

Imperial Cash & Carry Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2013

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Kajaine Limited
Kajaine House
57-67 High Street
Edgware
Middlesex
HA8 7DD

Imperial Cash & Carry Limited
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Imperial Cash & Carry Limited

Company Information

Directors	Mr Phatachand Mulchandani Mr Manohar Mulchandani
Company secretary	Mr Manohar Mulchandani
Registered office	Imperial House, 18 Eley Road Edmonton London N18 3BB
Auditors	Kajaine Limited Kajaine House 57-67 High Street Edgware Middlesex HA8 7DD

Imperial Cash & Carry Limited

Strategic Report for the Year Ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Business review

Fair review of the business

The directors are satisfied with the company's performance for the period ended 31 December 2013 and consider the financial position at that date to be satisfactory.

The directors monitor performance through the production of a detailed annual budget and the comparison of actual performance against the budget on a monthly basis.

Additionally, the directors monitor key performance indicators on a monthly basis to ensure they are within acceptable parameters. These include gross margins, operating profits, earnings before tax, and cash flows from operating activities.

Principal risks and uncertainties

The main uncertainties associated with the business is the competitive trading environment in which the company operates. The competition arises mainly from local cash and carries and the directors believe that this puts pressure on maintaining good margins. However, the risks associated by this situation have been closely monitored by the board from its continued focus on the strength of its wide product range and its relationships with its customers.

Approved by the Board on 22 September 2014 and signed on its behalf by:

.....
Mr Manohar Mulchandani
Company secretary

Imperial Cash & Carry Limited

Directors' Report for the Year Ended 31 December 2013

The directors present their report and the [financial statements](#) for the year ended 31 December 2013.

Directors of the company

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

Mr Phatachand Mulchandani

Mr Manohar Mulchandani

Principal activity

The principal activity of the company is that of wholesale distribution of drinks and related goods to the off licence trade.

Financial instruments

Objectives and policies

The directors monitor and where possible mitigate the risks faced by the business. This includes credit risk, foreign exchange risk and interest rate risks.

Price risk, credit risk, liquidity risk and cash flow risk

The directors monitor and where possible mitigate the price risk, credit risk, liquidity risk and cash flow risk.

Charitable donations

During the year the company made charitable donations of £3,676. Individual donations were:

	£
Charitable Donations	3,676
	<hr/> <hr/>

Results and dividends

The profit for the year, after taxation, amounted to £1,472,815. The directors have not recommended a dividend.

Policy on the payment of creditors

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its supplier, provided that all trading conditions have been complied with.

Future developments

The directors are satisfied with the results for the year and are optimistic about the ensuing year.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Reappointment of auditors

The auditors Kajaine Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Imperial Cash & Carry Limited
Directors' Report for the Year Ended 31 December 2013
..... continued

Approved by the Board on 22 September 2014 and signed on its behalf by:

.....
Mr Manohar Mulchandani
Company secretary

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Imperial Cash & Carry Limited

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent Auditor's Report to the Members of Imperial Cash & Carry Limited

We have audited the financial statements of Imperial Cash & Carry Limited for the year ended 31 December 2013, set out on pages 8 to 18. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are 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 and express an opinion on 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 (APB'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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 December 2013

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 [Directors' Report](#) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Imperial Cash & Carry Limited

..... *continued*

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 Jay Kantilal Shah (Senior Statutory Auditor)

For and on behalf of Kajaine Limited, Statutory Auditor

Kajaine House
57-67 High Street
Edgware
Middlesex
HA8 7DD

22 September 2014

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Imperial Cash & Carry Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	55,583,931	57,053,789
Cost of sales		<u>(52,157,575)</u>	<u>(53,508,331)</u>
Gross profit		3,426,356	3,545,458
Distribution costs		(69,178)	(82,135)
Administrative expenses		(1,582,367)	(3,446,158)
Other operating income		<u>32,240</u>	<u>27,458</u>
Operating profit	3	1,807,051	44,623
Other interest receivable and similar income	7	79,239	111,480
Interest payable and similar charges	8	<u>(1,185)</u>	<u>(1,725)</u>
Profit on ordinary activities before taxation		1,885,105	154,378
Tax on profit on ordinary activities	9	<u>(425,312)</u>	<u>(85,965)</u>
Profit for the financial year	17	<u><u>1,459,793</u></u>	<u><u>68,413</u></u>

Turnover and operating profit derive wholly from continuing operations.

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

The notes on pages [11](#) to [18](#) form an integral part of these financial statements.

Imperial Cash & Carry Limited
(Registration number: 02137946)
Balance Sheet at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	10	4,478,361	4,340,803
Investments	11	15,000	15,000
		<u>4,493,361</u>	<u>4,355,803</u>
Current assets			
Stocks	12	3,347,771	2,544,362
Debtors	13	2,902,068	3,493,569
Cash at bank and in hand		4,803,538	5,808,603
		11,053,377	11,846,534
Creditors: Amounts falling due within one year	14	<u>(7,497,221)</u>	<u>(9,612,613)</u>
Net current assets		<u>3,556,156</u>	<u>2,233,921</u>
Total assets less current liabilities		8,049,517	6,589,724
Creditors: Amounts falling due after more than one year	15	<u>(50,000)</u>	<u>(50,000)</u>
Net assets		<u>7,999,517</u>	<u>6,539,724</u>
Capital and reserves			
Called up share capital	16	50,000	50,000
Revaluation reserve	17	1,400,000	1,400,000
Profit and loss account	17	<u>6,549,517</u>	<u>5,089,724</u>
Shareholders' funds	18	<u>7,999,517</u>	<u>6,539,724</u>

Approved and authorised for issue by the Board on 22 September 2014 and signed on its behalf by:

.....
Mr Phatachand Mulchandani
Director

.....
Mr Manohar Mulchandani
Director

The notes on pages [11](#) to [18](#) form an integral part of these financial statements.

Imperial Cash & Carry Limited
Cash Flow Statement for the Year Ended 31 December 2013

Reconciliation of operating profit to net cash flow from operating activities

	2013	2012
	£	£
Operating profit	1,807,051	44,623
Depreciation, amortisation and impairment charges	122,918	101,664
(Increase)/decrease in stocks	(803,409)	482,747
Decrease in debtors	591,501	2,096,029
Decrease in creditors	<u>(2,451,403)</u>	<u>(1,672,184)</u>
Net cash (outflow)/inflow from operating activities	<u><u>(733,342)</u></u>	<u><u>1,052,879</u></u>

Cash flow statement

	2013	2012
	£	£
Net cash (outflow)/inflow from operating activities	<u>(733,342)</u>	<u>1,052,879</u>
Returns on investments and servicing of finance		
Interest received	79,239	111,480
Interest paid	<u>(1,185)</u>	<u>(1,725)</u>
	78,054	109,755
Taxation paid	(89,301)	(27,320)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(260,476)</u>	<u>(253,910)</u>
Net cash (outflow)/inflow before management of liquid resources and financing	<u>(1,005,065)</u>	<u>881,404</u>
(Decrease)/increase in cash	<u><u>(1,005,065)</u></u>	<u><u>881,404</u></u>

Reconciliation of net cash flow to movement in net debt

	Note	2013	2012
		£	£
(Decrease)/increase in cash		<u>(1,005,065)</u>	<u>881,404</u>
Movement in net debt	20	(1,005,065)	881,404
Net funds at 1 January	20	<u>5,758,603</u>	<u>4,877,199</u>
Net funds at 31 December	20	<u><u>4,753,538</u></u>	<u><u>5,758,603</u></u>

The notes on pages [11](#) to [18](#) form an integral part of these financial statements.

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Turnover

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

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
Freehold buildings	2.5% Straight Line Method
Plant & Machinery	25% Reducing Balance Method
Office equipment	25% Reducing Balance Method

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

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.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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.

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

2 Turnover

An analysis of turnover by geographical location is given below:

	2013	2012
	£	£
Sales - UK	55,486,670	56,894,304
Other sales income	<u>97,261</u>	<u>159,485</u>
Turnover	<u><u>55,583,931</u></u>	<u><u>57,053,789</u></u>

3 Operating profit

Operating profit is stated after charging:

	2013	2012
	£	£
Operating leases - other assets	304,890	16,500
Depreciation of owned assets	122,918	101,664
Auditor's remuneration	<u>21,010</u>	<u>21,624</u>

4 Auditor's remuneration

	2013	2012
	£	£
Audit of the financial statements	9,000	9,000
Fees payable to the company's auditor and its associates for other services:		
Other services	<u>12,010</u>	<u>12,624</u>
	<u><u>21,010</u></u>	<u><u>21,624</u></u>

5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2013	2012
	No.	No.
Administration and support	34	35
Other departments	<u>3</u>	<u>3</u>
	<u><u>37</u></u>	<u><u>38</u></u>

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

The aggregate payroll costs were as follows:

	2013	2012
	£	£
Wages and salaries	573,338	2,558,214
Social security costs	47,342	52,017
	<u>620,680</u>	<u>2,610,231</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013	2012
	£	£
Remuneration	<u>144,000</u>	<u>2,034,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2013	2012
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2013	2012
	£	£
Remuneration	<u>72,000</u>	<u>1,017,000</u>

7 Other interest receivable and similar income

	2013	2012
	£	£
Bank interest receivable	<u>79,239</u>	<u>111,480</u>

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

8 Interest payable and similar charges

	2013	2012
	£	£
Interest on bank borrowings	1,185	1,725
	<u>1,185</u>	<u>1,725</u>
	<u><u>1,185</u></u>	<u><u>1,725</u></u>

9 Taxation

Tax on profit on ordinary activities

	2013	2012
	£	£
Current tax		
Corporation tax charge	425,312	45,293
Adjustments in respect of previous years	-	40,672
	<u>425,312</u>	<u>85,965</u>
UK Corporation tax	<u><u>425,312</u></u>	<u><u>85,965</u></u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 26%).

The differences are reconciled below:

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>1,885,105</u>	<u>154,378</u>
Corporation tax at standard rate	438,287	40,138
Other timing differences	(13,323)	10,082
Permanent differences	348	(4,299)
Adjustments to tax charge in respect of previous periods	-	40,672
Marginal relief	-	(6,075)
Tax chargeable at lower rates	-	5,447
	<u>425,312</u>	<u>85,965</u>
Total current tax	<u><u>425,312</u></u>	<u><u>85,965</u></u>

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2013	4,759,804	1,017,778	5,777,582
Additions	<u>130,877</u>	<u>129,599</u>	<u>260,476</u>
At 31 December 2013	<u>4,890,681</u>	<u>1,147,377</u>	<u>6,038,058</u>
Depreciation			
At 1 January 2013	599,509	837,270	1,436,779
Charge for the year	<u>45,391</u>	<u>77,527</u>	<u>122,918</u>
At 31 December 2013	<u>644,900</u>	<u>914,797</u>	<u>1,559,697</u>
Net book value			
At 31 December 2013	<u>4,245,781</u>	<u>232,580</u>	<u>4,478,361</u>
At 31 December 2012	<u>4,160,295</u>	<u>180,508</u>	<u>4,340,803</u>

The freehold property were stated at directors valuation. The directors are not aware of any changes in value since the date of the valuation.

11 Investments held as fixed assets

	2013 £	2012 £
Other investments	<u>15,000</u>	<u>15,000</u>

Other investments

	Unlisted investments £	Total £
Cost		
At 1 January 2013	<u>15,000</u>	<u>15,000</u>
At 31 December 2013	<u>15,000</u>	<u>15,000</u>
Net book value		
At 31 December 2013	<u>15,000</u>	<u>15,000</u>
At 31 December 2012	<u>15,000</u>	<u>15,000</u>

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

12	Stocks		
		2013	2012
		£	£
	Stocks	<u>3,347,771</u>	<u>2,544,362</u>

13	Debtors		
		2013	2012
		£	£
	Trade debtors	1,869,466	2,339,963
	Other debtors	823,368	1,012,748
	Prepayments and accrued income	<u>209,234</u>	<u>140,858</u>
		<u>2,902,068</u>	<u>3,493,569</u>

Included within other debtors is a loan of £557,839 (2012: £844,401) to Alpine Retirement Benefits Scheme and a loan of £110,000 (2012: £110,000) to Apartments4u Limited. The loan to Apartments4u Limited is unsecured and there is no set repayment date.

14 Creditors: Amounts falling due within one year

		2013	2012
		£	£
	Trade creditors	6,973,987	7,513,266
	Corporation tax	421,976	85,965
	Other taxes and social security	13,679	15,157
	Other creditors	23,515	4,231
	Directors' current accounts	24,870	-
	Accruals and deferred income	<u>39,194</u>	<u>1,993,994</u>
		<u>7,497,221</u>	<u>9,612,613</u>

15 Creditors: Amounts falling due after more than one year

		2013	2012
		£	£
	Other loans	<u>50,000</u>	<u>50,000</u>

The amount due to other creditors is unsecured, interest free and is repayable between two to five years.

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

16 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary Shares of £1 each	50,000	50,000	50,000	50,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2013	1,400,000	5,089,724	6,489,724
Profit for the year	<u> -</u>	<u> 1,459,793</u>	<u> 1,459,793</u>
At 31 December 2013	<u> 1,400,000</u>	<u> 6,549,517</u>	<u> 7,949,517</u>

18 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit attributable to the members of the company	<u> 1,459,793</u>	<u> 68,413</u>
Net addition to shareholders' funds	1,459,793	68,413
Shareholders' funds at 1 January	<u> 6,539,724</u>	<u> 6,471,311</u>
Shareholders' funds at 31 December	<u> 7,999,517</u>	<u> 6,539,724</u>

19 Contingent liabilities

Maximum liability guarantee in favour of HM Revenue & Customs. The amount guaranteed is £250,000 (2012 - £650,000).

20 Analysis of net debt

	A t 1 January 2013 £	Cash flow £	A t 31 December 2013 £
Cash at bank and in hand	5,808,603	(1,005,065)	4,803,538
Debt due after more than one year	<u> (50,000)</u>	<u> -</u>	<u> (50,000)</u>
Net funds	<u> 5,758,603</u>	<u> (1,005,065)</u>	<u> 4,753,538</u>

Imperial Cash & Carry Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

21 Related party transactions

Other related party transactions

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

Triple AAA Limited

The directors control Triple AAA Limited, a company which is incorporated in England and Wales. During the year, the company sold goods of £6,388,948 (2011: £9,757,101) to Triple AAA Limited at arms length . At the balance sheet date the amount due from Triple AAA Limited was £862,202 (2012 - £1,680,054) .

Alpine Benefit Retirement Scheme

In 2009 the company lent £1,000,000 to Alpine Retirement Benefits Scheme of which Mr P G Mulchandani and Mr M G Mulchandani are members. In 2013 £286,562 was repaid (2012: £20,000). The loan is unsecured and there is no set repayment date. The loan bears an interest rate of 2% above National Westminster Bank Plc base lending rate . At the balance sheet date the amount due from Alpine Benefit Retirement Scheme was £557,839 (2012 - £844,401) .

22 Control

The company is controlled by the directors who own 100% of the called up share capital.