

ABC Brothers Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 31 March 2013

Thakrar & Co
Accountants and Tax Consultants
Thakrar House
113 Woolwich High Street
Woolwich
London
SE18 6DN

ABC Brothers Limited

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The following pages do not form part of the statutory financial statements:

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ABC Brothers Limited
Company Information

Directors	Ashwin C Patel
	Chandrakant C Patel
Company secretary	Ashwin C Patel
Registered office	924 Purley Way
	Purley
	Surrey
	CR8 2JL
Bankers	National Westminster Bank
	Berkeley Square & Mayfair Branch
	1-4 Berkeley Square House
	Berkeley Square
	London
Accountants	W1J 6BR
	Thakrar & Co
	Accountants and Tax Consultants
	Thakrar House
	113 Woolwich High Street
	Woolwich
	London
	SE18 6DN

ABC Brothers Limited
Directors' Report for the Year Ended 31 March 2013

The directors present their report and the unaudited financial statements for the year ended 31 March 2013.

Directors of the company

The directors who held office during the year were as follows:

Ashwin C Patel

Chandrakant C Patel

Principal activity

The principal activity of the company is Grocery & Off Licence.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 4 July 2013 and signed on its behalf by:

.....
Ashwin C Patel
Director

**Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory
Accounts of
ABC Brothers Limited
for the Year Ended 31 March 2013**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of ABC Brothers Limited for the year ended 31 March 2013 set out on pages 4 to 12 from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of ABC Brothers Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of ABC Brothers Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ABC Brothers Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that ABC Brothers Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of ABC Brothers Limited. You consider that ABC Brothers Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of ABC Brothers Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....

Thakrar & Co
Accountants and Tax Consultants
Thakrar House
113 Woolwich High Street
Woolwich
London
SE18 6DN
12 July 2013

ABC Brothers Limited
Profit and Loss Account for the Year Ended 31 March 2013

	Note	2013 £	2012 £
Turnover		2,070,946	2,099,594
Cost of sales		<u>(1,619,293)</u>	<u>(1,590,727)</u>
Gross profit		451,653	508,867
Administrative expenses		<u>(333,926)</u>	<u>(322,336)</u>
Operating profit	<u>2</u>	117,727	186,531
Other interest receivable and similar income		<u>3,984</u>	<u>4,257</u>
Profit on ordinary activities before taxation		121,711	190,788
Tax on profit on ordinary activities	<u>4</u>	<u>(26,692)</u>	<u>(39,971)</u>
Profit for the financial year	<u>12</u>	<u><u>95,019</u></u>	<u><u>150,817</u></u>

The notes on pages 7 to 12 form an integral part of these financial statements.

ABC Brothers Limited
(Registration number: 4164475)
Balance Sheet at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible fixed assets	<u>5</u>	117,500	129,250
Tangible fixed assets	<u>6</u>	<u>69,877</u>	<u>80,375</u>
		<u>187,377</u>	<u>209,625</u>
Current assets			
Stocks		57,378	65,275
Debtors	<u>7</u>	1,000	1,900
Cash at bank and in hand		<u>487,560</u>	<u>527,774</u>
		545,938	594,949
Creditors: Amounts falling due within one year	<u>8</u>	<u>(272,848)</u>	<u>(341,478)</u>
Net current assets		<u>273,090</u>	<u>253,471</u>
Total assets less current liabilities		460,467	463,096
Provisions for liabilities	<u>9</u>	<u>(11,915)</u>	<u>(13,563)</u>
Net assets		<u>448,552</u>	<u>449,533</u>
Capital and reserves			
Called up share capital	<u>10</u>	600	600
Profit and loss account	<u>12</u>	<u>447,952</u>	<u>448,933</u>
Shareholders' funds		<u>448,552</u>	<u>449,533</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

For the year ending 31 March 2013 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 4 July 2013 and signed on its behalf by:

The notes on pages 7 to 12 form an integral part of these financial statements.

ABC Brothers Limited
(Registration number: 4164475)
Balance Sheet at 31 March 2013
..... continued

.....
Chandrakant C Patel
Director

The notes on pages 7 to 12 form an integral part of these financial statements.
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ABC Brothers Limited
Notes to the Financial Statements for the Year Ended 31 March 2013
..... continued

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows: 20 years

Asset class	Amortisation method and rate
Goodwill	5% straight line basis

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	15% Reducing balance basis
Motor Vehicles	25% Reducing balance basis

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE. Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

ABC Brothers Limited
Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2 Operating profit

Operating profit is stated after charging:

	2013	2012
	£	£
Loss on sale of tangible fixed assets	-	35
Depreciation of tangible fixed assets	13,036	15,125
Amortisation	<u>11,750</u>	<u>11,750</u>

3 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013	2012
	£	£
Remuneration	<u>14,981</u>	<u>14,144</u>

4 Taxation

Tax on profit on ordinary activities

	2013	2012
	£	£
Current tax		
Corporation tax charge	28,340	41,313
Deferred tax		
Origination and reversal of timing differences	<u>(1,648)</u>	<u>(1,342)</u>
Total tax on profit on ordinary activities	<u>26,692</u>	<u>39,971</u>

ABC Brothers Limited
Notes to the Financial Statements for the Year Ended 31 March 2013
..... *continued*

5 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 April 2012	235,000	235,000
At 31 March 2013	235,000	235,000
Amortisation		
At 1 April 2012	105,750	105,750
Charge for the year	11,750	11,750
At 31 March 2013	117,500	117,500
Net book value		
At 31 March 2013	117,500	117,500
At 31 March 2012	129,250	129,250

6 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2012	160,628	7,995	168,623
Additions	2,538	-	2,538
At 31 March 2013	163,166	7,995	171,161
Depreciation			
At 1 April 2012	86,249	1,999	88,248
Charge for the year	11,537	1,499	13,036
At 31 March 2013	97,786	3,498	101,284
Net book value			
At 31 March 2013	65,380	4,497	69,877
At 31 March 2012	74,379	5,996	80,375

ABC Brothers Limited
Notes to the Financial Statements for the Year Ended 31 March 2013
..... continued

7	Debtors		
		2013	2012
		£	£
	Other debtors	<u>1,000</u>	<u>1,900</u>

8 Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	53,266	33,407
Corporation tax	28,339	41,312
Other taxes and social security	9,262	11,722
Other creditors	<u>181,981</u>	<u>255,037</u>
	<u>272,848</u>	<u>341,478</u>

9 Provisions

	Deferred tax	Total
	£	£
At 1 April 2012	13,563	13,563
Credited to the profit and loss account	<u>(1,648)</u>	<u>(1,648)</u>
At 31 March 2013	<u>11,915</u>	<u>11,915</u>

Analysis of deferred tax

	2013	2012
	£	£
Other timing differences	<u>1,648</u>	<u>1,342</u>

ABC Brothers Limited
Notes to the Financial Statements for the Year Ended 31 March 2013
..... continued

10 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary of £1 each	600	600	600	600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11 Dividends

	2013	2012
	£	£
Dividends paid		
Current year interim dividend paid	<u>96,000</u>	<u>96,000</u>

12 Reserves

	Profit and loss account £	Total £
At 1 April 2012	448,933	448,933
Profit for the year	95,019	95,019
Dividends	<u>(96,000)</u>	<u>(96,000)</u>
At 31 March 2013	<u>447,952</u>	<u>447,952</u>

13 Commitments

Operating lease commitments

As at 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013	2012
	£	£
Over five years	<u>46,000</u>	<u>46,000</u>

ABC Brothers Limited
Notes to the Financial Statements for the Year Ended 31 March 2013
..... continued

14 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Mr A C and C C Patel

(During the year, the directors and their wives received rents totalling £46,000 from the company on normal commercial terms.)

. At the balance sheet date the amount due to Mr A C and C C Patel was £106,494 (2012 - £188,671).

15 Control

The company is controlled by the directors who own 66.67% of the called up share capital.

ABC Brothers Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2013

	2013	2012
	£	£
Turnover (analysed below)	2,070,946	2,099,594
Cost of sales (analysed below)	(1,619,293)	(1,590,727)
Gross profit	<u>451,653</u>	<u>508,867</u>
Gross profit (%)	21.81%	24.24%
Administrative expenses		
Employment costs (analysed below)	(195,346)	(183,038)
Establishment costs (analysed below)	(77,480)	(75,419)
General administrative expenses (analysed below)	(26,778)	(27,205)
Finance charges (analysed below)	(9,536)	(9,764)
Depreciation costs (analysed below)	<u>(24,786)</u>	<u>(26,910)</u>
	(333,926)	(322,336)
Other interest receivable and similar income (analysed below)	<u>3,984</u>	<u>4,257</u>
Profit on ordinary activities before taxation	<u><u>121,711</u></u>	<u><u>190,788</u></u>

This page does not form part of the statutory financial statements

ABC Brothers Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2013

	2 0 1 3	2 0 1 2
	£	£
Turnover		
Sales, UK	2,052,205	2,081,591
Commissions receivable	<u>18,741</u>	<u>18,003</u>
	<u><u>2,070,946</u></u>	<u><u>2,099,594</u></u>
Cost of sales		
Opening stock	65,275	59,785
Purchases	1,611,396	1,596,217
Closing stock	<u>(57,378)</u>	<u>(65,275)</u>
	<u><u>1,619,293</u></u>	<u><u>1,590,727</u></u>
Employment costs		
Wages and salaries	180,365	168,894
Directors remuneration	<u>14,981</u>	<u>14,144</u>
	<u><u>195,346</u></u>	<u><u>183,038</u></u>
Establishment costs		
Rent and rates	59,146	58,149
Light, heat and power	8,220	8,389
Insurance	1,990	1,575
Use of home as office	2,880	2,880
Repairs and renewals	<u>5,244</u>	<u>4,426</u>
	<u><u>77,480</u></u>	<u><u>75,419</u></u>
General administrative expenses		
Telephone and fax	2,832	2,470
Printing, postage and stationery	858	847
Membership fees	1,896	1,500
Costcutter service charge	6,918	7,402
Sundry expenses	769	355
Cleaning	1,890	1,585
Accountancy fees	6,000	7,117
Legal and professional fees	530	515
Motor expenses	4,162	4,384
Advertising	<u>923</u>	<u>1,030</u>
	<u><u>26,778</u></u>	<u><u>27,205</u></u>

This page does not form part of the statutory financial statements

ABC Brothers Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2013..... continued

	2 0 1 3	2 0 1 2
	£	£
Finance charges		
Bank charges	<u>9,536</u>	<u>9,764</u>
Depreciation costs		
Depreciation of fixtures and fittings	11,537	13,126
Depreciation of motor vehicles	1,499	1,999
Profit on disposal of motor vehicle	-	35
Amortisation of goodwill	<u>11,750</u>	<u>11,750</u>
	<u>24,786</u>	<u>26,910</u>
Other interest receivable and similar income		
Bank interest receivable	<u>3,984</u>	<u>4,257</u>
	<u>3,984</u>	<u>4,257</u>

This page does not form part of the statutory financial statements

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