (loss)/profit | <u>(779,127)</u> | <u>6,359</u> |
| Interest payable | (12,395) | - |
| (Loss)/profit before tax | <u><u>(791,522)</u></u> | <u><u>6,359</u></u> |

GRM International Holdings Limited
Detailed profit and loss account
for the year ended 31 March 2019

This schedule does not form part of the statutory accounts

| | 2019 | 2018 |
|---|------------------|------------------|
| | £ | £ |
| Sales | | |
| Sale of goods | <u>4,245,263</u> | <u>2,104,461</u> |
| Cost of sales | | |
| Purchases | 3,835,967 | 729,887 |
| Currency exchange gains | 251,773 | (186,575) |
| Carriage | 26,300 | 92,386 |
| Discounts allowed | 403 | 7,248 |
| Commissions payable | 95,975 | 47,271 |
| Other direct costs | <u>397,814</u> | <u>1,177,961</u> |
| | <u>4,608,232</u> | <u>1,868,178</u> |
| Distribution costs | | |
| Distribution costs | <u>216,946</u> | <u>95,225</u> |
| Administrative expenses | | |
| Employee costs: | | |
| Wages and salaries | 19,505 | - |
| Pensions | 208 | - |
| Staff training and welfare | 3,243 | 3,881 |
| Travel and subsistence | 8,377 | 4,995 |
| Motor expenses | 609 | 2,699 |
| Entertaining | 288 | 163 |
| | <u>32,230</u> | <u>11,738</u> |
| Premises costs: | | |
| Rent and services | <u>18,361</u> | <u>1,943</u> |
| | <u>18,361</u> | <u>1,943</u> |
| General administrative expenses: | | |
| Telephone | 34 | 58 |
| Postage | 220 | 263 |
| Stationery and printing | 58 | 535 |
| Subscriptions | - | 328 |
| Bank charges | 3,090 | 1,876 |
| Insurance | 7,719 | 5,592 |
| Charity | 453 | - |
| Software | 792 | 421 |
| Repairs and maintenance | - | 343 |
| Depreciation | 460 | 307 |
| Sundry expenses | <u>4,463</u> | <u>2,380</u> |
| | <u>17,289</u> | <u>12,103</u> |
| Legal and professional costs: | | |
| Audit fees | 5,750 | 8,500 |
| Advertising and promotion | 38,345 | 23,303 |
| Legal and professional | <u>87,237</u> | <u>84,957</u> |
| | <u>131,332</u> | <u>116,760</u> |
| | <u>199,212</u> | <u>142,544</u> |
| Other operating income | | |
| Other operating income | <u>-</u> | <u>7,845</u> |