

Registered number
3083607

NARANG WHOLESALERS LTD

Report and Accounts

31 December 2001



NARANG WHOLESALERS LTD

Report and accounts

Contents

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8

NARANG WHOLESALERS LTD

Company Information

Directors

A K Narang
M Y Hussain
J S Kalsi
J Pauley

Secretary

Nirmal Singh

Auditors

Choudhury Associates
Chartered Accountants
Registered Auditors
5 Hallfield Road
Bradford
BD1 3RP

Bankers

HSBC
47 Market street
Bradford
BD1 1LW

Registered office

Narang House
121 City Road
Bradford
BD8 8JR

Registered number

3083607

NARANG WHOLESALERS LTD

Directors' Report

The directors present their report and accounts for the year ended 31 December 2001.

Principal activities and review of the business

The company's principal activity during the year continued to be that of wholesalers of beers, wines, spirits, textiles and general electrical goods.

Results and dividends

The profit for the year, after taxation, amounted to £217,797. The directors recommend no dividend to be paid.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2001	2000
M Y Hussain	-	-
J S Kalsi	-	-
A K Narang	-	-
J Pauley	-	-

Auditors

A resolution to reappoint Choudhury Associates as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 27 November 2002.


A K Narang
Director



NARANG WHOLESALERS LTD

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

NARANG WHOLESALERS LTD

Independent auditors' report to the shareholders of NARANG WHOLESALERS LTD

We have examined the abbreviated accounts set out on pages 5 to 13, together with the financial statements of the company for the year ended 31 Decemeber 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by the reference to the accounts that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A (3) of the Companies Act 1985, and the abbreviated accounts on page 5 to 13 are properly prepared in accordance with that provision.



Choudhury Associates
Chartered Accountants & Registered Auditors
5 Hallfield Road
Bradford
BD1 3 RP

27 November 2002

NARANG WHOLESALERS LTD

Profit and Loss Account for the year ended 31 December 2001

	Notes	2001 £	2000 £
Gross profit		918,836	797,367
Administrative expenses		(676,104)	(605,512)
Other operating income		54,991	16,459
Operating profit	3	297,723	208,314
Interest payable	6	(28,265)	(24,990)
Profit on ordinary activities before taxation		269,458	183,324
Tax on profit on ordinary activities	7	(51,661)	(36,774)
Profit for the financial year		217,797	146,550
Retained profit for the financial year	16	217,797	146,550

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

NARANG WHOLESALERS LTD

Balance Sheet as at 31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	8	118,660	70,355
Investments	9	100,960	100,960
		<u>219,620</u>	<u>171,315</u>
Current assets			
Stocks	10	508,038	343,249
Debtors	11	1,417,406	1,098,658
Cash at bank and in hand		58,622	24,387
		<u>1,984,066</u>	<u>1,466,294</u>
Creditors: amounts falling due within one year	12	(1,255,179)	(1,037,765)
Net current assets		<u>728,887</u>	<u>428,529</u>
Total assets less current liabilities		<u>948,507</u>	<u>599,844</u>
Creditors: amounts falling due after more than one year	13	(292,179)	(161,313)
		<u>656,328</u>	<u>438,531</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	656,326	438,529
Shareholders' funds:			
Equity		<u>656,328</u>	<u>438,531</u>
	17	<u>656,328</u>	<u>438,531</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on 27 November 2002 and signed on its behalf (s.246A(4)).


A K Narang
Director

NARANG WHOLESALERS LTD

Cash Flow Statement for the year ended 31 December 2001

	Notes	2001 £	2000 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		297,723	208,314
Depreciation charges		25,282	13,669
(Increase)/decrease in stocks		(164,789)	160,321
Increase in debtors		(318,748)	(613,460)
Increase in creditors		320,453	76,831
Net cash inflow/(outflow) from operating activities		<u>159,921</u>	<u>(154,325)</u>
CASH FLOW STATEMENT			
Net cash inflow/(outflow) from operating activities		159,921	(154,325)
Returns on investments and servicing of finance	18	(28,265)	24,541
Capital expenditure	18	<u>(73,587)</u> 58,069	<u>(95,646)</u> (225,430)
Financing	18	19,169	89,200
Increase/(decrease) in cash		<u>77,238</u>	<u>(136,230)</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		77,238	(136,230)
Increase in debt and lease financing		(19,169)	(89,200)
Change in net debt	19	<u>58,069</u>	<u>(225,430)</u>
Net debt at 1 January		<u>(388,019)</u>	<u>(162,589)</u>
Net debt at 31 December		<u>(329,950)</u>	<u>(388,019)</u>

NARANG WHOLESALERS LTD

Notes to the Accounts for the year ended 31 December 2001

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

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:

Leasehold land and buildings	over 50 years at cost
Plant and machinery	20% reducing balance method

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

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

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

NARANG WHOLESALERS LTD

Notes to the Accounts for the year ended 31 December 2001

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to one continuing activity, ...

3 Operating profit	2001 £	2000 £
This is stated after charging:		
Depreciation of owned fixed assets	5,263	4,734
Depreciation of assets held under finance leases and hire purchase contracts	7,148	8,935
Auditors' remuneration	<u>11,000</u>	<u>10,000</u>

4 Directors' emoluments	2001 £	2000 £
Emoluments	<u>26,000</u>	<u>26,000</u>

5 Staff costs	2001 £	2000 £
Wages and salaries	<u>290,640</u>	<u>248,433</u>

Average number of employees during the year	Number	Number
Administration	10	5
Distribution	16	11
Sales	<u>7</u>	<u>7</u>
	<u>33</u>	<u>23</u>

6 Interest payable	2001 £	2000 £
Bank loans and overdrafts	<u>28,265</u>	<u>24,990</u>

7 Taxation	2001 £	2000 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	<u>51,661</u>	<u>36,774</u>
Tax on profit on ordinary activities	51,661	36,774
Factors affecting tax charge for period		

NARANG WHOLESALERS LTD

Notes to the Accounts for the year ended 31 December 2001

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2001 £	2000 £
Profit on ordinary activities before tax	<u>269,458</u>	<u>183,324</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	80,837	54,997
Effects of: Expenses not deductible for tax purposes	(29,176)	(18,223)
Current tax charge for period	<u>51,661</u>	<u>36,774</u>

Factors that may affect future tax charges

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2001	16,210	88,201	104,411
Additions	-	74,403	74,403
Disposals	-	(1,700)	(1,700)
At 31 December 2001	<u>16,210</u>	<u>160,904</u>	<u>177,114</u>
Depreciation			
At 1 January 2001	820	33,236	34,056
Charge for the year	164	25,118	25,282
On disposals	-	(884)	(884)
At 31 December 2001	<u>984</u>	<u>57,470</u>	<u>58,454</u>
Net book value			
At 31 December 2001	<u>15,226</u>	<u>103,434</u>	<u>118,660</u>
At 31 December 2000	<u>15,390</u>	<u>54,965</u>	<u>70,355</u>

NARANG WHOLESALERS LTD

Notes to the Accounts for the year ended 31 December 2001

	2001 £	2000 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>28,594</u>	<u>35,742</u>

9 Investments

	Investments in Property £
Cost	
At 1 January 2001	100,960
At 31 December 2001	<u>100,960</u>

10 Stocks

	2001 £	2000 £
Finished goods and goods for resale	<u>508,038</u>	<u>343,249</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11 Debtors

	2001 £	2000 £
Trade debtors	1,011,512	482,142
Other debtors	386,805	603,495
Prepayments and accrued income	<u>19,089</u>	<u>13,021</u>
	<u>1,417,406</u>	<u>1,098,658</u>

12 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	247,091	290,094
Obligations under finance lease and hire purchase contracts	29,662	20,035
Trade creditors	813,813	517,299
Corporation tax	134,530	82,869
Other taxes and social security costs	24,541	24,983
Other creditors	<u>5,542</u>	<u>102,485</u>
	<u>1,255,179</u>	<u>1,037,765</u>

NARANG WHOLESALERS LTD

Notes to the Accounts for the year ended 31 December 2001

13 Creditors: amounts falling due after one year			2001	2000
			£	£
Bank loans			68,786	75,112
Obligations under finance lease and hire purchase contracts			43,033	27,165
Private Loans			62,246	59,036
Other creditors			118,114	-
			<u>292,179</u>	<u>161,313</u>
14 Obligations under finance leases and hire purchase contracts			2001	2000
			£	£
Amounts payable:				
Within one year			29,662	20,035
Within two to five years			43,033	27,165
			<u>72,695</u>	<u>47,200</u>
15 Share capital			2001	2000
			£	£
Authorised:				
Ordinary shares of £1 each			<u>100,000</u>	<u>100,000</u>
	2001	2000	2001	2000
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>
16 Profit and loss account			2001	2000
			£	£
At 1 January			438,529	291,979
Retained profit			217,797	146,550
			<u>656,326</u>	<u>438,529</u>
At 31 December				
17 Reconciliation of movement in shareholders' funds			2001	2000
			£	£
At 1 January 2001			438,531	291,981
Profit for the financial year			217,797	146,550
			<u>656,328</u>	<u>438,531</u>
At 31 December 2001				

NARANG WHOLESALERS LTD

Notes to the Accounts for the year ended 31 December 2001

18 Gross cash flows	2001 £	2000 £
Returns on investments and servicing of finance		
Interest paid	(28,265)	(24,990)
Capital expenditure		
Payments to acquire tangible fixed assets	(74,403)	(37,740)
Receipts from sales of intangible fixed assets	-	-
Receipts from sales of tangible fixed assets	816	43,054
	(73,587)	(95,646)
Financing		
Loan repayments	(6,326)	-
Capital element of finance lease rental payments	25,495	89,200
	19,169	89,200

19 Analysis of changes in net debt

	At 1 Jan 2001 £	Cash flows £	Non-cash changes £	At 31 Dec 2001 £
Cash at bank and in hand	24,387	34,235		58,622
Overdrafts	(290,094)	43,003		(247,091)
		77,238		
Debt due after 1 year	(75,112)	6,326		(68,786)
Finance leases	(47,200)	(25,495)		(72,695)
		(19,169)		
Total	(388,019)	58,069	-	(329,950)