

**Report of the Director and
Audited Financial Statements
for the Year Ended 31 March 2008
for
City Food Limited
Trading as Food City**

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**Contents of the Financial Statements
for the Year Ended 31 March 2008**

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

City Food Limited
Trading as Food City

Company Information
for the Year Ended 31 March 2008

DIRECTOR: Mr M Salim

SECRETARY: Mr M E Abdul Gaffar

REGISTERED OFFICE: 170 Church Road
Mitcham
Surrey
CR4 3BW

BUSINESS ADDRESS: 322-324 Kilburn High Road
Kilburn
London
Kilburn
NW6 2QN

REGISTERED NUMBER: 05119064 (England and Wales)

AUDITORS: Danmirr Consultants
170 Church Road
Mitcham
Surrey
CR4 3BW

City Food Limited
Trading as Food City

Report of the Director
for the Year Ended 31 March 2008

The director presents his report with the financial statements of the company for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of offlicence and grocery stores.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2008.

DIRECTOR

Mr M Salim held office during the whole of the period from 1 April 2007 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing 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). The financial statements are required by law to 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

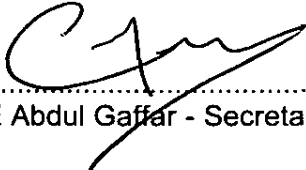
AUDITORS

City Food Limited
Trading as Food City

Report of the Director
for the Year Ended 31 March 2008

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Mr M E Abdul Gaffar - Secretary

Date: 29/01/09.....

Report of the Independent Auditors to the Shareholders of City Food Limited

We have audited the financial statements of City Food Limited for the year ended 31 March 2008 on pages six to twelve. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Director is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

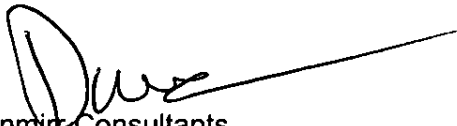
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Report of the Independent Auditors to the Shareholders of
City Food Limited**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Director is consistent with the financial statements.



Danmire Consultants
170 Church Road
Mitcham
Surrey
CR4 3BW

Date: 30/01/09.....

City Food Limited
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Profit and Loss Account
for the Year Ended 31 March 2008

	Notes	31.3.08 £	31.3.07 £
TURNOVER		6,797,482	6,008,666
Cost of sales		<u>5,530,072</u>	<u>4,909,862</u>
GROSS PROFIT		1,267,410	1,098,804
Administrative expenses		<u>1,411,348</u>	<u>1,029,640</u>
		(143,938)	69,164
Other operating income		<u>106,234</u>	<u>29,606</u>
OPERATING (LOSS)/PROFIT	3	(37,704)	98,770
Interest payable and similar charges	4	<u>58,727</u>	<u>42,286</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(96,431)	56,484
Tax on (loss)/profit on ordinary activities	5	<u>-</u>	<u>7,600</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(96,431)</u>	<u>48,884</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements

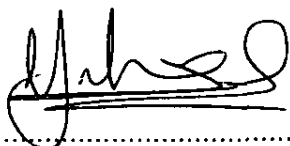
City Food Limited
Trading as Food City

Balance Sheet
31 March 2008

	Notes	31.3.08		31.3.07	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		82,000		123,000
Tangible assets	8		229,786		249,774
			<u>311,786</u>		<u>372,774</u>
CURRENT ASSETS					
Stocks	9	450,000		639,300	
Debtors	10	16,900		12,000	
Cash at bank and in hand		54,001		164,672	
		<u>520,901</u>		<u>815,972</u>	
CREDITORS					
Amounts falling due within one year	11	576,469		992,402	
		<u></u>		<u></u>	
NET CURRENT LIABILITIES			<u>(55,568)</u>		<u>(176,430)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			256,218		196,344
CREDITORS					
Amounts falling due after more than one year	12		254,394		98,089
			<u>254,394</u>		<u>98,089</u>
NET ASSETS			<u>1,824</u>		<u>98,255</u>
CAPITAL AND RESERVES					
Called up share capital	15		5		5
Profit and loss account	16		1,819		98,250
			<u>1,824</u>		<u>98,255</u>
SHAREHOLDERS' FUNDS	18		<u>1,824</u>		<u>98,255</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the director on 29/01/09 and were signed by:



Mr M Salim - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2005, is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. STAFF COSTS

	31.3.08	31.3.07
	£	£
Wages and salaries	<u>203,459</u>	<u>134,447</u>

The average monthly number of employees during the year was as follows:

	31.3.08	31.3.07
Number of employees	<u>29</u>	<u>-</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2007 - operating profit) is stated after charging:

	31.3.08	31.3.07
	£	£
Depreciation - owned assets	30,930	28,742
Goodwill amortisation	<u>41,000</u>	<u>41,000</u>
Director's emoluments	<u>-</u>	<u>-</u>

City Food Limited
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Notes to the Financial Statements - continued
for the Year Ended 31 March 2008

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.08	31.3.07
	£	£
Bank interest	39,023	20,411
Bank loan interest	14,317	13,560
Hire purchase	5,387	8,315
	<u>58,727</u>	<u>42,286</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	31.3.08	31.3.07
	£	£
Current tax:		
UK corporation tax	-	7,600
	<u>-</u>	<u>7,600</u>
Tax on (loss)/profit on ordinary activities	-	7,600
	<u>-</u>	<u>7,600</u>

6. DIVIDENDS

	31.3.08	31.3.07
	£	£
Ordinary Share shares of 1 each		
Interim	-	60,000
	<u>-</u>	<u>60,000</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2007	
and 31 March 2008	<u>205,000</u>
AMORTISATION	
At 1 April 2007	82,000
Amortisation for year	<u>41,000</u>
At 31 March 2008	<u>123,000</u>
NET BOOK VALUE	
At 31 March 2008	<u>82,000</u>
At 31 March 2007	<u>123,000</u>

City Food Limited
Trading as Food City

Notes to the Financial Statements - continued
for the Year Ended 31 March 2008

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2007	25,000	277,095	5,163	-	307,258
Additions	-	-	-	10,942	10,942
At 31 March 2008	25,000	277,095	5,163	10,942	318,200
DEPRECIATION					
At 1 April 2007	-	55,420	2,064	-	57,484
Charge for year	-	27,710	1,032	2,188	30,930
At 31 March 2008	-	83,130	3,096	2,188	88,414
NET BOOK VALUE					
At 31 March 2008	25,000	193,965	2,067	8,754	229,786
At 31 March 2007	25,000	221,675	3,099	-	249,774

9. STOCKS

	31.3.08 £	31.3.07 £
Finished goods	450,000	639,300

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.08 £	31.3.07 £
Other debtors	16,900	12,000

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.08 £	31.3.07 £
Bank loans and overdrafts (see note 13)	176,228	249,948
Hire purchase contracts (see note 14)	52,082	71,673
Trade creditors	216,932	456,840
Tax	7,070	30,500
Paye Liability	13,042	8,403
VAT	227	10,022
Other creditors	90,000	90,000
Directors' current accounts	7,769	67,876
Accrued expenses	13,119	7,140
	576,469	992,402

Notes to the Financial Statements - continued
for the Year Ended 31 March 2008

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.08 £	31.3.07 £
Bank loans (see note 13)	153,250	76,833
Other loans (see note 13)	101,144	-
Hire purchase contracts (see note 14)	-	21,256
	<u>254,394</u>	<u>98,089</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.3.08 £	31.3.07 £
Amounts falling due within one year or on demand:		
Bank overdrafts	126,828	191,994
Barclays Comm Mrtg	-	43,554
HSBC Loan	14,400	14,400
Barclays Loan	35,000	-
	<u>176,228</u>	<u>249,948</u>
Amounts falling due between one and two years:		
Other Loans	<u>101,144</u>	<u>-</u>
Amounts falling due between two and five years:		
Barclays Loan	130,589	-
Barclays Comm Mrtg	-	49,722
HSBC Loan	22,661	27,111
	<u>153,250</u>	<u>76,833</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.3.08 £	31.3.07 £
Net obligations repayable:		
Within one year	52,082	71,673
Between one and five years	-	21,256
	<u>52,082</u>	<u>92,929</u>

City Food Limited
Trading as Food City

Notes to the Financial Statements - continued
for the Year Ended 31 March 2008

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.3.08	31.3.07
		value:	£	£
100	Ordinary Share	1	100	100
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.3.08	31.3.07
		value:	£	£
5	Ordinary Share	1	5	5
			<u> </u>	<u> </u>

16. RESERVES

	Profit and loss account £
At 1 April 2007	98,250
Deficit for the year	(96,431)
	<u> </u>
At 31 March 2008	1,819
	<u> </u>

17. ULTIMATE CONTROLLING PARTY

Mr. Mohammed Salim is the ultimate controlling party.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.08	31.3.07
	£	£
(Loss)/Profit for the financial year	(96,431)	48,884
Dividends	-	(60,000)
Issued share capital		
	<u> </u>	<u> </u>
Net reduction of shareholders' funds	(96,431)	(11,116)
Opening shareholders' funds	98,255	109,371
	<u> </u>	<u> </u>
Closing shareholders' funds	1,824	98,255
	<u> </u>	<u> </u>