

Company registration number 03083607 (England and Wales)

NARANG WHOLESALERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NARANG WHOLESALERS LIMITED

COMPANY INFORMATION

Directors	Mr J Kalsi Mr J Narang Ms S Mainwaring
Secretary	Mr J Kalsi
Company number	03083607
Registered office	Narang House 121 City Road Bradford BD8 8JR
Auditor	Hentons Northgate 118 North Street Leeds West Yorkshire LS2 7PN
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds West Yorkshire LS1 1LD

NARANG WHOLESALERS LIMITED

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NARANG WHOLESALERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report, the directors' report and financial statements for the year ended 31 December 2023.

Fair review of the business

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

Directors are pleased to report an increase in turnover and maintenance of gross margin during what has been a difficult trading year, particularly for the hospitality sector. A strong market presence has enabled the business to not only maintain market share but also to take advantage of new opportunities arising.

Despite pressures from rising overheads and increasing interest rates during the 2023 year, the improvement in sales and cost reduction programmes that have been introduced have enabled an increase in the retained profit although at a slightly reduced net profit margin.

There has been some capital investment during the 2023 year and this combined with the profits generated have resulted in a further strengthening of the balance sheet.

Directors continue to work towards achievement of carbon neutrality with work on both buildings and delivery fleet during the trading year.

Concentration during the year has been ensure a strong base on which to build following the disruptive COVID years and directors predict that this strategy will enable the business to further increase profitability in the coming year.

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 a comparative period is set out below:

	2023	2022	2021
Gross profit margin	12.47%	12.0%	11.7%
Net profit margin	1.6%	1.9%	1.9%

The directors are pleased with the continued performance of these metrics.

On behalf of the board

Mr J Narang

Director

19 September 2024

NARANG WHOLESALERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

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.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £76,000. The directors do not recommend payment of a further dividend.

Directors

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

Mr J Kalsi
Mr J Narang
Ms S Mainwaring

Auditor

The auditor, Hentons, is 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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure in the Strategic Report

The directors review of the business and their consideration of the risks and uncertainties surrounding the business may be found in the Strategic Report.

NARANG WHOLESALERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of disclosure to auditor

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 auditor is 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 auditor is aware of that information.

On behalf of the board

Mr J Narang
Director

19 September 2024

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NARANG WHOLESALERS LIMITED

Opinion

We have audited the financial statements of Narang Wholesalers Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NARANG WHOLESALERS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Reviewed the nature of the industry and sector, the control environment and business performance for the year.
- Identified the laws and regulations the company operates within and enquired with management if they are aware of any non-compliance issues.
- Discussed how and where fraud may occur with all members of the audit engagement team.
- In line with all audits under ISAs (UK) we were required to perform tests to respond to the risk of management override. We tested the appropriateness of journal entries, evaluated the judgements made for accounting estimates to assess for any bias, and assessed the rationale behind any significant or unusual transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

NARANG WHOLESALERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NARANG WHOLESALERS LIMITED (CONTINUED)

Nadeem Ahmed
Senior Statutory Auditor
For and on behalf of Hentons

19 September 2024

Chartered Accountants
Statutory Auditor

Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

NARANG WHOLESALERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	16,897,377	15,599,009
Cost of sales		(14,791,001)	(13,725,103)
Gross profit		2,106,376	1,873,906
Administrative expenses		(1,963,882)	(1,874,665)
Other operating income		364,218	371,563
Operating profit	4	506,712	370,804
Interest payable and similar expenses	8	(233,852)	(159,520)
Amounts written off investments	9	-	86,367
Profit before taxation		272,860	297,651
Tax on profit	10	(55,530)	(42,925)
Profit for the financial year		217,330	254,726

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

The notes on pages 10 to 21 form part of these financial statements.

NARANG WHOLESALERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		90,000		108,000
Tangible assets	13		344,118		373,681
Investment property	14		2,445,432		2,170,151
			<u>2,879,550</u>		<u>2,651,832</u>
Current assets					
Stocks	15	6,798,318		6,305,447	
Debtors	16	3,364,184		3,547,536	
Cash at bank and in hand		341,272		1,102,050	
		<u>10,503,774</u>		<u>10,955,033</u>	
Creditors: amounts falling due within one year	17	<u>(4,926,791)</u>		<u>(4,987,860)</u>	
Net current assets			<u>5,576,983</u>		<u>5,967,173</u>
Total assets less current liabilities			<u>8,456,533</u>		<u>8,619,005</u>
Creditors: amounts falling due after more than one year	18		<u>(1,346,866)</u>		<u>(1,666,759)</u>
Provisions for liabilities					
Deferred tax liability	21	78,403		62,312	
		<u>78,403</u>		<u>(62,312)</u>	
Net assets			<u>7,031,264</u>		<u>6,889,934</u>
Capital and reserves					
Called up share capital	23		2		2
Revaluation reserve			494,374		494,374
Profit and loss reserves			6,536,888		6,395,558
Total equity			<u>7,031,264</u>		<u>6,889,934</u>

The notes on pages 10 to 21 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 19 September 2024 and are signed on its behalf by:

Mr J Narang
Director

Company registration number 03083607 (England and Wales)

NARANG WHOLESALERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 January 2022		2	424,417	6,286,789	6,711,208
Year ended 31 December 2022:					
Profit and total comprehensive income		-	-	254,726	254,726
Dividends	11	-	-	(76,000)	(76,000)
Transfers		-	-	(69,957)	(69,957)
Other movements		-	69,957	-	69,957
Balance at 31 December 2022		2	494,374	6,395,558	6,889,934
Year ended 31 December 2023:					
Profit and total comprehensive income		-	-	217,330	217,330
Dividends	11	-	-	(76,000)	(76,000)
Balance at 31 December 2023		2	494,374	6,536,888	7,031,264

The notes on pages 10 to 21 form part of these financial statements.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Narang Wholesalers Limited is a private 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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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 2022. 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.

Increased performance in higher margin areas of the business mitigate profit loss by reduced turnover in those of lower margin. Continued good relationships with customers and suppliers ensure both confidence in customers to purchase from the business and continuation of support from suppliers and brand owners.

Therefore, 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 2023

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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:

Freehold land and buildings	2% straight line
Leasehold land and buildings	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 ascertained 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).

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 2023

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 are basic financial assets and 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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.

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 transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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.

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 2023

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 in the period are included in profit or loss.

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:

	2023	2022
	£	£
Turnover analysed by class of business		
Wholesale of wines, spirits and other beverages	15,326,742	13,823,851
Wholesale of electrical and plumbing supplies	1,326,358	1,519,016
Wholesale of textiles	244,277	256,142
	<u>16,897,377</u>	<u>15,599,009</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>16,897,377</u>	<u>15,599,009</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Turnover and other revenue (Continued)

	2023	2022
	£	£
Other revenue		
Management fees received	-	115,500
Rent received	135,682	254,113
Other income	228,536	1,950
	<u>228,536</u>	<u>1,950</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	69	4,264
Depreciation of owned tangible fixed assets	36,866	34,927
Depreciation of tangible fixed assets held under finance leases	1,545	8,953
Profit on disposal of tangible fixed assets	-	(92,341)
Amortisation of intangible assets	18,000	18,000
	<u>56,480</u>	<u>63,843</u>

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	19,204	30,280
	<u>19,204</u>	<u>30,280</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Total	63	65
	<u>63</u>	<u>65</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,074,146	1,140,121
Social security costs	68,619	64,582
Pension costs	21,055	17,485
	<u>1,163,820</u>	<u>1,222,188</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	52,800	47,400
Company pension contributions to defined contribution schemes	-	886
	<u>52,800</u>	<u>48,286</u>

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	233,437	157,439
Interest on finance leases and hire purchase contracts	415	2,081
	<u>233,852</u>	<u>159,520</u>

9 Change in fair value of financial assets

	2023 £	2022 £
Changes in the fair value of investment properties	-	86,367
	<u>-</u>	<u>86,367</u>

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	54,725	49,004
Adjustments in respect of prior periods	(15,286)	-
Total current tax	<u>39,439</u>	<u>49,004</u>
Deferred tax		
Origination and reversal of timing differences	<u>16,091</u>	<u>(6,079)</u>
Total tax charge	<u>55,530</u>	<u>42,925</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	272,860	297,651
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	68,215	56,554
Tax effect of expenses that are not deductible in determining taxable profit	4,500	-
Tax effect of income not taxable in determining taxable profit	-	(16,410)
Tax effect of utilisation of tax losses not previously recognised	(19,509)	-
Effect of change in corporation tax rate	(3,442)	-
Permanent capital allowances in excess of depreciation	4,961	4,884
Depreciation on assets not qualifying for tax allowances	-	1,045
Amortisation on assets not qualifying for tax allowances	-	3,420
Under/(over) provided in prior years	(15,286)	-
Supertax deduction	-	(489)
Deferred tax movement	16,091	(6,079)
Taxation charge for the year	55,530	42,925

11 Dividends

	2023 £	2022 £
Final paid	76,000	76,000

12 Intangible fixed assets

	Goodwill £	Design rights £	Total £
Cost			
At 1 January 2023 and 31 December 2023	360,000	10,000	370,000
Amortisation and impairment			
At 1 January 2023	252,000	10,000	262,000
Amortisation charged for the year	18,000	-	18,000
At 31 December 2023	270,000	10,000	280,000
Carrying amount			
At 31 December 2023	90,000	-	90,000
At 31 December 2022	108,000	-	108,000

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and fixtures, machinery & equipment	Fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2023	200,000	75,000	34,486	362,622	234,142	906,250
Additions	-	-	1,500	7,253	95	8,848
At 31 December 2023	200,000	75,000	35,986	369,875	234,237	915,098
Depreciation and impairment						
At 1 January 2023	40,000	31,500	29,874	294,275	136,920	532,569
Depreciation charged in the year	4,000	1,500	1,047	12,418	19,446	38,411
At 31 December 2023	44,000	33,000	30,921	306,693	156,366	570,980
Carrying amount						
At 31 December 2023	156,000	42,000	5,065	63,182	77,871	344,118
At 31 December 2022	160,000	43,500	4,612	68,347	97,222	373,681

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023 £	2022 £
Motor vehicles	6,177	35,804

14 Investment property

	2023 £
Fair value	
At 1 January 2023	2,170,151
Additions through external acquisition	275,281
At 31 December 2023	2,445,432

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.

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Stocks

	2023 £	2022 £
Finished goods and goods for resale	6,798,318	6,305,447

16 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	945,456	1,112,907
Amounts owed by group undertakings	110,835	321,835
Other debtors	2,289,460	2,106,065
Prepayments and accrued income	18,433	6,729
	3,364,184	3,547,536

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	19	2,042,067	2,573,549
Obligations under finance leases	20	3,168	13,328
Trade creditors		1,970,013	1,976,513
Corporation tax		54,725	52,511
Other taxation and social security		118,685	216,614
Other creditors		437,953	122,546
Accruals and deferred income		300,180	32,799
		4,926,791	4,987,860

18 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	19	1,280,594	1,597,304
Obligations under finance leases	20	-	3,183
Other creditors		66,272	66,272
		1,346,866	1,666,759

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Loans and overdrafts

	2023 £	2022 £
Bank loans	1,873,818	2,207,967
Bank overdrafts	1,448,843	1,962,886
	<u>3,322,661</u>	<u>4,170,853</u>
Payable within one year	2,042,067	2,573,549
Payable after one year	<u>1,280,594</u>	<u>1,597,304</u>

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.

20 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	3,168	13,328
In two to five years	-	3,183
	<u>3,168</u>	<u>16,511</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.

21 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 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	5,148	6,638
Investment property	<u>73,255</u>	<u>55,674</u>
	<u>78,403</u>	<u>62,312</u>

NARANG WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Deferred taxation (Continued)

Movements in the year:	2023
	£
Liability at 1 January 2023	62,312
Charge to profit or loss	16,091
Liability at 31 December 2023	<u>78,403</u>

22 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>21,055</u>	<u>17,485</u>

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.

23 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

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