

Johal Dairies Limited
Financial Statements
Period Ended 29th September 2012

Company Registration Number 2166058
Incorporated England & Wales

THURSDAY



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10/10/2013
COMPANIES HOUSE

JAVED & CO
Chartered Accountants & Statutory Auditor
109 Hagley Road
Birmingham
B16 8LA

Johal Dairies Limited
Financial Statements
Period Ended 29th September 2012

Contents	Page
Company information	1
The directors' report	2
Independent auditor's report to the shareholders	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9
The following pages do not form part of the financial statements	
Detailed profit and loss account	20

Johal Dairies Limited
Company Information

The board of directors Mr Surbjit Singh Johal
 Mrs Manjit Kaur Johal
 Mr Gurnek Singh Johal

Company secretary Mrs Manjit Kaur Johal

Registered office Cannock Road
 Wolverhampton
 West Midlands
 WV1 4PN

Auditor Javed & Co
 Chartered Accountants
 & Statutory Auditor
 109 Hagley Road
 Birmingham
 B16 8LA

Bankers Barclays Bank Plc
 8 Lichfield Street
 Bilston
 West Midlands
 WV14 0AE

Johal Dairies Limited
The Directors' Report
Period Ended 29th September 2012

The directors have pleasure in presenting their report and the financial statements of the company for the period ended 29th September 2012.

Principal activities and business review

The principal activity of the company is that of selling milk, dairy and other associated products.

The company's balance sheet as detailed on page 8 shows a satisfactory position, shareholders' funds amounting to £833,881

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development or position of the entity.

Results and dividends

The profit for the period, after taxation, amounted to £524,406. The directors have not recommended a dividend.

Financial instruments

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company, with the exception of a credit risk which the directors monitor closely, considering that its current policies of credit checks meets the objectives of managing exposure to credit risk

Directors

The directors who served the company during the period were as follows

Mr Surbjit Singh Johal

Mrs Manjit Kaur Johal

Mr Gurnek Singh Johal

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts which are stated in the accounts. Details are set out in note 9.

Policy on the payment of creditors

It is company policy to agree and clearly communicate terms of payment as part of the commercial agreement negotiated with suppliers, then based upon timely receipt of an accurate invoice pay according to those terms. The creditors payment policy is available at the registered office.

Trade creditor days for the period ended 29 September 2012 was 54 (period ended 1 October 2011-63), calculated in accordance with the requirements set by Companies Act 2006. Expressed in days, this represents the ratio between the amounts invoiced to Johal Dairies Ltd by its suppliers for the period, and the amount due to trade creditors within one year at the period end

Johal Dairies Limited**The Directors' Report** *(continued)***Period Ended 29th September 2012****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 those 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,

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.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the period the company made the following contributions:

	P/E 29/09/2012	P/E 01/10/2011
UK Charities	£5,118	£238
Non-UK Charities	£201	-

Johal Dairies Limited
The Directors' Report *(continued)*
Period Ended 29th September 2012

Auditor

Javed & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
Cannock Road
Wolverhampton
West Midlands
WV1 4PN

Signed on behalf of the directors



Mr Surbjit Singh Johal
Director

Approved by the directors on 1st October 2013

Johal Dairies Limited
Independent Auditor's Report to the Shareholders of
Johal Dairies Limited
Period Ended 29th September 2012

We have audited the financial statements of Johal Dairies Limited for the period from 2nd October 2011 to 29th September 2012. 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 shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on page 3, 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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements.

give a true and fair view of the state of the company's affairs as at 29th September 2012 and of its profit for the period 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

Johal Dairies Limited
Independent Auditor's Report to the Shareholders of
Johal Dairies Limited *(continued)*

Period Ended 29th September 2012

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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 RIZWAN JAVED (Senior Statutory Auditor)

For and on behalf of

JAVED & CO

Chartered Accountants & Statutory Auditor

109 Hagley Road

Birmingham

B16 8LA

1st October 2013

Johal Dairies Limited
Profit and Loss Account
Period Ended 29th September 2012

	Note	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Turnover	2	34,118,239	32,057,794
Cost of sales		(28,715,378)	(26,403,010)
Gross profit		<u>5,402,861</u>	<u>5,654,784</u>
Administrative expenses		(4,667,724)	(4,971,075)
Operating profit	3	<u>735,137</u>	<u>683,709</u>
Interest receivable		102	322
Interest payable and similar charges	6	(26,955)	(15,582)
Profit on ordinary activities before taxation		<u>708,284</u>	<u>668,449</u>
Tax on profit on ordinary activities	7	(183,878)	(159,416)
Profit for the financial period		<u><u>524,406</u></u>	<u><u>509,033</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the
period as set out above

The notes on pages 9 to 18 form part of these financial statements.

Johal Dairies Limited**Balance Sheet****29th September 2012**

	Note	Period from 02 Oct 11 to 29 Sep 12		Period to 1 Oct 11	
		£	£	£	£
Fixed assets					
Intangible assets	8		86,711		116,397
Tangible assets	9		370,131		479,710
			<u>456,842</u>		<u>596,107</u>
Current assets					
Stocks	10	11,996		11,143	
Debtors	11	7,253,118		5,595,998	
Cash at bank and in hand		195,164		327,325	
		<u>7,460,278</u>		<u>5,934,466</u>	
Creditors: Amounts falling due within one year	12	<u>6,845,541</u>		<u>6,187,439</u>	
Net current assets/(liabilities)			614,737		(252,973)
Total assets less current liabilities			<u>1,071,579</u>		<u>343,134</u>
Provisions for liabilities					
Deferred taxation	13		37,698		33,659
			<u>1,033,881</u>		<u>309,475</u>
Capital and reserves					
Called-up equity share capital	16		700,000		500,000
Profit and loss account	17		333,881		(190,525)
Shareholders' funds	18		<u>1,033,881</u>		<u>309,475</u>

These financial statements were approved by the directors and authorised for issue on 1st October 2013, and are signed on their behalf by



Mr Surbjit Singh Johal
Director

Company Registration Number 2166058

The notes on pages 9 to 18 form part of these financial statements

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the Profit and Loss Account represents amounts derived from ordinary activities and is recognised at the point of despatch. The turnover is stated after deduction of trade discounts and is net of Value Added Tax

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable

Amortisation

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

Goodwill - 25% reducing balance method with the asset being fully written off within 20 years.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Leasehold Property	- 2% straight line
Plant & Machinery	- 15% reducing balance
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
United Kingdom	<u>34,118,239</u>	<u>32,057,794</u>

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

3. Operating profit

Operating profit is stated after charging:

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Amortisation of intangible assets	29,686	39,055
Depreciation of owned fixed assets	93,229	127,691
Loss on disposal of fixed assets	1,606	18,166
Operating lease costs		
- Plant and equipment	404	365
- Other	130	131
Auditor's remuneration - audit of the financial statements	6,000	5,000
Auditor's remuneration - other fees	<u>19,000</u>	<u>17,000</u>
	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Auditor's remuneration - audit of the financial statements	<u>6,000</u>	<u>5,000</u>
Auditor's remuneration - other fees		
- Taxation services	2,500	2,500
- All other services	<u>16,500</u>	<u>14,500</u>
	<u>19,000</u>	<u>17,000</u>

Full detail of auditors' remuneration for the group is available in the consolidated accounts of Johal Dairies Holding Co Ltd, parent company of Johal Dairies Ltd

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

4. Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

	Period from 2 Oct 11 to 29 Sep 12	Period to 1 Oct 11
	No	No
Distribution staff	31	90
Administrative staff	8	5
Management staff	3	3
	<u>42</u>	<u>98</u>

The aggregate payroll costs of the above were

	Period from 2 Oct 11 to 29 Sep 12	Period to 1 Oct 11
	£	£
Wages and salaries	1,331,488	2,221,089
Social security costs	50,185	106,874
	<u>1,381,673</u>	<u>2,327,963</u>

Wages and salaries costs include contracted labour and distribution costs of £671,123 (2011 - £360,571)

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	Period from 2 Oct 11 to 29 Sep 12	Period to 1 Oct 11
	£	£
Remuneration receivable	<u>58,489</u>	<u>142,424</u>

6. Interest payable and similar charges

	Period from 2 Oct 11 to 29 Sep 12	Period to 1 Oct 11
	£	£
Interest payable on bank borrowing	<u>26,955</u>	<u>15,582</u>

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

7. Taxation on ordinary activities**(a) Analysis of charge in the period**

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Current tax		
In respect of the period:		
UK Corporation tax based on the results for the period at 25% (2011 - 27%)	179,839	145,888
Total current tax	179,839	145,888
Deferred tax		
Origination and reversal of timing differences (note 13)		
Capital allowances	4,039	13,528
Tax on profit on ordinary activities	183,878	159,416

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 25% (2011 - 27%)

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Profit on ordinary activities before taxation	708,284	668,449
Profit on ordinary activities by rate of tax	177,071	180,481
Expenses not deductible for tax purposes	1,364	1,267
Capital allowances for period in excess of depreciation	1,342	(8,948)
Utilisation of tax losses	-	(24,020)
Sundry tax adjusting items including marginal band	62	(2,892)
Total current tax (note 7(a))	179,839	145,888

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

8. Intangible fixed assets

	Goodwill £
Cost	
At 2nd October 2011 and 29th September 2012	<u>746,988</u>
Amortisation	
At 2nd October 2011	630,591
Charge for the period	<u>29,686</u>
At 29th September 2012	<u>660,277</u>
Net book value	
At 29th September 2012	<u>86,711</u>
At 1st October 2011	<u>116,397</u>

9. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 2 October 2011	81,751	42,483	216,665	1,006,131	1,347,030
Additions	—	—	2,001	41,170	43,171
Disposals	—	—	—	(245,751)	(245,751)
At 29 September 2012	<u>81,751</u>	<u>42,483</u>	<u>218,666</u>	<u>801,550</u>	<u>1,144,450</u>
Depreciation					
At 2 October 2011	18,191	28,733	149,697	670,699	867,320
Charge for the period	1,635	2,062	10,346	79,186	93,229
On disposals	—	—	—	(186,230)	(186,230)
At 29 September 2012	<u>19,826</u>	<u>30,795</u>	<u>160,043</u>	<u>563,655</u>	<u>774,319</u>
Net book value					
At 29 September 2012	<u>61,925</u>	<u>11,688</u>	<u>58,623</u>	<u>237,895</u>	<u>370,131</u>
At 1 October 2011	<u>63,560</u>	<u>13,750</u>	<u>66,968</u>	<u>335,432</u>	<u>479,710</u>

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

10. Stocks

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Goods for resale	11,996	11,143

11. Debtors

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Trade debtors	2,783,801	2,656,631
VAT recoverable	47,331	54,462
Other debtors	4,308,567	2,778,683
Prepayments and accrued income	113,419	106,222
	<u>7,253,118</u>	<u>5,595,998</u>

Other debtors includes amount due from group undertakings (Johal Dairies Holding Co Ltd) of £4,286,467 (2011 - £2,763,743)

12. Creditors: Amounts falling due within one year

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Overdrafts	1,409,701	1,064,299
Trade creditors	4,264,453	4,551,249
Directors' loan accounts	497,058	38,582
Taxation and social security	330,111	172,000
Other creditors	319,218	339,309
Accruals and deferred income	25,000	22,000
	<u>6,845,541</u>	<u>6,187,439</u>

Other creditors - there is no amount due to group undertakings with Johal Dairies Holding Co Ltd (2011 - Nil)

The bank overdraft is secured by a debenture over the company's assets, a charge over Tesco Express Charnwood (owned by Johal Dairies Holding Co Ltd - parent company) and by an unlimited guarantee given by Mr and Mrs S Johal, directors of the company and their family members. There is also an unlimited intercompany guarantee between Johal Dairies Holding Co Limited and Johal Dairies Limited for the bank overdraft in Johal Dairies Holding Co Ltd.

Johal Dairies Holding Co Ltd. has provided a legal debenture to a supplier of Johal Dairies Limited.

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

13. Deferred taxation

The movement in the deferred taxation provision during the period was:

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Provision brought forward	33,659	20,131
Profit and loss account movement arising during the period	4,039	13,528
Provision carried forward	<u>37,698</u>	<u>33,659</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Excess of taxation allowances over depreciation on fixed assets	37,698	33,659
	<u>37,698</u>	<u>33,659</u>

14. Commitments under operating leases

At 29th September 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Operating leases which expire Within 1 year	<u>36,000</u>	<u>36,000</u>

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

15. Related party transactions

Exemption has been taken in respect of related party disclosure of group transactions on the grounds that details of the subsidiaries are included in the publicly available consolidated accounts

During the current and previous year Johal Dairies Limited, a wholly owned subsidiary of Johal Dairies Holding Co Ltd, occupied part of Chartwell Point, Wigston - a property owned by Johal Dairies Holding Co Ltd. No rent was charged to Johal Dairies Limited for occupation of this property during the current and previous year.

The directors charged rent to Johal Dairies Limited for the property at Cannock Road, Wolverhampton which is owned personally by the directors and their family members.

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Rent charged	36,000	36,000

16. Share capital

Authorised share capital:

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
700,000 (2011 - 500,000) Ordinary shares of £1 each	<u>700,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	Period from 2 Oct 11 to 29 Sep 12		Period to 1 Oct 11	
	No	£	No	£
700,000 (2011 - 500,000) Ordinary shares of £1 each	<u>700,000</u>	<u>700,000</u>	<u>500,000</u>	<u>500,000</u>

17. Reserves

	Profit and loss account £
Balance brought forward	(190,525)
Profit for the period	524,406
Balance carried forward	<u>333,881</u>

Johal Dairies Limited
Notes to the Financial Statements
Period Ended 29th September 2012

18. Reconciliation of movements in shareholders' funds

	Period from 2 Oct 11 to 29 Sep 12 £	Period to 1 Oct 11 £
Profit for the financial period	524,406	509,033
New ordinary share capital subscribed	200,000	—
Net addition to shareholders' funds/(deficit)	724,406	509,033
Opening shareholders' funds/(deficit)	309,475	(199,558)
Closing shareholders' funds	<u>1,033,881</u>	<u>309,475</u>

19. Ultimate holding company

Johal Dairies Limited's ultimate holding company at the balance sheet date was Johal Dairies Holding Co Limited, a company incorporated in England & Wales. Copies of the Group financial statements can be obtained from the Company Secretary, Cannock Road, Wolverhampton, West Midlands, WV1 1PN