Company registration number 04598252 (England and Wales)

VELJI BHOVAN & SONS (TRADING) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

VELJI BHOVAN & SONS (TRADING) LIMITED

COMPANY INFORMATION

Directors	Chunilal V Nathwani Chandulal V Nathwani Manharlal V Nathwani Mahendra V Nathwani Natwarlal V Nathwani
Secretary	Chunilal V Nathwani
Company number	04598252
Registered office	V B House Woodside End Alperton Wembley Middlesex HA0 1UR
Auditor	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
Bankers	Barclays Bank Plc 36-38 Park Royal Road London NW10 7JA

VELJI BHOVAN & SONS (TRADING) LIMITED

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VELJI BHOVAN & SONS (TRADING) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

The directors present the strategic report for the year ended 31 July 2022.

The principal activity of the company continued to be that of the wholesale and retail of groceries and provisions.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect performance to remain stable in the foreseeable future.

Principal risks and uncertainties

The retail sector in which the company is trading, is very competitive. The company faces competition from a wide variety of retailers of varying sizes. The company aims not only to compete on price, but to also offer a diverse product range to consumers. Failure to remain competitive on price and product range would have an adverse impact on the company's financial performance in the long term. The directors continuously monitor the trading activities and competition and respond as appropriate to ensure the company remains competitive.

The company's main financial risks relate to the working capital of the company required to meet its business needs and the fluctuations in interest and foreign exchange rates. The company monitors on an ongoing basis its working capital requirements and fluctuations in interest rates and foreign exchange to ensure that these risks are kept to a minimum. The challenge in future is to monitor excessive storage costs associated with increased stock levels. The financial and business risks are continuously monitored by the directors and are managed in relation to the company's business needs.

Brexit risk

The company currently trades with entities based in European countries. As a result of Brexit, there have been delays at borders, driver shortages and increased transport costs due to cross border charges relating to the dealings with these countries.

The Company management is monitoring this continuously and will respond to any changes arising from Brexit.

Covid-19 risk

The risk arising from market uncertainty due to the worldwide outbreak of Coronavirus. At various times the UK Government announced nationwide lockdowns and other restrictions (since lifted). Similarly, governments across the world also imposed various restrictions to deal with the pandemic. This can impact the company's chain of supply and deliveries. The company's management monitors the situation and responds to changes as necessary.

War in Ukraine

Due to the war in Ukraine, the global economy has been impacted by a rise in fuel prices. The company could potentially be largely impacted by this price increase as it relies heavily on daily transportation of goods.
The directors are aware of the situation and are taking necessary steps in order to reduce this risk to a minimum, such as buying goods in bulk wherever possible.

UK inflation rates and devaluation of the GBP

At the time of preparing these financial statements, the value of the GBP dropped to a record low against the USD. As the company trades with international companies it could be impacted by this devaluation.
The directors are continuously monitoring the situation and will respond to changes as necessary.

Development and performance

At the year end the company's current ratio was 2.01 compared to 2.94 in 2021. Although the current asset position is stronger when compared to the prior year, the decrease in the current ratio is mainly due to a 48% increase in the director's loan account balances and an increase in PAYE and National Insurance related liabilities.

VELJI BHOVAN & SONS (TRADING) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Key performance indicators

The Key Performance Indicators of Velji Bhovan & Sons (Trading) Limited over the last two years are detailed below:

	2022	**2021**
Turnover	40,099,447	37,308,933
Gross Profit Margin %	26.14	26.40
Operating Profit %	9.56	10.54
Interest Cover	258.34	303.33
Stock turnover days	114	97

The turnover has increased by 7% in comparison to the prior year. This is mainly due to the gradual decrease of nationwide lockdowns and restrictions, which has led to a rise in consumer demand throughout the financial year. As a result of this, turnover has generally increased across all retail stores, with the company achieving its pre-Covid-19 sales levels.

Despite the increase in turnover, the gross profit margin has decreased slightly in comparison with the prior year. This is mainly due to an increase in the cost of stock items and increasing freight and import charges.

The operating profit margin has also decreased slightly in comparison with the previous year. The operating profit margin has been calculated by deducting rent receivable from the operating profit figure and dividing the adjusted profit figure by turnover. The main contributor to this variance has been the increase in administration related wages, rates and insurance costs.

Other performance indicators

Interest cover demonstrates the company's ability to meet interest payments on loans as they fall due. There has been an improvement in interest cover over the year, which can be attributed to smaller loan liabilities. The company has sufficient funds to meet their interest payments.

The stock turnover days have increased as a result of an increase in closing stock at the balance sheet date. Due to the volatility of stock prices, the company's management made a decision to strategically purchase stock when the prices were favourable which has resulted in a larger closing stock figure.

Section 172(1) statement

Interests of members of the company

The company is a private company. It has five directors who are also shareholders, all representatives of the owners of the group. The day-to-day operations of the company are managed by the directors who are closely involved in the activities of the company and provide day-to-day support as and when required.

In common with many private companies the interests of the Board and the ultimate shareholders are broadly aligned in that the company should create value by generating strong and sustainable results.

Board decisions during the year
A dividend amounting to £5,500,000 (2021: £2,500,000) was voted in the year.

During the year we have aimed to continue our position in the market. Despite the increased volatility in supplier prices, the gross profit margins have increased. The company has remained profitable and it is expected that the company will continue to be profitable for the foreseeable future.

No other major board decisions were made during the year.

The interests of employees

We continue to focus on training and supporting our employees in the understanding that a well informed and trained workforce is essential for the company's ongoing success. We encourage feedback from our staff and where possible and practical implement suggestions made to improve our procedures and to improve our working environment.

The average number of staff for the year was 177 (2021: 178).

We consider that we offer our employees competitive remuneration packages.

The interests of our customers

Over the years we have acquired, developed and maintained unique relationships with our customers, and we do this by ensuring our prices remain competitive and deliveries maintained to a high standard and implement recommendations made by our customers. The success of this is highlighted by the loyalty shown by our customers over the years.

The interests of our suppliers

Due to the nature of our activities many of the company's suppliers are based overseas. We maintain regular contact with our suppliers on a daily basis, plan delivery schedules and receive feedback. However, due to the geographical spread of our supplier base and restrictions on travel currently due to Coronavirus, much of the communication is now carried by email or telephone calls.

We continue to endeavour to pay all our suppliers promptly and within the terms agreed.

On the rare occasion where disputes arise we strive to reach outcomes that are satisfactory and fair to both the company and its suppliers.

The impact of the company's operations on the community and the environment

We assist producers with the development of their markets in Europe and Asia. Many of our suppliers do have carbon offset programmes. We encourage all our suppliers to take steps to be as energy efficient as possible.

Maintaining a reputation for high standards of business conduct

We are committed to maintaining a reputation of high standards of business conduct. We have an ethics policy for all employees to follow and review this annually. Each year we consider and approve our modern slavery statement which explains the activities we have taken to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking within any part of our business or supply chains.

On behalf of the board

Natwarlal V Nathwani
Director

7 December 2022

VELJI BHOVAN & SONS (TRADING) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2022

The directors present their annual report and financial statements for the year ended 31 July 2022.

Results and dividends
The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £5,500,000 (2021: £2,500,000). The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Chunilal V Nathwani
Chandulal V Nathwani
Manharlal V Nathwani
Mahendra V Nathwani
Natwarlal V Nathwani

Financial instruments
Liquidity risk
The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk
The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk
Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Future developments
The directors believe that the company will continue to trade at similar levels over the next 12 months but possibly face lower margins due to food price inflation expected in the future together with increased competition and the uncertainty of the outcome of Brexit.

Auditor
The auditor, RDP Newmans LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report
The stated objective of the company is to minimise the ecological footprint of its entire business through the continuous reduction of energy usage and greenhouse gas (GHG) emissions.

The Company's total emissions (Scope 1-3 emissions) are outlined below:

Energy consumption	**2022 kWh**	**2021 kWh**
Aggregate of energy consumption in the year	2,639,265	2,734,076

Emissions of CO2 equivalent	**2022 metric tonnes**	**2021 metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	36.00	45.00
- Fuel consumed for owned transport	25.00	26.00
	61.00	71.00
Scope 2 - indirect emissions		
- Electricity purchased	213.00	193.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company	319.00	353.00
Total gross emissions	593.00	617.00
Intensity ratio		
Tonnes CO2e per site	98.9	106.6

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per site, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Natwarlal V Nathwani
Director

7 December 2022

VELJI BHOVAN & SONS (TRADING) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

The directors are responsible for preparing the annual 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 then 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;
- 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.

VELJI BHOVAN & SONS (TRADING) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELJI BHOVAN & SONS (TRADING) LIMITED

Opinion

We have audited the financial statements of Velji Bhovan & Sons (Trading) Limited (the 'company') for the year ended 31 July 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery and employment;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed and tested journal entries to identify unusual transactions and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing and agreeing financial statement disclosures and testing to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and bankers.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

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.

Paresh Radia FCA (Senior Statutory Auditor)
For and on behalf of RDP Newmans LLP

14 December 2022

Chartered Accountants
Statutory Auditor

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

VELJI BHOVAN & SONS (TRADING) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2021 £
Turnover	3	40,009,447	37,308,933
Cost of sales		(29,549,445)	(27,458,463)
Gross profit		10,460,002	9,850,470
Distribution costs		(3,989,774)	(3,977,882)
Administrative expenses		(2,653,701)	(2,012,733)
Other operating income		67,056	72,525
Operating profit	4	3,883,583	3,932,380
Interest receivable and similar income	8	22,872	16,565
Interest payable and similar expenses	9	(15,033)	(12,964)
Profit before taxation		3,891,422	3,935,981
Tax on profit	10	(744,571)	(771,182)
Profit for the financial year		3,146,851	3,164,799

VELJI BHOVAN & SONS (TRADING) LIMITED

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**12**		10,499,708		10,560,938
Investments	**13**		8,600		8,600
			10,508,308		10,569,538
Current assets					
Stocks	**16**	9,251,008		7,322,669	
Debtors	**17**	1,136,851		1,124,759	
Cash at bank and in hand		7,973,904		9,240,237	
		18,361,763		17,687,665	
Creditors: amounts falling due within one year	**18**	(9,139,592)		(6,018,765)	
Net current assets			9,222,171		11,668,900
Total assets less current liabilities			19,730,479		22,238,438
Creditors: amounts falling due after more than one year	**19**		(770,000)		(935,000)
Provisions for liabilities					
Deferred tax liability	**21**	66,164		55,974	
			(66,164)		(55,974)
Net assets			18,894,315		21,247,464
Capital and reserves					
Called up share capital	**23**		1,005		1,005
Share premium account			2,137,301		2,137,301
Revaluation reserve			1,721,806		1,733,188
Profit and loss reserves			15,034,203		17,375,970
Total equity			18,894,315		21,247,464

The financial statements were approved by the board of directors and authorised for issue on 7 December 2022 and are signed on its behalf by:

Natwarlal V Nathwani
Director

Company Registration No. 04598252

VELJI BHOVAN & SONS (TRADING) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 August 2020		1,005	2,137,301	1,744,570	16,699,789	20,582,665
Year ended 31 July 2021:						
Profit and total comprehensive income for the year		-	-	-	3,164,799	3,164,799
Dividends	**11**	-	-	-	(2,500,000)	(2,500,000)
Transfers		-	-	(11,382)	11,382	-
Balance at 31 July 2021		1,005	2,137,301	1,733,188	17,375,970	21,247,464
Year ended 31 July 2022:						
Profit and total comprehensive income for the year		-	-	-	3,146,851	3,146,851
Dividends	**11**	-	-	-	(5,500,000)	(5,500,000)
Transfers		-	-	(11,382)	11,382	-
Balance at 31 July 2022		1,005	2,137,301	1,721,806	15,034,203	18,894,315

VELJI BHOVAN & SONS (TRADING) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	**28**		1,246,676		4,381,782
Interest paid			(15,033)		(12,964)
Income taxes paid			(741,512)		(873,001)
Net cash inflow from operating activities			490,131		3,495,817
Investing activities					
Purchase of tangible fixed assets		(169,336)		(135,506)	
Proceeds on disposal of tangible fixed assets		-		350	
Interest received		22,872		16,565	
Net cash used in investing activities			(146,464)		(118,591)
Financing activities					
Repayment of bank loans		(165,000)		(165,000)	
Dividends paid		(1,445,000)		(2,500,000)	
Net cash used in financing activities			(1,610,000)		(2,665,000)
Net (decrease)/increase in cash and cash equivalents			(1,266,333)		712,226
Cash and cash equivalents at beginning of year			9,240,237		8,528,011
Cash and cash equivalents at end of year			7,973,904		9,240,237

1 Accounting policies

Company information

Velji Bhovan & Sons (Trading) Limited is a company limited by shares incorporated in England and Wales. The registered office is V B House, Woodside End, Alperton, Wembley, Middlesex, HA0 1UR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line (building element only)
Leasehold improvements	Straight line over the life of lease of 5 years
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The land element of freehold buildings is not depreciated.

1 Accounting policies **(Continued)**

1.5 Fixed asset investments

Interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cost is calculated using the retail method in accordance with FRS 102 paragraph 13.16. The retail method measures cost by reducing the sales value of the inventory by an appropriate percentage gross margin. The directors have deemed the appropriate gross margin to use to be 25%.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1 Accounting policies **(Continued)**

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.17 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as under section 405 of the Companies Act 2006 the company has exercised the right to exclude its subsidiary as its inclusion would not materially alter the accounts.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the directors' view, there are no significant judgements or estimates made.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Retail and wholesale of goods	40,009,447	37,308,933

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	40,009,447	37,308,933

3 Turnover and other revenue (Continued)

	2022	2021
	£	£
Other revenue		
Interest income	22,872	16,565
Grants received	1,656	7,725

4 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange gains	(30,077)	(3,074)
Government grants	(1,656)	(7,725)
Depreciation of owned tangible fixed assets	227,721	221,712
Loss/(profit) on disposal of tangible fixed assets	2,845	(30)
Operating lease charges	220,549	204,963

5 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	30,850	31,850

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Office and management (excluding directors)	15	16
Sales	157	157
Directors	5	5
Total	177	178

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	4,308,954	3,911,758
Social security costs	417,378	334,183
Pension costs	71,594	71,150
	4,797,926	4,317,091

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	420,326	51,540

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	336,715	12,715

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil (2021 - nil).

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	22,872	16,565

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	22,872	16,565

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on financial liabilities	15,033	12,964

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	734,381	761,229
Deferred tax		
Origination and reversal of timing differences	10,190	9,953
Total tax charge	744,571	771,182

10 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	3,891,422	3,935,981
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	739,370	747,836
Tax effect of expenses that are not deductible in determining taxable profit	1,602	-
Capital allowances	(50,616)	(28,714)
Depreciation add back	43,267	42,126
Other tax adjustments	758	(19)
Deferred tax movements	10,190	9,953
Taxation charge for the year	744,571	771,182

11 Dividends

	2022	2021
	£	£
Interim paid	5,500,000	2,500,000

12 Tangible fixed assets

	Freehold buildings	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 August 2021	11,030,510	95,690	172,574	1,859,122	166,779	13,324,675
Additions	-	-	22,500	124,696	22,140	169,336
Disposals	-	-	(11,550)	-	(50,450)	(62,000)
At 31 July 2022	11,030,510	95,690	183,524	1,983,818	138,469	13,432,011
Depreciation and impairment						
At 1 August 2021	840,681	95,690	106,460	1,620,312	100,594	2,763,737
Depreciation charged in the year	120,203	-	13,051	72,692	21,775	227,721
Eliminated in respect of disposals	-	-	(9,934)	-	(49,221)	(59,155)
At 31 July 2022	960,884	95,690	109,577	1,693,004	73,148	2,932,303
Carrying amount						
At 31 July 2022	10,069,626	-	73,947	290,814	65,321	10,499,708
At 31 July 2021	10,189,829	-	66,114	238,810	66,185	10,560,938

The land element of freehold buildings amounts to £5,020,376 (2021: £5,020,376).

Upon transition to FRS 102 on 01 August 2014 the company elected to hold its properties at deemed cost. For the following sites, the freehold land and buildings were deemed to be:

	£
Head Office	1,212,500
Wembley Branch	2,928,500
Kingsbury Branch (land only)	456,852
Greenford Branch	2,667,500
Tooting Branch	1,453,230
North Harrow Branch	2,311,928
Total	**11,030,510**

The deemed cost of the properties is based on valuations, undertaken by the directors on 31 July 2011, less depreciation until the date of transition.

If revalued assets were stated on an historical cost basis rather than a deemed cost basis, the total amounts included would have been as follows:

12 Tangible fixed assets (Continued)

	Freehold property 2022	2021
	£	£
Cost	9,900,250	9,900,250
Accumulated depreciation	(1,570,821)	(1,461,999)
Carrying value	8,329,429	8,438,251

13 Fixed asset investments

	Notes	2022	2021
		£	£
Investments in subsidiaries	14	1,100	1,100
Unlisted investments		7,500	7,500
		8,600	8,600

14 Subsidiaries

Details of the company's subsidiaries at 31 July 2022 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
V. B. & Sons (Trading) Limited	United Kingdom	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
V. B. & Sons (Trading) Limited	1,000	-

The above subsidiary has remained dormant throughout the year and prior year. The registered office is V B House, Woodside End, Alperton, Wembley, Middlesex HA0 1UR

The investments in subsidiaries are all stated at cost.

15 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	802,872	860,809
Equity instruments measured at cost less impairment	7,500	7,500
Instruments measured at fair value through profit or loss	7,980,006	9,240,237
Carrying amount of financial liabilities		
Measured at amortised cost	9,292,079	6,506,551

Financial assets at fair value through profit or loss comprise cash.

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals.

16 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	9,251,008	7,322,669

17 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	797,872	855,809
Other debtors	72,482	39,320
Prepayments and accrued income	266,497	229,630
	1,136,851	1,124,759

18 Creditors: amounts falling due within one year

		2022	2021
	Notes	£	£
Bank loans	**20**	165,000	165,000
Trade creditors		2,935,434	2,519,531
Amounts owed to group undertakings		1,000	1,000
Corporation tax		353,699	360,830
Other taxation and social security		263,814	86,384
Other creditors		5,352,406	2,807,509
Accruals and deferred income		68,239	78,511
		9,139,592	6,018,765

19 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	20	770,000	935,000

Amounts included above which fall due after five years are as follows:

	2022 £	2021 £
Payable by instalments	110,000	275,000

20 Loans and overdrafts

	2022 £	2021 £
Bank loans	935,000	1,100,000
Payable within one year	165,000	165,000
Payable after one year	770,000	935,000

Bank loans and overdrafts amounting to £935,000 (2021: £1,100,000) have been secured by way of a fixed charge over various freehold properties in favour of Barclays Bank PLC. There is also a charge against a property owned personally by the directors, in favour of Barclays Bank PLC.

The company had one loan in place at the year end with Barclays PLC:

The loan has £935,000 (2021: £1,100,000) outstanding at the year end, and is repayable in equal monthly instalments until March 2028. The loan has a variable interest rate of 1% above the Bank of England base rate.

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	66,164	55,974

Movements in the year:	2022 £
Liability at 1 August 2021	55,974
Charge to profit or loss	10,190
Liability at 31 July 2022	66,164

22 Retirement benefit schemes

	2022	2021
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	71,594	71,150

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The outstanding contributions at the reporting date are £5,373 (2021: £2,700).

23 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary-A shares of £1 each	201	201	201	201
Ordinary-B shares of £1 each	201	201	201	201
Ordinary-C shares of £1 each	201	201	201	201
Ordinary-D shares of £1 each	201	201	201	201
Ordinary-E shares of £1 each	201	201	201	201
	1,005	1,005	1,005	1,005

The shares rank pari passu in all respects.

24 Financial commitments, guarantees and contingent liabilities

At the balance sheet date there was a Duty Deferment Bond of £120,000 (2021: £120,000) in favour of HM Revenue & Customs.

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	**£**
Within one year	220,000	220,000
Between two and five years	481,250	646,250
	701,250	866,250

26 Related party transactions

Remuneration of key management personnel

The company's key management personnel are considered to be the directors. Their remuneration during the year is shown in note 7.

26 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Other information

Rent of £220,000 (2021: £201,667) is payable to the Woodside End Pension Plan, in which all the directors have an interest as members.

Dividends amounting to £5,500,000 (2021: £2,500,000) in aggregate were declared to the directors in respect of their shareholding in the company during the year.

The company owes an aggregate amount of £5,075,471 (2021: £2,571,777) to the directors of the company.

27 Ultimate controlling party

There is no one ultimate controlling party.

28 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	3,146,851	3,164,799
Adjustments for:		
Taxation charged	744,571	771,182
Finance costs	15,033	12,964
Investment income	(22,872)	(16,565)
Loss/(gain) on disposal of tangible fixed assets	2,845	(30)
Depreciation and impairment of tangible fixed assets	227,721	221,712
Movements in working capital:		
Increase in stocks	(1,928,339)	(301,828)
(Increase)/decrease in debtors	(12,092)	217,635
(Decrease)/increase in creditors	(927,042)	311,913
Cash generated from operations	1,246,676	4,381,782

29 Analysis of changes in net funds

	1 August 2021	Cash flows	31 July 2022
	£	£	£
Cash at bank and in hand	9,240,237	(1,266,333)	7,973,904
Borrowings excluding overdrafts	(1,100,000)	165,000	(935,000)
	8,140,237	(1,101,333)	7,038,904