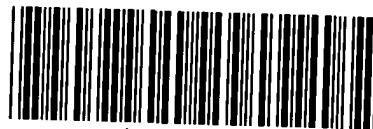

BANSAL GROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

THURSDAY



L7L6SKX6

L20

20/12/2018

#70

COMPANIES HOUSE

BANSAL GROUP LTD

COMPANY INFORMATION

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 Hanbury Drive London E11 1GA
Independent auditor	Barnes Roffe LLP Chartered Accountants Statutory Auditor Leytonstone House Leytonstone London E11 1GA

BANSAL GROUP LTD

CONTENTS

	Page
Group strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Consolidated statement of comprehensive income	7
Consolidated balance sheet	8 - 9
Company balance sheet	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13 - 14
Notes to the financial statements	15 - 31
The following pages do not form part of the statutory financial statements:	
Company detailed profit and loss account and summaries	32 - 33

BANSAL GROUP LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

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 consistent turnover. The Group 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 has remained consistent at £23,246,902 (2017 - £23,216,249), however gross profit has decreased to £4,064,839 (2017 - £4,187,557) due to difficult trading conditions. However, the Group remains well placed to prosper in these uncertain times.

This report was approved by the board on 17 December 2018 and signed on its behalf.


J S Bansal
Director

BANSAL GROUP LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

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 £181,851 (2017 - £412,609).

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

BANSAL GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Disclosure of information to auditor

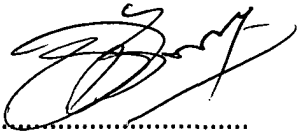
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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 17 December 2018 and signed on its behalf.



.....
J S Bansal
Director

BANSAL GROUP LTD

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

Opinion

We have audited the financial statements of Bansal Group Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

BANSAL GROUP LTD

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

BANSAL GROUP LTD

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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.



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

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

Date: 20 December 2018

BANSAL GROUP LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	23,246,902	23,216,249
Cost of sales		(19,182,063)	(19,028,692)
Gross profit		4,064,839	4,187,557
Selling and distribution costs		(464,173)	(394,974)
Administrative expenses		(3,349,383)	(3,276,023)
Other operating income	5	27,225	32,225
Operating profit	6	278,508	548,785
Interest receivable and similar income	10	-	1
Interest payable and similar charges	11	(50,173)	(30,480)
Profit before taxation		228,335	518,306
Tax on profit	12	(46,484)	(105,697)
Profit for the financial year		181,851	412,609
Profit for the year attributable to:			
Owners of the parent Company		181,851	412,609

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 15 to 31 form part of these financial statements.

BANSAL GROUP LTD
REGISTERED NUMBER: 06820675

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	457,636	499,241
Tangible assets	15	612,281	475,194
Investments	16	1,250	1,250
		<u>1,071,167</u>	<u>975,685</u>
Current assets			
Stocks	17	2,944,780	2,668,992
Debtors: amounts falling due within one year	18	4,945,081	5,764,602
Cash at bank and in hand	19	2,444,799	2,279,818
		<u>10,334,660</u>	<u>10,713,412</u>
Creditors: amounts falling due within one year	20	(8,580,937)	(9,040,925)
Net current assets		<u>1,753,723</u>	<u>1,672,487</u>
Total assets less current liabilities		<u>2,824,890</u>	<u>2,648,172</u>
Creditors: amounts falling due after more than one year	21	-	(5,133)
Provisions for liabilities			
Net assets		<u><u>2,824,890</u></u>	<u><u>2,643,039</u></u>
Capital and reserves			
Called up share capital	24	760	760
Capital redemption reserve	25	439	439
Merger reserve	25	301,258	301,258
Profit and loss account	25	2,522,433	2,340,582
Equity attributable to owners of the parent Company		<u><u>2,824,890</u></u>	<u><u>2,643,039</u></u>

BANSAL GROUP LTD
REGISTERED NUMBER: 06820675

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
17 December 2018.

J S Bansal
Director



The notes on pages 15 to 31 form part of these financial statements.

BANSAL GROUP LTD
REGISTERED NUMBER: 06820675

COMPANY BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	16	1,534,667	1,534,667
Current assets			
Debtors: amounts falling due within one year	18	137,926	131,855
Cash at bank and in hand	19	4,760	4,850
		<u>142,686</u>	<u>136,705</u>
Creditors: amounts falling due within one year	20	(1,246,482)	(1,244,082)
Net current liabilities		<u>(1,103,796)</u>	<u>(1,107,377)</u>
Net assets		<u><u>430,871</u></u>	<u><u>427,290</u></u>
Capital and reserves			
Called up share capital	24	760	760
Capital redemption reserve	25	439	439
Merger reserve	25	301,258	301,258
Profit and loss account brought forward		124,833	114,863
Profit for the year		3,581	311,667
Other changes in the profit and loss account		-	(301,697)
		<u>128,414</u>	<u>124,833</u>
Profit and loss account carried forward		<u><u>430,871</u></u>	<u><u>427,290</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
17 December 2018.

J S Bansal
Director



The notes on pages 15 to 31 form part of these financial statements.

BANSAL GROUP LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 April 2016	1,199	-	301,258	2,229,670	2,532,127
Comprehensive income for the period					
Profit for the period	-	-	-	412,609	412,609
Total comprehensive income for the period	-	-	-	412,609	412,609
Purchase of own shares	-	439	-	(301,697)	(301,258)
Shares redeemed during the period	(439)	-	-	-	(439)
Total transactions with owners	(439)	439	-	(301,697)	(301,697)
At 1 April 2017	760	439	301,258	2,340,582	2,643,039
Comprehensive income for the year					
Profit for the year	-	-	-	181,851	181,851
Total comprehensive income for the year	-	-	-	181,851	181,851
Total transactions with owners	-	-	-	-	-
At 31 March 2018	760	439	301,258	2,522,433	2,824,890

The notes on pages 15 to 31 form part of these financial statements.

BANSAL GROUP LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2016	1,199	-	301,258	114,863	417,320
Comprehensive income for the period					
Profit for the period	-	-	-	311,667	311,667
Total comprehensive income for the period	-	-	-	311,667	311,667
Purchase of own shares	-	439	-	(301,697)	(301,258)
Shares redeemed during the period	(439)	-	-	-	(439)
Total transactions with owners	(439)	439	-	(301,697)	(301,697)
At 1 April 2017	760	439	301,258	124,833	427,290
Comprehensive income for the period					
Profit for the year	-	-	-	3,581	3,581
Total comprehensive income for the year	-	-	-	3,581	3,581
Total transactions with owners	-	-	-	-	-
At 31 March 2018	760	439	301,258	128,414	430,871

The notes on pages 15 to 31 form part of these financial statements.

BANSAL GROUP LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	181,851	412,609
Adjustments for:		
Amortisation of intangible assets	41,605	41,605
Depreciation of tangible assets	89,001	65,719
Profit on disposal of tangible assets	-	(115)
Interest paid	50,173	30,480
Interest received	-	(1)
Taxation charge	46,484	105,697
(Increase) in stocks	(275,788)	(387,225)
Decrease/(increase) in debtors	819,521	(1,347,586)
(Decrease)/increase in creditors	(778,871)	1,164,325
Corporation tax (paid)	(107,677)	(229,513)
Net cash generated from operating activities	66,299	(144,005)
Cash flows from investing activities		
Purchase of tangible fixed assets	(226,088)	(217,301)
Sale of tangible fixed assets	-	794
Interest received	-	1
HP interest paid	(2,352)	(2,348)
Net cash from investing activities	(228,440)	(218,854)
Cash flows from financing activities		
Purchase of ordinary shares	-	(301,697)
Repayment of finance leases	(20,460)	(20,465)
Movements on invoice discounting	395,403	591,318
Interest paid	(47,821)	(28,132)
Net cash used in financing activities	327,122	241,024
Net increase/(decrease) in cash and cash equivalents	164,981	(121,835)
Cash and cash equivalents at beginning of year	2,279,818	2,401,653
Cash and cash equivalents at the end of year	2,444,799	2,279,818

BANSAL GROUP LTD

(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,444,799	2,279,818
	<u>2,444,799</u>	<u>2,279,818</u>

The notes on pages 15 to 31 form part of these financial statements.

BANSAL GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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, Hanbury Drive, 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 accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of 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 2018**

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 Consolidated statement of comprehensive income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is provided on the following annual bases:

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

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 the Consolidated statement of comprehensive income 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 the Consolidated statement of comprehensive income.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

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.

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 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.14 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 Consolidated statement of comprehensive income 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.

2.15 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.16 Taxation

Tax is recognised in the Consolidated statement of comprehensive income, 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.

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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:

	2018 £	2017 £
Sale of goods	23,246,902	23,216,249

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	23,246,902	23,216,249

5. Other operating income

	2018 £	2017 £
Rent receivable	27,225	32,225

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	89,001	65,719
Amortisation of intangible assets, including goodwill	41,605	41,605
Other operating lease rentals	584,694	525,969
Defined contribution pension cost	66,595	52,721
Inventory recognised as an expense	19,182,063	19,053,692
	<u>19,182,063</u>	<u>19,053,692</u>

7. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	13,213	12,500
	<u>13,213</u>	<u>12,500</u>

8. Employees

Staff costs were as follows:

	Group 2018 £	Group 2017 £
Wages and salaries	1,397,272	1,364,177
Social security costs	151,077	131,687
Cost of defined contribution scheme	66,595	52,721
	<u>1,614,944</u>	<u>1,548,585</u>

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

	2018 No.	2017 No.
Distribution and sales	44	44
Administration	8	8
	<u>52</u>	<u>52</u>

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	76,500	106,500

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

Included in directors' remuneration is an amount of £76,500 (2017 - £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 and similar income

	2018 £	2017 £
Other interest receivable	-	1

11. Interest payable and similar expenses

	2018 £	2017 £
Group interest payable	47,102	23,924
Finance leases	2,352	2,348
Other interest payable	719	4,208
	50,173	30,480

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	46,484	105,697

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>228,335</u>	<u>518,306</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	43,384	103,661
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	7,905	8,321
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,470	8,874
Capital allowances for year in excess of depreciation	(17,275)	(15,159)
Total tax charge for the year	<u><u>46,484</u></u>	<u><u>105,697</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Intangible assets**Group and Company**

	Goodwill £
Cost	
At 1 April 2017	832,081
At 31 March 2018	832,081
Amortisation	
At 1 April 2017	332,840
Charge for the year	41,605
At 31 March 2018	374,445
Net book value	
At 31 March 2018	457,636
At 31 March 2017	499,241

14. 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 £3,581 (2017 - £311,667).

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Tangible fixed assets

Group

	Short term leasehold buildings £	Plant and machinery £	Fixtures, fittings and computer equipment £	Total £
Cost				
At 1 April 2017	220,595	151,944	385,580	758,119
Additions	174,764	17,725	33,599	226,088
At 31 March 2018	395,359	169,669	419,179	984,207
Depreciation				
At 1 April 2017	65,675	91,442	125,808	282,925
Charge for the year on owned assets	21,395	7,766	47,561	76,722
Charge for the year on financed assets	-	-	12,279	12,279
At 31 March 2018	87,070	99,208	185,648	371,926
Net book value				
At 31 March 2018	308,289	70,461	233,531	612,281
At 31 March 2017	154,920	60,502	259,772	475,194

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

	2018 £	2017 £
Fixtures, fittings and computer equipment	47,071	49,177

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. Fixed asset investments**Group**

**Other
investments
£**

Cost

1,250

As at 1 April 2017 and 31 March 2018

£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

1,534,667

As at 1 April 2017 and 31 March 2018

Details of the principal subsidiaries can be found under note number 31.

17. Stocks

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Goods for resale	2,944,780	2,668,992	-	-

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	4,470,860	5,309,408	-	-
Amounts owed by group undertakings	-	-	137,168	131,097
Other debtors	321,842	312,027	758	758
Prepayments	152,379	143,167	-	-
	<u>4,945,081</u>	<u>5,764,602</u>	<u>137,926</u>	<u>131,855</u>

19. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	<u>2,444,799</u>	<u>2,279,818</u>	<u>4,760</u>	<u>4,850</u>

20. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	5,281,838	5,808,839	-	-
Amounts owed to group undertakings	-	-	1,243,997	1,240,624
Corporation tax	46,149	107,342	2,485	3,458
Other taxation and social security	150,672	192,957	-	-
Obligations under finance lease	5,138	20,465	-	-
Amounts due to invoice discounting	2,480,062	2,084,659	-	-
Other creditors	461,676	623,412	-	-
Accruals	155,402	203,251	-	-
	<u>8,580,937</u>	<u>9,040,925</u>	<u>1,246,482</u>	<u>1,244,082</u>

Included in creditors is an amount of £2,480,062 (2017 - £2,084,659) 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 2018**

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Net obligations under finance leases and hire purchase contracts	-	5,133	-	-

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £
Within one year	5,133	20,465
Between 1-5 years	-	5,133
	5,133	25,598

23. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,444,799	2,279,818	4,760	4,850
Financial assets that are debt instruments measured at amortised cost	4,704,565	5,609,332	137,926	131,855
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
	7,149,364	7,889,150	142,686	136,705
Financial liabilities				
Financial liabilities measured at amortised cost	(8,383,979)	(8,745,622)	(1,243,997)	(1,240,624)

BANSAL GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

24. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
760 Ordinary shares of £1 each	<u>760</u>	<u>760</u>

All shares have equal rights, and there are no restrictions on the distribution of dividends and the repayment of capital.

25. Reserves

Capital redemption reserve

The capital redemption reserve represents amounts as a result of the share buyback.

Merger Reserve

The merger reserve represents amounts as a result of the share for share exchange with the former shareholders of Bansal Limited.

Profit and loss account

The profit and loss account represents accumulated profits and losses of the company since incorporation less dividends paid.

26. Contingent liabilities

The company has entered into an unlimited guarantee with its subsidiary in respect of borrowings.

27. Pension commitments

The group operates a group personal pension scheme which is available to all employees. The pension cost charge represents contributions payable to the fund and amounted to £66,595 (2017 - £52,721). At the balance sheet date contributions totalling £10,953 (2017 - £9,283) were payable to the fund and are included in other creditors due within one year.

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

28. Commitments under operating leases

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	269,927	254,856
Later than 1 year and not later than 5 years	1,294,348	848,125
Later than 5 years	1,555,546	1,059,521
Land and buildings	3,119,821	2,162,502
	Group 2018 £	Group 2017 £
Not later than 1 year	71,792	58,803
Later than 1 year and not later than 5 years	97,531	21,142
Other	169,323	79,945

29. Related party transactions

At the year end an amount of £408,324 (2017 - £560,075) was owed by the group to the directors of the company.

The group occupies a property owned by a company under common control. The rent charged during the year was £81,700 (2017 - £81,700). At the year end the group was owed £311,103 (2017 - £289,145) from this company.

30. Controlling party

The ultimate controlling party is J S Bansal.

BANSAL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

31. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Holding	Principal activity
Bansal Limited	100 %	Distributors of heating and plumbing materials
Bansal Management LLP	100 %	Provider of personnel services