Registration number: 00062473

GEORGE BENCE & SONS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

GEORGE BENCE & SONS LIMITED

Contents

GEORGE BENCE & SONS LIMITED

Company Information

Directors	Christopher G Bence Paul C Bence Matthew G Bence Carlwyn J Coombes
Registered office	43 Fairview Road Cheltenham Gloucestershire GL52 2EJ
Bankers	Lloyds Bank Plc Ley Court Barnett Way Gloucester GL52 2EJ National Westminster Bank Plc 31 Promenade Cheltenham GL50 1LE
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

GEORGE BENCE & SONS LIMITED

Directors' Report
for the Year Ended 31 December 2022

The directors present their report and the for the year ended 31 December 2022.

Principal activity

The principal activity of the company is that of a parent company of the George Bence group of companies and the group trades as builders and plumbers merchants.

Directors of the company

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

Christopher G Bence

Paul C Bence

Matthew G Bence

Carlwyn J Coombes

Future developments

The directors continue to closely monitor the external commercial environment and act it the interests of the business accordingly.

Disclosure of information to the auditor

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

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 25 May 2023 and signed on its behalf by:

Paul C Bence
Director

GEORGE BENCE & SONS LIMITED

Strategic Report
for the Year Ended 31 December 2022

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

Business review

The directors consider that the business has performed well during the year given the market conditions, and consider the financial resources available to the group at the year end to be sufficient.
The results for the year, which are set out in the profit and loss account, show pre-tax profit for the year of £495,109 (2021 - £1,221,351). The group has trade debtors of £2,257,818 (2021 - £2,276,295) and trade creditors of £2,393,695 (2021 - £2,756,215). The group has short term debt of £334,652 (2021 - £364,499) and long term debt of £707,119 (2021 - £896,189).

Key performance indicators

The directors use a suite of key performance indicators to monitor the performance of business. Turnover, gross margin and cash flow are monitored daily; the current and quick ratios, debtor days and working capital are monitored on a monthly basis.

Principal risks and uncertainties

The management of the group and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to the general economic climate, and competition from other national builders merchants.

Financial instruments

The group does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price or liquidity risk.

Going concern

At the year end, the group has net assets of £7,793,527 (2021 - £7,409,193). The directors have prepared detailed cash flow forecasts for the group for more than 12 months from the approval of these financial statements. These forecasts indicate the group is able to operate within its facilities and meet its liabilities as they fall due. On the basis of the points above, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Approved by the Board on 25 May 2023 and signed on its behalf by:

Paul C Bence
Director

GEORGE BENCE & SONS LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 group and company and of the profit or loss of the group and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of George Bence & Sons Limited

Opinion

We have audited the financial statements of George Bence & Sons Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, 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 the parent company's affairs as at 31 December 2022 and of the group's 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 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 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 group and company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 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 auditor's 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.

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.

GEORGE BENCE & SONS LIMITED

Independent Auditor's Report to the Members of George Bence & Sons Limited

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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 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 Statement of Directors' Responsibilities set out on page 4, 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.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We considered the nature of the group and parent company's industry and its control environment and reviewed the group and parent company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group and parent company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Independent Auditor's Report to the Members of George Bence & Sons Limited

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;.
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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.

Jon Cartwright (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

25 May 2023

GEORGE BENCE & SONS LIMITED

Consolidated Profit and Loss Account
for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	3	20,566,561	18,897,582
Cost of sales		(14,770,054)	(13,454,320)
Gross profit		5,796,507	5,443,262
Distribution costs		(1,296,338)	(1,096,726)
Administrative expenses		(4,056,728)	(3,437,230)
Other operating income	4	75,462	337,882
Operating profit	5	518,903	1,247,188
Interest receivable and similar income	6	10,662	2,116
Interest payable and similar charges	7	(34,456)	(27,953)
Profit before tax		495,109	1,221,351
Taxation	11	(110,775)	(428,409)
Profit for the financial year		384,334	792,942

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £	2021 £
Profit for the year	384,334	792,942
Surplus on property, plant and equipment revaluation	-	485,000
Total comprehensive income for the year	384,334	1,277,942
Total comprehensive income attributable to:		
Owners of the company	384,334	1,277,942

GEORGE BENCE & SONS LIMITED

(Registration number: 00062473)
Consolidated Balance Sheet
as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,911,502	3,735,844
Investment properties	13	2,985,000	2,985,000
Other financial assets	15	100	100
		6,896,602	6,720,944
Current assets			
Stocks	16	1,653,891	1,406,308
Debtors	17	3,001,494	2,809,517
Cash at bank and in hand		1,649,044	2,869,029
		6,304,429	7,084,854
Creditors: Amounts falling due within one year	18	(3,920,425)	(5,033,011)
Net current assets		2,384,004	2,051,843
Total assets less current liabilities		9,280,606	8,772,787
Creditors: Amounts falling due after more than one year	18	(707,119)	(896,189)
Provisions for liabilities	11, 22	(779,960)	(467,405)
Net assets		7,793,527	7,409,193
Capital and reserves			
Called up share capital	20	120,750	120,750
Capital redemption reserve		129,250	129,250
Revaluation reserve		3,736,836	3,748,386
Retained earnings		3,806,691	3,410,807
Total equity		7,793,527	7,409,193

Approved and authorised by the Board on 25 May 2023 and signed on its behalf by:

Paul C Bence
Director

GEORGE BENCE & SONS LIMITED

(Registration number: 00062473)
Balance Sheet
as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,911,502	3,735,844
Investment properties	13	2,985,000	2,985,000
Investments in subsidiaries	14	101,100	101,100
Other financial assets	15	100	100
		6,997,702	6,822,044
Current assets			
Debtors	17	1,188,026	1,083,330
Cash at bank and in hand		199,929	141,488
		1,387,955	1,224,818
Creditors: Amounts falling due within one year	18	(491,931)	(658,319)
Net current assets		896,024	566,499
Total assets less current liabilities		7,893,726	7,388,543
Creditors: Amounts falling due after more than one year	18	(175,452)	(144,522)
Provisions for liabilities	11, 22	(567,589)	(477,670)
Net assets		7,150,685	6,766,351
Capital and reserves			
Called up share capital	20	120,750	120,750
Capital redemption reserve		129,250	129,250
Revaluation reserve		3,736,836	3,748,386
Retained earnings		3,163,849	2,767,965
Total equity		7,150,685	6,766,351

The company made a profit after tax for the financial year of £384,334 (2021 - profit of £792,942).

Approved and authorised by the Board on 25 May 2023 and signed on its behalf by:

Paul C Bence
Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2022

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2021	120,750	129,250	3,274,936	2,606,315	6,131,251
Profit for the year	-	-	-	792,942	792,942
Other comprehensive income	-	-	485,000	-	485,000
Transfer to revaluation reserve	-	-	(11,550)	11,550	-
At 31 December 2021	120,750	129,250	3,748,386	3,410,807	7,409,193

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2022	120,750	129,250	3,748,386	3,410,807	7,409,193
Profit for the year	-	-	-	384,334	384,334
Transfer to revaluation reserve	-	-	(11,550)	11,550	-
At 31 December 2022	120,750	129,250	3,736,836	3,806,691	7,793,527

The notes on pages 15 to 26 form an integral part of these financial statements.

GEORGE BENCE & SONS LIMITED

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2021	120,750	129,250	3,274,936	1,963,473	5,488,409
Profit for the year	-	-	-	792,942	792,942
Other comprehensive income	-	-	485,000	-	485,000
Transfer to revaluation reserve	-	-	(11,550)	11,550	-
At 31 December 2021	120,750	129,250	3,748,386	2,767,965	6,766,351

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2022	120,750	129,250	3,748,386	2,767,965	6,766,351
Profit for the year	-	-	-	384,334	384,334
Transfer to revaluation reserve	-	-	(11,550)	11,550	-
At 31 December 2022	120,750	129,250	3,736,836	3,163,849	7,150,685

The notes on pages 15 to 26 form an integral part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		384,334	792,942
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	255,910	266,268
Profit on disposal of tangible assets		(9,978)	-
Finance income	6	(10,662)	(2,116)
Finance costs	7	34,456	27,953
Corporation tax expense	11	110,775	428,409
		764,835	1,513,456
Working capital adjustments			
Increase in stocks	16	(247,583)	(409,726)
Increase in trade debtors	17	(191,977)	(234,270)
(Decrease)/increase in trade creditors	18	(941,254)	594,125
Increase in provisions	22	215,580	-
Cash (used in)/generated from operations		(400,399)	1,463,585
Income taxes paid	11	(155,285)	(176,416)
Net cash flows (used in)/generated from operating activities		(555,684)	1,287,169
Cash flows from investing activities			
Interest received		10,662	2,116
Acquisitions of tangible assets		(263,456)	(464,230)
Proceeds from sale of tangible assets		11,083	-
Net cash flows used in investing activities		(241,711)	(462,114)
Cash flows from financing activities			
Interest paid		(34,456)	(27,953)
Repayment of bank borrowing		(220,000)	(138,359)
Payments to finance lease creditors		(168,134)	(189,148)
Net cash flows used in financing activities		(422,590)	(355,460)
Net (decrease)/increase in cash at bank and in hand		(1,219,985)	469,595
Cash at bank and in hand 1 January		2,869,029	2,399,434
Cash at bank and in hand 31 December		1,649,044	2,869,029

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
43 Fairview Road
Cheltenham
Gloucestershire
GL52 2EJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.
The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.
Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.
Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

In making the current year's assessment the Directors have considered the available cash reserves and other facilities at the point of approving the financial statements.
Although there are inherent uncertainties regarding forecasts, the directors have a reasonable expectation that the group has

adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and estimation uncertainty

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.
The group recognises revenue when:
- The amount of revenue can be reliably measured;
- It is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the group's activities.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Tax

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

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.
The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible Assets

Tangible assets is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	nil
Freehold buildings	1% per annum
Plant and machinery	5% - 25% per annum
Fixtures, fittings and equipment	15% - 20% per annum
Motor vehicles	25% per annum

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade receivables

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.
Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.
The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.
Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.
Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.
Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments
Classification
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

3 Revenue

The group's revenue for the year comprises of the sale of goods in the United Kingdom which are all continuing operations.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022 £	2021 £
Rental income	75,462	137,533
Government grants	-	200,349
	75,462	337,882

Within government grants is £Nil (2021 - £176,163) received in relation to the Coronavirus Job Retention Scheme, and £Nil (2021 - £24,186) received in relation to local council grants.

5 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	255,910	266,268
Operating lease expense - plant and machinery	59,508	46,691
Profit on disposal of property, plant and equipment	(9,978)	-

6 Interest receivable and similar income

	2022 £	2021 £
Interest income on bank deposits	10,598	2,116
Other finance income	64	-
	10,662	2,116

7 Interest payable and similar charges

	2022 £	2021 £
Interest on bank overdrafts and borrowings	93	114
Interest on obligations under finance leases and hire purchase contracts	8,378	14,149
Interest expense on other financial liabilities	25,985	13,690
	34,456	27,953

8 Staff costs

Group

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	3,196,981	2,817,069
Social security costs	298,376	283,897
Pension costs, defined contribution scheme	160,423	123,711
	3,655,780	3,224,677

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

	2022 No.	2021 No.
Administration and support	71	63
Distribution	29	28
	100	91

8 Staff costs (continued)

Company

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	50,000	50,000
Social security costs	5,852	5,680
	55,852	55,680

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

	2022 No.	2021 No.
Administration and support	4	4

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	412,992	504,912
Contributions paid to money purchase schemes	20,045	20,045
	433,037	524,957

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

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	2	1

In respect of the highest paid director:

	2022 £	2021 £
Remuneration	146,452	186,475

10 Auditors' remuneration

	2022 £	2021 £
Audit of these financial statements	19,000	10,300

11 Corporation tax

Tax charged in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	13,777	172,183
UK corporation tax adjustment to prior periods	23	(31,970)
	13,800	140,213
Deferred taxation		
Arising from origination and reversal of timing differences	73,701	137,342
Arising from changes in tax rates and laws	23,274	112,177
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	38,677
Total deferred taxation	96,975	288,196
Tax expense in the profit and loss account	110,775	428,409

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).
The differences are reconciled below:

	2022 £	2021 £
Profit before tax	495,109	1,221,351
Corporation tax at standard rate	94,071	232,057
Effect of expense not deductible in determining taxable profit	12,755	5,463
UK deferred tax expense relating to changes in tax rates or laws	23,274	112,177
Deferred tax expense from unrecognised temporary difference from a prior period	-	38,677
Tax decrease from effect of capital allowances and depreciation	(19,348)	(20,145)
Deferred tax increase from effect of revaluation of investment property	-	92,150
Increase / (decrease) in current tax from adjustment for prior periods	23	(31,970)
Total tax charge	110,775	428,409

Deferred tax

Group

Deferred tax

	2022 £	2021 £
On revaluation of property	389,479	389,479
Accelerated capital allowances	222,008	162,974
Other	(47,107)	(85,048)
Deferred tax liability	564,380	467,405

Company
Deferred tax

	2022 £	2021 £
On revaluation of property	389,479	389,479
Accelerated capital allowances	222,008	162,974
Other	(43,898)	(74,783)
Deferred tax liability	567,589	477,670

12 Tangible Assets

Group and company

	Freehold land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2022	3,255,000	3,098,692	6,353,692
Additions	-	432,673	432,673
Disposals	-	(164,657)	(164,657)
At 31 December 2022	3,255,000	3,366,708	6,621,708
Depreciation			
At 1 January 2022	220,400	2,397,448	2,617,848
Charge for the year	27,550	228,360	255,910
Eliminated on disposal	-	(163,552)	(163,552)
At 31 December 2022	247,950	2,462,256	2,710,206
Carrying amount			
At 31 December 2022	3,007,050	904,452	3,911,502
At 31 December 2021	3,034,600	701,244	3,735,844

At the year end, assets held under finance leases or hire purchase agreements had a net book value of £232,023 (2021 - £185,713) and depreciation in the year of £130,876 (2021 - £171,228).

Revaluation

The fair value of the group's freehold land and buildings was revalued on 31 December 2016 by an independent valuer.
Had this class of asset been measured on a historical cost basis, their carrying amount would have been £1,426,579 (2021 - £ 1,442,579).

13 Investment properties

Group and company

	2022 £
At 1 January 2022 and 31 December 2022	2,985,000

The investment properties were revalued using the market value for residential property investment.

The valuation was carried out by an independent valuer who is external to the company.

14 Investments

Company

	Subsidiaries £
Cost and carrying amount	
At 1 January 2022 and 31 December 2022	101,100

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2022	2021
Subsidiary undertakings				
George Bence & Sons (Cheltenham) Limited*	England and Wales	Ordinary	100%	100%
George Bence & Sons (Tewkesbury) Limited*	England and Wales	Ordinary	100%	100%
George Bence & Sons (Properties) Limited*	England and Wales	Ordinary	100%	100%

* indicates direct investment of the company

Subsidiary undertakings

George Bence & Sons (Cheltenham) Limited

The principal activity of this company is that of a builders and plumbers merchant.

George Bence & Sons (Tewkesbury) Limited

The principal activity of this company is that of a dormant company.

George Bence & Sons (Properties) Limited

The principal activity of this company is that of a dormant company.

15 Other financial assets

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Non-current financial assets				
Unlisted investments	100	100	100	100

16 Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Goods for resale	1,653,891	1,406,308	-	-

17 Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	2,257,818	2,276,295	-	-
Receivables from related parties	-	-	1,136,405	1,058,554
Other debtors	80,620	73,607	49,006	22,351
Prepayments	663,056	459,615	2,615	2,425
	3,001,494	2,809,517	1,188,026	1,083,330

18 Creditors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Loans and borrowings	334,652	364,499	114,652	144,499
Trade creditors	2,393,695	2,756,215	4,554	-
Social security and other taxes	197,010	370,920	-	-
Outstanding pension costs	14,325	18,327	-	-
Other payables	265,749	321,332	-	-
Accrued expenses	701,193	1,046,432	372,725	513,820
Corporation tax liability	13,801	155,286	-	-
	3,920,425	5,033,011	491,931	658,319

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after one year				
Loans and borrowings	707,119	896,189	175,452	144,522

19 Loans and borrowings

Group

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Current loans and borrowings				
Bank borrowings	220,000	220,000	-	-
HP and finance lease liabilities	114,652	144,499	114,652	144,499
	334,652	364,499	114,652	144,499

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	531,667	751,667	-	-
HP and finance lease liabilities	175,452	144,522	175,452	144,522
	707,119	896,189	175,452	144,522

Bank borrowings

The carrying amount of CBILS loan at year end is £751,667 (2021 - £971,667). Interest is charged at a base rate plus 1.72%. Repayments began in May 2021, with the final instalment due on 19 October 2026.
The bank loans are secured by an unlimited debenture over the Group's assets.

20 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	120,750	120,750	120,750	120,750

21 Obligations under leases

Group

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	48,310	34,435
Later than one year and not later than five years	152,417	122,414
Later than five years	10,000	40,000
	210,727	196,849

The amount of non-cancellable operating lease payments recognised as an expense during the year was £47,665 (2021 - £ 21,575).

22 Provisions for liabilities

Group

	Deferred tax £	Employee benefits £	Total £
At 1 January 2022	467,405	-	467,405
Additional provisions	-	215,580	215,580
Increase (decrease) in existing provisions	96,975	-	96,975
At 31 December 2022	564,380	215,580	779,960

Company

	Deferred tax £	Employee benefits £	Total £
At 1 January 2022	477,670	-	477,670
Increase (decrease) in existing provisions	89,919	-	89,919
At 31 December 2022	567,589	-	567,589

23 Pension and other schemes

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £160,423 (2021 - £123,711).
Contributions totalling £14,325 (2021 - £18,327) were payable to the scheme at the end of the year and are included in creditors.

24 Related party transactions

Group

Summary of transactions with related parties

Bence Roofing Supplies Limited - a company with common ownership.
During the year the Group entered into the following transactions with Bence Roofing Supplies Limited: sales of £81,370 (2021 - £67,573); and expenditure of £239,637 (2021 - £238,093). The Group also rented equipment to Bence Roofing Supplies Limited to the value of £11,689 (2021 - £31,114). At the balance sheet date the Group was owed £53,738 (2021 - £45,670).

25 Parent and ultimate parent undertaking

The ultimate controlling party is Mr C G Bence.