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CHOUDHURY
a s s o c i a t e s

Registered number
3083607

Narang Wholesalers Ltd

Report and Accounts

31 December 2004



Narang Wholesalers Ltd

Directors' Report

The directors present their report and accounts for the year ended 31 December 2004.

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.

Turnover has increased during the year in line with expectations. The company is in a good position to take advantage of any opportunities which may arise in the future.

Results and dividends

The results for the year are set out on page 4.

The directors recommend that no dividend should be paid.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales.

Events since the balance sheet date

Directors

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

	£1 Ordinary shares	
	31 Dec 2004	1 Jan 2004
M Y Hussain	-	-
J S Kalsi	-	-
A K Narang	-	-
J Pauley	-	-

Political and charitable donations

During the year, the company made no political or charitable contributions.

Narang Wholesalers Ltd

Directors' Report

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:

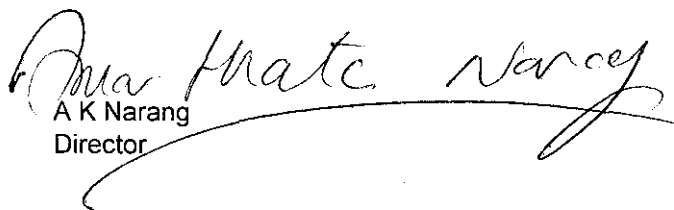
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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 13 February 2006.


A K Narang
Director

Narang Wholesalers Ltd

Independent auditors' report to the shareholders of Narang Wholesalers Ltd

We have audited the accounts of Narang Wholesalers Ltd for the year ended 31 December 2004 which comprise pages 5 to 18. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Choudhury Associates
Choudhury Associates
Registered auditors

Sunny House
5 Hallfield Road
Bradford
BD1 3RP

Choudhury Associates

14 February 2006

Narang Wholesalers Ltd
Profit and Loss Account
for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	2	26,658,727	23,008,758
Cost of sales		(24,655,304)	(21,394,781)
Gross profit		2,003,423	1,613,977
Administrative expenses		(1,549,568)	(1,201,468)
Other operating income		77,175	73,349
Operating profit	3	531,030	485,858
Exceptional items:			
loss on the disposal of tangible fixed assets	4	(5,802)	-
		525,228	485,858
Interest payable	7	(40,813)	(21,946)
Profit on ordinary activities before taxation		484,415	463,912
Tax on profit on ordinary activities	8	(109,609)	(110,939)
Profit for the financial year		374,806	352,973
Retained profit for the financial year	18	374,806	352,973

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 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	9	251,216	161,956
Investments	10	277,075	153,575
		528,291	315,531
Current assets			
Stocks	11	1,467,642	1,073,107
Debtors	12	3,644,210	2,443,750
Cash at bank and in hand		303,747	244,197
		5,415,599	3,761,054
Creditors: amounts falling due within one year	13	(3,811,019)	(2,497,415)
Net current assets		1,604,580	1,263,639
Total assets less current liabilities		2,132,871	1,579,170
Creditors: amounts falling due after more than one year	14	(404,074)	(225,178)
		1,728,797	1,353,991
Capital and reserves			
Called up share capital	17	2	2
Profit and loss account	18	1,728,795	1,353,989
Shareholders' funds:			
Equity		1,728,797	1,353,991
	19	1,728,797	1,353,991


A K Narang
Director
Approved by the board on 13 February 2006

Narang Wholesalers Ltd
Cash Flow Statement
for the year ended 31 December 2004

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		531,030	485,858
Depreciation charges		58,943	36,668
Loss on disposal		5,802	-
Increase in stocks		(394,535)	(459,038)
Increase in debtors		(1,200,460)	(730,094)
Increase in creditors		1,182,530	815,493
Net cash inflow from operating activities		<u>183,310</u>	<u>148,887</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		183,310	148,887
Returns on investments and servicing of finance	20	49,014	56,654
Taxation		(72,011)	(70,266)
Capital expenditure	20	(264,439)	(74,175)
		(104,126)	61,100
Financing	20	42,968	(9,352)
Decrease in cash		<u>(61,158)</u>	<u>51,748</u>

Reconciliation of net cash flow to movement in net debt

Decrease in cash in the period		(61,158)	51,748
Increase in debt and lease financing		(236,443)	(148,408)
Change in net debt	21	(297,601)	(96,660)
Net debt at 1 January		(575,378)	(672,038)
Net debt at 31 December		<u>(856,991)</u>	<u>(575,378)</u>

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2004

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:

Plant and machinery	15% reducing balance
Motor vehicles	20% reducing balance
Leasehold land and building	over 50 years on cost

Stocks

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

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is 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 corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

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 2004

2 Turnover

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

3 Operating profit

2004	2003
£	£

This is stated after charging:

Auditors' remuneration

<u>12,000</u>	<u>12,000</u>
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4 Exceptional items

2004	2003
£	£

Loss on disposal of motor vehicles

<u>(5,802)</u>	<u>-</u>
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5 Directors' emoluments

2004	2003
£	£

Emoluments

<u>44,068</u>	<u>32,200</u>
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Highest paid director:
Emoluments

19,000	19,000
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6 Staff costs

2004	2003
£	£

Wages and salaries

768,312	597,065
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Social security costs

67,195	48,452
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<u>835,507</u>	<u>645,517</u>
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Average number of employees during the year

Number	Number
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Administration

11	12
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Distribution

35	19
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Sales

16	9
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<u>62</u>	<u>40</u>
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Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2004

7 Interest payable	2004	2003
	£	£
Bank loans and overdrafts	33,381	16,695
Finance charges payable under finance leases and hire purchase contracts	7,432	5,251
	<u>40,813</u>	<u>21,946</u>

8 Taxation	2004	2003
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	107,828	110,939
	<u>107,828</u>	<u>110,939</u>
Tax on profit on ordinary activities		

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:

	2004	2003
	£	£
Profit on ordinary activities before tax	<u>484,415</u>	<u>463,912</u>
Standard rate of corporation tax in the UK	32.75%	32.75%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	158,646	151,931
Effects of:		
Expenses not deductible for tax purposes	64,745	36,668
Capital allowances for period in excess of depreciation	23,777	-
Current tax charge for period	<u>107,828</u>	<u>110,939</u>

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2004

9 Tangible fixed assets

	Leasehold land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 January 2004	16,210	228,830	36,244	281,284
Additions	-	126,070	31,173	157,243
Disposals	-	(23,250)	-	(23,250)
At 31 December 2004	<u>16,210</u>	<u>331,650</u>	<u>67,417</u>	<u>415,277</u>
Depreciation				
At 1 January 2004	1,315	100,275	17,738	119,328
Charge for the year	164	48,565	7,452	56,181
On disposals	-	(11,448)	-	(11,448)
At 31 December 2004	<u>1,479</u>	<u>137,392</u>	<u>25,190</u>	<u>164,061</u>
Net book value				
At 31 December 2004	<u>14,731</u>	<u>194,258</u>	<u>42,227</u>	<u>251,216</u>
At 31 December 2003	<u>14,895</u>	<u>128,555</u>	<u>18,506</u>	<u>161,956</u>

	2004 £	2003 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>112,668</u>	<u>62,426</u>

10 Investments

	Other investments £
Cost	
At 1 January 2004	153,575
Additions	123,500
At 31 December 2004	<u>277,075</u>
Other investments	
	2004 £
Unlisted investments	<u>277,075</u>

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2004

11 Stocks	2004	2003
	£	£
Finished goods and goods for resale	<u>1,467,642</u>	<u>1,073,107</u>

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

12 Debtors	2004	2003
	£	£
Trade debtors	2,534,449	2,376,649
Other debtors	1,078,368	55,392
Prepayments and accrued income	31,393	11,709
	<u>3,644,210</u>	<u>2,443,750</u>

13 Creditors: amounts falling due within one year	2004	2003
	£	£
Bank loans and overdrafts	862,400	669,919
Obligations under finance lease and hire purchase contracts	44,761	34,457
Trade creditors	2,629,604	1,351,927
Corporation tax	212,561	174,963
Other taxes and social security costs	13,582	18,518
Other creditors	32,127	247,631
Accruals and deferred income	15,984	-
	<u>3,811,019</u>	<u>2,497,415</u>

14 Creditors: amounts falling due after one year	2004	2003
	£	£
Bank loans	174,491	89,712
Obligations under finance lease and hire purchase contracts	79,086	25,487
Private loans	72,467	56,479
Other creditors	78,030	53,500
	<u>404,074</u>	<u>225,178</u>

15 Loans	2004	2003
	£	£
Loans not wholly repayable within five years:		
103 City Road HSBC loan, 10-year term at 6.75%	46,505	53,982
Bradford Hotel HSBC loan 10-year term at 2% above base rate	32,794	35,730
Thornton Road HSBC loan 10-year term at 1.5% above base rate	95,192	-
	<u>174,491</u>	<u>89,712</u>

The bank loans are secured on the relevant properties.

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2004

16 Obligations under finance leases and hire purchase contracts			2004 £	2003 £
Amounts payable:				
Within one year			44,761	34,457
Within two to five years			79,086	25,487
			<u>123,847</u>	<u>59,944</u>
17 Share capital			2004 £	2003 £
Authorised:				
Ordinary shares of £1 each			<u>100,000</u>	<u>100,000</u>
	2004 No	2003 No	2004 £	2003 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>
18 Profit and loss account			2004 £	2003 £
At 1 January			1,353,989	1,001,016
Retained profit			376,587	352,973
At 31 December			<u>1,730,576</u>	<u>1,353,989</u>
19 Reconciliation of movement in shareholders' funds			2004 £	2003 £
At 1 January			1,353,991	1,001,018
Profit for the financial year			376,587	352,973
At 31 December			<u>1,730,578</u>	<u>1,353,991</u>
20 Gross cash flows			2004 £	2003 £
Returns on investments and servicing of finance				
Rents received			77,175	73,349
Interest paid			(28,161)	(16,695)
			<u>49,014</u>	<u>56,654</u>
Capital expenditure				
Payments to acquire tangible fixed assets			(146,939)	(74,175)
Payments to acquire investments			(123,500)	-
Receipts from sales of tangible fixed assets			6,000	
			<u>(264,439)</u>	<u>(74,175)</u>

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2004

Financing

New loans raised	114,518	40,730
Loan repayments	(18,058)	(11,452)
Redemption of finance leases	(53,492)	(38,630)
	<u>42,968</u>	<u>(9,352)</u>

21 Analysis of changes in net debt

	At 1 Jan 2004 £	Cash flows £	Non-cash changes £	At 31 Dec 2004 £
Cash at bank and in hand	244,197	59,550		303,747
Overdrafts	(669,919)	(192,481)		(862,400)
		<u>(132,931)</u>		
Finance leases	(59,944)	(63,903)		(123,847)
Debt due after 1 year	(146,191)	(100,767)		(246,958)
		<u>(164,670)</u>		
Total	<u>(631,857)</u>	<u>(297,601)</u>	<u>-</u>	<u>(929,458)</u>

22 Major non-cash transactions

	2004 £
Capital value of new finance lease arrangements	<u>116,344</u>