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**BANSAL GROUP LTD**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**BANSAL GROUP LTD**

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**COMPANY INFORMATION**

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**Directors**

Mrs R K Bansal  
J S Bansal

**Company secretary**

Mr J S Bansal  
Mr K S Bansal  
Mr P S Bansal

**Registered number**

06820675

**Registered office**

Leytonstone House  
Leytonstone  
London  
London  
E11 1GA

**Independent auditor**

Barnes Roffe LLP  
Chartered Accountants  
Statutory Auditor  
Leytonstone House  
Leytonstone  
London  
E11 1GA

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# **BANSAL GROUP LTD**

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## **CONTENTS**

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	Page
<b>Group strategic report</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditor's report</b>	4 - 5
<b>Consolidated statement of comprehensive income</b>	6
<b>Consolidated balance sheet</b>	7
<b>Company balance sheet</b>	8
<b>Consolidated statement of changes in equity</b>	9
<b>Company statement of changes in equity</b>	10
<b>Consolidated Statement of cash flows</b>	11 - 12
<b>Notes to the financial statements</b>	13 - 29
The following pages do not form part of the statutory financial statements:	
<b>Company detailed profit and loss account and summaries</b>	30 - 31

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## BANSAL GROUP LTD

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

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#### Introduction

Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

#### Business review

The group continues to trade in the distribution of plumbing and heating materials and operates branches based around the M25.

The group had a successful year with increase in the turnover of 11%. The company continues to be competitive and by continuously reviewing its operations is well placed to take advantage of opportunities that arise.

#### Principal risks and uncertainties

The group is subject to the same general risks and uncertainties as any other business, for example, the impact of natural disasters, changes in general economic conditions including interest rate fluctuations and the impact of competition. We do not consider there to be any principal risks and uncertainties that are specific to us.

#### Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover and gross profit. Turnover increased by £2,384,314 to £23,216,249 and Gross Profit increased by £48,005 to £4,187,557.

This report was approved by the board on 4 December 2017 and signed on its behalf.

**J S Bansal**  
Director



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## **BANSAL GROUP LTD**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their report and the financial statements for the year ended 31 March 2017.

#### **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.

#### **Principal activities**

The company's principal activity is that of a holding company.

The principal activity of its subsidiary, Bansal Limited, is that of distributors of heating and plumbing materials.

The principal activity of its subsidiary, Bansal Management LLP, is that of the provision of personnel services.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £412,609 (2016 - £874,521).

The directors do not recommend the payment of a final dividend.

#### **Directors**

The directors who served during the year were:

Mrs R K Bansal  
J S Bansal

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**BANSAL GROUP LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

**Post balance sheet events**

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

This report was approved by the board on 4 December 2017 and signed on its behalf.



**J-S Bansal**  
Director

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANSAL GROUP LTD**

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We have audited the financial statements of Bansal Group Ltd for the year ended 31 March 2017, set out on pages 6 to 29. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

**Respective responsibilities of Directors and Auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

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 March 2017 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.

**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 group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report and the directors' report.

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**BANSAL GROUP LTD**

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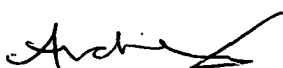
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANSAL GROUP LTD (CONTINUED)**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.



Andrew May (Senior statutory auditor)  
for and on behalf of

**Barnes Roffe LLP**  
Chartered Accountants  
Statutory Auditor  
Leytonstone House  
Leytonstone  
London  
E11 1GA

Date: 8 December 2017



**BANSAL GROUP LTD**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	4	23,216,249	20,831,935
Cost of sales		(19,028,692)	(16,692,383)
<b>Gross profit</b>		<b>4,187,557</b>	<b>4,139,552</b>
Selling and distribution costs		(394,974)	(287,827)
Administrative expenses		(3,276,023)	(2,766,613)
Other operating income	5	32,225	34,632
<b>Operating profit</b>	6	<b>548,785</b>	<b>1,119,744</b>
Interest receivable and similar income	10	1	2
Interest payable and similar charges	11	(30,480)	(12,325)
<b>Profit before taxation</b>		<b>518,306</b>	<b>1,107,421</b>
Tax on profit	12	(105,697)	(232,900)
<b>Profit for the financial year</b>		<b>412,609</b>	<b>874,521</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		<b>412,609</b>	<b>874,521</b>

There was no other comprehensive income for 2017 (2016: £NIL).

**BANSAL GROUP LTD**  
**REGISTERED NUMBER: 06820675**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	14	499,241	540,846
Tangible assets	16	475,194	324,291
Investments	17	1,250	1,250
		<u>975,685</u>	<u>866,387</u>
<b>Current assets</b>			
Stocks	18	2,668,992	2,281,767
Debtors: amounts falling due within one year	19	5,764,602	4,417,016
Cash at bank and in hand	20	2,279,818	2,401,653
		<u>10,713,412</u>	<u>9,100,436</u>
Creditors: amounts falling due within one year	21	(9,040,925)	(7,409,098)
<b>Net current assets</b>		<u>1,672,487</u>	<u>1,691,338</u>
<b>Total assets less current liabilities</b>		<u>2,648,172</u>	<u>2,557,725</u>
Creditors: amounts falling due after more than one year	22	(5,133)	(25,598)
<b>Provisions for liabilities</b>			
<b>Net assets</b>		<u><u>2,643,039</u></u>	<u><u>2,532,127</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	760	1,199
Capital redemption reserve	26	439	-
Merger reserve	26	301,258	301,258
Profit and loss account	26	2,340,582	2,229,670
<b>Equity attributable to owners of the parent Company</b>		<u><u>2,643,039</u></u>	<u><u>2,532,127</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
4 December 2017.

**J S Bansal**  
Director



The notes on pages 13 to 29 form part of these financial statements.

**BANSAL GROUP LTD**  
**REGISTERED NUMBER: 06820675**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	17	1,534,667	1,534,667
<b>Current assets</b>			
Debtors: amounts falling due within one year	19	131,855	116,610
Cash at bank and in hand	20	4,850	4,880
		<u>136,705</u>	<u>121,490</u>
Creditors: amounts falling due within one year	21	(1,244,082)	(1,238,837)
<b>Net current liabilities</b>		<u>(1,107,377)</u>	<u>(1,117,347)</u>
<b>Total assets less current liabilities</b>		<u>427,290</u>	<u>417,320</u>
<b>Net assets</b>		<u><u>427,290</u></u>	<u><u>417,320</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	760	1,199
Capital redemption reserve	26	439	-
Merger reserve	26	301,258	301,258
Profit and loss account	26	124,833	114,863
		<u>427,290</u>	<u>417,320</u>

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

**J S Bansal**  
Director

Date: 4 December 2017

**BANSAL GROUP LTD**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total equity £
<b>At 5 April 2015</b>	<b>1,199</b>	<b>-</b>	<b>301,258</b>	<b>1,436,149</b>	<b>1,738,606</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	874,521	874,521
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	874,521	874,521
Dividends: Equity capital	-	-	-	(81,000)	(81,000)
<b>Total transactions with owners</b>	-	-	-	(81,000)	(81,000)
<b>At 1 April 2016</b>	<b>1,199</b>	<b>-</b>	<b>301,258</b>	<b>2,229,670</b>	<b>2,532,127</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	412,609	412,609
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	412,609	412,609
Purchase of own shares	-	439	-	(301,697)	(301,258)
Shares redeemed during the year	(439)	-	-	-	(439)
<b>Total transactions with owners</b>	<b>(439)</b>	<b>439</b>	<b>-</b>	<b>(301,697)</b>	<b>(301,697)</b>
<b>At 31 March 2017</b>	<b>760</b>	<b>439</b>	<b>301,258</b>	<b>2,340,582</b>	<b>2,643,039</b>

**BANSAL GROUP LTD**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total equity £
<b>At 5 April 2015</b>	<b>1,199</b>	<b>-</b>	<b>301,258</b>	<b>11,010</b>	<b>313,467</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	184,853	184,853
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	184,853	184,853
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(81,000)	(81,000)
<b>Total transactions with owners</b>	-	-	-	(81,000)	(81,000)
<b>At 1 April 2016</b>	<b>1,199</b>	<b>-</b>	<b>301,258</b>	<b>114,863</b>	<b>417,320</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	311,667	311,667
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	311,667	311,667
<b>Contributions by and distributions to owners</b>					
Purchase of own shares	-	439	-	(301,697)	(301,258)
Shares redeemed during the year	(439)	-	-	-	(439)
<b>Total transactions with owners</b>	(439)	439	-	(301,697)	(301,697)
<b>At 31 March 2017</b>	<b>760</b>	<b>439</b>	<b>301,258</b>	<b>124,833</b>	<b>427,290</b>

**BANSAL GROUP LTD**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	412,609	874,521
<b>Adjustments for:</b>		
Amortisation of intangible assets	41,605	41,605
Depreciation of tangible assets	65,719	30,243
Loss on disposal of tangible assets	(115)	-
Interest paid	30,480	12,325
Interest received	(1)	(2)
Taxation charge	105,697	232,900
(Increase) in stocks	(387,225)	(406,160)
(Increase)/decrease in debtors	(1,347,589)	270,984
Increase/(decrease) in creditors	1,164,328	(1,068,116)
Corporation tax (paid)	(229,513)	(255,489)
<b>Net cash generated from operating activities</b>	<b>(144,005)</b>	<b>(267,189)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(217,301)	(175,189)
Sale of tangible fixed assets	794	-
Interest received	1	2
HP interest paid	(2,348)	-
<b>Net cash from investing activities</b>	<b>(218,854)</b>	<b>(175,187)</b>
<b>Cash flows from financing activities</b>		
Purchase of ordinary shares	(301,697)	-
Repayment of finance leases	(20,465)	(15,333)
Movements on invoice discounting	591,318	188,334
Dividends paid	-	(81,000)
Interest paid	(28,132)	(12,325)
<b>Net cash used in financing activities</b>	<b>241,024</b>	<b>79,676</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(121,835)</b>	<b>(362,700)</b>
Cash and cash equivalents at beginning of year	2,401,653	2,764,353
<b>Cash and cash equivalents at the end of year</b>	<b>2,279,818</b>	<b>2,401,653</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		

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**BANSAL GROUP LTD**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Cash at bank and in hand	<b><u>2,279,818</u></b>	<b><u>2,401,653</u></b>

The notes on pages 13 to 29 form part of these financial statements.

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## **BANSAL GROUP LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **1. General information**

Bansal Group Limited ("the Group") is a private group limited by shares, incorporated in England and Wales. Its registered office is Leytonstone House, Leytonstone, London, E11 1GA.

#### **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 following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed 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 income and retained earnings 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 05 April 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as an acquisition in accordance with UK GAAP as applied at that time.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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2. Accounting policies (continued)

2.3 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.

2.4 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 profit and loss account over its useful economic life of 20 years.

2.5 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.

Depreciation is provided on the following annual bases:

Short term leasehold buildings	- 10% straight line
Plant and machinery	- 10% straight line
Fixtures and fittings	- 10% reducing balance
Office equipment	- 20% straight line

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 the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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**2. Accounting policies (continued)**

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the consolidated profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.7 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. Work in progress and finished goods include labour and attributable overheads.

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.

**2.8 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.

**2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)**

**2.10 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**2.11 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.

**2.12 Finance costs**

Finance costs are charged to the consolidated profit and loss account 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.

**2.13 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.14 Operating leases: the Group as lessee**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)**

**2.15 Pensions**

**Defined contribution pension plan**

The Group operates defined contribution plans 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 payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

**2.16 Interest income**

Interest income is recognised in the consolidated profit and loss account using the effective interest method.

**2.17 Taxation**

Tax is recognised in the consolidated profit and loss account, 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.

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**BANSAL GROUP LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a) Critical judgments in applying accounting policies**

The company does not consider there to be any critical judgments in applying accounting policies.

**b) Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

**i) Impairment of stock**

The company supplies heating, plumbing and bathroom products that are subject to technological advancement. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provision required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of the goods.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sale of goods	<u>23,216,249</u>	<u>20,831,935</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	<u>23,216,249</u>	<u>20,831,935</u>

**5. Other operating income**

	2017 £	2016 £
Rent receivable	<u>32,225</u>	<u>34,632</u>

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**BANSAL GROUP LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**6. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	65,719	30,243
Amortisation of intangible assets, including goodwill	41,605	41,605
Other operating lease rentals	525,969	430,156
Defined contribution pension cost	52,721	30,618
Inventory recognised as an expense	19,053,692	16,692,383

**7. Auditor's remuneration**

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	12,500	12,500

**8. Employees**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,364,177	1,163,959
Social security costs	131,687	107,081
Cost of defined contribution scheme	52,721	30,618
	1,548,585	1,301,658

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

	2017 No.	2016 No.
Distribution and sales	44	45
Administration	8	7
	52	52

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**BANSAL GROUP LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**9. Directors' remuneration**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Directors' emoluments	<b>106,500</b>	<b>106,500</b>
	<b>106,500</b>	<b>106,500</b>

During the year retirement benefits were accruing to 2 directors (2016 - 2) in respect of defined contribution pension schemes.

Included in directors' remuneration is an amount of £106,500 (2016 - £106,500) in respect of members' remuneration charged as an expense in the company's subsidiary Bansal Management LLP ("the LLP"). This members' remuneration charged as an expense is due to individuals who are also directors of the company in their capacity as members of the LLP for managing the LLP. This is included in directors' remuneration above in accordance with the Companies Act 2006.

**10. Interest receivable**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Other interest receivable	<b>1</b>	<b>2</b>

**11. Interest payable and similar charges**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Group interest payable	<b>23,924</b>	<b>12,325</b>
Finance leases	<b>2,348</b>	<b>-</b>
Other interest payable	<b>4,208</b>	<b>-</b>
	<b>30,480</b>	<b>12,325</b>

**12. Taxation**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>105,697</b>	<b>232,900</b>

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**BANSAL GROUP LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>518,306</u>	<u>1,107,421</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	103,661	221,484
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	8,321	8,321
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,874	18,542
Capital allowances for year in excess of depreciation	(15,159)	(15,429)
Utilisation of tax losses	-	(18)
<b>Total tax charge for the year</b>	<u>105,697</u>	<u>232,900</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**13. Dividends**

	2017 £	2016 £
Dividends analysis paid on equity capital	<u>-</u>	<u>81,000</u>



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**BANSAL GROUP LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**14. Intangible assets****Group and Company**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2016	<b>832,081</b>
At 31 March 2017	<b>832,081</b>
<b>Amortisation</b>	
At 1 April 2016	<b>291,235</b>
Charge for the year	<b>41,605</b>
At 31 March 2017	<b>332,840</b>
<b>Net book value</b>	
At 31 March 2017	<b>499,241</b>
At 31 March 2016	<b>540,846</b>

**15. Parent Company Profit for the year**

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 income and retained earnings in these financial statements. The profit after tax of the parent Company for the year was £311,667 (2016 - £184,853).

**BANSAL GROUP LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**16. Tangible fixed assets**

**Group**

	Short term leasehold buildings £	Plant and machinery £	Fixtures, fittings and computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2016	123,489	128,332	289,791	541,612
Additions	97,106	23,612	96,583	217,301
Disposals	-	-	(794)	(794)
At 31 March 2017	220,595	151,944	385,580	758,119
<b>Depreciation</b>				
At 1 April 2016	54,155	77,650	85,516	217,321
Charge for the year on owned assets	11,520	13,792	38,360	63,672
Charge for the year on financed assets	-	-	2,047	2,047
Disposals	-	-	(115)	(115)
At 31 March 2017	65,675	91,442	125,808	282,925
<b>Net book value</b>				
At 31 March 2017	154,920	60,502	259,772	475,194
At 31 March 2016	69,334	50,682	204,275	324,291

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

	2017 £	2016 £
Fixtures, fittings and computer equipment	49,177	61,396

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**BANSAL GROUP LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**17. Fixed asset investments**

**Group**

**Other  
investments  
£**

**Cost or valuation**

**1,250**

As at 3 April 2016 and 31 March 2017

£750 of the investment is in quoted shares. It is the opinion of the directors that the market value of the investments is in excess of the cost, but not materially so.

**Company**

**Shares in  
group  
undertakings  
£**

**Cost or valuation**

As at 3 April 2016 and 31 March 2017

**1,534,667**

**As at 2 April 2016 and 31 March 2017**

**1,534,667**

Details of the principal subsidiaries can be found under note number 32.

**18. Stocks**

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Goods for resale	<b>2,668,992</b>	2,281,767	-	-
	<b><u>2,668,992</u></b>	<u>2,281,767</u>	<u>-</u>	<u>-</u>

**BANSAL GROUP LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**19. Debtors**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Trade debtors	5,309,408	4,020,305	-	-
Amounts owed by group undertakings	-	-	131,097	115,852
Other debtors	312,027	264,211	758	758
Prepayments	143,167	132,500	-	-
	<u>5,764,602</u>	<u>4,417,016</u>	<u>131,855</u>	<u>116,610</u>

**20. Cash and cash equivalents**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Cash at bank and in hand	<u>2,279,818</u>	<u>2,401,653</u>	<u>4,850</u>	<u>4,880</u>

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

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Trade creditors	5,808,839	4,794,482	-	-
Amounts owed to group undertakings	-	-	1,240,624	1,237,871
Corporation tax	107,342	231,158	3,458	966
Other taxation and social security	192,957	176,170	-	-
Obligations under finance lease	20,465	20,465	-	-
Amounts due to invoice discounting	2,084,659	1,493,341	-	-
Other creditors	623,412	575,363	-	-
Accruals and deferred income	203,251	118,119	-	-
	<u>9,040,925</u>	<u>7,409,098</u>	<u>1,244,082</u>	<u>1,238,837</u>

Included in creditors is an amount of £2,084,659 (2016 - £1,493,341) secured on certain sales ledger balances of the company.

The obligations under finance leases are secured on the assets to which they relate.

**BANSAL GROUP LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Net obligations under finance leases	<b>5,133</b>	<b>25,598</b>	<b>-</b>	<b>-</b>

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2017 £</b>	<b>Group 2016 £</b>
Within one year	<b>20,465</b>	<b>20,465</b>
Between 1-2 years	<b>5,133</b>	<b>20,465</b>
Between 2-5 years	<b>-</b>	<b>5,133</b>
	<b>25,598</b>	<b>46,063</b>

**24. Financial instruments**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>5,621,438</b>	<b>4,284,516</b>	<b>131,855</b>	<b>116,610</b>
	<b>5,621,438</b>	<b>4,284,516</b>	<b>131,855</b>	<b>116,610</b>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(6,066,147)</b>	<b>(4,949,506)</b>	<b>(1,240,624)</b>	<b>(1,237,871)</b>
	<b>(6,066,147)</b>	<b>(4,949,506)</b>	<b>(1,240,624)</b>	<b>(1,237,871)</b>

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**BANSAL GROUP LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**32. Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Holdings</b>	<b>Principal activity</b>
Bansal Limited	100 %	Distributors of heating and plumbing materials
Bansal Management LLP	100 %	Provider of personnel services