

Registered number
3083607

Narang Wholesalers Limited

Report and Accounts

31 December 2006

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Narang Wholesalers Limited
Report and accounts
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Narang Wholesalers Limited
Company Information

Directors

M Y Hussain
J S Kalsi
A K Narang
J Pauley

Secretary

J S Kalsi

Auditors

Nazman
Valleypoint
Forster Square
Bradford
BD1 4AA

Bankers

HSBC
1 Market Street
Bradford
BD1 1LW

Registered office

121 City Road
Bradford
BD8 8JR

Registered number

3083607

Narang Wholesalers Limited

Directors' Report

The directors present their report and accounts for the year ended 31 December 2006

Principal activities and review of the business

The company's principal activity during the year continued to be wholesale of textiles, electrical and plumbing goods and beers, wines, spirits and other beverages

Turnover has increased by 12% 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 profit for the year, after taxation, amounted to £404,768. The directors recommend no dividend 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 of significance

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 2006	1 Jan 2006
M Y Hussain	-	-
J S Kalsi	-	-
A K Narang	-	-
J Pauley	-	-

Political and charitable donations

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

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, 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

Narang Wholesalers Limited

Directors' Report

of the profit or loss of the company for that period. In preparing these accounts, 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

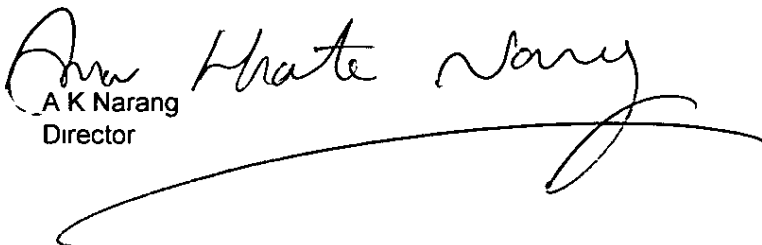
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report was approved by the board on 20 December 2007


A K Narang
Director

Narang Wholesalers Limited
Independent auditors' report
to the shareholders of Narang Wholesalers Limited

We have audited the accounts of Narang Wholesalers Limited for the year ended 31st December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under 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 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2006 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts.


Nazman
Registered auditors
20 December 2007

Valleypoint
Forster Square
Bradford

Narang Wholesalers Limited
Profit and Loss Account
for the year ended 31 December 2006

	Notes	2006 £	2005 £
Turnover	2	29,479,287	26,236,867
Cost of sales		(26,991,144)	(24,020,830)
Gross profit		<u>2,488,143</u>	<u>2,216,037</u>
Administrative expenses		(1,978,163)	(1,669,523)
Other operating income		50,919	50,069
Operating profit	3	<u>560,899</u>	<u>596,583</u>
Exceptional items			
loss on the disposal of tangible fixed assets	4	(6,104)	(9,601)
		<u>554,795</u>	<u>586,982</u>
Interest payable	7	(15,164)	(54,120)
Profit on ordinary activities before taxation		<u>539,631</u>	<u>532,862</u>
Tax on profit on ordinary activities	8	(134,863)	(135,568)
Profit for the financial year		<u>404,768</u>	<u>397,294</u>

Continuing operations

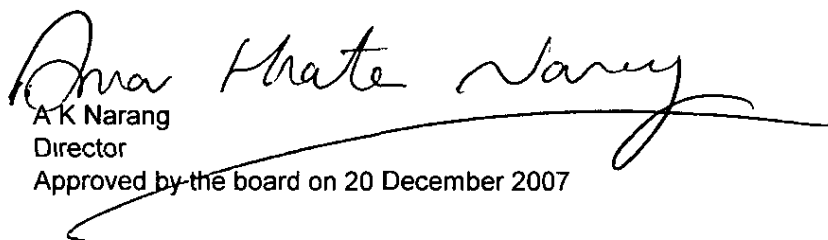
None of the company's activities were acquired or discontinued during the above two financial years

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 Limited
Balance Sheet
as at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	9	229,927	234,646
Investments	10	293,285	293,285
		<u>523,212</u>	<u>527,931</u>
Current assets			
Stocks	11	3,043,793	2,381,363
Debtors	12	5,192,625	5,172,552
Cash at bank and in hand		(318,568)	134,771
		<u>7,917,850</u>	<u>7,688,686</u>
Creditors: amounts falling due within one year	14	(5,754,965)	(5,837,960)
Net current assets		<u>2,162,885</u>	<u>1,850,726</u>
Total assets less current liabilities		<u>2,686,097</u>	<u>2,378,657</u>
Creditors: amounts falling due after more than one year	15	(155,238)	(252,566)
Provisions for liabilities			
Net assets		<u>2,530,859</u>	<u>2,126,091</u>
Capital and reserves			
Called up share capital	20	2	2
Profit and loss account	21	2,530,857	2,126,089
Shareholders' funds	22	<u>2,530,859</u>	<u>2,126,091</u>


A K Narang
Director
Approved by the board on 20 December 2007

Narang Wholesalers Limited
Notes to the Accounts
for the year ended 31 December 2006

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom 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

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.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Narang Wholesalers Limited
Notes to the Accounts
for the year ended 31 December 2006

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	2006	2005
	£	£
This is stated after charging		
Depreciation of owned fixed assets	54,102	56,327
Auditors' remuneration for audit services	19,000	10,000
	<u> </u>	<u> </u>
4 Exceptional items	2006	2005
	£	£
Loss on disposal of plant and machinery	(6,104)	(9,601)
	<u> </u>	<u> </u>
	(6,104)	(9,601)
5 Directors' emoluments	2006	2005
	£	£
Emoluments	44,868	44,868
	<u> </u>	<u> </u>
6 Staff costs	2006	2005
	£	£
Wages and salaries	1,035,832	843,753
Social security costs	-	81,520
	<u> </u>	<u> </u>
	1,035,832	925,273

Narang Wholesalers Limited
Notes to the Accounts
for the year ended 31 December 2006

7 Interest payable	2006	2005
	£	£
Bank loans and overdrafts	<u>15,164</u>	<u>54,120</u>
8 Taxation	2006	2005
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	134,863	135,568
Adjustments in respect of previous periods	<u>-</u>	<u>-</u>
	<u>134,863</u>	<u>135,568</u>
 Tax on profit on ordinary activities	 <u>134,863</u>	 <u>135,568</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

	2006	2005
	£	£
Profit on ordinary activities before tax	<u>539,631</u>	<u>532,862</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	161,889	159,859
Effects of		
Expenses not deductible for tax purposes	(27,026)	(24,291)
Capital allowances for period in excess of depreciation	<u>-</u>	<u>-</u>
Current tax charge for period	<u>134,863</u>	<u>135,568</u>

Narang Wholesalers Limited
Notes to the Accounts
for the year ended 31 December 2006

9 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2006	403,918
Additions	66,090
Disposals	(24,926)
At 31 December 2006	<u>445,082</u>
Depreciation	
At 1 January 2006	186,508
Charge for the year	54,102
On disposals	(8,219)
At 31 December 2006	<u>232,391</u>
Net book value	
At 31 December 2006	<u>229,927</u>
At 31 December 2005	<u>234,646</u>

10 Investments

	Other investments £	Total £
Cost		
At 1 January 2006	293,285	293,285
At 31 December 2006	<u>293,285</u>	<u>293,285</u>
Other investments	2006 £	2005 £
Listed investments	-	-
Unlisted investments	<u>293,285</u>	<u>293,285</u>
	<u>293,285</u>	<u>293,285</u>

11 Stocks

	2006 £	2005 £
Finished goods and goods for resale	3,043,793	2,381,363

Narang Wholesalers Limited
Notes to the Accounts
for the year ended 31 December 2006

12 Debtors	2006 £	2005 £
Trade debtors	4,244,654	5,172,552
Amounts owed by group undertakings and undertakings in which the company has a participating interest	102,277	-
Other debtors	845,694	-
	<u>5,192,625</u>	<u>5,172,552</u>

13 Creditors amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	1,097,520	1,016,121
Obligations under finance lease and hire purchase contracts	-	57,558
Trade creditors	4,039,821	4,368,140
Corporation tax	254,374	233,670
Other taxes and social security costs	-	87,235
Other creditors	363,250	75,236
	<u>5,754,965</u>	<u>5,837,960</u>

14 Creditors: amounts falling due after one year	2006 £	2005 £
Bank loans	136,677	156,378
Obligations under finance lease and hire purchase contracts	(1,621)	63,721
Private loans	-	32,467
Other creditors	20,182	-
	<u>155,238</u>	<u>252,566</u>

15 Loans	2006 £	2005 £
Loans not wholly repayable within five years		
103 City Road HSBC loan, 10-year term at 6.75%	31,148	39,548
Bradford Hotel HSBC loan 10-year term at 2% above base rate	25,608	28,863
Thornton Road HSBC loan 10-year term at 1.5% above base rate	79,921	87,967
	<u>136,677</u>	<u>156,378</u>

The bank loans are secured on the relevant properties

16 Obligations under finance leases and hire purchase contracts	2006 £	2005 £
Amounts payable		
Within one year	-	57,558
Within two to five years	(1,621)	63,721
	<u>(1,621)</u>	<u>121,279</u>

Narang Wholesalers Limited
Notes to the Accounts
for the year ended 31 December 2006

17 Share capital			2006	2005
			£	£
Authorised				
Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	2006	2005	2006	2005
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
18 Profit and loss account			2006	2005
			£	£
At 1 January			2,126,089	1,728,795
Profit for the financial year			404,768	397,294
			<u>2,530,857</u>	<u>2,126,089</u>
At 31 December				
19 Reconciliation of movement in shareholders' funds			2006	2005
			£	£
At 1 January			2,126,091	1,728,797
Profit for the financial year			404,768	397,294
			<u>2,530,859</u>	<u>2,126,091</u>
At 31 December				