

COMPANY REGISTRATION NUMBER: 02565453

**Link Wholesalers Limited**

**Filleted Unaudited Financial Statements**

**31 December 2018**

# Link Wholesalers Limited

## Balance Sheet

31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	5	4,000	5,000
Tangible assets	6	498,677	490,766
Investments	7	1	1
		<u>502,678</u>	<u>495,767</u>
<b>Current assets</b>			
Stocks		375,610	406,500
Debtors	8	274,690	255,923
Cash at bank and in hand		3,632,203	3,587,429
		<u>4,282,503</u>	<u>4,249,852</u>
<b>Creditors: amounts falling due within one year</b>	9	( 421,060)	( 459,209)
<b>Net current assets</b>		<u>3,861,443</u>	<u>3,790,643</u>
<b>Total assets less current liabilities</b>		<u>4,364,121</u>	<u>4,286,410</u>
<b>Provisions</b>			
Taxation including deferred tax		( 27,807)	( 26,266)
<b>Net assets</b>		<u>4,336,314</u>	<u>4,260,144</u>
<b>Capital and reserves</b>			
Called up share capital		20,000	20,000
Profit and loss account	11	4,316,314	4,240,144
<b>Shareholders funds</b>		<u>4,336,314</u>	<u>4,260,144</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31st December 2018 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 financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **Link Wholesalers Limited**

## **Balance Sheet** *(continued)*

### **31 December 2018**

These financial statements were approved by the board of directors and authorised for issue on 18 September 2019 , and are signed on behalf of the board by:

Mr Jitendra R Patel

Director

Company registration number: 02565453

# **Link Wholesalers Limited**

## **Notes to the Financial Statements**

### **Year ended 31st December 2018**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 3, Grand Union Industrial Estate, Abbey Road, Park Royal, London, NW10 7UL.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: Valuation of investment property: The valuation of the company's investment property is inherently subjective due to, among other factors, the nature of the property, its location and the expected future rental revenues from that particular property. As a result, the valuation the company places on its investment property is subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts and of Value Added Tax. Revenues are recognised when the significant risks and rewards of ownership of the goods are transferred to the customer, the sale price agreed and the receipt of payment can be assumed.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	5% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	10% straight line
Plant and machinery	-	20% straight line
Fixtures and fittings	-	15% reducing balance

**Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

## Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

## Defined contribution plans

The company operates a defined contribution scheme for its employees under Auto Enrolment Scheme. Contributions payable are charged to the profit and loss account in the year they are payable.

## Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

## Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

## 4. Employee numbers

The average number of persons employed by the company during the year amounted to 10 (2017: 11 ).

## 5. Intangible assets

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
<b>At 1st January 2018 and 31st December 2018</b>	<b>20,000</b>
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<b>Amortisation</b>	
At 1st January 2018	<b>15,000</b>
Charge for the year	<b>1,000</b>
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<b>At 31st December 2018</b>	<b>16,000</b>
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<b>Carrying amount</b>	
<b>At 31st December 2018</b>	<b>4,000</b>
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At 31st December 2017	<b>5,000</b>
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## 6. Tangible assets

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Investment property £	Total £
<b>Cost</b>					
At 1st January 2018	5,073	14,393	54,365	475,000	<b>548,831</b>
Additions	—	—	12,087	—	<b>12,087</b>
Disposals	( 5,073)	( 14,393)	( 19,892)	—	<b>( 39,358)</b>
<b>At 31st December 2018</b>	<b>—</b>	<b>—</b>	<b>46,560</b>	<b>475,000</b>	<b>521,560</b>
<b>Depreciation</b>					
At 1st January 2018	5,073	14,393	38,599	—	<b>58,065</b>
Charge for the year	—	—	4,176	—	<b>4,176</b>
Disposals	( 5,073)	( 14,393)	( 19,892)	—	<b>( 39,358)</b>
<b>At 31st December 2018</b>	<b>—</b>	<b>—</b>	<b>22,883</b>	<b>—</b>	<b>22,883</b>
<b>Carrying amount</b>					
<b>At 31st December 2018</b>	<b>—</b>	<b>—</b>	<b>23,677</b>	<b>475,000</b>	<b>498,677</b>
At 31st December 2017	—	—	15,766	475,000	490,766

Investment property has been valued by the directors as at 31 December 2018 at its fair value. The historical cost of the investment property was £182,594 (2017: £182,594).

## 7. Investments

	Other investments other than loans £
<b>Cost</b>	
<b>At 1st January 2018 and 31st December 2018</b>	<b>1</b>
<b>Impairment</b>	
<b>At 1st January 2018 and 31st December 2018</b>	<b>—</b>
<b>Carrying amount</b>	
<b>At 31st December 2018</b>	<b>1</b>
At 31st December 2017	1

## 8. Debtors

	2018 £	2017 £
Trade debtors	<b>168,819</b>	154,347
Prepayments and accrued income	<b>75,771</b>	71,476
Other debtors	<b>30,100</b>	30,100
	<b>274,690</b>	255,923



## 9. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	191,480	139,290
Accruals and deferred income	63,674	63,852
Corporation tax	55,582	109,423
Social security and other taxes	76,575	113,870
Director loan accounts	4,679	4,679
Other creditors	29,070	28,095
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	421,060	459,209
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## 10. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2018	2017
	£	£
Included in provisions	27,807	26,266
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The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	4,328	2,787
Fair value adjustment of investment property	23,479	23,479
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	27,807	26,266
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## 11. Reserves

*Profit and loss account - This reserve records retained earnings and accumulated losses. Included in profit and loss reserve are distributable profits of £4,047,387 (2017: £3,971,217) and non-distributable profits of £268,927 (2017: £268,927) in respect of revaluation gains arising on the investment property.*

## 12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Later than 5 years	866,835	982,413
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## 13. Related party transactions

During the year, the company had the following related party transactions: (i) The company paid rent of £35,000 (2017: £Nil) for a property jointly owned by the two directors. (ii) Dividends paid to the directors and their respective spouses were as follows: Mr V R Patel £100,000 (2017: £100,000) Mr J R Patel £100,000 (2017: £100,000) (iii) Included in creditors due within one year is an amount of £4,679 (2017: £4,679) owed to the directors. This loan is interest-free and has no fixed repayment term. (iv) The corporation tax charge for the year has been reduced by an amount of £6,352 (2017: £Nil) owed to Galaxy Wholesalers Limited in respect of group relief claimed.

#### **14. Controlling party**

The company was subject of a reorganisation and as a consequence, on 1 October 2018 became a wholly owned subsidiary of Arsenal Property Limited, a company registered in England. On the same day Arsenal Property Limited sold its investment in Link Wholesalers Limited to Kady Enterprise Limited, a newly incorporated company registered in England. Kady Enterprise Limited is the ultimate parent company of the group.

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