

Benicraft Limited

Unaudited Financial Statements

For Filing with Registrar

For the year ended 31 July 2021

Company Registration No. 02980625 (England and Wales)

Benicraft Limited

Company Information

Directors	K.K. Gill K.S. Gill V.S. Gill
Company number	02980625
Registered office	5-6 Carlton Terrace Green Street Forest Gate London E7 8LH
Accountants	Moore Kingston Smith LLP Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL

Benicraft Limited

Balance Sheet

As at 31 July 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		22,867		27,314
Investment properties	5		900,000		800,000
			<u>922,867</u>		<u>827,314</u>
Current assets					
Stock	6	80,201		94,276	
Debtors	7	505,014		210,490	
Cash at bank and in hand		198,814		533,601	
		<u>784,029</u>		<u>838,367</u>	
Creditors: amounts falling due within one year	8	<u>(269,609)</u>		<u>(269,861)</u>	
Net current assets			<u>514,420</u>		<u>568,506</u>
Total assets less current liabilities			<u>1,437,287</u>		<u>1,395,820</u>
Creditors: amounts falling due after more than one year	9		(692,295)		(783,735)
Provisions for liabilities	10		<u>(63,075)</u>		<u>(44,875)</u>
Net assets			<u><u>681,917</u></u>		<u><u>567,210</u></u>
Capital and reserves					
Called up share capital	11		51,000		51,000
Revaluation reserve			314,099		233,099
Profit and loss reserves			316,818		283,111
Total equity			<u><u>681,917</u></u>		<u><u>567,210</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

Benicraft Limited

Balance Sheet (Continued)

As at 31 July 2021

The financial statements were approved by the board of directors and authorised for issue on 28 January 2022 and are signed on its behalf by:

K.S. Gill
Director

Company Registration No. 02980625

Benicraft Limited

Statement of Changes in Equity

For the year ended 31 July 2021

	Share capital	Revaluation reserves	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 August 2019	51,000	233,099	198,170	482,269
Year ended 31 July 2020:				
Profit and total comprehensive income for the year	-	-	114,941	114,941
Dividends	-	-	(30,000)	(30,000)
Balance at 31 July 2020	51,000	233,099	283,111	567,210
Year ended 31 July 2021:				
Profit and total comprehensive income for the year	-	-	194,707	194,707
Dividends	-	-	(80,000)	(80,000)
Transfer of the movement on deferred tax on investment property	-	(19,000)	19,000	-
Transfer of the revaluation gain	-	100,000	(100,000)	-
Balance at 31 July 2021	51,000	314,099	316,818	681,917

Benicraft Limited

Notes to the Financial Statements

For the year ended 31 July 2021

1 Accounting policies

Company information

Benicraft Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5-6 Carlton Terrace, Green Street, Forest Gate, London, E7 8LH.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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

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

1.2 Going concern

The directors have assessed the impact of the worldwide COVID-19 pandemic on the company and considers any impact or delays to be short term only. As a result the directors believe that the company will be able to continue in business and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT.

1.4 Tangible fixed assets

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

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

Leasehold land and buildings	Over the period of the lease
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% reducing balance

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

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

The cumulative surplus on revaluation whilst recognised in profit or loss, is not distributable. The company transfers such revaluation surplus to a separate revaluation reserve within retained earnings together with the associated deferred tax annually.

Benicraft Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2021

1 Accounting policies

(Continued)

Although this accounting policy is in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), it is a departure from the general requirements of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.7 Cash at bank and in hand

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

1.8 Financial instruments

The company only has financial instruments classified as basic and measured at amortised cost. The company has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

Benicraft Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2021

1 Accounting policies

(Continued)

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

1.13 Leases

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

1.14 Government grants

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment property

The investment property owned by the company has been revalued as at 31 July 2021 by the directors on a fair value basis.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 20 (2020 - 20).

Benicraft Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2021

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 August 2020	103,812	158,737	262,549
Additions	-	1,302	1,302
At 31 July 2021	103,812	160,039	263,851
Depreciation and impairment			
At 1 August 2020	103,812	131,423	235,235
Depreciation charged in the year	-	5,749	5,749
At 31 July 2021	103,812	137,172	240,984
Carrying amount			
At 31 July 2021	-	22,867	22,867
At 31 July 2020	-	27,314	27,314

5 Investment property

	2021 £
Fair value	
At 1 August 2020	800,000
Revaluations	100,000
At 31 July 2021	900,000

Investment property comprises 21A Barlow Way. The fair value of the investment property has been made as at 31 July 2021 by the directors on an open market basis. The historical cost of the property is £553,505 (2020: £553,505).

6 Stock

	2021 £	2020 £
Stock	80,201	94,276

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	505,014	210,490

Benicraft Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2021

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	83,972	34,211
Trade creditors	145,768	192,140
Corporation tax	29,804	27,961
Other taxation and social security	499	-
Other creditors	9,566	15,549
	<u>269,609</u>	<u>269,861</u>

9 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	692,295	783,735
	<u>692,295</u>	<u>783,735</u>

The borrowing is secured against the investment property owned by the company and by personal guarantees provided by directors of the company.

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

Payable by instalments	-	45,834
	<u>-</u>	<u>45,834</u>

10 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	4,140	4,940
Revaluations	58,935	39,935
	<u>63,075</u>	<u>44,875</u>

Benicraft Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2021

10 Deferred taxation (Continued)

	2021 £
Movements in the year:	
Liability at 1 August 2020	44,875
Charge to profit or loss	18,200
Liability at 31 July 2021	<u>63,075</u>

11 Called up share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
51,000 Ordinary shares of £1 each	51,000	51,000
	<u>51,000</u>	<u>51,000</u>

12 Operating lease commitments

Lessee

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

	2021 £	2020 £
Within one year	33,473	98,140
Between two and five years	-	32,333
	<u>33,473</u>	<u>130,473</u>

13 Related party transactions

During the year the company paid dividends of £80,000 (2020: £30,000) to Benicraft Trading Limited, the parent company.

At 31 July 2021, there was a balance of £200 (2020: £200) due from Benicraft Investments Limited, a connected company.

14 Controlling party

The parent company is Benicraft Trading Limited, a company registered in England and Wales.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.