

Narang Wholesalers Ltd

Report and Accounts

31 December 2005

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Narang Wholesalers Ltd
Report and accounts
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Narang Wholesalers Ltd
Directors' Report

The directors present their report and accounts for the year ended 31 December 2005.

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 slightly decreased during the year. 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

Nothing to report.

Narang Wholesalers Ltd

Directors' Report

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 2005	1 Jan 2005
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.

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 Nazman as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 12 January 2007.


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 2005 which comprise pages 4 to 11. 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Nazman
Registered auditors
Valleypoint
Forster Square
Bradford
BD1 4AA

12 January 2007

Narang Wholesalers Ltd
Profit and Loss Account
for the year ended 31 December 2005

	Notes	2005 £	2004 £
Turnover	2	26,236,867	26,658,727
Cost of sales		(24,020,830)	(24,655,304)
Gross profit		<u>2,216,037</u>	<u>2,003,423</u>
Administrative expenses		(1,669,523)	(1,549,568)
Other operating income		50,069	77,175
Operating profit	3	<u>596,583</u>	<u>531,030</u>
Exceptional items:			
loss on the disposal of tangible fixed assets	4	(9,601)	(5,802)
		<u>586,982</u>	<u>525,228</u>
Interest payable	7	(54,120)	(40,813)
Profit on ordinary activities before taxation		<u>532,862</u>	<u>484,415</u>
Tax on profit on ordinary activities	8	(135,568)	(109,609)
Profit for the financial year		<u>397,294</u>	<u>374,806</u>
Retained profit for the financial year	18	<u>397,294</u>	<u>374,806</u>

Continuing operations

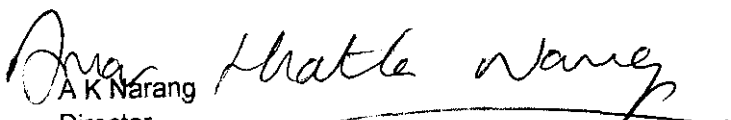
None of the company's activities were acquired or discontinued during the above two financial years.

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 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	9	234,646	251,217
Investments	10	293,285	277,075
		<u>527,931</u>	<u>528,292</u>
Current assets			
Stocks	11	2,381,363	1,467,642
Debtors	12	5,172,552	3,644,210
Cash at bank and in hand		134,771	303,747
		<u>7,688,686</u>	<u>5,415,599</u>
Creditors: amounts falling due within one year	13	(5,837,960)	(3,811,019)
Net current assets		<u>1,850,726</u>	<u>1,604,580</u>
Total assets less current liabilities		<u>2,378,657</u>	<u>2,132,872</u>
Creditors: amounts falling due after more than one year	14	(252,566)	(404,074)
		<u>2,126,091</u>	<u>1,728,797</u>
Capital and reserves			
Called up share capital	17	2	2
Profit and loss account	18	2,126,089	1,728,795
Shareholders' funds:			
Equity		<u>2,126,091</u>	<u>1,728,797</u>
	19	<u>2,126,091</u>	<u>1,728,797</u>


A K Narang
Director
Approved by the board on 12 January 2007

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2005

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 2005

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	2005	2004
	£	£

This is stated after charging:

Depreciation of owned fixed assets	54,848	56,181
Auditors' remuneration	10,000	12,000

4 Exceptional items	2005	2004
	£	£

Loss on disposal of motor vehicles	(9,601)	(5,802)
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5 Directors' emoluments	2005	2004
	£	£

Emoluments	44,068	44,068
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Highest paid director: Emoluments	19,000	19,000
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6 Staff costs	2005	2004
	£	£

Wages and salaries	843,753	768,312
Social security costs	81,520	67,195
	925,273	835,507
	925,273	835,507

Average number of employees during the year

	Number	Number
Administration	11	12
Distribution	35	19
Sales	16	9
	62	40

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2005

7 Interest payable	2005 £	2004 £
Bank loans and overdrafts	54,120	33,381
Finance charges payable under finance leases and hire purchase contracts	-	7,432
	<u>54,120</u>	<u>40,813</u>

8 Taxation	2005 £	2004 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	135,568	109,609
	<u>135,568</u>	<u>109,609</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:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>532,862</u>	<u>484,415</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	174,512	158,646
Effects of:		
Expenses not deductible for tax purposes	65,928	36,668
Capital allowances for period in excess of depreciation	(7,039)	-
	<u>135,568</u>	<u>109,609</u>
Current tax charge for period		

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2005

9 Tangible fixed assets

	Leasehold land and buildings	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 January 2005	16,210	331,650	67,417	415,277
Additions		66,728	1,656	68,384
Disposals	<u>-16,210</u>	<u>(45,080)</u>	<u>(1,218)</u>	<u>(62,508)</u>
At 31 December 2005	<u>-</u>	<u>353,298</u>	<u>67,855</u>	<u>421,153</u>
Depreciation				
At 1 January 2005	1,479	137,795	25,314	164,588
Charge for the year	-1,479	49,717	6,610	54,848
On disposals	<u>-</u>	<u>(32,928)</u>	<u>-</u>	<u>(32,928)</u>
At 31 December 2005	<u>-</u>	<u>154,583</u>	<u>31,924</u>	<u>186,507</u>
Net book value				
At 31 December 2005	<u>-</u>	<u>198,715</u>	<u>35,931</u>	<u>234,646</u>
At 31 December 2004	<u>14,731</u>	<u>194,258</u>	<u>42,227</u>	<u>251,216</u>

	2005 £	2004 £
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 2005		293,285
At 31 December 2005		<u>293,285</u>
Other investments	2005 £	2004 £
Unlisted investments	<u>293,285</u>	<u>277,075</u>

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2005

11 Stocks	2005 £	2004 £
Finished goods and goods for resale	<u>2,381,363</u>	<u>1,467,642</u>
The difference between purchase price or production cost of stocks and their replacement cost is not material.		
12 Debtors	2005 £	2004 £
Trade debtors	5,172,552	2,534,449
Other debtors	-	1,078,368
Prepayments and accrued income	-	31,393
	<u>5,172,552</u>	<u>3,644,210</u>
13 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	1,016,121	862,400
Obligations under finance lease and hire purchase contracts	57,558	44,761
Trade creditors	4,368,140	2,629,604
Corporation tax	233,670	212,561
Other taxes and social security costs	87,235	13,582
Other creditors	75,236	32,127
Accruals and deferred income	-	15,984
	<u>5,837,960</u>	<u>3,811,019</u>
14 Creditors: amounts falling due after one year	2005 £	2004 £
Bank loans	156,378	174,491
Obligations under finance lease and hire purchase contracts	63,721	79,086
Private loans	32,467	72,467
Other creditors	-	78,030
	<u>252,566</u>	<u>404,074</u>
15 Loans	2005 £	2004 £
Loans not wholly repayable within five years:		
103 City Road HSBC loan, 10-year term at 6.75%	39,548	46,505
Bradford Hotel HSBC loan 10-year term at 2% above base rate	28,863	32,794
Thornton Road HSBC loan 10-year term at 1.5% above base rate	87,967	95,192
	<u>156,378</u>	<u>174,491</u>

The bank loans are secured on the relevant properties.

Narang Wholesalers Ltd
Notes to the Accounts
for the year ended 31 December 2005

16 Obligations under finance leases and hire purchase contracts			2005	2004
			£	£
Amounts payable:				
Within one year			57,558	44,761
Within two to five years			63,721	79,086
			<u>121,279</u>	<u>123,847</u>
 17 Share capital			 2005	 2004
			£	£
Authorised:				
Ordinary shares of £1 each			<u>100,000</u>	<u>100,000</u>
	2005	2004	2005	2004
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>
 18 Profit and loss account			 2005	 2004
			£	£
At 1 January			1,728,795	1,353,989
Retained profit			397,294	374,806
			<u>2,126,089</u>	<u>1,728,795</u>
At 31 December				
 19 Reconciliation of movement in shareholders' funds			 2005	 2004
			£	£
At 1 January			1,728,797	1,353,991
Profit for the financial year			397,294	374,806
			<u>2,126,091</u>	<u>1,728,797</u>
At 31 December				