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**BANSAL GROUP LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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## BANSAL GROUP LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Mrs R K Bansal J S Bansal
	Mr J S Bansal
	Mr K S Bansal
<b>Company secretary</b>	Mr P S Bansal
<b>Registered number</b>	06820675
<b>Registered office</b>	Leytonstone House Hanbury Drive Leytonstone London E11 1GA
<b>Independent auditor</b>	Barnes Roffe LLP Chartered Accountants
	Statutory Auditor Leytonstone House Leytonstone London E11 1GA

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**BANSAL GROUP LIMITED**

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**CONTENTS**

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	Page
<b>Group strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Independent auditor's report</b>	<b>4 - 7</b>
<b>Consolidated statement of comprehensive income</b>	<b>8</b>
<b>Consolidated balance sheet</b>	<b>9</b>
<b>Company balance sheet</b>	<b>10</b>
<b>Consolidated statement of changes in equity</b>	<b>11</b>
<b>Company statement of changes in equity</b>	<b>12</b>
<b>Consolidated statement of cash flows</b>	<b>13</b>
<b>Notes to the financial statements</b>	<b>14 - 29</b>

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## **BANSAL GROUP LIMITED**

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### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022**

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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 an increase in turnover and gross profit. The Group remains competitive and by continuously reviewing its operations it 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 to £22,785,654 (2021 - £19,330,471), and gross profit increased to £4,126,123 (2021 - £3,483,657).

This report was approved by the board on 10 October 2022 and signed on its behalf.

**J S Bansal**  
Director

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## BANSAL GROUP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their report and the financial statements for the year ended 31 March 2022.

#### 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 £175,728 (2021 - £166,642).

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 LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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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 Group since the year end.

This report was approved by the board on 10 October 2022 and signed on its behalf.

**J S Bansal**

Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANSAL GROUP LIMITED**

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**Opinion**

We have audited the financial statements of Bansal Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, 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 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANSAL GROUP LIMITED (CONTINUED)**

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**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 set out 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.

**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 Group financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANSAL GROUP LIMITED (CONTINUED)**

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, are as follows:
  - ° Companies Act 2006.
  - ° FRS102.
  - ° Tax legislation
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing board minutes and inspecting legal correspondence;
- Laws and regulations were communicated within the audit team at the planning meeting, and the audit team remained alert to instances of non-compliance throughout the audit; and
- As auditors of all group companies we were able to cover the above matters at a group and component level and thereby ensure the audit team were aware of the above matters across all group companies.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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**BANSAL GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANSAL GROUP LIMITED (CONTINUED)**

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**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

10 October 2022

**BANSAL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	22,785,654	19,330,471
Cost of sales		(18,659,531)	(15,846,814)
<b>Gross profit</b>		<b>4,126,123</b>	<b>3,483,657</b>
Selling and distribution costs		(396,638)	(274,856)
Administrative expenses		(3,481,748)	(3,236,954)
Other operating income	5	25,167	282,684
<b>Operating profit</b>	6	<b>272,904</b>	<b>254,531</b>
Interest payable and similar charges	10	(21,387)	(16,781)
<b>Profit before taxation</b>		<b>251,517</b>	<b>237,750</b>
Tax on profit	11	(75,789)	(71,108)
<b>Profit for the financial year</b>		<b>175,728</b>	<b>166,642</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		<b>175,728</b>	<b>166,642</b>

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 14 to 29 form part of these financial statements.

**BANSAL GROUP LIMITED**  
**REGISTERED NUMBER: 06820675**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	291,216	332,821
Tangible assets	14	418,530	354,333
Investments	15	1,250	1,250
		<u>710,996</u>	<u>688,404</u>
<b>Current assets</b>			
Stocks	16	3,276,840	2,405,551
Debtors: amounts falling due within one year	17	4,830,237	4,538,320
Cash at bank and in hand	18	3,213,804	3,859,771
		<u>11,320,881</u>	<u>10,803,642</u>
Creditors: amounts falling due within one year	19	(8,573,635)	(8,238,712)
<b>Net current assets</b>		<u>2,747,246</u>	<u>2,564,930</u>
<b>Total assets less current liabilities</b>		<u>3,458,242</u>	<u>3,253,334</u>
Creditors: amounts falling due after more than one year	20	(99,180)	-
<b>Net assets</b>		<u><u>3,359,062</u></u>	<u><u>3,253,334</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	760	760
Capital redemption reserve	23	439	439
Merger reserve	23	301,258	301,258
Profit and loss account	23	3,056,605	2,950,877
<b>Equity attributable to owners of the parent Company</b>		<u><u>3,359,062</u></u>	<u><u>3,253,334</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 October 2022.

**J S Bansal**

Director

The notes on pages 14 to 29 form part of these financial statements.

**BANSAL GROUP LIMITED**  
**REGISTERED NUMBER: 06820675**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	15	1,534,667	1,534,667
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	163,281	172,745
Cash at bank and in hand	18	4,658	4,658
		<u>167,939</u>	<u>177,403</u>
Creditors: amounts falling due within one year	19	(1,263,348)	(1,260,618)
<b>Net current liabilities</b>		(1,095,409)	(1,083,215)
<b>Net assets</b>		<u><u>439,258</u></u>	<u><u>451,452</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	760	760
Capital redemption reserve	23	439	439
Merger reserve	23	301,258	301,258
Profit and loss account brought forward		148,995	127,457
Profit for the year		57,806	21,538
Other changes in the profit and loss account		(70,000)	-
		<u>136,801</u>	<u>148,995</u>
Profit and loss account carried forward		<u><u>439,258</u></u>	<u><u>451,452</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 October 2022.

**J S Bansal**  
Director

The notes on pages 14 to 29 form part of these financial statements.

**BANSAL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	<b>760</b>	<b>439</b>	<b>301,258</b>	<b>2,784,235</b>	<b>3,086,692</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	166,642	166,642
<b>At 1 April 2021</b>	<b>760</b>	<b>439</b>	<b>301,258</b>	<b>2,950,877</b>	<b>3,253,334</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	175,728	175,728
Dividends: Equity capital	-	-	-	(70,000)	(70,000)
<b>At 31 March 2022</b>	<b>760</b>	<b>439</b>	<b>301,258</b>	<b>3,056,605</b>	<b>3,359,062</b>

The notes on pages 14 to 29 form part of these financial statements.

**BANSAL GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	760	439	301,258	127,457	429,914
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	21,538	21,538
<b>At 1 April 2021</b>	760	439	301,258	148,995	451,452
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	57,806	57,806
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(70,000)	(70,000)
<b>At 31 March 2022</b>	<u>760</u>	<u>439</u>	<u>301,258</u>	<u>136,801</u>	<u>439,258</u>

The notes on pages 14 to 29 form part of these financial statements.

**BANSAL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	175,728	166,642
<b>Adjustments for:</b>		
Amortisation of intangible assets	41,605	41,605
Depreciation of tangible assets	82,600	109,969
Government grants	-	(282,684)
Interest paid	21,387	16,781
Taxation charge	75,789	71,108
(Increase)/decrease in stocks	(871,289)	262,945
(Increase)/decrease in debtors	(291,917)	149,790
Increase in creditors	18,650	80,247
Corporation tax received/(paid)	-	(139,505)
<b>Net cash generated from operating activities</b>	<b>(747,447)</b>	<b>476,898</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(31,242)	(20,999)
Government grants received	-	282,684
HP interest paid	(847)	-
<b>Net cash from investing activities</b>	<b>(32,089)</b>	<b>261,685</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(2,339)	-
Movements on invoice discounting	225,663	(50,962)
Dividends paid	(70,000)	-
Interest paid	(19,755)	(16,781)
<b>Net cash used in financing activities</b>	<b>133,569</b>	<b>(67,743)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(645,967)</b>	<b>670,840</b>
Cash and cash equivalents at beginning of year	3,859,771	3,188,931
<b>Cash and cash equivalents at the end of year</b>	<b>3,213,804</b>	<b>3,859,771</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,213,804	3,859,771



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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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, 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's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

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

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

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 2015.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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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 Operating leases: the Group as lessee**

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

**2.5 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.6 Finance costs**

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

**2.7 Pensions**

**Defined contribution pension plan**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.8 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

**2.9 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.

**2.10 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.10 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, provided on the following annual bases:

Short term leasehold buildings	-	10%	straight line
Plant and machinery	-	10%	straight line
Motor vehicles	-	25%	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 profit or loss.

**2.11 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 statement of comprehensive income 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.

**2.12 Stocks**

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

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

**2.13 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.

**2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.15 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.

**2.16 Financial instruments**

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

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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

**2.17 Dividends**

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

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

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 the 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.

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**BANSAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**4. Turnover**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sale of goods	<b><u>22,785,654</u></b>	<b><u>19,330,471</u></b>

Analysis of turnover by country of destination:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b><u>22,785,654</u></b>	<b><u>19,330,471</u></b>

**5. Other operating income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants receivable	<b><u>25,167</u></b>	<b><u>282,684</u></b>

**6. Operating profit**

The operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>82,600</b>	<b>109,969</b>
Amortisation of intangible assets, including goodwill	<b>41,605</b>	<b>41,605</b>
Other operating lease rentals	<b>679,690</b>	<b>591,227</b>
Defined contribution pension cost	<b>75,113</b>	<b>74,669</b>
Inventory recognised as an expense	<b><u>18,659,531</u></b>	<b><u>15,846,814</u></b>

**BANSAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**7. Auditor's remuneration**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u><b>15,500</b></u>	<u><b>15,000</b></u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	<u><b>15,804</b></u>	<u><b>10,207</b></u>

**8. Employees**

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

	<b>Group</b> <b>2022</b> <b>£</b>	<i>Group</i> <i>2021</i> <i>£</i>	<b>Company</b> <b>2022</b> <b>£</b>	<i>Company</i> <i>2021</i> <i>£</i>
Wages and salaries	<b>1,336,873</b>	<i>1,373,742</i>	<b>61,500</b>	<i>61,500</i>
Social security costs	<b>140,672</b>	<i>138,000</i>	<b>-</b>	<i>-</i>
Cost of defined contribution scheme	<b>75,113</b>	<i>74,669</i>	<b>-</b>	<i>-</i>
	<u><b>1,552,658</b></u>	<u><i>1,586,411</i></u>	<u><b>61,500</b></u>	<u><i>61,500</i></u>

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

	<b>Group</b> <b>2022</b> <b>No.</b>	<i>Group</i> <i>2021</i> <i>No.</i>	<b>Company</b> <b>2022</b> <b>No.</b>	<i>Company</i> <i>2021</i> <i>No.</i>
	<b>32</b>	<i>33</i>	<b>-</b>	<i>-</i>
Distribution and sales				
	<b>10</b>	<i>10</i>	<b>2</b>	<i>2</i>
Administration				
	<u><b>42</b></u>	<u><i>43</i></u>	<u><b>2</b></u>	<u><i>2</i></u>

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**BANSAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**9. Directors' remuneration**

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

Included in directors' remuneration is an amount of £61,500 (2021 - £61,500) 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 payable and similar charges**

	2022 £	2021 £
Other interest	19,755	14,925
Finance leases and hire purchase contracts	847	-
Interest on overdue tax	785	1,856
	<u>21,387</u>	<u>16,781</u>

**11. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	75,737	71,970
Adjustments in respect of previous periods	52	(862)
	<u>75,789</u>	<u>71,108</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>251,517</u>	<u>237,750</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	47,788	45,173
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	7,905	7,905
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,798	5,063
Deferred tax not provided for	11,246	13,829
Adjustments to tax charge in respect of prior periods	52	(862)
<b>Total tax charge for the year</b>	<u><u>75,789</u></u>	<u><u>71,108</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**12. Dividends**

	2022 £	2021 £
Dividends declared and paid	<u><u>70,000</u></u>	<u><u>-</u></u>

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**BANSAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**13. Intangible assets****Group**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2021	832,081
	<hr/>
At 31 March 2022	832,081
	<hr/>
<b>Amortisation</b>	
At 1 April 2021	499,260
Charge for the year on owned assets	41,605
	<hr/>
At 31 March 2022	540,865
	<hr/>
<b>Net book value</b>	
At 31 March 2022	291,216
	<hr/>
<b>At 31 March 2021</b>	332,821
	<hr/>

**BANSAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**14. Tangible fixed assets**

**Group**

	Short term leasehold buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 April 2021	403,075	174,155	-	475,693	1,052,923
Additions	-	299	137,117	9,381	146,797
At 31 March 2022	403,075	174,454	137,117	485,074	1,199,720
<b>Depreciation</b>					
At 1 April 2021	189,583	126,189	-	382,818	698,590
Charge for the year on owned assets	34,829	8,878	-	38,893	82,600
At 31 March 2022	224,412	135,067	-	421,711	781,190
<b>Net book value</b>					
At 31 March 2022	178,663	39,387	137,117	63,363	418,530
<b>At 31 March 2021</b>	213,492	47,966	-	92,875	354,333

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

	2022 £	2021 £
Motor vehicles	137,117	-

**BANSAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**15. Fixed asset investments**

**Group**

**Other fixed  
asset  
investments  
£**

**Cost or valuation**

At 1 April 2021

1,250

At 31 March 2022

1,250

**Company**

**Investments in  
subsidiary  
companies  
£**

**Cost or valuation**

At 1 April 2021

1,534,667

At 31 March 2022

1,534,667

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Bansal Limited	Ordinary	100 %
Bansal Management LLP	Ordinary	100 %

**16. Stocks**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Goods for resale	<u>3,276,840</u>	<u>2,405,551</u>

**BANSAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**17. Debtors**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Trade debtors	<b>4,234,832</b>	3,983,304	-	-
Amounts owed by group undertakings	-	-	<b>162,523</b>	171,987
Other debtors	<b>420,628</b>	390,508	<b>758</b>	758
Prepayments	<b>174,777</b>	164,508	-	-
	<b><u>4,830,237</u></b>	<u>4,538,320</u>	<b><u>163,281</u></b>	<u>172,745</u>

**18. Cash and cash equivalents**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Cash at bank and in hand	<b><u>3,213,804</u></b>	<u>3,859,771</u>	<b><u>4,658</u></b>	<u>4,658</u>

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

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Trade creditors	<b>5,585,245</b>	5,336,829	-	-
Amounts owed to group undertakings	-	-	<b>1,258,262</b>	1,255,566
Corporation tax	<b>148,537</b>	71,963	<b>5,086</b>	5,052
Other taxation and social security	<b>36,557</b>	254,950	-	-
Obligations under finance lease and hire purchase contracts	<b>14,036</b>	-	-	-
Amounts due to invoice financing	<b>2,668,457</b>	2,442,794	-	-
Other creditors	<b>69,005</b>	91,016	-	-
Accruals	<b>51,798</b>	41,160	-	-
	<b><u>8,573,635</u></b>	<u>8,238,712</u>	<b><u>1,263,348</u></b>	<u>1,260,618</u>

Included in creditors is an amount of £2,668,457 (2021 - £2,442,794) secured on certain sales ledger balances of the company.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

**BANSAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Net obligations under finance leases and hire purchase contracts	<u><b>99,180</b></u>	<u>-</u>

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

**21. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Within one year	<b>14,036</b>	-
Between 1-5 years	<b>99,180</b>	-
	<u><b>113,216</b></u>	<u>-</u>

**22. Share capital**

	<b>2022 £</b>	<i>2021 £</i>
<b>Allotted, called up and fully paid</b>		
624 (2021 - 700) Ordinary shares of £1.00 each	<b>624</b>	700
38 (2021 - Nil) Ordinary A shares of £1.00 each	<b>38</b>	-
38 (2021 - Nil) Ordinary B shares of £1.00 each	<b>38</b>	-
60 (2021 - 60) Ordinary C shares of £1.00 each	<b>60</b>	60
	<u><b>760</b></u>	<u>760</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**23. 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.

**24. Analysis of net debt**

	At 1 April 2021 £	Cash flows £	New finance leases £	At 31 March 2022 £
Cash at bank and in hand	3,859,771	(645,967)	-	3,213,804
Debt due within 1 year	(37,092)	23,492	-	(13,600)
Finance leases	-	-	(113,216)	(113,216)
	<u>3,822,679</u>	<u>(622,475)</u>	<u>(113,216)</u>	<u>3,086,988</u>

**25. Pension commitments**

The Group operates a pension scheme which is available to all employees. The pension cost charge represents contributions payable to the fund and amounted £75,113 (2021 - £74,669). Contributions totalling £12,747 (2021 - £11,315) were payable to the fund at the balance sheet date and are included in creditors.

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**BANSAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**26. Commitments under operating leases**

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Not later than 1 year	<b>467,962</b>	<i>378,919</i>
Later than 1 year and not later than 5 years	<b>1,490,356</b>	<i>1,355,434</i>
Later than 5 years	<b>368,640</b>	<i>1,137,571</i>
	<b><u>2,326,958</u></b>	<i><u>2,871,924</u></i>

**27. Other financial commitments**

The Group has an unlimited cross guarantee with a company under common control in respect of bank borrowings. The amount guaranteed at the year end is £507,977 (2021 - £559,541).

**28. Related party transactions**

At the year end an amount of £853 (2021 - £25,777) 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 (2021 - £81,700). At the year end, the Group was owed £399,757 (2021 - £372,174) from this company.

**29. Controlling party**

The ultimate controlling party is J S Bansal.



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