

Company Registration No 03736461 (England and Wales)

A1 VEG LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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A1 VEG LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Director | Mr SWH Shah |
| Secretary | Mr IS Dhaliwal |
| Company number | 03736461 |
| Registered office | 39 Station Road London NW4 4PN |
| Auditors | Raymond Soo & Co Limited 39 Station Road London NW4 4PN |
| Business address | Unit P20 - 22 Western International Market Hayes Road Southall Middlesex UB2 5XJ |

A1 VEG LIMITED

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A1 VEG LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The director presents his report and financial statements for the year ended 31 March 2012

Principal activities and review of the business

The principal activity of the company continued to be that of wholesalers and retailers of fresh raw vegetables

The company operates from 4 branches situated in London, Birmingham and Manchester

The purpose of the review of business is to provide information on the company's strategy and objective, the market in which it operates and a review of progress during the period. It includes an analysis of key performance indicators and an assessment of the key risks and uncertainties facing the company

The company operates in the retail of foods and vegetables industry and its principal activity consists of wholesale and retail selling of fresh raw vegetables

The financial results for the year and the financial position at the year end were as shown in the company's profit and loss account on page 6 and the balance sheet on page 7 respectively. Both the business results and the year end financial positions were considered satisfactory by the director who expects continued growth in the foreseeable future

The market remains competitive and the director continues to strive to improve the company's position and market share whilst continuing to provide improved quality of the products and competitive pricing to its customers

Principal risks and uncertainties

Commercial and market

The company may experience loss of revenue growth or detrimental impact on the profit margin due to unforeseen events such as fresh raw vegetables cost and exchange rate fluctuations, increasing labour costs, competitive actions by the competitors and the speed of adjusting prices to the customers. The company works closely with its suppliers and customers in order to manage and mitigate such risks

The company considers the regulations in wholesale and retail fresh raw vegetables industry for the operation, specifically in the areas of employment, health and safety, importing regulations, to be one of the commercial risks facing the company. The company also operates strict quality control procedures and disciplines to reduce the level of risk encountered

Other risks within this heading are product risks. The company handles fresh raw vegetables which are perishable with short life span. The company also operates strict quality control procedures and disciplines to protect its products

Financial

The company faces a number of financial risks which include the liquidity risk and credit rating risk. These risks are not considered significant as the company does not rely on external bank borrowings to finance its operations

Other risks and uncertainties within this heading are failures in internal control systems and IT systems. A failure in these systems could have a significant impact on the business. The director has controls in place to maintain and regularly update the efficiency and smooth running of these systems

Human resources

The company is aware that the achieving of its business objectives and performances is heavily dependent upon the contributions made by its employees. Procedures and policies are in place to attract, train and retain the employees with skills and of a capabilities level appropriate to succeed in achieving its goals

A1 VEG LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future

Key Performance Indicators

Turnover growth and increase operating margin remain the key performance indicators for the company which the director regularly monitors against the budget and comparative period. Over the last financial period, the company's turnover decreased from £27.5 million to £22.9 million due to market competition. The operating net profit margin for the same period increased from 0.70% to 0.91%, which is attributable to increase gross profit margins from 6.28% to 7.92%.

The director believes that other key performance indicators for the company are not necessary or appropriate for an understanding of the performance, development or position of the business.

Results and dividends

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

The company paid £150,000 of dividend during the year. The director does not recommend payment of a final dividend.

Future developments

The director is confident in achieving a stronger and profitable growth in the company's core activities and gaining market share in the wholesales and retails fresh raw vegetables industry whilst continuing to provide improved quality of the products and competitive pricing to its customers.

Director

The following director has held office since 1 April 2011:

Mr SWH Shah

Director's interests

The director's interest in the shares of the company was as stated below:

| | Ordinary of £1 each | |
|-------------|---------------------|--------------|
| | 31 March 2012 | 1 April 2011 |
| Mr SWH Shah | 14,066 | 14,066 |

Auditors

In accordance with the company's articles, a resolution proposing that Raymond Soo & Co Limited be reappointed as auditors of the company will be put at a General Meeting.

A1 VEG LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

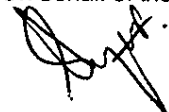
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself 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 SWH Shah

Director

14 DEC 2012

A1 VEG LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF A1 VEG LIMITED

We have audited the financial statements of A1 Veg Limited for the year ended 31 March 2012 set out on pages 6 to 15. 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 3, the director is 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 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 director, and the overall presentation of the financial statements.

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 March 2012 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

A1 VEG LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF A1 VEG 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 Chin Chean Soo FCCA (Senior Statutory Auditor)
for and on behalf of Raymond Soo & Co Limited

18 DEC 2012

Chartered Certified Accountants
Statutory Auditor

39 Station Road
London
NW4 4PN

A1 VEG LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

| | Notes | 2012 £ | 2011 £ |
|--|-------|------------------|------------------|
| Turnover | 2 | 22,853,713 | 27,469,588 |
| Cost of sales | | (21,043,621) | (25,744,638) |
| Gross profit | | 1,810,092 | 1,724,950 |
| Distribution costs | | (834,730) | (858,608) |
| Administrative expenses | | (769,595) | (673,587) |
| Other operating income | | 1,000 | - |
| Operating profit | 3 | 206,767 | 192,755 |
| Other interest receivable and similar income | 4 | 141 | 144 |
| Profit on ordinary activities before taxation | | 206,908 | 192,899 |
| Tax on profit on ordinary activities | 5 | (46,767) | (45,565) |
| Profit for the year | 13 | 160,141 | 147,334 |

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

A1 VEG LIMITED

BALANCE SHEET

AS AT 31 MARCH 2012

| | Notes | 2012 £ | £ | 2011 £ | £ |
|---|-------|--------------------|----------------|--------------------|----------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | | 156,467 | | 175,067 |
| Tangible assets | 8 | | 189,115 | | 223,596 |
| | | | <u>345,582</u> | | <u>398,663</u> |
| Current assets | | | | | |
| Stocks | 9 | 169,397 | | 220,336 | |
| Debtors | 10 | 2,226,696 | | 2,525,083 | |
| Cash at bank and in hand | | 219,745 | | 200,804 | |
| | | <u>2,615,838</u> | | <u>2,946,223</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(2,453,981)</u> | | <u>(2,847,588)</u> | |
| Net current assets | | | <u>161,857</u> | | <u>98,635</u> |
| Total assets less current liabilities | | | <u>507,439</u> | | <u>497,298</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 21,099 | | 21,099 |
| Profit and loss account | 13 | | 486,340 | | 476,199 |
| Shareholders' funds | 14 | | <u>507,439</u> | | <u>497,298</u> |

Approved by the Board and authorised for issue on 14 DEC 2012



Mr SWH Shah
Director

Company Registration No. 03736461

A1 VEG LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

| | Notes | £ | 2012 £ | £ | 2011 £ |
|--|---------------|---------|-----------|---------|-----------|
| Net cash inflow/(outflow) from operating activities | 18 | | 216,816 | | (175,323) |
| Returns on investments and servicing of finance | | | | | |
| Interest received | | 141 | | 144 | |
| Net cash inflow for returns on investments and servicing of finance | | | 141 | | 144 |
| Taxation | | | (45,565) | | (45,981) |
| Capital expenditure | | | | | |
| Payments to acquire tangible assets | | (2,451) | | (6,260) | |
| Net cash outflow for capital expenditure | | | (2,451) | | (6,260) |
| Equity dividends paid | | | (150,000) | | - |
| Net cash inflow/(outflow) before management of liquid resources and financing | | | 18,941 | | (227,420) |
| Increase/(decrease) in cash in the year | 19, 20 | | 18,941 | | (227,420) |

A1 VEG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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 net of VAT and trade discounts

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.5 Tangible fixed assets and depreciation

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

| | |
|--------------------------------|-------------------------------|
| Land and buildings Leasehold | evenly over the term of lease |
| Plant and machinery | 15% reducing balance |
| Fixtures, fittings & equipment | 15% reducing balance |
| Motor vehicles | 25% reducing balance |

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.7 Stock

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

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit

| | 2012 £ | 2011 £ |
|--|-----------|-----------|
| Operating profit is stated after charging | | |
| Amortisation of intangible assets | 18,600 | 18,600 |
| Depreciation of tangible assets | 36,932 | 38,713 |
| Operating lease rentals | 42,312 | 42,312 |
| Auditors' remuneration (including expenses and benefits in kind) | 13,300 | 10,800 |

A1 VEG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

| | | | |
|----------|---|----------------|----------------|
| 4 | Investment income | 2012 | 2011 |
| | | £ | £ |
| | Bank interest | 42 | 45 |
| | Other interest | 99 | 99 |
| | | <u>141</u> | <u>144</u> |
| | | <u>141</u> | <u>144</u> |
| 5 | Taxation | 2012 | 2011 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U K corporation tax | 46,767 | 45,565 |
| | Total current tax | <u>46,767</u> | <u>45,565</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | <u>206,908</u> | <u>192,899</u> |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 21.00%) | <u>41,382</u> | <u>40,509</u> |
| | Effects of | | |
| | Depreciation add back | 11,106 | 8,130 |
| | Capital allowances | (1,148) | (2,178) |
| | Other tax adjustments | (4,573) | (896) |
| | | <u>5,385</u> | <u>5,056</u> |
| | Current tax charge for the year | <u>46,767</u> | <u>45,565</u> |
| 6 | Dividends | 2012 | 2011 |
| | | £ | £ |
| | Ordinary interim paid | <u>150,000</u> | <u>-</u> |

A1 VEG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

7 Intangible fixed assets

| | Goodwill £ |
|------------------------------------|---------------|
| Cost | |
| At 1 April 2011 & at 31 March 2012 | 279,000 |
| Amortisation | |
| At 1 April 2011 | 103,933 |
| Charge for the year | 18,600 |
| At 31 March 2012 | 122,533 |
| Net book value | |
| At 31 March 2012 | 156,467 |
| At 31 March 2011 | 175,067 |

8 Tangible fixed assets

| | Land and buildings Leasehold £ | Plant and machinery £ | Fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|-----------------------|---|-----------------------------|---|------------------------|------------|
| Cost | | | | | |
| At 1 April 2011 | 291,194 | 73,845 | 97,760 | 33,955 | 496,754 |
| Additions | - | - | 596 | 1,855 | 2,451 |
| At 31 March 2012 | 291,194 | 73,845 | 98,356 | 35,810 | 499,205 |
| Depreciation | | | | | |
| At 1 April 2011 | 162,788 | 45,591 | 46,626 | 18,153 | 273,158 |
| Charge for the year | 17,970 | 4,238 | 7,760 | 6,964 | 36,932 |
| At 31 March 2012 | 180,758 | 49,829 | 54,386 | 25,117 | 310,090 |
| Net book value | | | | | |
| At 31 March 2012 | 110,436 | 24,016 | 43,970 | 10,693 | 189,115 |
| At 31 March 2011 | 128,406 | 28,254 | 51,134 | 15,802 | 223,596 |

A1 VEG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

| | | | |
|-----------|---|------------------|------------------|
| 9 | Stocks | 2012 | 2011 |
| | | £ | £ |
| | Raw materials and consumables | <u>169,397</u> | <u>220,336</u> |
| 10 | Debtors | 2012 | 2011 |
| | | £ | £ |
| | Trade debtors | 2,107,722 | 2,316,138 |
| | Other debtors | 77,059 | 146,820 |
| | Prepayments and accrued income | <u>41,915</u> | <u>62,125</u> |
| | | <u>2,226,696</u> | <u>2,525,083</u> |
| 11 | Creditors, amounts falling due within one year | 2012 | 2011 |
| | | £ | £ |
| | Trade creditors | 2,333,404 | 2,705,872 |
| | Corporation tax | 46,784 | 45,582 |
| | Other taxes and social security costs | 26,508 | 32,436 |
| | Other creditors | 13,174 | 40,259 |
| | Accruals and deferred income | <u>34,111</u> | <u>23,439</u> |
| | | <u>2,453,981</u> | <u>2,847,588</u> |
| 12 | Share capital | 2012 | 2011 |
| | | £ | £ |
| | Allotted, called up and fully paid | | |
| | 21,099 Ordinary of £1 each | <u>21,099</u> | <u>21,099</u> |

A1 VEG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

13 Statement of movements on profit and loss account

| | Profit and loss account £ |
|--------------------------|------------------------------------|
| Balance at 1 April 2011 | 476,199 |
| Profit for the year | 160,141 |
| Dividends paid | (150,000) |
| Balance at 31 March 2012 | <u>486,340</u> |

14 Reconciliation of movements in shareholders' funds

| | 2012 £ | 2011 £ |
|-------------------------------------|----------------|----------------|
| Profit for the financial year | 160,141 | 147,334 |
| Dividends | (150,000) | - |
| Net addition to shareholders' funds | <u>10,141</u> | <u>147,334</u> |
| Opening shareholders' funds | 497,298 | 349,964 |
| Closing shareholders' funds | <u>507,439</u> | <u>497,298</u> |

15 Financial commitments

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013.

| | Land and buildings | |
|-------------------------------|--------------------|---------------|
| | 2012 £ | 2011 £ |
| Operating leases which expire | | |
| Within one year | 7,408 | - |
| Between two and five years | 3,704 | 11,112 |
| In over five years | 31,200 | 31,200 |
| | <u>42,312</u> | <u>42,312</u> |

16 Director's remuneration

| | 2012 £ | 2011 £ |
|--------------------------------------|--------------|--------------|
| Remuneration for qualifying services | <u>6,000</u> | <u>6,000</u> |

A1 VEG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

17 Employees

Number of employees

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

| | 2012 Number | 2011 Number |
|----------------|----------------|----------------|
| Production | 50 | 53 |
| Administrative | 8 | 6 |
| | <u>58</u> | <u>59</u> |

Employment costs

| | 2012 £ | 2011 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,002,087 | 982,171 |
| Social security costs | 82,354 | 81,053 |
| | <u>1,084,441</u> | <u>1,063,224</u> |

18 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

| | 2012 £ | 2011 £ |
|--|----------------|------------------|
| Operating profit | 206,767 | 192,755 |
| Depreciation of tangible assets | 36,932 | 38,713 |
| Amortisation of intangible assets | 18,600 | 18,600 |
| Decrease/(increase) in stocks | 50,939 | (22,514) |
| Decrease/(increase) in debtors | 298,387 | (212,488) |
| Decrease in creditors within one year | (394,809) | (190,389) |
| Net cash inflow/(outflow) from operating activities | <u>216,816</u> | <u>(175,323)</u> |

19 Analysis of net funds

| | 1 April 2011 £ | Cash flow £ | Other non- cash changes | 31 March 2012 £ |
|--------------------------|-------------------|----------------|----------------------------|--------------------|
| Net cash | | | | |
| Cash at bank and in hand | <u>200,804</u> | <u>18,941</u> | <u>-</u> | <u>219,745</u> |
| Net funds | <u>200,804</u> | <u>18,941</u> | <u>-</u> | <u>219,745</u> |

A1 VEG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

| 20 | Reconciliation of net cash flow to movement in net funds | 2012 £ | 2011 £ |
|----|--|----------------|----------------|
| | Increase/(decrease) in cash in the year | 18,941 | (227,420) |
| | Movement in net funds in the year | 18,941 | (227,420) |
| | Opening net funds | 200,804 | 428,224 |
| | Closing net funds | <u>219,745</u> | <u>200,804</u> |

21 Comparatives

Comparative amounts have been reclassified, where necessary, on the same basis as those for the current year