

Company Registration No. 03083607 (England and Wales)

NARANG WHOLESALERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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NARANG WHOLESALERS LIMITED

COMPANY INFORMATION

Directors	Mr M Y Hussain Mr J Kalsi Mr J Narang
Secretary	Mr J.Kalsi
Company number	03083607
Registered office	Narang House 121 City Road Bradford BD8 8JR
Auditors	Hentons Northgate 118 North Street Leeds West Yorkshire LS2 7PN
Business address	Narang House 121 City Road Bradford BD8 8JR
Bankers	HSBC Bank plc PO BOX 105 33 Park Row Leeds LS1 1LD

NARANG WHOLESALERS LIMITED

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NARANG WHOLESALERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report, the directors' report and financial statements for the year ended 31 December 2015.

Fair 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 has prevailed in its operations in challenging markets and remains focussed to be able to meet changing needs in its diverse activities.

The company's drop in turnover is the result of a vigorous risk assessment and selective trading criteria that proactively eliminates areas of potential risk. By managing resources effectively the company is able to concentrate on more profitable areas of business at substantially lower risk.

The company also continues to streamline its business operations by cost reduction and consolidation and aims to deliver a better and more effective service. The company prides itself on excellent relationships with both suppliers and customers.

The company has a strong outlook for the future and still maintains the efficiency drive. The directors remain confident in this strategy to maintain business profitability.

The company has continued to strengthen its financial base by 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.

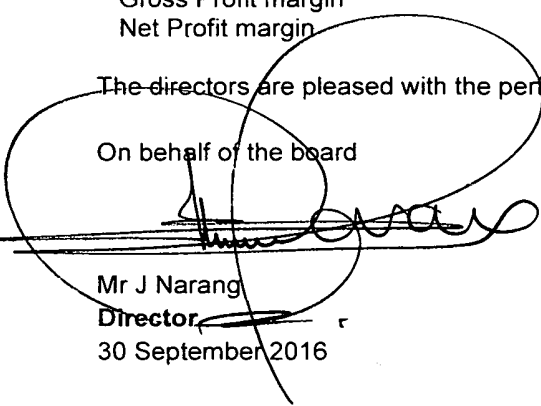
Key Performance Indicators

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:

	2015	2014
Gross Profit margin	10.9%	9.4%
Net Profit margin	0.9%	1.3%

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

On behalf of the board



Mr J Narang

Director

30 September 2016

NARANG WHOLESALERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Y Hussain

Mr J Kalsi

Mr J Pauley

Mr J Narang

(Resigned 6 January 2016)

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £100,000. The directors do not recommend payment of a final dividend.

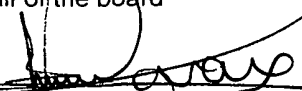
Auditors

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

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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

30 September 2016

NARANG WHOLESALERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

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.

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NARANG WHOLESALERS LIMITED

We have audited the financial statements of Narang Wholesalers Limited for the year ended 31 December 2015 set out on pages 6 to 21. 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), including Financial Reporting Standard 102.

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 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Annual 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 2015 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 matters prescribed by the Companies Act 2006

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

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITOR'S 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 Hentons

30 September 2016

Chartered Accountants
Statutory Auditor

Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

NARANG WHOLESALERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	24,566,577	29,287,129
Cost of sales		(21,894,163)	(26,537,666)
Gross profit		2,672,414	2,749,463
Administrative expenses		(2,411,847)	(2,370,569)
Other operating income		33,278	37,638
Operating profit	4	293,845	416,532
Interest payable and similar charges	6	(30,471)	(31,874)
Profit before taxation		263,374	384,658
Taxation	7	(61,236)	(57,811)
Profit for the financial year		202,138	326,847
Total comprehensive income for the year		202,138	326,847

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

NARANG WHOLESALERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Goodwill	9		234,000		252,000
Other intangible assets	9		10,000		-
Total intangible assets			244,000		252,000
Tangible assets	10		470,876		562,546
Investment properties	11		750,000		750,000
			1,464,876		1,564,546
Current assets					
Stocks	12	5,072,682		4,736,678	
Debtors	13	3,389,614		4,417,232	
Cash at bank and in hand		402,249		389,456	
		8,864,545		9,543,366	
Creditors: amounts falling due within one year	14	(5,509,253)		(6,286,508)	
Net current assets			3,355,292		3,256,858
Total assets less current liabilities			4,820,168		4,821,404
Creditors: amounts falling due after more than one year	15		(106,413)		(200,817)
Provisions for liabilities	18		(29,713)		(38,683)
Net assets			4,684,042		4,581,904
Capital and reserves					
Called up share capital	21		2		2
Revaluation reserve			579,891		579,891
Profit and loss reserves			4,104,149		4,002,011
Total equity			4,684,042		4,581,904

The financial statements were approved by the board of directors and authorised for issue on 30 September 2016 and are signed on its behalf by:

Mr. J Narang
Director

Company Registration No. 03083607

NARANG WHOLESALERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		2	579,891	3,740,764	4,320,657
Period ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	326,847	326,847
Dividends	8	-	-	(65,600)	(65,600)
Balance at 31 December 2014		2	579,891	4,002,011	4,581,904
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	202,138	202,138
Dividends	8	-	-	(100,000)	(100,000)
Balance at 31 December 2015		2	579,891	4,104,149	4,684,042

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Narang Wholesalers Limited is a company limited by shares incorporated in England and Wales. The registered office is Narang House, 121 City Road, Bradford, BD8 8JR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Narang Wholesalers Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Under the transitional provisions of FRS 102 the company has elected to treat previously revalued property fixed assets as the deemed cost on transition and to apply a historical cost method of valuation for all non investment property assets going forward.

The company has applied the disclosure exemptions available within FRS 102 as a result of it being a subsidiary of Narang Group Limited, a company which has prepared consolidated accounts to 31 December 2015. As a result, these financial statements do not include a statement of cash flows or certain disclosures relating to classification of financial instruments.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

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

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Design rights	5 years
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.8 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key areas of judgement and estimation relate to provisions against stocks and doubtful debt, but the directors are satisfied that there is no significant risk of material misstatement arising.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover		
Wholesale of wines, spirits and other beverages	21,369,138	25,395,599
Wholesale of electrical and plumbing supplies	2,189,759	2,839,810
Wholesale of textiles	1,007,680	1,051,720
	<u>24,566,577</u>	<u>29,287,129</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3	Turnover and other revenue	(Continued)	
	Turnover analysed by geographical market		
		2015	2014
		£	£
	United Kingdom	24,566,577	29,287,129
		<u> </u>	<u> </u>
4	Operating profit		
		2015	2014
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	31,004	(14,558)
	Fees payable to the company's auditors for the audit of the company's financial statements	13,000	11,000
	Depreciation of owned tangible fixed assets	60,114	46,227
	Depreciation of tangible fixed assets held under finance leases	9,542	13,345
	Loss on disposal of tangible fixed assets	18,445	15,758
	Amortisation of intangible assets	18,000	18,000
	Cost of stocks recognised as an expense	21,520,287	26,141,893
		<u> </u>	<u> </u>
5	Directors' remuneration		
		2015	2014
		£	£
	Remuneration for qualifying services	39,400	60,817
	Company pension contributions to defined contribution schemes	6,903	4,976
		<u> </u>	<u> </u>
		46,303	65,793
		<u> </u>	<u> </u>
6	Interest payable and similar charges		
		2015	2014
		£	£
	Interest on bank overdrafts and loans	29,099	30,791
	Interest on finance leases and hire purchase contracts	1,372	1,083
		<u> </u>	<u> </u>
7	Taxation		
		2015	2014
		£	£
	Current tax		
	UK corporation tax on profits for the current period	70,206	54,744
		<u> </u>	<u> </u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(8,970)	3,067
	<u> </u>	<u> </u>
Total tax charge	61,236	57,811
	<u> </u>	<u> </u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	263,374	384,658
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.50%)	52,675	82,701
Group relief	-	(27,296)
Depreciation on assets not qualifying for tax allowances	4,200	-
Amortisation on assets not qualifying for tax allowances	3,600	3,870
Tax at marginal rate	761	(1,464)
	<u> </u>	<u> </u>
Tax expense for the year	61,236	57,811
	<u> </u>	<u> </u>

8 Dividends

	2015 £	2014 £
Final paid	100,000	65,600
	<u> </u>	<u> </u>
	100,000	65,600
	<u> </u>	<u> </u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Intangible fixed assets

	Goodwill £	Design rights £	Total £
Cost			
At 1 January 2015	360,000	-	360,000
Additions - separately acquired	-	10,000	10,000
At 31 December 2015	360,000	10,000	370,000
Amortisation and impairment			
At 1 January 2015	108,000	-	108,000
Amortisation charged for the year	18,000	-	18,000
At 31 December 2015	126,000	-	126,000
Carrying amount			
At 31 December 2015	234,000	10,000	244,000
At 31 December 2014	252,000	-	252,000

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2015	200,000	75,000	25,736	296,181	297,883	894,800
Additions	-	-	-	5,592	1,667	7,259
Disposals	-	-	-	-	(66,355)	(66,355)
At 31 December 2015	200,000	75,000	25,736	301,773	233,195	835,704
Depreciation and impairment						
At 1 January 2015	-	-	15,404	147,584	169,266	332,254
Depreciation charged in the year	9,000	12,000	2,068	25,731	20,857	69,656
Eliminated in respect of disposals	-	-	-	-	(37,082)	(37,082)
At 31 December 2015	9,000	12,000	17,472	173,315	153,041	364,828
Carrying amount						
At 31 December 2015	191,000	63,000	8,264	128,458	80,154	470,876
At 31 December 2014	200,000	75,000	10,332	148,597	128,617	562,546

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £9,542 (2014 - £13,345) for the year.

	2015 £	2014 £
Motor vehicles	38,164	53,382

11 Investment property

	2015 £
Fair value	
At 1 January 2015 and 31 December 2015	750,000

Investment property comprises properties held by the company for rental income purposes. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

12 Stocks

	2015 £	2014 £
Finished goods and goods for resale	5,072,682	4,736,678

13 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	1,820,102	2,692,100
Other debtors	1,419,753	1,511,861
Prepayments and accrued income	149,759	213,271
	3,389,614	4,417,232

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	16	1,595,409	1,439,534
Obligations under finance leases	17	11,393	18,996
Trade creditors		3,330,022	4,005,616
Amount due to parent undertaking		63,637	193,920
Corporation tax		78,190	23,648
Other taxation and social security		112,174	121,990
Other creditors		89,686	140,478
Accruals and deferred income		228,742	342,326
		<u>5,509,253</u>	<u>6,286,508</u>

15 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	16	94,041	179,702
Obligations under finance leases	17	12,372	21,115
		<u>106,413</u>	<u>200,817</u>

16 Loans and overdrafts

	2015 £	2014 £
Bank loans	186,330	276,368
Bank overdrafts	1,319,744	1,221,673
Directors' loans	158,376	(11,805)
Other loans	25,000	133,000
	<u>1,689,450</u>	<u>1,619,236</u>
Payable within one year	1,595,409	1,439,534
Payable after one year	94,041	179,702

The long-term loans are secured by fixed and floating charges over the undertaking and all property and assets of the company.

Finance lease assets are secured on the underlying assets.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Finance lease obligations

	2015 £	2014 £
Future minimum lease payments due under finance leases:		
Within one year	11,393	18,996
In two to five years	12,372	21,115
	<u>23,765</u>	<u>40,111</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Provisions for liabilities

	2015 £	2014 £
Deferred tax liabilities	29,713	38,683
	<u>29,713</u>	<u>38,683</u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated capital allowances	<u>29,713</u>	<u>38,683</u>
Movements in the year:		2015 £
Liability at 1 January 2015		38,683
Credit to profit and loss		(8,970)
Liability at 31 December 2015		<u>29,713</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £6,903 (2014 - £4,976).

21 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	=====	=====

22 Financial commitments, guarantees and 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.

23 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption available in accordance with FRS 102 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.

At the balance sheet date, the company was owed by Region Enterprises Limited, a company under the control of J S Narang, £1,171,145 (2014 - £1,245,398).

At the balance sheet date, J.S.Narang (a director of this company) and his close family were owed £158,377 by the company (2014 - £11,805 owed to the company).