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**A TO Z BROTHERS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 NOVEMBER 2020**

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## A TO Z BROTHERS LIMITED

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### COMPANY INFORMATION

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|                             |  |
|-----------------------------|--|
| <b>Directors</b>            | Ali Ayrancioglu (appointed 12 June 2019)<br>Hasan Ayrancioglu (appointed 12 June 2019)<br>Hifsi Ayrancioglu (appointed 12 June 2019)<br>Ismet Ayrancioglu (appointed 12 June 2019) |
| <b>Registered number</b>    | 12045639   |
| <b>Registered office</b>    | Brother House, 15a Cranford Way<br>Hornsey<br>London<br>N8 9DG   |
| <b>Independent auditors</b> | Barnes Roffe LLP<br>Chartered Accountants & Statutory Auditor<br>Charles Lake House<br>Claire Causeway<br>Crossways Business Park<br>Dartford<br>Kent<br>DA2 6QA                   |

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**A TO Z BROTHERS LIMITED**

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## A TO Z BROTHERS LIMITED

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### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2020

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#### Introduction

The director presents his strategic report accompanying the financial statements for the year ended 30 November 2020.

#### Business review

On 19 November 2019 the company acquired 100% of the issued share capital of A to Z Catering Supplies Limited. As with many businesses supplying goods to the catering sector, the group has been directly affected by the coronavirus pandemic, although through an overhead reduction exercise has been able to return a profit for the year ended 30 November 2020.

#### Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to competition and the downturn in the UK economy.

#### Financial key performance indicators

Disclosure is not required regarding key financial and non-financial performance indicators for an understanding of the business.

This report was approved by the board and signed on its behalf.

**Hifsi Ayrancioglu**

Director

Date: 3 August 2021

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

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The directors present their report and the financial statements for the period ended 30 November 2020.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments 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 group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The profit for the period, after taxation, amounted to £341,137.

Dividends of £120,000 were voted during the year.

**Directors**

The directors who served during the period were:

Ali Ayrancioglu (appointed 12 June 2019)  
Hasan Ayrancioglu (appointed 12 June 2019)  
Hifsi Ayrancioglu (appointed 12 June 2019)  
Ismet Ayrancioglu (appointed 12 June 2019)

**Future developments**

The director is hopeful of opening a number of cash and carry sites in the future. He hopes this will lead to a greater level of turnover and higher profitability for years to come.

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**A TO Z BROTHERS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**Hifsi Ayrancioglu**  
Director

Date: 3 August 2021

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A TO Z BROTHERS LIMITED**

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**Opinion**

We have audited the financial statements of A to Z Brothers Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 November 2020, which comprise the group Statement of comprehensive income, the group and company Balance sheets, the group Statement of cash flows, the group and company Statement of changes in equity and the related notes, including a summary of 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 group's and of the parent company's affairs as at 30 November 2020 and of the group's 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.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A TO Z BROTHERS LIMITED (CONTINUED)**

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In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 2, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A TO Z BROTHERS LIMITED (CONTINUED)

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**Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the company's members 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members for our audit work, for this report, or for the opinions we have formed.

Duncan Stannett (Senior statutory auditor)

for and on behalf of

**Barnes Roffe LLP**

Chartered Accountants

Statutory Auditor

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent

DA2 6QA

16 August 2021

A TO Z BROTHERS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

|   | Note | 2020<br>£        |
|---|------|------------------|
| Turnover                                      |      | 19,939,324       |
| Cost of sales                                 |      | (16,217,331)     |
| <b>Gross profit</b>                           |      | <b>3,721,993</b> |
| Administrative expenses                       |      | (3,330,477)      |
| Other operating income                        | 5    | 10,299           |
| <b>Operating profit</b>                       |      | <b>401,815</b>   |
| Interest receivable and similar income        |      | 1,826            |
| Interest payable and expenses                 |      | (10,151)         |
| <b>Profit before taxation</b>                 |      | <b>393,490</b>   |
| Tax on profit                                 | 12   | (52,353)         |
| <b>Profit for the financial period</b>        |      | <b>341,137</b>   |
| <b>Profit for the period attributable to:</b> |      |                  |
| Owners of the parent company                  |      | 341,137          |
|   |      | <b>341,137</b>   |

There were no recognised gains and losses for 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 15 to 29 form part of these financial statements.

**A TO Z BROTHERS LIMITED**  
**REGISTERED NUMBER: 12045639**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 NOVEMBER 2020**

|   | Note | 2020<br>£             |
|---|------|-----------------------|
| <b>Fixed assets</b>                                     | 14   |                       |
| Intangible assets                                       |      | (1,155,313)           |
| Tangible assets   | 15   | 458,422               |
| Investments   | 16   | 15,000                |
|   |      | <u>(681,891)</u>      |
| <b>Current assets</b>                                   |      |                       |
| Stocks  | 17   | 1,032,562             |
| Debtors: amounts falling due within one year            | 18   | 1,869,352             |
| Cash at bank and in hand                                | 19   | 518,615               |
|   |      | <u>3,420,529</u>      |
| Creditors: amounts falling due within one year          | 20   | <u>(2,401,394)</u>    |
| <b>Net current assets</b>                               |      | 1,019,135             |
| <b>Total assets less current liabilities</b>            |      | <u>337,244</u>        |
| Creditors: amounts falling due after more than one year | 21   | (47,516)              |
| <b>Provisions for liabilities</b>                       |      |                       |
| Deferred taxation                                       | 23   | (68,391)              |
| <b>Net assets</b>                                       |      | <u><u>221,337</u></u> |
| <b>Capital and reserves</b>                             |      |                       |
| Called up share capital                                 | 24   | 200                   |
| Profit and loss account                                 |      | 221,137               |
|   |      | <u><u>221,337</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Hifsi Ayrancioglu**  
Director

Date: 3 August 2021

The notes on pages 15 to 29 form part of these financial statements.

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**A TO Z BROTHERS LIMITED**  
**REGISTERED NUMBER: 12045639**

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**COMPANY BALANCE SHEET**  
**AS AT 30 NOVEMBER 2020**

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|  | Note | 2020<br>£            |
|--|------|----------------------|
| <b>Fixed assets</b>                          |      |                      |
| Investments                                  | 16   | 1                    |
| <b>Current assets</b>                        |      |                      |
| Debtors: amounts falling due within one year | 18   | 10,100               |
|  |      | <u>10,100</u>        |
| <b>Total assets less current liabilities</b> |      | 10,101               |
| <b>Net assets</b>                            |      | <u><u>10,101</u></u> |
| <b>Capital and reserves</b>                  |      |                      |
| Called up share capital                      | 24   | 200                  |
| Profit and loss account                      |      | 9,901                |
|  |      | <u><u>10,101</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Hifsi Ayrancioglu**  
Director

Date: 3 August 2021

The notes on pages 15 to 29 form part of these financial statements.

**A TO Z BROTHERS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

|                                 | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Equity<br>attributable to<br>owners of<br>parent<br>company<br>£ | Total equity<br>£ |
|---------------------------------|---------------------------------|---------------------------------|--|-------------------|
| Profit for the period           | -                               | 341,137                         | 341,137  | 341,137           |
| Dividends: Equity capital       | -                               | (120,000)                       | (120,000)  | (120,000)         |
| Shares issued during the period | 200                             | -                               | 200  | 200               |
| <b>At 30 November 2020</b>      | <b>200</b>                      | <b>221,137</b>                  | <b>221,337</b>   | <b>221,337</b>    |

The notes on pages 15 to 29 form part of these financial statements.

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**A TO Z BROTHERS LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

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|                                 | <b>Called up<br/>share capital<br/>£</b> | <b>Profit and loss<br/>account<br/>£</b> | <b>Total equity<br/>£</b> |
|---------------------------------|--|--|---------------------------|
| Profit for the period           | -  | 129,901                                  | 129,901                   |
| Dividends: Equity capital       | -  | (120,000)                                | (120,000)                 |
| Shares issued during the period | 200                                      | -  | 200                       |
| <b>At 30 November 2020</b>      | <b>200</b>                               | <b>9,901</b>                             | <b>10,101</b>             |

The notes on pages 15 to 29 form part of these financial statements.

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A TO Z BROTHERS LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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|   | 2020<br>£        |
|---|------------------|
| <b>Cash flows from operating activities</b>         |                  |
| Profit for the financial period                     | 341,137          |
| <b>Adjustments for:</b>                             |                  |
| Amortisation of intangible assets                   | (128,368)        |
| Depreciation of tangible fixed assets               | 154,144          |
| Loss on disposal of tangible fixed assets           | 1,395            |
| Government grants                                   | (10,299)         |
| Interest paid                                       | 10,151           |
| Interest received                                   | (1,826)          |
| Taxation charge                                     | 52,353           |
| Decrease in stocks                                  | 246,543          |
| Decrease in debtors                                 | 598,606          |
| Increase in amounts owed by associates              | (645,263)        |
| Decrease in creditors                               | (753,483)        |
| Corporation tax paid                                | (30,859)         |
| <b>Net cash generated from operating activities</b> | <b>(165,769)</b> |
| <b>Cash flows from investing activities</b>         |                  |
| Purchase of tangible fixed assets                   | (2,040)          |
| Sale of tangible fixed assets                       | 8,834            |
| Government grants received                          | 10,299           |
| Interest received                                   | 1,826            |
| HP interest paid                                    | (10,151)         |
| Cash on acquisition of subsidiary                   | 896,145          |
| <b>Net cash from investing activities</b>           | <b>904,913</b>   |

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A TO Z BROTHERS LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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|   | 2020<br>£             |
|---|-----------------------|
| <b>Cash flows from financing activities</b>                     |                       |
| Repayment of/new finance leases                                 | (119,174)             |
| Dividends paid  | (120,000)             |
| <b>Net cash used in financing activities</b>                    | <u>(239,174)</u>      |
| <b>Net increase in cash and cash equivalents</b>                | <u>499,970</u>        |
| <b>Cash and cash equivalents at the end of period</b>           | <u><u>499,970</u></u> |
| <b>Cash and cash equivalents at the end of period comprise:</b> |                       |
| Cash at bank and in hand  | 518,615               |
| Bank overdrafts   | (18,645)              |
|   | <u><u>499,970</u></u> |

The notes on pages 15 to 29 form part of these financial statements.



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**A TO Z BROTHERS LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

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|                          | <b>Cash flows</b> | <b>Acquisition<br/>and disposal<br/>of<br/>subsidiaries</b> | <b>At 30<br/>November<br/>2020</b> |
|--------------------------|-------------------|---|------------------------------------|
|                          | <b>£</b>          | <b>£</b>  | <b>£</b>                           |
| Cash at bank and in hand | (379,450)         | 898,065   | 518,615                            |
| Bank overdrafts          | (16,725)          | (1,920)   | (18,645)                           |
| Debt due within 1 year   | 122,400           | (442,189)   | (319,789)                          |
| Finance leases           | 129,325           | (274,377)   | (145,052)                          |
|                          | <u>(144,450)</u>  | <u>179,579</u>  | <u>35,129</u>                      |

The notes on pages 15 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

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**1. General information**

A To Z Brothers Limited is a private company limited by shares and incorporated in England and Wales. the address of the registered office is Brother House, 15a Cranford Way, London, United Kingdom, N8 9DG. The company was dormant throughout the period.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**2.3 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being .

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Operating leases: the group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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**2. Accounting policies (continued)**

**2.10 Pensions**

**Defined contribution pension plan**

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

**2.11 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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**2. Accounting policies (continued)**

**2.12 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.13 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

|                       |   |     |                  |
|-----------------------|---|-----|------------------|
| Plant and machinery   | - | 25% | reducing balance |
| Motor vehicles        | - | 25% | reducing balance |
| Fixtures and fittings | - | 25% | reducing balance |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.14 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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**2. Accounting policies (continued)**

**2.15 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.16 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.17 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

**2.18 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.20 Financial instruments**

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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2. Accounting policies (continued)

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

a) Critical judgements in applying the company's accounting policies

No significant judgements have had to be made by the company in preparing these financial statements.

b) Key accounting estimates and assumptions

The Group holds a significant amount of product stock and is subject to perishability as well as changing consumer demands and industry trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the condition of the stock and remaining life, as well as applying assumptions around anticipated saleability of stock. As per note 17 the value of stock as at 30 November 2020 is £1,032,562 and this includes a stock provision of £254,831.

Furthermore, included within accruals is a dilapidation provision of £180,000 to cover repairs, maintenance and decorations of the leased properties. This is in line with the terms of the rental contract.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group

All turnover arose within the United Kingdom.

5. Other operating income

|   | 2020<br>£     |
|---|---------------|
| Government grants receivable - Coronavirus job retention scheme | <u>10,299</u> |

**A TO Z BROTHERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

**6. Operating profit**

The operating profit is stated after charging:

|                                       | 2020<br>£     |
|---------------------------------------|---------------|
| Depreciation of tangible fixed assets | 154,144       |
| Other operating lease rentals         | 852,718       |
| Defined contribution pension costs    | <u>74,672</u> |

**7. Auditors' remuneration**

|   | 2020<br>£     |
|---|---------------|
| Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements | <u>16,450</u> |

**Fees payable to the group's auditor and its associates in respect of:**

|                    |              |
|--------------------|--------------|
| All other services | <u>7,934</u> |
|--------------------|--------------|

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

|                                     | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries                  | 1,596,247          | -                  | -                    | -                    |
| Cost of defined contribution scheme | 74,672             | -                  | -                    | -                    |
|                                     | <u>1,670,919</u>   | <u>-</u>           | <u>-</u>             | <u>-</u>             |

The average monthly number of employees, including the directors, during the period was as follows:

|           | Group<br>2020<br>No. | Company<br>2020<br>No. |
|-----------|----------------------|------------------------|
| Employees | <u>90</u>            | <u>4</u>               |



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A TO Z BROTHERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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9. Directors' remuneration

During the period retirement benefits were accruing to no directors in respect of defined contribution pension schemes.

10. Interest receivable

|                           |              |
|---------------------------|--------------|
|                           | 2020<br>£    |
| Other interest receivable | <u>1,826</u> |

11. Interest payable and similar expenses

|  |               |
|--|---------------|
|  | 2020<br>£     |
| Finance leases and hire purchase contracts | <u>10,151</u> |

12. Taxation

|  |                 |
|--|-----------------|
|  | 2020<br>£       |
| <b>Corporation tax</b>                           |                 |
| Current tax on profits for the year              | 76,655          |
| Adjustments in respect of previous periods       | 756             |
|  | <u>77,411</u>   |
| <b>Total current tax</b>                         | <u>77,411</u>   |
| <b>Deferred tax</b>                              |                 |
| Origination and reversal of timing differences   | (25,058)        |
| <b>Total deferred tax</b>                        | <u>(25,058)</u> |
| <b>Taxation on profit on ordinary activities</b> | <u>52,353</u>   |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

12. Taxation (continued)

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

|   | 2020<br>£            |
|---|----------------------|
| Profit on ordinary activities before tax  | <u>393,490</u>       |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% | 74,763               |
| <b>Effects of:</b>  |                      |
| Non-taxable amortisation of goodwill and impairment   | (24,390)             |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment     | 1,489                |
| Capital allowances for period in excess of depreciation                                       | 24,793               |
| Deferred tax  | (25,058)             |
| Adjustments to tax charge in respect of prior periods   | 756                  |
| <b>Total tax charge for the period</b>  | <u><u>52,353</u></u> |

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

13. Dividends

|                | 2020<br>£             |
|----------------|-----------------------|
| Dividends paid | <u><u>120,000</u></u> |

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A TO Z BROTHERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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14. Intangible assets

Group

Goodwill  
£

**Cost**

Additions (1,283,681)

At 30 November 2020 (1,283,681)

**Amortisation**

Charge for the period on owned assets (128,368)

At 30 November 2020 (128,368)

**Net book value**

At 30 November 2020 (1,155,313)

**A TO Z BROTHERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

**15. Tangible fixed assets**

**Group**

|  | Plant and<br>machinery | Motor vehicles | Fixtures and<br>fittings | Total            |
|--|------------------------|----------------|--------------------------|------------------|
|  | £                      | £              | £                        | £                |
| <b>Cost or valuation</b>                 |                        |                |                          |                  |
| Additions                                | -                      | -              | 2,040                    | 2,040            |
| Acquisition of subsidiary                | 915,325                | 1,038,248      | 162,464                  | 2,116,037        |
| Disposals                                | -                      | (110,000)      | (1,874)                  | (111,874)        |
| At 30 November 2020                      | <u>915,325</u>         | <u>928,248</u> | <u>162,630</u>           | <u>2,006,203</u> |
| <b>Depreciation</b>                      |                        |                |                          |                  |
| Charge for the period on owned assets    | 30,104                 | 49,764         | 6,746                    | 86,614           |
| Charge for the period on financed assets | -                      | 67,530         | -                        | 67,530           |
| Disposals                                | -                      | (101,162)      | (483)                    | (101,645)        |
| Acquisition of subsidiary                | 794,909                | 563,316        | 137,057                  | 1,495,282        |
| At 30 November 2020                      | <u>825,013</u>         | <u>579,448</u> | <u>143,320</u>           | <u>1,547,781</u> |
| <b>Net book value</b>                    |                        |                |                          |                  |
| At 30 November 2020                      | <u>90,312</u>          | <u>348,800</u> | <u>19,310</u>            | <u>458,422</u>   |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

|                |                       |
|----------------|-----------------------|
|                | 2020                  |
|                | £                     |
| Motor vehicles | <u><u>202,589</u></u> |

**A TO Z BROTHERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

**16. Fixed asset investments**

**Group**

**Unlisted  
investments  
£**

**Cost or valuation**

Acquisition of subsidiary 15,000

At 30 November 2020 15,000

**Company**

**Investments in  
subsidiary  
companies  
£**

**Cost or valuation**

Additions 100

Disposals (99)

At 30 November 2020 1

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

| Name                             | Class of<br>shares | Holding  |
|----------------------------------|--------------------|----------|
| A to Z Catering Holdings Limited | Ordinary           | 100<br>% |

**17. Stocks**

**Group  
2020  
£**

Finished goods and goods for resale 1,032,562

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**A TO Z BROTHERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

**18. Debtors**

|  | Group<br>2020<br>£ | Company<br>2020<br>£ |
|--|--------------------|----------------------|
| Trade debtors  | 88,698             | -                    |
| Amounts owed by group undertakings                         | -                  | 10,000               |
| Amounts owed by joint ventures and associated undertakings | 1,550,350          | -                    |
| Other debtors  | 64,983             | -                    |
| Called up share capital not paid                           | 169                | 100                  |
| Prepayments and accrued income                             | 165,152            | -                    |
|  | <u>1,869,352</u>   | <u>10,100</u>        |

**19. Cash and cash equivalents**

|                          | Group<br>2020<br>£ |
|--------------------------|--------------------|
| Cash at bank and in hand | 518,615            |
| Less: bank overdrafts    | (18,645)           |
|                          | <u>499,970</u>     |

**20. Creditors: Amounts falling due within one year**

|   | Group<br>2020<br>£ |
|---|--------------------|
| Bank overdrafts   | 18,645             |
| Trade creditors   | 1,415,801          |
| Corporation tax   | 148,435            |
| Other taxation and social security                          | 113,471            |
| Obligations under finance lease and hire purchase contracts | 97,536             |
| Other creditors   | 341,664            |
| Accruals and deferred income                                | 265,842            |
|   | <u>2,401,394</u>   |

**A TO Z BROTHERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

**21. Creditors: Amounts falling due after more than one year**

|  | Group<br>2020<br>£ |
|--|--------------------|
| Net obligations under finance leases and hire purchase contracts | <u>47,516</u>      |

**22. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

|                   | Group<br>2020<br>£ |
|-------------------|--------------------|
| Within one year   | 97,536             |
| Between 1-5 years | 47,516             |
|                   | <u>145,052</u>     |

**23. Deferred taxation**

**Group**

|                           | 2020<br>£       |
|---------------------------|-----------------|
| Charged to profit or loss | 25,058          |
| Acquisition of subsidiary | (93,449)        |
| <b>At end of year</b>     | <u>(68,391)</u> |

|                                | Group<br>2020<br>£ |
|--------------------------------|--------------------|
| Accelerated capital allowances | (68,391)           |
|                                | <u>(68,391)</u>    |

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A TO Z BROTHERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2020

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24. Share capital

|   | 2020<br>£  |
|---|------------|
| <b>Allotted, called up and fully paid</b> |            |
| 46 A Ordinary shares of £1.00 each        | 46         |
| 72 B Ordinary shares of £1.00 each        | 72         |
| 62 C Ordinary shares of £1.00 each        | 62         |
| 20 D Ordinary shares of £1.00 each        | 20         |
|   | <hr/>      |
|   | <b>200</b> |

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £74,672.

The amount due to the scheme at 30 November 2020 was £Nil.

26. Commitments under operating leases

At 30 November 2020 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | Group<br>2020<br>£ |
|--|--------------------|
| Not later than 1 year                        | 390,706            |
| Later than 1 year and not later than 5 years | 1,355,539          |
| Later than 5 years                           | 2,550,838          |
|  | <hr/>              |
|  | <b>4,297,083</b>   |



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