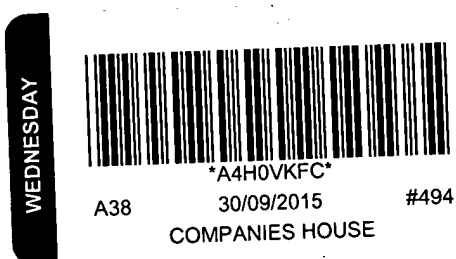


NARANG WHOLESALERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014



NARANG WHOLESALERS LIMITED

COMPANY INFORMATION

Directors	Mr M Y Hussain Mr J Kalsi Mr J Pauley Mr J Narang
Secretary	Mr J Kalsi
Company number	03083607
Registered office	Narang House 121 City Road Bradford BD8 8JR
Auditors	Henton & Co LLP Northgate 118 North Street Leeds LS2 7PN
Business address	Narang House 121 City Road Bradford BD8 8JR
Bankers	HSBC Bank plc PO Box 45 47 Market Street Bradford BD1 1LW

NARANG WHOLESALERS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6 - 7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 19

NARANG WHOLESALERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report, the directors' report and financial statements for the year ended 31 December 2014.

Review of the business

The principal activity of the company continued to be the wholesale of textiles, electrical and plumbing, and beer, wines, spirits and other beverages.

The company remains focussed on trading in the diverse markets it has traditionally done business in, and has an established loyal customer base. This has strengthened the company's position in the market place as a dedicated wholesale distributor.

The management team has continued to consolidate all aspects of the business in all the divisions and have streamlined many areas of the business operation as part of the ongoing efficiency programme. They are confident in being able to retain market share whilst remaining competitive in attracting new business.

The company has worked closely with manufacturers in building a reliable route to market for new and old products. The unique selling point on service to meet customer expectations has created new opportunities and has strengthened the outlook as a recognised and established supplier of preferred choice.

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.

Principal risks and uncertainties

The company is well established and recognised in its three diverse trading activities which minimises potential changes in market conditions to the business. Each division operates in varied markets which further mitigates the associated risk.

The company has a good structure of a dedicated and experienced management team to be responsive and flexible to quickly take advantage of new potential growth.

Key Performance Indicators

The directors monitor progress on the overall company strategy by reference to certain KPI's. Performance during the year, against that for the comparative period is set out below:

	2014	2013
Gross Profit margin	9.4%	9.5%
Net Profit margin	1.3%	1.3%

The directors are pleased with the maintenance of each of these metrics year on year.

On behalf of the board

Mr J Narang

Director

28 September 2015

NARANG WHOLESALERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 January 2014:

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

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; and
- 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 Narang
Director

28 September 2015

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NARANG WHOLESALERS LIMITED

We have audited the financial statements of Narang Wholesalers Limited for the year ended 31 December 2014 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the statement of Directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF NARANG WHOLESALERS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

29 September 2015

Chartered Accountants
Statutory Auditor

Northgate
118 North Street
Leeds
LS2 7PN

NARANG WHOLESALERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	29,287,129	31,118,634
Cost of sales		(26,537,666)	(28,153,955)
Gross profit		2,749,463	2,964,679
Administrative expenses		(2,370,569)	(2,564,860)
Other operating income		37,638	46,369
Operating profit	3	416,532	446,188
Interest payable and similar charges	4	(31,874)	(33,492)
Profit on ordinary activities before taxation		384,658	412,696
Tax on profit on ordinary activities	5	(57,811)	(39,442)
Profit for the year	17	326,847	373,254

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

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Intangible assets	7	252,000		270,000	
Tangible assets	8 & 9	1,312,546		1,325,890	
		<u>1,564,546</u>		<u>1,595,890</u>	
Current assets					
Stocks	10	4,736,678		4,723,800	
Debtors	11	4,429,038		4,050,199	
Cash at bank and in hand		389,456		330,556	
		<u>9,555,172</u>		<u>9,104,555</u>	
Creditors: amounts falling due within one year	12	(6,298,313)		(6,068,560)	
Net current assets		<u>3,256,859</u>		<u>3,035,995</u>	
Total assets less current liabilities		<u>4,821,405</u>		<u>4,631,885</u>	
Creditors: amounts falling due after more than one year	13	(200,818)		(275,612)	
Provisions for liabilities	14	(38,683)		(35,616)	
		<u>4,581,904</u>		<u>4,320,657</u>	
Capital and reserves					
Called up share capital	16	2		2	
Revaluation reserve	17	579,891		579,891	
Profit and loss account	17	4,002,011		3,740,764	
Shareholders' funds	18	<u>4,581,904</u>		<u>4,320,657</u>	

NARANG WHOLESALERS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2014

Approved by the Board and authorised for issue on 28 September 2015

Mr J Narang
Director

Company Registration No. 03083607

NARANG WHOLESALERS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		270,706		310,290
Returns on investments and servicing of finance				
Interest paid	(31,874)		(33,492)	
Net cash outflow for returns on investments and servicing of finance		(31,874)		(33,492)
Taxation		(52,000)		(49,000)
Capital expenditure				
Payments to acquire tangible assets	(37,158)		(96,764)	
Receipts from sales of tangible assets	9,488		9,596	
Net cash outflow for capital expenditure		(27,670)		(87,168)
Equity dividends paid		(65,600)		(60,000)
Net cash inflow before management of liquid resources and financing		93,562		80,630
Financing				
Other new short term loans	-		80,000	
Repayment of long term bank loan	(88,102)		(98,809)	
Repayment of other short term loans	(2,000)		-	
Capital element of hire purchase contracts	(24,493)		(21,165)	
Net cash outflow from financing		(114,595)		(39,974)
(Decrease)/increase in cash in the year		(21,033)		40,656

NARANG WHOLESALERS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2014	2013
	£	£
Operating profit	416,532	446,188
Depreciation of tangible assets	59,572	62,726
Amortisation of intangible assets	18,000	18,000
Loss on disposal of tangible assets	15,758	16,399
(Increase)/decrease in stocks	(12,878)	363,152
Increase in debtors	(378,838)	(1,202,236)
Increase in creditors within one year	152,560	606,061
Net cash inflow from operating activities	270,706	310,290

2 Analysis of net debt	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	330,556	58,900	-	389,456
Bank overdrafts	(1,141,740)	(79,933)	-	(1,221,673)
	(811,184)	(21,033)	-	(832,217)
Debt:				
Finance leases	(30,290)	24,493	(34,315)	(40,112)
Debts falling due within one year	(231,985)	2,319	-	(229,666)
Debts falling due after one year	(267,485)	87,783	-	(179,702)
	(529,760)	114,595	(34,315)	(449,480)
Net debt	(1,340,944)	93,562	(34,315)	(1,281,697)

3 Reconciliation of net cash flow to movement in net debt	2014	2013
	£	£
(Decrease)/increase in cash in the year	(21,033)	40,656
Cash outflow from decrease in debt and lease financing	114,595	39,972
Change in net debt resulting from cash flows	93,562	80,628
New finance lease	(34,315)	-
Movement in net debt in the year	59,247	80,628
Opening net debt	(1,340,944)	(1,421,572)
Closing net debt	(1,281,697)	(1,340,944)

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 other than freehold land 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:

Land and buildings Freehold	2% straight line
Land and buildings Leasehold	2% straight line
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	15% and 20% reducing balance
Motor vehicles	20% reducing balance

Investment properties are included in the balance sheet at their open market value.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for Investment Properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

No depreciation is provided in respect of freehold land.

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. Cost of stock bought in foreign currencies are converted into sterling at a standard exchange rate. These stock items include import duties, freight and other associated charges in arriving at their cost value.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 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.

1.10 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.

2 Turnover and profit on ordinary activities before taxation

In the opinion of the directors it would be seriously prejudicial to the interests of the company to disclose turnover by class of business.

3 Operating profit	2014 £	2013 £
Operating profit is stated after charging:		
Amortisation of intangible assets	18,000	18,000
Depreciation of tangible assets	59,572	62,726
Loss on disposal of tangible assets	15,758	16,399
and after crediting:		
Profit on foreign exchange transactions	(14,558)	(306)

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	11,000	11,000
Tax compliance	2,900	2,900
Assistance with preparation of financial statements	3,295	3,000
	<u>17,195</u>	<u>16,900</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

4	Interest payable and similar charges	2014	2013
		£	£
	On bank loans and overdrafts	30,791	31,601
	Hire purchase interest	1,083	1,891
		<u>31,874</u>	<u>33,492</u>
5	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	54,744	30,522
	Total current tax	<u>54,744</u>	<u>30,522</u>
	Deferred tax		
	Deferred tax charge/credit current year	3,067	8,920
		<u>57,811</u>	<u>39,442</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>384,658</u>	<u>412,696</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 20.00%)	<u>82,701</u>	<u>82,539</u>
	Effects of:		
	Non deductible expenses	-	5,613
	Depreciation add back	19,337	15,825
	Capital allowances	(19,809)	(24,745)
	Group relief	(27,296)	(48,800)
	Marginal relief	(189)	90
		<u>(27,957)</u>	<u>(52,017)</u>
	Current tax charge for the year	<u>54,744</u>	<u>30,522</u>
6	Dividends	2014	2013
		£	£
	Ordinary final paid	<u>65,600</u>	<u>60,000</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2014 & at 31 December 2014	360,000
Amortisation	
At 1 January 2014	90,000
Charge for the year	18,000
At 31 December 2014	108,000
Net book value	
At 31 December 2014	252,000
At 31 December 2013	270,000

8 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2014	200,000	75,000	22,536	268,840	313,915	880,291
Additions	-	-	3,200	27,827	40,444	71,471
Disposals	-	-	-	(486)	(56,476)	(56,962)
At 31 December 2014	200,000	75,000	25,736	296,181	297,883	894,800
Depreciation						
At 1 January 2014	-	-	12,821	121,873	169,704	304,398
On disposals	-	-	-	(391)	(31,325)	(31,716)
Charge for the year	-	-	2,583	26,102	30,887	59,572
At 31 December 2014	-	-	15,404	147,584	169,266	332,254
Net book value						
At 31 December 2014	200,000	75,000	10,332	148,597	128,617	562,546
At 31 December 2013	200,000	75,000	9,715	146,966	144,209	575,890

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tangible fixed assets

(Continued)

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

	Motor vehicles £
Net book values	
At 31 December 2014	53,382
At 31 December 2013	40,775
Depreciation charge for the year	
At 31 December 2014	13,345
At 31 December 2013	10,193

9 Tangible fixed assets

Investment
properties
£

Cost or valuation	
At 1 January 2014 & at 31 December 2014	750,000
Net book value	
At 31 December 2014	750,000
At 31 December 2013	750,000

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 investment properties would have been included at an original cost of £227,075.

10 Stocks

2014
£

2013
£

Finished goods and goods for resale	4,736,678	4,723,800
-------------------------------------	-----------	-----------

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Debtors	2014 £	2013 £
Trade debtors	2,692,101	2,341,333
Other debtors	1,523,666	1,526,111
Prepayments and accrued income	213,271	182,755
	<u>4,429,038</u>	<u>4,050,199</u>
	<u><u>4,429,038</u></u>	<u><u>4,050,199</u></u>
12 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	1,318,339	1,238,725
Net obligations under hire purchase contracts	18,996	22,163
Trade creditors	4,005,616	3,998,707
Amounts owed to parent and fellow subsidiary undertakings	193,920	160,520
Corporation tax	23,648	20,904
Other taxes and social security costs	121,990	154,074
Directors' current accounts	-	131,955
Other creditors	273,478	220,947
Accruals and deferred income	342,326	120,565
	<u>6,298,313</u>	<u>6,068,560</u>
	<u><u>6,298,313</u></u>	<u><u>6,068,560</u></u>

The day to day financing of the company arises from the overdraft facilities provided by its bankers. The facility is due for renewal in October 2015 and the directors have no reasons to doubt the renewal of these facilities.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

13 Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loans	179,702	267,485
Net obligations under hire purchase contracts	21,116	8,127
	<u>200,818</u>	<u>275,612</u>
Analysis of loans		
Wholly repayable within five years	409,368	499,470
	<u>409,368</u>	<u>499,470</u>
Included in current liabilities	(229,666)	(231,985)
	<u>179,702</u>	<u>267,485</u>
Loan maturity analysis		
In more than one year but not more than two years	72,618	85,581
In more than two years but not more than five years	107,084	181,904
	<u>179,702</u>	<u>267,485</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	18,996	22,163
Repayable between one and five years	21,116	8,127
	<u>40,112</u>	<u>30,290</u>
Included in liabilities falling due within one year	(18,996)	(22,163)
	<u>21,116</u>	<u>8,127</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2014	35,616
Profit and loss account	3,067
	<u>38,683</u>
Balance at 31 December 2014	<u>38,683</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>38,683</u>	<u>35,616</u>

15 Retirement Benefits

	2014 £	2013 £
Contributions payable by the company for the year	<u>4,976</u>	<u>-</u>

16 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

17 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2014	579,891	3,740,764
Profit for the year	-	326,847
Dividends paid	-	(65,600)
	<u>579,891</u>	<u>4,002,011</u>
Balance at 31 December 2014	<u>579,891</u>	<u>4,002,011</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

18 Reconciliation of movements in Shareholders' funds	2014 £	2013 £
Profit for the financial year	326,847	373,254
Dividends	(65,600)	(60,000)
Net addition to shareholders' funds	261,247	313,254
Opening Shareholders' funds	4,320,657	4,007,403
Closing Shareholders' funds	4,581,904	4,320,657

19 Contingent liabilities

HSBC Bank plc has given a guarantee dated 30 March 1999 for £30,000 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.

20 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	60,817	60,400
Company pension contributions to defined contribution schemes	4,976	-
	65,793	60,400

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

21 Employees

Number of employees

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

	2014 Number	2013 Number
Management and Admin	35	34
Warehouse	20	21
Drivers	23	22
Sales	25	24
	<u>103</u>	<u>101</u>

Employment costs

	2014 £	2013 £
Wages and salaries	1,408,811	1,445,184
Social security costs	81,648	90,602
Other pension costs	4,976	-
	<u>1,495,435</u>	<u>1,535,786</u>

22 Control

The company is controlled by Jas & Ravi Narang by virtue of their shareholding in Narang Group Limited, a company registered in England and Wales.

23 Related party relationships and transactions

Other transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

During the year, the company was charged £50,000 (2013 - £20,000) by Region Enterprises Limited for property rental. At the balance sheet date, the company was owed by Region Enterprises Limited £1,245,398 (2013 - £1,064,648).

At the balance sheet date, J.S. Narang (a director of this company) and his close family owed the company £11,805 (2013 - £266,955 owed by the company).