

Company Registration No. 09757737 (England and Wales)

CHARLES BENTLEY PROPERTIES LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2017**

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CHARLES BENTLEY PROPERTIES LIMITED

COMPANY INFORMATION

Directors C W Bentley
S J Bentley

Secretary S J Bentley

Company number 09757737

Registered office Central House
1 Monarch Way
Loughborough
Leicestershire
LE11 5XG

Auditor RSM UK Audit LLP
Chartered Accountants
7th Floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

Business address Central House
1 Monarch Way
Loughborough
Leicestershire
LE11 5XG

CHARLES BENTLEY PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

The directors present the strategic report for the period ended 31 March 2017.

Fair review of the business

The group's key financial and other performance indicators during the period were as follows :

	2017 £'000	2016 £'000	Change %
Turnover	28,544	25,272	+12.9%
Gross Profit	9,422	9,007	+4.6%
Gross Profit as a % of Turnover	33.0%	35.6%	-2.6%
Operating Profit/ (Loss)	308	(716)	+143.0%
Profit/(loss) for the Financial Period	354	(795)	+144.5%
Shareholder's Equity	3,998	4,039	-1.0%
Current assets as % of current liabilities	77.3%	74.9%	+2.4%
Average number of employees	136	141	-3.5%

The primary focus of the business is the traditional brushware market, which accounts for about 80% of sales, and the expanding internet business ('Buy Direct 4 U' (BD4U)) which accounts for the remaining 20%.

Encouragingly, turnover has increased by 12.9% compared to the last period and this has also seen an increase in gross profit (up 4.6%) despite the slight fall in gross profit margin (33.0% compared to 35.6% last period). This fall in gross profit margin is a reflection of the pressure from unfavourable exchange rates.

The brushware side of the business has seen all its major customers retained and has also seen a significant increase in the 'dropship' facility (where consumers order from a customer website and the group fulfils the order directly). This has also been a period where the business has continued to invest in innovation and growth. In fact, the group has implemented two new mid-tier product ranges for two of its major customers.

The BD4U business has consolidated its product range and has concentrated on garden and leisure products, particularly in the summer months. This strong product mix is supported by an experienced buying and sales team.

The online business has seen its growth through channels such as E-Bay and Amazon and has reported overseas sales for this period exceeding £1 million.

The financial position of the business at the period end reflects a relatively successful trading period, showing an EBITDA improvement of £1,088k despite the challenging \$ to £ exchange rates encountered during the year. This is also reflected in a stronger balance sheet position at the period end demonstrated by the increase in current assets as a percentage of current liabilities.

KPI's included considered appropriate to business.

Principal Risks and Uncertainties

The directors monitor the key risks that the business faces and takes action to mitigate those risks. An overview of these key risks, together with the associated actions are set out below :

CHARLES BENTLEY PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

Principal risks and uncertainties (continued)

<i>Risk</i>	<i>Description</i>	<i>Achievement / Action</i>
Foreign exchange	The stock of the business is primarily purchased in US Dollars and in Euros. As a result, if the Sterling exchange rate weakens against these foreign currencies, then our operating profit will be reduced as a result.	Forward currency purchases have been put in place at the period-end in order that the business is protected against significant currency exchange rate fluctuations.
Key supplier relationships	The group has a number of significant supplier relationships which are important to the ongoing services of the business. These suppliers provide stock to an acceptable quality standard at a commercially viable price. No long-term arrangements are in place with these suppliers to guarantee availability of stock and if the suppliers stopped selling to the business (for economic or other reason) then the business may be unable to procure equivalent stock from other suppliers in a timely and cost-effective manner.	The group has long-standing and synergistic relationships with its primary suppliers. In addition, the group also buys from multiple suppliers which has the effect of reducing the risk as this business is not over-reliant on one particular supplier.
Seasonality of business and the supply chain	A higher proportion of sales takes place during the summer months and this increases the risk of liquidity and stock issues. If stock is not managed correctly, then there is the risk that a stock shortfall means that the business is not able to satisfy customer demand. Overstocking may result in liquidity pressure as funds are invested in stock and may result in the need for stock write-downs.	The directors are fully aware of seasonal and market trends and work with the purchasing and sales teams within the group to ensure that stock ordering matches the seasonal sales profile. Additionally, significant system improvements have been made over the past 12 months, allowing more accurate and timely management information to be produced and this is used to assist in the control of the business and the management of seasonal variations.
Inventory	The business is exposed to inventory risk arising as a result of a number of factors. These include the seasonality of the business, changes in product lifecycles and product pricing, changes in customer demand or taste and stock write-downs.	The business takes care to monitor its stockholding levels in order to avoid under - or over-stocking. In particular, the directors consider the seasonality of the business and the lead-time for delivery of stock and the directors understand the importance of maintaining positive and regular communication with key suppliers. Regular stock reviews and stocktakes are undertaken and the business is constantly reviewing its offerings to customers to ensure that the inventory is managed and that customer satisfaction is maximised.
Financing / liquidity	The group is highly geared as a result of loan finance and also obtains additional finance through an invoice factoring scheme. The group needs to ensure that it complies with banking covenants and meets its repayment profile.	The directors use strategic planning and a 3-year forecast to identify future funding requirements and to ensure that the cash profile of the business is appropriately managed. The management team of the group review balance sheet liquidity on a monthly basis. A close relationship with the bank is maintained and this ensures that expectations and repayment profiles are effectively communicated.

CHARLES BENTLEY PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

Future developments

The last few years have seen recent growth in the UK economy. However, risks to the development of the UK economy remain significant and economic prospects are likely to be highly influenced by European and worldwide political developments. The group has now had several successive years of significant top-line growth and has also invested in capital projects (such as the purchase of a new warehouse) to support this growth.

The group is now looking to consolidate on its strong position and reputation in the marketplace and will identify and maximise profitability for its strongest product streams through in-depth commercial reporting. The group also remains committed to the development of new products, and plans for the introduction of new product lines in the next financial year are very positive.

The increase in profit before tax of £1.4million in 2017 compared to the previous financial period is a reflection of the improved financial stability of the business. To facilitate further improvements in profitability and to support its valuable workforce the group has now strengthened its management team (including recruiting a new Head of Operations) and the directors remain confident of a continued upturn in financial performance.

Going concern

The group's business activities, together with the factors likely to affect its future development, its financial position and its exposure to the principal risks and uncertainties facing the business are described in the Strategic Report.

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, based on the continued support of the controlling shareholder, the directors and the group's bankers. Accordingly, the accounts have been prepared on a going concern basis.

Financing and liquidity risk has been identified above as one of the principal risks and uncertainties facing the business. Open and regular dialogue with the bankers mitigates this risk together with the adequate security that is provided to underwrite the loans. Subsequent to the period end the group is in advanced talks with regards to the appropriateness of bank covenants, which take into account the invoice discounting facility, working with the bankers to set more suitable covenants aligned to the group's current and future trading position. Future finance is being set and managed to assist the business to control its cashflow and to support its working capital requirements to enable future growth.

The directors have prepared forecasts for the period ending 30 June 2018. These projections have been prepared using assumptions which the directors consider to be appropriate for the current financial position of the group as regards to current expected revenues and the associated cost base.

Having reviewed these forecasts and considered the challenges presented by the current economic climate, along with support from the bankers, the directors are satisfied that the group has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.

On behalf of the board


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C W Bentley

Director

13/7/17

CHARLES BENTLEY PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

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

Principal activities

The principal activity of the company continued to be that of acting as a holding company and property rental to its trading subsidiary. The principal activity of the group continued to be that of dealing in brushware and other related products.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

C W Bentley
S J Bentley

Results and dividends

The results for the period are set out on page 7.

Particulars of dividend paid are detailed in note 10 to the financial statements.

Auditor

The auditor, RSM UK Audit LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters of strategic importance

The group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a review of its business for the period, its future developments, its going concern status and its risk management.

On behalf of the board



C W Bentley
Director

13/1/17

CHARLES BENTLEY PROPERTIES
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2017

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLES BENTLEY PROPERTIES LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements ("the financial statements") on pages 7 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent company's affairs as at 31 March 2017 and of its profit for the period 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.

Scope of the audit of the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

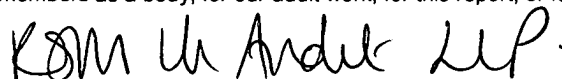
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.



Kelly Boorman (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
7th Floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

13/1/17

CHARLES BENTLEY PROPERTIES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017

		Period ended 31 March 2017 £	Period ended 27 March 2016 £
	Notes		
Turnover	3	28,543,602	25,272,186
Cost of sales		(19,121,743)	(16,265,224)
Gross profit		9,421,859	9,006,962
Administrative expenses		(9,564,640)	(10,060,751)
Other operating income		450,872	337,900
Operating profit/(loss)	4	308,091	(715,889)
Interest receivable and similar income	7	397,731	-
Interest payable and similar charges	8	(240,813)	(238,176)
Profit/(loss) on ordinary activities before taxation		465,009	(954,065)
Taxation	9	(111,479)	159,548
Profit/(loss) for the financial period		353,530	(794,517)

CHARLES BENTLEY PROPERTIES LIMITED**CONSOLIDATED BALANCE SHEET****AS AT 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	7,342,088		7,728,726	
Investment properties	13	115,437		115,437	
		<u>7,457,525</u>		<u>7,844,163</u>	
Current assets					
Stocks	16	5,062,584		4,549,048	
Debtors	17	5,591,274		5,449,367	
Cash at bank and in hand		96,792		6,134	
		<u>10,750,650</u>		<u>10,004,549</u>	
Creditors: amounts falling due within one year	18	(13,903,179)		(13,360,194)	
Net current liabilities		<u>(3,152,529)</u>		<u>(3,355,645)</u>	
Total assets less current liabilities		<u>4,304,996</u>		<u>4,488,518</u>	
Creditors: amounts falling due after more than one year	19	(230,959)		(363,252)	
Provisions for liabilities	23	(76,088)		(85,847)	
Net assets		<u>3,997,949</u>		<u>4,039,419</u>	
Capital and reserves					
Called up share capital	26	2		2	
Profit and loss reserves		3,997,947		4,039,417	
Total equity		<u>3,997,949</u>		<u>4,039,419</u>	

The financial statements on pages 7 to 33 were approved by the board of directors and authorised for issue on 13/04/2017 and are signed on its behalf by:

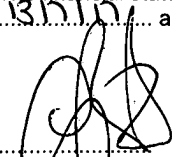

C W Bentley
Director

CHARLES BENTLEY PROPERTIES LIMITED**COMPANY BALANCE SHEET****AS AT 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investment Properties	13	4,234,596		4,234,596	
Investments	14	2		2	
		<u>4,234,598</u>		<u>4,234,598</u>	
Current assets					
Debtors	17	816		-	
Cash at bank and in hand		6,222		280	
		<u>7,038</u>		<u>280</u>	
Creditors: amounts falling due within one year	18	<u>(3,873,021)</u>		<u>(4,093,977)</u>	
Net current assets		<u>(3,865,983)</u>		<u>(4,093,697)</u>	
Total assets less current liabilities		368,615		140,901	
Creditors: amounts falling due after more than one year	19	-		-	
Net assets		<u>368,615</u>		<u>140,901</u>	
Capital and reserves					
Called up share capital	26	2		2	
Profit and loss reserves		368,613		140,899	
Total equity		<u>368,615</u>		<u>140,901</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £622,714 (2016 - £440,899).

The financial statements on pages 7 to 33 were approved by the board of directors and authorised for issue on 13/5/17 and are signed on its behalf by:


 CW Bentley
 Director

CHARLES BENTLEY PROPERTIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2015		2	5,333,934	5,333,936
Period ended 27 March 2016:				
Loss and total comprehensive income for the period		-	(794,517)	(794,517)
Dividends	10	-	(500,000)	(500,000)
Balance at 27 March 2016		2	4,039,417	4,039,419
Period ended 31 March 2017:				
Profit and total comprehensive income for the year		-	353,530	353,530
Dividends	10	-	(395,000)	(395,000)
Balance at 31 March 2017		2	3,997,947	3,997,949

CHARLES BENTLEY PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 2 September 2015		-	-	-
Period ended 27 March 2016:				
Profit and total comprehensive income for the period		-	440,899	440,899
Dividends	10	-	(300,000)	(300,000)
Issue of share capital		2	-	2
Balance at 27 March 2016		2	140,899	140,901
Period ended 31 March 2017:				
Profit and total comprehensive income for the period		-	622,714	622,714
Dividends	10	-	(395,000)	(395,000)
Balance at 31 March 2017		2	368,613	368,615

CHARLES BENTLEY PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	31	1,354,902		4,197,092	
Interest paid	8	(240,813)		(238,176)	
Income taxes refunded		69,072			-
Net cash inflow from operating activities		1,183,161		3,958,916	
Investing activities					
Purchase of tangible fixed assets		(93,076)		(4,434,295)	
Proceeds on disposal of tangible fixed assets		13,422		14,000	
Net cash used in investing activities		(79,654)		(4,420,295)	
Financing activities					
Repayment of bank loans		(435,830)		(337,245)	
Proceeds of bank loan		-		3,752,500	
Payment of finance leases obligations		(124,997)		(73,532)	
Dividends paid	10	(395,000)		(500,000)	
Net cash (used in)/from financing activities		(955,827)		2,841,723	
Net increase in cash and cash equivalents		147,680		2,380,344	
Cash and cash equivalents at beginning of year		(50,888)		(2,431,232)	
Cash and cash equivalents at end of year		96,792		(50,888)	
Relating to:					
Cash at bank and in hand		96,792		6,134	
Bank overdrafts included in creditors payable within one year		-		(57,022)	

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

Company information

Charles Bentley Properties Limited is a company limited by shares incorporated in England and Wales. The registered office is Central House, 1 Monarch Way, Loughborough, Leicestershire, LE11 5XG.

The group consists of Charles Bentley Properties Limited and all its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accruals and Reports) Regulations 2008.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the company has taken advantage of the exemptions from the disclosure requirements of;

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' paragraphs 11.39 to 11.48A and Section 12 'Other Financial Instruments Issues' paragraphs 12.26 to 12.29A, as the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Charles Bentley Properties Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Charles Bentley Properties Limited acquired the shares of its subsidiary by way of a share for share exchange in the period, thus implementing a group reconstruction.

The merger method of accounting has been applied to the group reconstruction as if the entities had always been combined. The total comprehensive income, assets and liabilities of the entities are amended, where necessary, to align the accounting policies. The carrying values of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to other reserves in equity. Any existing balances on the share premium account or capital redemption reserve of the legal subsidiary are shown as a movement on other reserves.

All financial statements are made up to 31 March 2017. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Going concern

The accounts have been prepared on a going concern basis, which assumes that the group and company will continue in operational existence for the foreseeable future, based on the continued support of the controlling shareholder, directors and the group's bankers. The directors have prepared forecasts for the period ending 30 June 2018. These projections have been prepared using assumptions which the directors consider to be appropriate for the current financial position of the group as regards to the current expected revenues and its cost base.

The group entered into an Invoice Discounting facility during the prior period to assist with the acquisition and fit out of new premises. The Invoice Discounting facility is expected to be an on-going facility. The group breached bank covenants at 31 March 2016 and throughout the period ended 31 March 2017, a waiver was not issued and in place at the period end and as a result of the breaches all debts due to the bankers have been reclassified as due within one year. Subsequent to the period end the group is in advanced talks with its bankers with regards to the review and appropriateness of bank covenants, working with the bankers to set more suitable covenants aligned to the group's current and future trading position.

Having carried out a detailed review of the group and company's resources and the challenges presented by the current economic climate, the directors are satisfied that the group and company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when; the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income

Rental income on assets leased under operating leases is recognised on a straight-line basis over the lease term and is presented within other operating income.

Commission income

Commission income is recognised on an accruals basis and is presented within other operating income.

Government grants

Grants relating to assets are classified as deferred income and recognised in income over the expected useful life of the assets to which they relate.

Intangible fixed assets - Goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, being 5 years which is in the opinion of the directors is the period over which the goodwill is expected to give rise to economic benefits.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Tangible fixed assets

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

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

Freehold property	2% straight line
Warehouse plant and machinery	10%/25% reducing balance/ 20% straight line
Factory plant and machinery	10%/20%/25% straight line / 10% reducing balance
Office plant and machinery	10%/20% straight line
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

Residual value is calculated on prices prevailing at the reporting date, after estimated cost of disposal, for the assets as if it were of the age and in the condition expected at the end of its useful life.

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

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Impairment of fixed assets (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, which is the estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated on a first in first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, and amounts due from participating interests, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, accruals and bank loans, are initially recognised at transaction price and are subsequently carried at amortised cost, being the transaction prices less any impairment losses.

Other financial liabilities

Derivatives, being forward foreign exchange contracts, are not basic financial instruments. Derivatives are measured at their fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

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

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Critical accounting estimates and areas of judgement

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

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

Critical judgements

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

Leasing

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee.

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

2 Critical accounting estimates and areas of judgement (continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stocks

Stocks are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecasts of consumer demand, the promotional, competitive and economic environment and stock loss trends.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets.

Impairment of debtors

Debtors are stated at recoverable amounts, after appropriate impairment for bad and doubtful debts. Calculation of the bad debt impairment requires judgment from the management team, based on the creditworthiness of the debtor, the agency profile of the debtor, and the historical experience.

Classification of property

In classifying the group and company's properties, management makes judgements as to whether a reliable measure of the fair value of a property is available without undue cost or effort. If a reliable measure is available then the property will be included as an investment property and measured using the fair value method, if not the group and company will account for it as a freehold property within tangible fixed assets.

Classification of investments

In classifying the investments held in associates and joint ventures, management makes judgements as to whether the company has significant influence over the entities operations.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Principal activities	28,543,602	25,272,186
Other revenue		
Commissions received	73,068	27,012
Rental income arising from investment properties	346,089	255,239
Sundry income	31,715	55,649

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2017	2016
	£	£
United Kingdom	26,699,982	24,044,699
Europe	1,213,054	730,703
Rest of World	630,566	496,784
	<u>28,543,602</u>	<u>25,272,186</u>

4 Operating (loss)/profit

	2017	2016
	£	£
Operating (loss)/profit for the period is stated after charging/(crediting):		
Exchange losses	25,377	296,731
Government grant income received	(10,496)	(9,621)
Fees payable to the company's auditor, and it's associates, for audit services:		
Audit of the group and company's financial statements	2,500	2,500
Audit of the company's subsidiaries financial statements	27,500	27,500
Depreciation of owned tangible fixed assets	298,716	241,647
Depreciation of tangible fixed assets held under finance leases	78,570	71,663
(Profit)/loss on disposal of tangible fixed assets	(1,100)	3,749
Cost of stocks recognised as an expense	17,608,268	14,867,902
Operating lease charges	<u>123,818</u>	<u>481,264</u>

5 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2017	2016
	Number	Number
Production	60	61
Sales and administration	74	78
Directors	2	2
	<u>136</u>	<u>141</u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	3,183,982	3,286,822
Social security costs	287,201	288,410
Pension costs	19,969	458,860
	<u>3,491,152</u>	<u>4,034,092</u>

The only employees of the company in the current and prior period were the directors, and they did not receive any remuneration from the company for their services as directors, as they were remunerated through the subsidiary.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

6 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	<u>21,057</u>	<u>460,028</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

7 Interest receivable and similar income

	2017	2016
	£	£
Exchange differences on financing transactions	<u>397,731</u>	<u>-</u>

8 Interest payable and similar charges

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	136,179	161,104
Other interest on financial liabilities	87,952	64,503
	<u>224,131</u>	<u>225,607</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	16,682	12,569
	<u>240,813</u>	<u>238,176</u>

9 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	121,238	-
Adjustments in respect of prior periods	-	(43,780)
Total current tax	<u>121,238</u>	<u>(43,780)</u>
Deferred tax		
Origination and reversal of timing differences	(4,990)	(95,607)
Effect of tax rate change	(4,769)	(20,161)
Total deferred tax	<u>(9,759)</u>	<u>(115,768)</u>
Total tax charge	<u>111,479</u>	<u>(159,548)</u>

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

9 Taxation (Continued)

The total tax charge for the period included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2017 £	2016 £
Profit/(loss) before taxation	465,009	(954,065)
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2016: 20%)	93,002	(190,813)
Tax effect of expenses that are not deductible in determining taxable profit	2,892	22,553
Adjustments in respect of prior periods	-	(43,780)
Depreciation on assets not qualifying for tax allowances	25,963	9,005
Effect of change in corporation tax rates	(4,538)	-
Effect of movement in unprovided deferred tax	(5,840)	-
Tax at marginal rate	-	518
Losses carried back	-	42,969
Tax expense for the period	111,479	(159,548)

10 Dividends

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Interim	-	200,000	-	-
Final	395,000	300,000	395,000	300,000
	395,000	500,000	395,000	300,000

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

11 Intangible fixed assets

	Goodwill £
Cost	
At 28 March 2016 and 31 March 2017	454,680
Amortisation and impairment	
At 28 March 2016 and 31 March 2017	454,680
Carrying amount	
At 31 March 2017	-
At 27 March 2016	-

The company had no intangible fixed assets at 27 March 2016 or 31 March 2017.

12 Tangible fixed assets

	Freehold property £	Warehouse plant and machinery £	Factory plant and machinery £	Office plant and machinery £	Motor vehicles £	Total £
Cost						
At 28 March 2016	7,300,484	619,656	825,950	690,819	232,513	9,669,422
Additions	-	65,226	8,295	19,555	-	93,076
Disposals	-	(35,370)	(226,235)	(38,164)	-	(299,769)
At 31 March 2017	7,300,484	649,512	608,010	672,210	232,513	9,462,729
Depreciation and impairment						
At 28 March 2016	538,382	373,100	405,846	454,016	169,352	1,940,696
Depreciation charged in the period	168,888	75,368	65,748	51,499	15,783	377,286
Eliminated in respect of disposals	-	(35,165)	(136,129)	(26,047)	-	(197,341)
At 31 March 2017	707,270	413,303	335,465	479,468	185,135	2,120,641
Carrying amount						
At 31 March 2017	6,593,214	236,209	272,545	192,742	47,378	7,342,088
At 27 March 2016	6,762,102	246,556	420,104	236,803	63,161	7,728,726

The company had no tangible fixed assets at 27 March 2016 or 31 March 2017.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

12 Tangible fixed assets (Continued)

The carrying value of freehold property includes:

	2017 £	2016 £
Freehold land	800,000	800,000

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2017 £	2016 £
Factory plant and machinery	394,461	512,131
Motor vehicles	-	23,501
Total	<u>394,461</u>	<u>535,632</u>

Depreciation charge for the period in respect of leased assets	<u>78,570</u>	<u>71,663</u>
--	---------------	---------------

Included within factory plant and machinery above, is machinery which was leased out during the period, with a cost of £Nil (2016: £226,370) and accumulated depreciation of £Nil (2016: £136,396).

13 Investment property – Group

Fair value	£
At 28 March 2016 and 31 March 2017	<u>115,437</u>

Investment property comprises property which is leased to third parties. The fair value of the investment property has been assessed by the directors based on the open market value. The investment property has not been subject to an external professional valuation. The directors do not consider there to be a material difference between the historic cost and the fair value.

Investment property - Company

Fair value	£
At 28 March 2016 and 31 March 2017	<u>4,234,596</u>

Investment property comprises property which is leased to the company's subsidiary. The fair value of the investment property has been assessed by the directors based on the open market value, as the property was purchased at fair value in the prior period and the directors do not consider there has been a significant change in market value during the current period. The investment property has not been subject to an external professional valuation. The directors do not consider there to be a material difference between the historic cost and the fair value.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

14 Fixed asset investments – Group		Notes	2017 £	2016 £
	Investments in participating interests	14	<u>-</u>	<u>-</u>
Movements in fixed asset investments				
				Shares in participating interests £
	Cost			
	At 28 March 2016 & 31 March 2017			<u>113,419</u>
	Impairment			
	At 28 March 2016 & 31 March 2017			<u>(113,419)</u>
	Carrying amount			
	At 31 March 2017			<u>-</u>
	At 27 March 2016			<u>-</u>
14 Fixed asset investments – Company				
			2017 £	2016 £
	Investments in subsidiaries		<u>2</u>	<u>2</u>
Movements in fixed asset investments				
				Shares in group undertakings £
	Cost			
	At 28 March 2016 & 31 March 2017			<u>2</u>
	Carrying amount			
	At 31 March 2017			<u>2</u>
	At 27 March 2016			<u>2</u>

Details of the company's subsidiary at 31 March 2017 is as follows:

Name of undertaking	Registered Office	Nature of business engineering	Class of shares and % held
Charles Bentley & Son Limited	Central House, 1 Monarch Way, Loughborough, LE11 5TP	Dealing in brushware and other related products	Ordinary -100%

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

15 Significant undertakings - Group

The group has significant holdings in undertakings which are not subsidiaries of the group and are not classified as joint ventures or associated undertakings:

Name of undertaking	Registered office	Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Warna Exporters (PVT) Limited	Industrial Park, Kandanpitiya, Bope, Padukka, Sri Lanka	Household and equestrian products	Ordinary		33.00
Summerland Brush Co	366 Gorge W Liles Pkwy Nw, Concord, North Carolina, 28027, USA	Household and equestrian products	Ordinary		50.00

All investments are held through Charles Bentley & Sons Limited.

The aggregate capital and reserves and the result for the period of significant undertakings noted above was as follows:

Name of undertaking	Profit /(Loss) £	Capital and Reserves £
Warna Exporters (PVT) Limited	47,743	314,094
Summerland Brush Co	25,015	(11,387)

16 Stocks

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Raw materials and consumables	407,105	374,195	-	-
Finished goods and goods for resale	4,655,479	4,174,853	-	-
	<u>5,062,584</u>	<u>4,549,048</u>	<u>-</u>	<u>-</u>

Included within finished goods stocks above were goods on the water at the period end date totalling £322,944 (2016: £Nil).

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

17	Debtors	Group		Company	
		2017	2016	2017	2016
	Amounts falling due within one year:	£	£	£	£
	Trade debtors	4,079,070	4,319,247	-	-
	Corporation tax recoverable	-	113,733	-	-
	Amounts due from participating interests	385,278	146,089	-	-
	Other debtors	1,083,320	802,712	816	-
	Prepayments and accrued income	43,606	67,586	-	-
		<u>5,591,274</u>	<u>5,449,367</u>	<u>816</u>	<u>-</u>

18	Creditors	Group		Company	
		2017	2016	2017	2016
	Amounts falling due within one year:	£	£	£	£
	Bank loans and overdrafts	5,437,302	5,930,154	3,471,063	3,658,696
	Obligations under finance leases	120,859	124,059	-	-
	Amounts due to group undertakings	-	-	324,535	421,139
	Trade creditors	2,717,117	1,400,063	-	-
	Corporation tax payable	76,577	-	56,928	-
	Other taxation and social security	478,970	513,079	17,995	-
	Other creditors	4,724,316	4,789,781	-	14,142
	Accruals and deferred income	348,038	603,058	2,500	-
		<u>13,903,179</u>	<u>13,360,194</u>	<u>3,873,021</u>	<u>4,093,977</u>

Included within other creditors is £4,634,805 (2016:£4,534,778), which relates to the RBS invoice discounting facility, this is secured by fixed and floating charges over all assets of the company.

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

19	Creditors	Group		Company	
		2017	2016	2017	2016
	Amounts falling due after more than one year:	£	£	£	£
	Bank loans and overdrafts	-	-	-	-
	Obligations under finance leases	146,119	267,916	-	-
	Other creditors	84,840	95,336	-	-
		<u>230,959</u>	<u>363,252</u>	<u>-</u>	<u>-</u>
	Amounts included above which fall due after five years are as follows:				
	Payable by instalments	49,490	42,857	-	-
		<u>49,490</u>	<u>42,857</u>	<u>-</u>	<u>-</u>

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

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

20 Financial instruments

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Carrying amount of financial instruments				
Debt instruments measured at amortised cost	5,547,668	5,268,048	816	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	13,311,613	12,818,392	3,798,098	4,093,977
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Borrowings

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	5,437,302	5,872,852	3,471,063	3,658,696
Bank overdrafts	-	57,302	-	-
	<u>5,437,302</u>	<u>5,930,154</u>	<u>3,471,063</u>	<u>3,658,696</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable within one year	5,437,302	5,930,154	3,471,063	3,658,696
Payable after one year	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The bank overdrafts and loans are secured by fixed and floating charges over the assets of the group, a legal charge over the property at Monarch Way and by a director personally.

For the period ended 31 March 2017 and 27 March 2016 all bank loans have been classified as due under one year as a result of breach of covenants.

The repayment terms of bank loans are as follows:

Group

A bank loan totalling £1,024,083 at 31 March 2017 (2016: £1,130,574) is repayable in monthly instalments of £10,765 until 31 March 2019 and incurs interest at 1.25% above bank base rate.

A bank loan totalling £106,617 at 31 March 2017 (2016: £128,010) is repayable in monthly instalments of £1,836 until 31 March 2019 and incurs interest at 1.25% above bank base rate.

A bank loan totalling £63,231 at 31 March 2017 (2016: £123,977) is repayable in monthly instalments of £5,355 until 31 March 2018 and incurs interest at 1.25% above bank base rate.

A bank loan totalling £772,308 at 31 March 2017 (2016: £831,603) is repayable in quarterly instalments in the region of £14,000 until 31 October 2017 and incurs interest at 1.25% above bank base rate.

Company

A bank loan totalling £3,471,063 at 31 March 2017 (2016: £3,658,688) is repayable in quarterly instalments of £46,906 until 22 September 2035 and incurs interest at 1.45% above bank base rate.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

22 Finance lease obligations - Group

	2017	2016
	£	£
Future minimum lease payments due under finance leases:		
Less than one year	130,703	131,484
Between one and five years	151,238	288,078
	<u>281,941</u>	<u>419,562</u>
Less: future finance charges	(14,963)	(27,587)
	<u>266,978</u>	<u>391,975</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All are secured on the assets to which they relate.

The company has no finance leases.

23 Provisions for liabilities - Group

	2017	2016
	£	£
	Notes	
Deferred tax liabilities	24	
	76,088	85,847
	<u>76,088</u>	<u>85,847</u>

The company has no deferred tax assets or liabilities.

24 Deferred taxation – Group

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

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
ACAs	163,584	202,624
Other timing differences	(8,624)	(4,561)
Tax losses carried forward and other deductions	(78,872)	(112,216)
	<u>76,088</u>	<u>85,847</u>

The group's deferred tax liability set out above relates to short term timing differences which are expected to reverse in future periods.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

24 Deferred taxation (Continued)

	Group 2017 £
Movements in the year:	
Liability at 28 March 2016	85,847
Charge to profit or loss	(4,990)
Effect of change in tax rates	(4,769)
Liability at 31 March 2017	<u>76,088</u>

25 Retirement benefit schemes

Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £19,969 (2016 - £458,860). Contributions totalling £6,430 (2016: £3,715) were payable to the fund at the period end and are included within creditors.

26 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
4 Ordinary shares of 50p each	<u>2</u>	<u>2</u>

27 Operating lease commitments

Group as lessee

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

	2017 £	2016 £
Within one year	154,200	154,200
Between two and five years	77,100	231,300
	<u>231,300</u>	<u>385,500</u>

The company had no operating leases as lessee.

Company as lessor

At the reporting end date the company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments which fall due as follows:

	2017 £	2016 £
Within one year	359,800	359,800
Between two and five years	179,900	539,700
	<u>539,700</u>	<u>899,500</u>

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2017	2016
	£	£
Aggregate compensation	21,057	460,459

During the year the company paid dividends totalling £395,000 (2015: £300,000) to the directors of the company.

Other transactions

Charles Bentley & Son Limited owns a 33% shareholding in Warna Exporters (PVT) Limited, a company incorporated in Sri Lanka.

Charles Bentley & Son Limited made purchases from this company during the period amounting to £291,458 (2016: £194,950). During the period Charles Bentley & Son Limited recharged Warna Exporters (PVT) Limited for rental of machinery amounting to £Nil (2016: £12,464). At the period end Warna Exporters (PVT) Limited owed Charles Bentley & Son Limited £228,826 (2016: £92,576) after providing £76,489 (2016: £206,376) against the balance.

Charles Bentley & Son Limited own a 50% shareholding in Summerland Brush Co, a company incorporated in the USA.

Charles Bentley & Son Limited made sales to this company during the period amounting to £94,314 (2016: £143,179). At the period end Summerland Brush Co owed Charles Bentley & Son Limited £156,452 (2016: £53,514) after providing £235,943 (2016: £235,943) against the balance.

CW Bentley has personally guaranteed the bank debt of Charles Bentley & Son Limited to the value of £2,000,000 (2016: £2,000,000).

During the period the group paid £Nil (2016: £180,000) to CW Bentley for the rent of the group premises.

At the period end CW Bentley owed the group and company £816 (2016: was owed by the group £2,452), and this amount is included within other debtors (2016: other creditors). Interest has been charged at the official HMRC beneficial loan rate. The maximum balance during the year was £420,816 (2016: £285,856).

At the period end NF Steel was owed £Nil (2016: £Nil) by the company. The maximum balance during the period was £Nil (2016: £75,000). No interest has been charged on this loan.

During the period the group paid an amount of £163,042 (2016 £440,000) to The Charles Bentley Self-Administered Pension Scheme, to which CW Bentley is the main beneficiary. At the period end a balance of £Nil (2016 £119,856) was owed from this fund and is included in other debtors.

29 Other financial commitments

At the period end date the group had foreign exchange commitments, being US Dollar forward contracts which would mature at various dates after the period end. The group had £2,652,164 (2016: £Nil) of US Dollar forward contracts at the period end. These are stated in the financial statements at £Nil (2016: £Nil). There is no material difference between the fair value (value based on available market data) of these contracts and the value carried in the financial statements.

30 Controlling party

CW Bentley is the ultimate controlling party of Charles Bentley Properties Limited.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

31 Cash generated from group operations

	2017	2016
	£	£
Profit/(loss) for the period after tax	353,530	(794,517)
Adjustments for:		
Taxation charged/(credited)	111,479	(159,548)
Finance costs	240,813	238,176
Investment income	(397,731)	-
(Gain)/loss on disposal of tangible fixed assets	(1,100)	3,749
Depreciation of tangible fixed assets	377,286	313,310
Movements in working capital:		
(Increase)/decrease in stocks	(513,536)	893,410
Decrease/(increase) in debtors	232,197	(518,087)
Increase/(decrease) in creditors	851,937	(314,179)
Increase in RBS invoice discounting facility	100,027	4,534,778
Cash generated from operations	<u>1,354,902</u>	<u>4,197,092</u>