

# ABC Brothers Limited

Annual Report and Unaudited Abridged Financial Statements  
for the Period from 1 April 2016 to 30 June 2017

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

# ABC Brothers Limited

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# **ABC Brothers Limited**

## **Company Information**

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

## **ABC Brothers Limited**

### **Directors' Report for the Period from 1 April 2016 to 30 June 2017**

The directors present their report and the abridged financial statements for the period from 1 April 2016 to 30 June 2017.

#### **Directors of the company**

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

Ashwin C Patel

Chandrakant C Patel

#### **Principal activity**

The principal activity of the company is Grocery & Off Licence

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 3 November 2017 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 Period Ended 30 June 2017**

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 period ended 30 June 2017 as set out on pages 4 to 14 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 and state those matters that we have agreed to state to the Board of Directors 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 loss of ABC Brothers Limited. You consider that ABC Brothers Limited is exempt from the statutory audit requirement for the period.

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

3 November 2017

## ABC Brothers Limited

### Abridged Profit and Loss Account for the Period from 1 April 2016 to 30 June 2017

	Note	Total 30 June 2017 £	Total 31 March 2016 £
Gross profit		396,463	432,014
Administrative expenses		(518,185)	(342,809)
Other interest receivable and similar income		<u>1,122</u>	<u>839</u>
(Loss)/profit before tax	<u>4</u>	(120,600)	90,044
Taxation		<u>28,927</u>	<u>(20,319)</u>
(Loss)/profit for the financial period		<u>(91,673)</u>	<u>69,725</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

The notes on pages 9 to 14 form an integral part of these abridged financial statements.

# ABC Brothers Limited

## Statement of Comprehensive Income for the Period from 1 April 2016 to 30 June 2017

	Note	2017 £	2016 £
(Loss)/profit for the period		<u>(91,673)</u>	<u>69,725</u>
Total comprehensive income for the period		<u><u>(91,673)</u></u>	<u><u>69,725</u></u>

The notes on pages 9 to 14 form an integral part of these abridged financial statements.

# ABC Brothers Limited

(Registration number: 4164475)

## Abridged Balance Sheet as at 30 June 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	<u>5</u>	-	82,250
Tangible assets	<u>6</u>	-	110,568
		<u>-</u>	<u>192,818</u>
<b>Current assets</b>			
Stocks	<u>7</u>	-	64,961
Debtors		16,739	-
Cash at bank and in hand		584,477	589,885
		<u>601,216</u>	<u>654,846</u>
<b>Creditors: Amounts falling due within one year</b>		<u>(146,642)</u>	<u>(217,828)</u>
<b>Net current assets</b>		<u>454,574</u>	<u>437,018</u>
<b>Total assets less current liabilities</b>		454,574	629,836
<b>Provisions for liabilities</b>		-	(20,978)
<b>Accruals and deferred income</b>		<u>(108,280)</u>	<u>(103,391)</u>
<b>Net assets</b>		<u>346,294</u>	<u>505,467</u>
<b>Capital and reserves</b>			
Called up share capital		600	600
Profit and loss account		<u>345,694</u>	<u>504,867</u>
<b>Total equity</b>		<u>346,294</u>	<u>505,467</u>

For the financial period ending 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 9 to 14 form an integral part of these abridged financial statements.



**ABC Brothers Limited**

**(Registration number: 4164475)**

**Abridged Balance Sheet as at 30 June 2017**

All of the company's members have consented to the preparation of an Abridged Profit and Loss Account and an Abridged Balance Sheet in accordance with Section 444(2A) of the Companies Act 2006.

Approved and authorised by the Board on 3 November 2017 and signed on its behalf by:

.....

Chandrakant C Patel

Director

The notes on pages 9 to 14 form an integral part of these abridged financial statements.

# ABC Brothers Limited

## Statement of Changes in Equity for the Period from 1 April 2016 to 30 June 2017

	Share capital £	Profit and loss account £	Total £
At 1 April 2016	600	504,867	505,467
Loss for the period	-	(91,673)	(91,673)
Total comprehensive income	-	(91,673)	(91,673)
Dividends	-	(67,500)	(67,500)
At 30 June 2017	600	345,694	346,294

  

	Share capital £	Profit and loss account £	Total £
At 1 April 2015	600	531,142	531,742
Profit for the period	-	69,725	69,725
Total comprehensive income	-	69,725	69,725
Dividends	-	(96,000)	(96,000)
At 31 March 2016	600	504,867	505,467

The notes on pages 9 to 14 form an integral part of these abridged financial statements.

# **ABC Brothers Limited**

## **Notes to the Abridged Financial Statements for the Period from 1 April 2016 to 30 June 2017**

### **1 General information**

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

924 Purley Way

Purley

Surrey

CR8 2JL

These financial statements were authorised for issue by the Board on 3 November 2017.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These abridged financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These abridged financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## ABC Brothers Limited

### Notes to the Abridged Financial Statements for the Period from 1 April 2016 to 30 June 2017

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures & fittings	15% reducing balance basis
Motor vehicle	25% reducing balance basis

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Amortisation

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

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **ABC Brothers Limited**

### **Notes to the Abridged Financial Statements for the Period from 1 April 2016 to 30 June 2017**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## ABC Brothers Limited

### Notes to the Abridged Financial Statements for the Period from 1 April 2016 to 30 June 2017

#### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was 13 (2016 - 19).

#### 4 Loss/profit before tax

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	-	19,810
Amortisation expense	-	11,750

## ABC Brothers Limited

### Notes to the Abridged Financial Statements for the Period from 1 April 2016 to 30 June 2017

#### 5 Intangible assets

	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 April 2016	235,000
Disposals	<u>(235,000)</u>
At 30 June 2017	<u>-</u>
<b>Amortisation</b>	
At 1 April 2016	152,750
Amortisation eliminated on disposals	<u>(152,750)</u>
At 30 June 2017	<u>-</u>
<b>Carrying amount</b>	
At 30 June 2017	<u><u>-</u></u>
At 31 March 2016	<u><u>82,250</u></u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

# ABC Brothers Limited

## Notes to the Abridged Financial Statements for the Period from 1 April 2016 to 30 June 2017

### 6 Tangible assets

	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 April 2016	176,772
Disposals	(176,772)
	<hr/>
At 30 June 2017	-
	<hr/>
<b>Depreciation</b>	
At 1 April 2016	66,204
Eliminated on disposal	(66,204)
	<hr/>
At 30 June 2017	-
	<hr/>
<b>Carrying amount</b>	
At 30 June 2017	-
	<hr/> <hr/>
At 31 March 2016	110,568
	<hr/> <hr/>

### 7 Stocks

	<b>2017 £</b>	<b>2016 £</b>
Other inventories	-	64,961
	<hr/> <hr/>	<hr/> <hr/>

### 8 Dividends

#### Final dividends paid

	<b>2017 £</b>	<b>2016 £</b>
Final dividend of £112.50 (2016 - £160) per each Ordinary dividend share	67,500.00	96,000
	<hr/> <hr/>	<hr/> <hr/>



## ABC Brothers Limited

### Detailed Profit and Loss Account for the Period from 1 April 2016 to 30 June 2017

	2017 £	2016 £
Turnover (analysed below)	1,745,037	1,894,594
Cost of sales (analysed below)	<u>(1,348,574)</u>	<u>(1,462,580)</u>
Gross profit	<u>396,463</u>	<u>432,014</u>
Gross profit (%)	22.72%	22.8%
<b>Administrative expenses</b>		
Employment costs (analysed below)	(580,996)	(198,317)
Establishment costs (analysed below)	(82,683)	(72,945)
General administrative expenses (analysed below)	(34,436)	(27,556)
Finance charges (analysed below)	(9,167)	(12,431)
Depreciation costs (analysed below)	(50,368)	(31,560)
Other expenses (analysed below)	<u>239,465</u>	<u>-</u>
	<u>(518,185)</u>	<u>(342,809)</u>
Operating (loss)/profit	(121,722)	89,205
Other interest receivable and similar income (analysed below)	<u>1,122</u>	<u>839</u>
(Loss)/profit before tax	<u><u>(120,600)</u></u>	<u><u>90,044</u></u>

This page does not form part of the statutory financial statements.  
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# ABC Brothers Limited

## Detailed Profit and Loss Account for the Period from 1 April 2016 to 30 June 2017

	2017 £	2016 £
<b>Turnover</b>		
Sales	1,733,474	1,881,022
Commissions receivable	11,563	13,572
	<u>1,745,037</u>	<u>1,894,594</u>
<b>Cost of sales</b>		
Opening stock	64,961	71,300
Purchases	1,283,613	1,456,241
Closing raw materials	-	(64,961)
	<u>1,348,574</u>	<u>1,462,580</u>
<b>Employment costs</b>		
Wages and salaries (excluding directors)	(200,371)	(180,756)
Directors remuneration	(55,235)	(17,561)
Staff pensions (Defined contribution)	(325,000)	-
Staff pensions (Other)	(390)	-
	<u>(580,996)</u>	<u>(198,317)</u>
<b>Establishment costs</b>		
Rent and rates	(65,376)	(59,102)
Light, heat and power	(10,903)	(8,723)
Insurance	(2,804)	(2,240)
Use of home as office	(3,600)	(2,880)
	<u>(82,683)</u>	<u>(72,945)</u>
<b>General administrative expenses</b>		
Repairs and renewals	(9,939)	(9,392)
Telephone and fax	(2,579)	(2,184)
Printing, postage and stationery	(1,003)	(1,518)
Sundry expenses	(1,243)	(1,813)
Cleaning	(2,254)	(1,869)
Motor expenses	(3,408)	(3,630)
Advertising	(2,790)	(1,150)
Accountancy fees	(8,300)	(6,000)
Legal and professional fees	(2,920)	-
	<u>(34,436)</u>	<u>(27,556)</u>



## ABC Brothers Limited

### Detailed Profit and Loss Account for the Period from 1 April 2016 to 30 June 2017

#### Finance charges

Bank charges	<u>(9,167)</u>	<u>(12,431)</u>
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#### Depreciation costs

Amortisation of goodwill	-	(11,750)
Depreciation of fixtures and fittings (owned)	-	(19,178)
Depreciation of motor vehicles (owned)	-	(632)
(Profit)/loss on disposal of tangible fixed assets	<u>(50,368)</u>	<u>-</u>
	<u>(50,368)</u>	<u>(31,560)</u>

#### Other expenses

(Profit)/loss on disposal of disposal of business	<u>239,465</u>	<u>-</u>
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#### Other interest receivable and similar income

Bank interest receivable	<u>1,122</u>	<u>839</u>
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