

Company Registration No 03083607 (England and Wales)

NARANG WHOLESALERS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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NARANG WHOLESALERS LIMITED

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NARANG WHOLESALERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the company continued to be wholesalers of textiles, electrical and plumbing goods and beers, wines, spirits and other beverages

The company in difficult economic climate continues to monitor its diverse trading markets and challenges has added more vigorous risk assessment criteria in its daily operations. The company trading was hampered due to the affects of the Yorkshire Water burst pipe flooding in the main building. This significantly impacted on the business and on sales especially in the electrical and plumbing division. It was a setback but the Directors are determined to persevere with the help of suppliers and others.

Holding firm this managed approach has led to a small drop in the turnover whilst maintaining the gross profit margin by cost control. The administration costs have reduced due to overall cost control and a reduction in debtor days.

The operation of the 3 divisions of the business in distinct markets allows the Company to cover trading risks in one area. The operation of each division is also further diversified into numerous customers' further reducing risks to the business.

Building on this strength the company is in a sound position to meet the changing needs of the business environment and the directors are confident in their strategy for profitability and growth.

The Company has continued to strengthen its financial base with retaining the profits within the Company. The directors are satisfied with the financial position at the end of the year.

Results and dividends

The results for the year are set out on pages 5 to 6.

Directors

The following directors have held office since 1 January 2011

Mr M Y Hussain
Mr Jagjeet Kalsi
Mr J Pauley
Mr J Narang

Charitable donations	2011	2010
	£	£
During the year the company made the following payments		
Charitable donations	971	2,492

Auditors

The auditors, Henton & Co LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

NARANG WHOLESALERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Auditors

The auditors, Henton & Co LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the 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 (United Kingdom Accounting Standards 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 accounting estimates that are reasonable and prudent,
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Mr J S Narang
Director

28/9/12

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITORS' REPORT TO NARANG WHOLESALERS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 19, together with the financial statements of Narang Wholesalers Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Mr N Ahmed (Senior Statutory Auditor)
for and on behalf of Henton & Co LLP

28 September 2012

Chartered Accountants
Statutory Auditor

St Andrew's House
St Andrew's Street
Leeds
LS3 1LF

NARANG WHOLESALERS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover		27,619,326	29,451,335
Other operating income less cost of sales		(24,290,279)	(25,913,539)
Administrative expenses		(3,083,278)	(3,200,300)
Operating profit	2	245,769	337,496
Interest payable and similar charges	3	(32,173)	(44,982)
Profit on ordinary activities before taxation		213,596	292,514
Tax on profit on ordinary activities	4	(47,549)	(66,956)
Profit for the year	15	166,047	225,558

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

NARANG WHOLESALERS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	6	306,000		324,000	
Tangible assets	7 and 8	1,206,706		1,206,844	
		<u>1,512,706</u>		<u>1,530,844</u>	
Current assets					
Stocks	9	5,313,080		4,701,592	
Debtors	10	2,936,539		3,094,988	
Cash at bank and in hand		80,901		56,162	
		<u>8,330,520</u>		<u>7,852,742</u>	
Creditors: amounts falling due within one year	11	(5,350,906)		(4,890,828)	
Net current assets		<u>2,979,614</u>		<u>2,961,914</u>	
Total assets less current liabilities		<u>4,492,320</u>		<u>4,492,758</u>	
Creditors: amounts falling due after more than one year	12	(504,266)		(605,710)	
Provisions for liabilities	13	(25,782)		(24,223)	
		<u>3,962,272</u>		<u>3,862,825</u>	
Capital and reserves					
Called up share capital	14	2		2	
Revaluation reserve	15	579,891		579,891	
Profit and loss account	15	3,382,379		3,282,932	
Shareholders' funds	16	<u>3,962,272</u>		<u>3,862,825</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

NARANG WHOLESALERS LIMITED

**ABBREVIATED
BALANCE SHEET (CONTINUED)**

AS AT 31 DECEMBER 2011

Approved by the Board and authorised for issue on 28/9/12

Mr J S Narang
Director

Company Registration No 03083607

NARANG WHOLESALERS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		404,835		364,925
Returns on investments and servicing of finance				
Interest paid	(32,173)		(44,982)	
Net cash outflow for returns on investments and servicing of finance		(32,173)		(44,982)
Taxation		(97,962)		(56,656)
Capital expenditure				
Payments to acquire tangible assets	(67,873)		(59,315)	
Receipts from sales of tangible assets	1,000		37,585	
Net cash outflow for capital expenditure		(66,873)		(21,730)
Equity dividends paid		(66,600)		(67,320)
Net cash inflow before management of liquid resources and financing		141,227		174,237
Financing				
New long term bank loan	-		500,000	
Other new long term loans	-		55,000	
Repayment of long term bank loan	(99,080)		(38,492)	
Capital element of hire purchase contracts	(5,238)		(19,441)	
Increase/(decrease) in debt	(104,318)		497,067	
Net cash (outflow)/inflow from financing		(104,318)		497,067
Decrease in cash in the year		36,909		671,304

NARANG WHOLESALERS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating profit to net cash outflow from operating activities	2011	2010		
		£	£		
	Operating profit	245,769	337,496		
	Depreciation of tangible assets	42,190	43,456		
	Amortisation of intangible assets	18,000	18,000		
	Loss/(profit) on disposal of tangible assets	24,821	(1,729)		
	Increase in stocks	(611,488)	(736,547)		
	Decrease/(increase) in debtors	158,449	(22,440)		
	Increase in creditors within one year	527,094	726,689		
	Net cash inflow from operating activities	404,835	364,925		
2	Analysis of net debt	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	56,162	24,739	-	80,901
	Bank overdrafts	(776,157)	12,170	-	(763,987)
		(719,995)	36,909	-	(683,086)
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(9,374)	5,238	-	(4,136)
	Debts falling due within one year	(115,724)	1,772	-	(113,952)
	Debts falling due after one year	(601,574)	97,308	-	(504,266)
		(726,672)	104,318	-	(622,354)
	Net debt	(1,446,667)	141,227	-	(1,305,440)
3	Reconciliation of net cash flow to movement in net debt	2011	2010		
		£	£		
	Increase in cash in the year	36,909	671,304		
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	104,318	(497,067)		
	Movement in net debt in the year	141,227	174,237		
	Opening net debt	(1,446,667)	(1,620,904)		
	Closing net debt	(1,305,440)	(1,446,667)		

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life, which has been assessed as 20 years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% and 20% reducing balance
Motor vehicles	20% reducing balance

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1.7 Stock

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

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 Foreign currency translation

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

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

2	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	18,000	18,000
	Depreciation of tangible assets	42,190	43,456
	Loss on disposal of tangible assets	24,821	-
	Loss on foreign exchange transactions	-	24,581
	and after crediting		
	Profit on disposal of tangible assets	-	(1,729)
	Profit on foreign exchange transactions	(7,563)	-
		<u>24,780</u>	<u>14,075</u>
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	11,000	11,000
	Tax compliance	3,675	3,000
	Company Secretarial work	75	75
	Business support and advisory work	10,030	-
		<u>24,780</u>	<u>14,075</u>
3	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	31,829	37,995
	On other loans wholly repayable within five years	-	4,657
	Hire purchase interest	344	1,170
	On overdue tax	-	1,160
		<u>32,173</u>	<u>44,982</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

4	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	45,990	60,233
	Total current tax	45,990	60,233
	Deferred tax		
	Deferred tax charge/credit current year	1,559	6,723
		47,549	66,956
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	213,596	292,514
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20 25% (2010 - 21%)	43,253	61,428
	Effects of		
	Non deductible expenses	1,854	2,209
	Depreciation add back	17,215	12,543
	Capital allowances	(16,332)	(15,947)
		2,737	(1,195)
	Current tax charge for the year	45,990	60,233
5	Dividends	2011 £	2010 £
	Ordinary final paid	66,600	67,320

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2011 & at 31 December 2011	360,000
Amortisation	
At 1 January 2011	36,000
Charge for the year	18,000
At 31 December 2011	54,000
Net book value	
At 31 December 2011	306,000
At 31 December 2010	324,000

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

7 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2011	33,636	111,148	320,132	464,916
Additions	-	31,215	36,658	67,873
Disposals	(14,000)	(359)	(71,764)	(86,123)
At 31 December 2011	19,636	142,004	285,026	446,666
Depreciation				
At 1 January 2011	23,811	61,060	198,201	283,072
On disposals	(12,798)	(129)	(47,375)	(60,302)
Charge for the year	1,724	13,624	26,842	42,190
At 31 December 2011	12,737	74,555	177,668	264,960
Net book value				
At 31 December 2011	6,899	67,449	107,358	181,706
At 31 December 2010	9,825	50,088	121,931	181,844

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 31 December 2011	8,758
At 31 December 2010	10,947
Depreciation charge for the year	
At 31 December 2011	2,189
At 31 December 2010	2,737

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

8 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 January 2011 & at 31 December 2011	1,025,000
Net book value	
At 31 December 2011	1,025,000
At 31 December 2010	1,025,000

The valuations of investment properties were made by Sanderson Weatherall LLP in July 2010, on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £445,109. No provision has been made for depreciation in the past due to the policy of regular maintenance, with charges being reflected in the profit and loss account, in order that the assets maintain their previously assessed standard of performance.

9 Stocks	2011 £	2010 £
Finished goods and goods for resale	5,313,080	4,701,592

10 Debtors	2011 £	2010 £
Trade debtors	1,544,710	2,025,628
Other debtors	1,318,232	1,010,376
Prepayments and accrued income	73,597	58,984
	2,936,539	3,094,988

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

11 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	877,939	891,881
Net obligations under hire purchase contracts	4,136	5,238
Trade creditors	3,812,732	3,307,602
Amounts owed to parent and fellow subsidiary undertakings	133,920	67,320
Corporation tax	70,353	122,325
Other taxes and social security costs	76,126	106,799
Directors' current accounts	151,531	282,436
Other creditors	1,511	21,196
Accruals and deferred income	222,658	86,031
	<u>5,350,906</u>	<u>4,890,828</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

12 Creditors' amounts falling due after more than one year	2011 £	2010 £
Bank loans	449,266	546,574
Other loans	55,000	55,000
Net obligations under hire purchase contracts	-	4,136
	<u>504,266</u>	<u>605,710</u>
Analysis of loans		
Wholly repayable within five years	618,218	717,298
	<u>618,218</u>	<u>717,298</u>
Included in current liabilities	(113,952)	(115,724)
	<u>504,266</u>	<u>601,574</u>
Loan maturity analysis		
In more than one year but not more than two years	109,966	120,962
In more than two years but not more than five years	289,999	420,512
In more than five years	49,301	130,164
	<u></u>	<u></u>
A debenture including fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and first floating charge over all assets and undertaking both present and future dated 17 April 1997 is held by HSBC Bank plc, together with mortgage charges over the freehold properties of 103/103A City Road, Bradford, West Yorkshire, 254 Thornton Road, Bradford, West Yorkshire and KBS Bathroom Showroom, Richmond Road, Richmond Mills, Halifax		
Net obligations under hire purchase contracts		
Repayable within one year	4,136	5,238
Repayable between one and five years	-	4,136
	<u>4,136</u>	<u>9,374</u>
Included in liabilities falling due within one year	(4,136)	(5,238)
	<u>-</u>	<u>4,136</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2011	24,223
Profit and loss account	1,559
Balance at 31 December 2011	<u>25,782</u>

The deferred tax liability is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>25,782</u>	<u>24,223</u>

14 Share capital

	2011 £	2010 £
Allotted, called up and fully paid 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2011	579,891	3,282,932
Profit for the year	-	166,047
Dividends paid	-	(66,600)
Balance at 31 December 2011	<u>579,891</u>	<u>3,382,379</u>

16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	166,047	225,558
Dividends	(66,600)	(67,320)
Net addition to shareholders' funds	<u>99,447</u>	<u>158,238</u>
Opening shareholders' funds	3,862,825	3,704,587
Closing shareholders' funds	<u>3,962,272</u>	<u>3,862,825</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

17 Contingent liabilities

HSBC Bank plc has given a guarantee dated 30 March 1999 for £15,000 in favour of HM Revenue & Customs

The company has given a cross guarantee dated 19 May 1998 to the bank in respect of Region Enterprises Limited

18 Directors' remuneration	2011 £	2010 £
Remuneration for qualifying services	60,400	71,050

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Management and Admin	35	36
Warehouse	22	24
Drivers	28	28
Sales	12	13
	97	101

Employment costs	2011 £	2010 £
Wages and salaries	1,394,743	1,468,167
Social security costs	95,582	112,574
	1,490,325	1,580,741

20 Ultimate parent company

The ultimate parent company is Narang Group Limited, a company registered in England and Wales

NARANG WHOLESALERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

21 Related party relationships and transactions

Other transactions

During the year, the Company was charged £120,000 (2010 - 180,000) by Region Enterprises Limited for property rental

At the balance sheet date, the company owed J S Narang (a director of this company) and his close family £218,131 (2010 - £282,436)