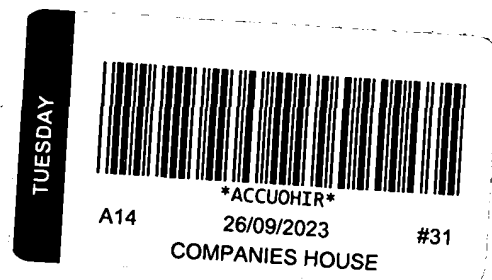


CHARLES BENTLEY PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023



CHARLES BENTLEY PROPERTIES LIMITED

COMPANY INFORMATION

Directors	C W Bentley S J Bentley J Bentley S Pollard
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 East West Building Tollhouse Hill Nottingham NG1 5FS
Business address	Central House 1 Monarch Way Loughborough Leicestershire LE11 5XG

CHARLES BENTLEY PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their strategic report for the year ended 31 March 2023.

Fair Review of the Business

The Groups' key financial and other performance indicators during the year were as follows:

	2023 £'000	2022 £'000	Change %
Turnover	25,851	33,135	-22%
Gross Profit	7,749	9,465	-18%
Gross Profit as a % of Turnover	30%	29%	+1%
Operating Profit / (Loss)	180	(85)	+312%
Profit / (Loss) for the Financial Year	63	(204)	+131%
Shareholder's Equity	6,544	6,762	-3%
Current assets as % of current liabilities	193%	167%	+27%
Average number of employees	139	160	-13%

We have had a commercially challenging year, where sales volumes have suffered as a result of the "cost of living crisis", most notably impacting our online sales. Turnover decreased from £33M last year to £26M this year. Core product sales were consistent year on year at £19M, whereas our online retail sales fell to £7M (2022: £15M). We have historically been quite a seasonal business, with summer being our peak trading season in particular for online sales. Summer 2022 saw the worst retail confidence for some time in the UK and this combined with high legacy garden product prices, meant our online trading suffered.

For online sales we didn't see any improvement in sales for Q3 or Q4, where consumers still did not appear to have available funds to spend on non-essential purchases. The sales for core products have been reasonably stable this year, but sales volumes have also been under pressure and we saw a marked reduction in our promotional sales activity as a number of retailers didn't have available space to hold the bulk products in their warehouses.

Positively this year has seen a return to more stability in supply chain pricing. Supply chain availability has also gradually improved during the period and suppliers now have more capacity to make our products, require shorter lead times and smaller deposits. The availability of shipping containers has also improved, meaning that over the course of the year, pricing gradually returned to close to pre-pandemic levels.

The management of balance sheet stock levels has been a key objective of the board throughout the year. Gross balance sheet stock (impacted by surging container prices) peaked at £8.1M in November 2021. As at March 2022 stock had declined to £7.3M and by March 2023 had been strategically managed down to £5.1M, significantly reducing the working capital burden on the business.

CHARLES BENTLEY PROPERTIES LIMITED

STRATEGIC REPORT CONTINUED

FOR THE YEAR ENDED 31 MARCH 2023

Principal Risks and Uncertainties

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

<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 year-end to ensure the business is protected against significant currency exchange rate fluctuations. We aim to have 30%-50% of our forward currency requirements for the next 12 months in place at any one point in time. We continue to put forward contracts in place.
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.	<p>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 the business is not over-reliant on one particular supplier. The number of suppliers has been expanded throughout the year to March 2023 to lessen the reliance on those key suppliers.</p> <p>The majority of the Group's suppliers are based in the UK, Europe, China and Sri-Lanka, many of which were hit throughout year to March 2022 with periods of lockdown and or difficulty supplying product deliveries. During the year to March 2023, this situation improved and the supply availability seems to be back at pre-pandemic levels.</p>
Inventory	<p>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 value of year end stock as at 2022 had vastly increased, with extra freight costs accounting for about a 20% increase in the cost of stock.</p> <p>During 2023 the ratio of product cost to carriage cost in stock has reduced significantly, except for legacy garden stock held due to poor summer trading in summer 2022.</p>	<p>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.</p> <p>Throughout the financial year the board monitored stock closely to bring the stock holding down and to free up working capital. The year end gross stock balance reduced by £1.5M (from year end March 2022 to year end March 2023) as a result of this exercise.</p>

CHARLES BENTLEY PROPERTIES LIMITED

STRATEGIC REPORT CONTINUED

FOR THE YEAR ENDED 31 MARCH 2023

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.	<p>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.</p> <p>Whilst the year to March 2023 has been very challenging from a working capital perspective (due to reduced turnover, increased costs and the burden of expensive legacy stock holding) the board have managed the cash requirements of the business well. We have managed to retain facility headroom despite the challenges of the demands on cash.</p>
Fluctuating sales and profitability	The board recognise the significant fluctuation in sales that can impact the Group as a result of external economic and political factors as well as global events, such as a pandemic	<p>The board regularly review the external environment (including competitor activity) and discuss the affect this could have on the short, medium and long-term turnover and profitability of the business.</p> <p>All business KPI's are regularly reviewed for appropriateness and negative trends. Scenario financial forecasts are provided quarterly to the board for examination, to enable appropriate strategic decisions to be taken to protect the financial health of the business.</p>

Future developments

The commercial trading environment is still proving to be subject to fluctuations and more difficult to predict than historically, albeit more predictable seasonal buying patterns are starting to re-emerge.

Noting the challenges of the year to March 2023 and with a view to trying to reduce the impact a poor summer season can have on the profitability of the business, we are introducing a number of new "winter ranges". In the Autumn of 2022 we introduced the "Snug" and "Fireside" ranges, which are indoor fireside winter ranges rather than outdoor summer garden ranges and we look forward to a full season of sales in the winter of 2023. We have a number of other new winter products on order, which will be ready to launch in Autumn 2023 helping to improve the sales balance between summer and winter for online sales.

The weather in April 2023 meant a slow start to the new financial year, but online sales in May and June have improved significantly, we are therefore of the view that we are starting to see the reported increase in consumer confidence and the falling rates of inflation filtering through to better online sales after the very depressed market in year to March 2023.

As well as the uplift in sales for summer 2023, we are now starting to benefit from reduced container prices (now back to pre-pandemic levels for the first time in 3 years). We also saw some significantly negative fluctuations in USD/GBP exchange rates in 2022, as we go into 2023 the rate has improved from the lows of 1.07/£1 that we saw last year, with currently an analysts' expectation of a less volatile period ahead. This will support our margins going forward and allow us to financially stabilise after a challenging couple of years.

CHARLES BENTLEY PROPERTIES LIMITED

STRATEGIC REPORT CONTINUED

FOR THE YEAR ENDED 31 MARCH 2023

Going concern

The accounts have been prepared on a going concern basis based on the continued support of the directors and the group's bankers.

The group financial covenants were breached at the year end 31 March 2023, the directors had advised the group's bankers of the likely breach to the covenants ahead of the year end and obtained a waiver from the bank before the year end.

The group has seen a reduction in online sales due to the market conditions. The directors have prepared detailed forecasts including cashflows, headroom and covenant calculations to 30 September 2024. The directors consider there to be a risk that the covenants set for 30 June 2023, September 2023 and December 2023 are breached if trading activities continue to slow and stock ageing increases and accept that there is some doubt over whether the group can continue as a going concern.

However, the group's bankers continue to work closely with the directors, while identifying the risk of further covenant breaches and challenges presented by the current economic and geopolitical climate, have considered the potential impacts and are satisfied that the company has sufficient cash flows to meet liabilities as they fall due.

The directors consider that despite there being risks associated with going concern do consider that with the support of the bank, which has so far been forthcoming, that the group have adequate resources to enable them to continue in operational existence for the foreseeable future.

Financial risk management

The directors deem that debtor control and management continue to be a significant area of risk for the upcoming financial year given the possible risk of general economic downturn amid increasing rates of inflation. All customer credit limits are being actively monitored and flexed according to the best information available to minimise the risk to the business.

The Directors have prepared forecasts for the period ending 30 September 2024. 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, 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

S. Pollard

.....
S Pollard
Director

21/09/23
.....

CHARLES BENTLEY PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of acting as a holding company and property rental to its wholly owned 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
J Bentley
S Pollard

Results and dividends

The results for the period are set out on page 10.

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 group'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 group'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

S. Pollard

.....
S Pollard
Director

21/09/23

CHARLES BENTLEY PROPERTIES

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 year. 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 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 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit opinion

We have audited the financial statements of Charles Bentley Properties Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report below 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 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Material uncertainty related to going concern

We draw attention to the comprehensive income statement in the financial statements, which shows a reduction in turnover of £7.2m and a small profit of £31,495 during the year ended 31 March 2023. The group would have breached financial covenants at 31 March 2023 had the bank not waived them, and as stated in note 1 of the financial statements these events, along with the other matters set out in the note, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Except for the possible effects of the matter described in the basis for qualified opinion, in the light of the knowledge and understanding of the group and the parent company and their 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 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 6 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 financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLES BENTLEY PROPERTIES LIMITED
(CONTINUED)**

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments using data analytics software;
- evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- cut-off testing and substantive testing procedures using financial data analytics software to validate revenue recognition throughout the year.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Boorman

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

22/09/23
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CHARLES BENTLEY PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	25,850,996	33,134,658
Cost of sales		(18,101,565)	(23,669,349)
Gross profit		7,749,431	9,465,309
Administrative expenses		(8,244,296)	(10,181,309)
Other operating income		675,138	630,602
Operating profit / (loss)	4	180,273	(85,398)
Interest receivable and similar income	7	103,122	78,000
Interest payable and similar charges	8	(219,843)	(196,677)
Profit / (Loss) before taxation		63,552	(204,075)
Taxation	9	(32,057)	26,493
Profit / (Loss) after taxation for the financial year		31,495	(177,582)

Total comprehensive income for the period is all attributable to the owners of the parent company.

CHARLES BENTLEY PROPERTIES LIMITED**CONSOLIDATED BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	11		41,605		67,383
Tangible assets	12		5,914,985		6,202,215
			<u>5,956,590</u>		<u>6,269,598</u>
Current assets					
Stocks	15	5,129,903		7,330,838	
Debtors	16	3,306,998		3,421,812	
Cash at bank and in hand		316,817		217,393	
			<u>8,753,718</u>	<u>10,970,043</u>	
Creditors: amounts falling due within one year	17	(4,547,224)		(6,555,302)	
Net current liabilities			<u>4,206,494</u>		<u>4,414,741</u>
Total assets less current liabilities			<u>10,163,084</u>		<u>10,684,339</u>
Creditors: amounts falling due after more than one year	18		(3,619,364)		(3,922,114)
Net assets			<u>6,543,720</u>		<u>6,762,225</u>
Capital and reserves					
Called up share capital	25		2		2
Profit and loss reserves			6,543,718		6,762,223
Total equity			<u>6,543,720</u>		<u>6,762,225</u>

The financial statements on pages 10 to 38 were approved by the board of directors and authorised for issue on 21/09/23 and are signed on its behalf by:

S. Pollard

S Pollard
Director

CHARLES BENTLEY PROPERTIES LIMITED**COMPANY BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	12		4,314,800		4,408,601
Investments	13		2		2
			<u>4,314,802</u>		<u>4,408,603</u>
Current assets					
Debtors	16	342,516		277,182	
Cash at bank and in hand		4,949		4,757	
		<u>347,465</u>		<u>281,939</u>	
Creditors: amounts falling due within one year	17	(310,772)		(333,545)	
Net current liabilities			<u>36,693</u>		<u>(51,606)</u>
Total assets less current liabilities			<u>4,351,495</u>		<u>4,356,997</u>
Creditors: amounts falling due after more than one year	18		(2,380,588)		(2,550,171)
Provisions for liabilities			<u>(38,687)</u>		<u>(38,687)</u>
Net assets			<u><u>1,932,220</u></u>		<u><u>1,768,139</u></u>
Capital and reserves					
Called up share capital	25		2		2
Profit and loss reserves			<u>1,932,218</u>		<u>1,768,136</u>
Total equity			<u><u>1,932,220</u></u>		<u><u>1,768,138</u></u>

The Company's profit for the year and total comprehensive income for the year was £414,081 (2022: £381,780).

The financial statements on pages 10 to 38 were approved by the board of directors and authorised for issue on 21/09/23 and are signed on its behalf by:

S. Pollard

S Pollard
Director

CHARLES BENTLEY PROPERTIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 31 March 2021		2	7,189,805	7,189,807
Year ended 31 March 2022:				
Profit and total comprehensive income for the period		-	(177,582)	(177,582)
Dividends	10	-	(250,000)	(250,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2022		2	6,762,223	6,762,225
Year ended 31 March 2023:				
Profit and total comprehensive income for the year		-	31,495	31,495
Dividends	10	-	(250,000)	(250,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2023		2	6,543,718	6,543,720
		<hr/>	<hr/>	<hr/>

Profit and loss account

Cumulative profit and loss net of distributions to owners.

CHARLES BENTLEY PROPERTIES LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 31 March 2021		2	1,636,356	1,636,358
Period ended 31 March 2022:				
Profit and total comprehensive income for the period		-	381,780	381,780
Dividends	10	-	(250,000)	(250,000)
Balance at 31 March 2022		2	1,768,137	1,768,139
Year ended 31 March 2023:				
Profit and total comprehensive income for the period		-	414,081	414,081
Dividends	10	-	(250,000)	(250,000)
Balance at 31 March 2023		2	1,932,218	1,932,220

Profit and loss account

Cumulative profit and loss net of distributions to owners.

CHARLES BENTLEY PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Note	£	£
Operating activities			
Cash generated from operations	30	952,956	954,934
Interest paid	8	(219,843)	(196,678)
Income taxes (paid)/refunded		(100,446)	(484,375)
Interest received		6,485	4,503
Net cash from operating activities		639,152	278,384
Investing activities			
Purchase of intangible assets		-	(78,113)
Purchase of tangible fixed assets		(9,678)	(25,413)
Proceeds on disposal of tangible fixed assets		-	-
Net cash used in investing activities		(9,678)	(103,526)
Financing activities			
Repayment of bank loans		(275,582)	(270,652)
Payment of finance leases obligations		(4,468)	(4,323)
Dividends paid	10	(250,000)	(250,000)
Net cash used in financing activities		(530,050)	(524,884)
Net increase in cash and cash equivalents		99,424	(350,026)
Cash and cash equivalents at beginning of year		217,393	567,419
Cash and cash equivalents at end of year		316,817	217,393
Relating to:			
Cash at bank and in hand		316,817	217,393

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Charles Bentley Properties Limited is a company limited by shares incorporated in England and Wales. The registered office and principal place of business 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 modified to include investment properties and certain financial instruments at fair value. 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.

The financial statements of the company are consolidated in the financial statements of Charles Bentley Properties Limited. The consolidated financial statements of Charles Bentley Properties Limited are available from the registered office or Companies House.

Company Statement of Comprehensive income

As permitted by S408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares group accounts and the statement of financial position shows the company's profit or loss for the financial year.

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).

The merger method of accounting has been applied to the previous 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 2023. 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 YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Going concern

The accounts have been prepared on a going concern basis based on the continued support of the directors and the group's bankers.

The group financial covenants were breached at the year end 31 March 2023, the directors had advised the group's bankers of the likely breach to the covenants ahead of the year end and obtained a waiver from the bank before the year end.

The group has seen a reduction in online sales due to the market conditions. The directors have prepared detailed forecasts including cashflows, headroom and covenant calculations to 30 September 2024. The directors consider there to be a risk that the covenants set for 30 June 2023, September 2023 and December 2023 are breached if trading activities continue to slow and stock ageing increases and accept that there is some doubt over whether the group can continue as a going concern.

However, the group's bankers continue to work closely with the directors, while identifying the risk of further covenant breaches and challenges presented by the current economic and geopolitical climate, have considered the potential impacts and are satisfied that the company has sufficient cash flows to meet liabilities as they fall due.

The directors consider that despite there being risks associated with going concern do consider that with the support of the bank, which has so far been forthcoming, that the group have adequate resources to enable them to continue in operational existence for the foreseeable future.

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.

Other intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows: -

Purchased computer software	33%
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CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated 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% / 33% straight line
Motor vehicles	25% reducing balance

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.

Investments

The Group's trade investments are classified as financial instrument and accounted for in accordance with the accounting policy at fair value through profit or loss.

In its separate financial statements, a parent may elect to measure all of its investments in subsidiaries, and/or all of its investments in associates and/or all of its investments in jointly controlled entities at cost less impairment, fair value through other comprehensive income (the "fair value model") or fair value through profit or loss. Additional disclosures (which are not illustrated in these model accounts) are required when fair value measurement is adopted.

An investor that is not a parent can adopt a policy of accounting for all of its investments in associates and/or all of its interests in jointly controlled entities at cost less impairment, fair value through other comprehensive income (the "fair value model") or at fair value through profit or loss.

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price, excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed to profit or loss as incurred. Changes in fair value are recognised in other comprehensive income except to the extent that a gain reverses a loss previously recognised in profit or loss or a loss exceeds the accumulated gains recognised in equity, such gains and loss are recognised in profit or loss.

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price, excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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.

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.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Taxation (Continued)

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.

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.

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currencies) 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 YEAR ENDED 31 MARCH 2023

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 of 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 investments

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

3 Turnover and other revenue

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

	2023 £	2022 £
Turnover analysed by class of business		
Principal activities	25,850,996	33,134,658
Other revenue		
Commissions received	2,452	3,620
Rental income arising from investment properties	502,965	451,689
Sundry income	169,721	179,293

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2023	2022
	£	£
United Kingdom	24,455,346	31,701,161
Europe	1,152,833	1,118,770
Rest of World	242,817	314,727
	<u>25,850,996</u>	<u>33,134,658</u>

4 Profit before taxation

	2023	2022
	£	£
Profit before taxation is stated after charging/(crediting):		
Exchange (gains)/losses	(427,081)	(615,083)
Government grant income received	(14,861)	(16,819)
Fees payable to the company's auditor, and it's associates, for audit services:		
Audit of the group and company's financial statements	3,000	3,000
Audit of the company's subsidiaries financial statements	74,000	55,000
Amortisation of intangible assets	25,777	10,730
Depreciation of owned tangible fixed assets	290,304	292,192
Depreciation of tangible fixed assets held under finance leases	4,050	4,050
Loss on disposal of tangible fixed assets	(2,554)	(1,473)
Cost of stocks recognised as an expense	15,863,216	21,175,965
Operating lease charges	<u>287,177</u>	<u>375,302</u>

Grant income received relates to four separate grants awarded by the Leicester City Council and East Midlands Chamber of Commerce

5 Employees

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

	2023	2022
	Number	Number
Production	78	86
Sales and administration	57	70
Directors	4	4
	<u>139</u>	<u>160</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	3,754,470	4,013,772
Social security costs	376,578	369,301
Pension costs	92,516	87,759
	<u>4,223,564</u>	<u>4,470,832</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 YEAR ENDED 31 MARCH 2023

6 Directors' remuneration

In respect of the directors of Charles Bentley Properties Limited

	2023	2022
	£	£
Remuneration for qualifying services	247,715	254,822
Contributions to defined contribution pension	14,488	13,519

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2022 - 4).

Directors' emoluments disclosed above include the following payments:

	2023	2022
	£	£
Highest paid director		
Remuneration	122,074	129,915
Company contributions to defined contribution scheme	9,626	9,064

7 Interest receivable and similar income

	2023	2022
	£	£
Interest on bank account	96,637	4,504
Exchange differences on financing transactions	6,485	73,496
	<u>103,122</u>	<u>78,000</u>

8 Interest payable and similar charges

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	150,084	137,681
	<u>150,084</u>	<u>137,681</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	69,759	58,996
	<u>219,843</u>	<u>196,677</u>

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

9 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	80,200	136,345
Adjustments in respect of prior periods	101	(27)
Total current tax	<u>80,301</u>	<u>136,318</u>
Deferred tax		
Origination and reversal of timing differences	(48,155)	(206,808)
Adjustments in respect of prior periods	(89)	-
Effect of tax rate change on opening balance	-	43,997
Total deferred tax	<u>(48,244)</u>	<u>(162,811)</u>
Total tax charge	<u>32,057</u>	<u>(26,493)</u>

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:

	2023	2022
	£	£
(Loss) / profit before taxation	<u>63,552</u>	<u>(204,075)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2022: 19%)	12,074	(38,807)
Tax effect of expenses that are not deductible in determining taxable profit	11,204	-
Tax effect of income that is not allowable determining taxable profit	(2,824)	(3,196)
Depreciation on assets not qualifying for tax allowances	23,148	21,175
Remeasurement of deferred tax for changes in tax rates	(11,557)	(5,638)
Adjustments in respect of prior periods	101	(27)
Adjustment in respect of prior periods – deferred tax	(89)	-
Tax expense for the period	<u>32,057</u>	<u>(26,493)</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Substantive enactment occurred on 24 May 2021 therefore its effects have been included in these financial statements. The deferred tax balances within these financial statements have been calculated at 19% or 25% depending on when the related timing difference will reverse (2022: 19%).

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

10 Dividends

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Final	250,000	250,000	250,000	250,000
	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

11 Intangible fixed assets

Group	Software	Goodwill	Total
	£	£	£
Cost			
At 1 April 2022	<u>149,820</u>	<u>454,680</u>	<u>604,500</u>
At 31 March 2023	<u>149,820</u>	<u>454,680</u>	<u>604,500</u>
Amortisation and impairment			
At 1 April 2022	82,437	454,680	537,117
Amortisation	<u>25,778</u>	<u>-</u>	<u>25,778</u>
At 31 March 2023	<u>108,215</u>	<u>454,680</u>	<u>562,895</u>
Carrying amount			
At 31 March 2023	<u>41,605</u>	<u>-</u>	<u>41,605</u>
At 31 March 2022	<u>67,383</u>	<u>-</u>	<u>67,383</u>

Amortisation is included within administrative expenses

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

Group	Freehold property £	Warehouse plant and machinery £	Factory plant and machinery £	Office plant and machinery £	Motor vehicles £	Total £
Cost						
At 1 April 2022	7,298,311	473,671	624,978	435,564	73,490	8,906,015
Additions	-	-	-	9,678	-	9,678
Disposals	(1,653)	(110,342)	(124,681)	(124,361)	(47,545)	(408,582)
At 31 March 2023	<u>7,296,658</u>	<u>363,329</u>	<u>500,297</u>	<u>320,881</u>	<u>25,945</u>	<u>8,507,111</u>
Depreciation and impairment						
At 1 April 2022	1,392,760	410,896	481,221	348,915	70,008	2,703,800
Depreciation charged in the period	148,025	32,372	60,908	50,496	2,551	294,353
Disposals	(1,077)	(106,069)	(128,532)	(123,734)	(46,616)	(406,028)
At 31 March 2023	<u>1,539,708</u>	<u>337,199</u>	<u>413,597</u>	<u>275,677</u>	<u>25,944</u>	<u>2,592,125</u>
Carrying amount						
At 31 March 2023	<u>5,756,950</u>	<u>26,130</u>	<u>86,700</u>	<u>45,204</u>	<u>1</u>	<u>5,914,985</u>
At 31 March 2022	<u>5,905,552</u>	<u>62,775</u>	<u>143,757</u>	<u>86,649</u>	<u>3,482</u>	<u>6,202,215</u>

Company	Freehold property £	Total £
Cost		
At 1 April 2022 and 31 March 2023	<u>4,690,000</u>	<u>4,690,000</u>
Depreciation and impairment		
Depreciation charged in the period	<u>93,801</u>	<u>93,801</u>
At 31 March 2023	<u>375,200</u>	<u>375,200</u>
Carrying amount		
At 31 March 2023	<u>4,314,800</u>	<u>4,314,800</u>
At 31 March 2022	<u>4,408,601</u>	<u>4,408,601</u>

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets (Continued)

Freehold property above represents the carrying amount of investment property held by the company and rented to other group entities which the company has elected to measure using the cost model.

The carrying value of freehold property includes:

	2023	2022
	£	£
Freehold land	800,000	800,000
	<u> </u>	<u> </u>

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

	2023	2022
	£	£
Warehouse plant and machinery	7,088	11,138
	<u> </u>	<u> </u>
Depreciation charge for the period in respect of leased assets	<u>4,050</u>	<u>4,050</u>

CHARLES BENTLEY PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

13 Fixed asset investments – Group

	Notes	2023 £	2022 £
Investments in participating interests	14	-	-

Movements in fixed asset investments

	Shares in participating interests £
Cost	
At 1 April 2021 & 31 March 2023	113,419
Impairment	
At 1 April 2022 & 31 March 2023	(113,419)
Carrying amount	
At 31 March 2023	-
At 31 March 2022	-

13 Fixed asset investments – Company

	2023 £	2022 £
Investments in subsidiaries	2	2

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 April 2021 & 31 March 2023	2
Carrying amount	
At 31 March 2023	2
At 31 March 2022	2

Details of the company's subsidiary at 31 March 2023 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 YEAR ENDED 31 MARCH 2023

14 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	453,582	984,715
Summerland Brush Co	2,537	2,183

15 Stocks

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Raw materials and consumables	1,214,654	1,028,283	-	-
Finished goods and goods for resale	3,915,249	6,302,555	-	-
	<u>5,129,903</u>	<u>7,330,838</u>	<u>-</u>	<u>-</u>

Included within finished goods stocks above were goods on the water at the period end date totalling £572,620 (2022: £1,299,821).

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Debtors

	Group		Company	
Amounts falling due within one year:	2023	2022	2023	2022
	£	£	£	£
Trade debtors	2,485,453	3,219,249	-	-
Amounts due from participating interests	57,986	-	342,516	277,182
Other debtors	157,712	15,550	-	-
Prepayments and accrued income	507,806	137,216	-	-
	<u>3,208,957</u>	<u>3,372,015</u>	<u>342,516</u>	<u>277,182</u>
Deferred Tax	98,041	49,797	-	-
	<u>3,306,998</u>	<u>3,421,812</u>	<u>342,516</u>	<u>277,182</u>

17 Creditors

	Group		Company	
Amounts falling due within one year:	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	281,748	274,144	169,172	163,933
Obligations under finance leases	4,704	4,468	-	-
Trade creditors	1,468,140	2,137,638	-	-
Corporation tax payable	81,266	101,412	60,498	59,318
Other taxation and social security	421,576	444,220	20,160	20,160
Other creditors	1,986,430	3,201,740	52,320	80,826
Accruals and deferred income	303,360	391,680	8,622	9,308
	<u>4,547,224</u>	<u>6,555,302</u>	<u>310,772</u>	<u>333,545</u>

Included within other creditors is £1,867,049 (2022: £3,040,891), 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.

18 Creditors

	Group		Company	
Amounts falling due after more than one year:	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	3,592,466	3,875,652	2,380,588	2,550,171
Obligations under finance leases	1,620	6,324	-	-
Other creditors	25,278	40,138	-	-
	<u>3,619,364</u>	<u>3,922,114</u>	<u>2,380,588</u>	<u>2,550,171</u>
Amounts included above which fall due after five years are as follows:				
Payable by instalments	<u>2,316,467</u>	<u>2,685,461</u>	<u>1,648,077</u>	<u>1,840,346</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 YEAR ENDED 31 MARCH 2023

19 Financial instruments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Carrying amount of financial instruments				
Debt instruments measured at amortised cost	2,556,906	3,234,799	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	7,657,420	9,920,993	-	-

20 Borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	3,874,214	4,149,796	2,549,760	2,714,104
	<u>3,874,214</u>	<u>4,149,796</u>	<u>2,549,760</u>	<u>2,714,104</u>
Payable within one year	281,748	274,144	169,172	163,933
Payable after one year and before 5 Years	1,275,999	1,190,190	732,510	709,825
Payable after 5 Years	2,316,467	2,685,462	1,648,077	1,840,346

The bank loans are secured by fixed and floating charges over the assets of the group.

The repayment terms of bank loans are as follows:

Group

A bank loan totalling £1,324,454 as at 31 March 2023 is repayable in monthly instalments of £17,285 until 4 December 2032 and incurs interest at 3.16% above bank base rate.

Company

A bank loan totalling £2,549,760 at 31 March 2023 (2022: £2,714,103) is repayable in monthly instalments of £20,601 until 22 September 2035 and incurs a fixed interest rate of 3.15%. The loan has a debt servicing covenant which is measured on the last day of the financial year. The company was in breach of this covenant at the year end. However, the loan has not been reclassified as short term and a waiver was granted from the bank.

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Finance lease obligations - Group

	2023	2022
	£	£
Future minimum lease payments due under finance leases:		
Less than one year	4,910	4,910
Between one and five years	1,637	6,547
	<u>6,547</u>	<u>11,457</u>
Less: future finance charges	(223)	(666)
	<u>6,324</u>	<u>10,791</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.

22 Provisions for liabilities - Group

	Notes	2023	2022
		£	£
Deferred tax liabilities	23	(98,041)	-
		<u>(98,041)</u>	<u>-</u>
Provisions for liabilities - Company			
Deferred tax liabilities		38,687	38,687
		<u>38,687</u>	<u>38,687</u>

23 Deferred taxation – Group and Company

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:

	Group		Company	
	Liabilities	Liabilities	Liabilities	Liabilities
	2023	2022	2023	2022
	£	£	£	£
ACAs	65,934	109,797	-	-
Other timing differences	(163,975)	(159,594)	38,687	38,687
	<u>(98,041)</u>	<u>(49,797)</u>	<u>38,687</u>	<u>38,687</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 2023

23 Deferred taxation (Continued)

	Group 2023 £	Company 2023 £
Liability at 1 April 2022	(49,797)	38,687
Charge to profit or loss	(48,244)	-
	<u>(98,041)</u>	<u>38,687</u>
(Asset) / liability at 31 March 2023	<u>(98,041)</u>	<u>38,687</u>

24 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 £92,516 (2022: £87,759). Contributions totalling £7,646 (2022: £7,021) were payable to the fund at the period end and are included within creditors.

25 Share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
4 Ordinary shares of 50p each	<u>2</u>	<u>2</u>

26 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:

	2023 £	2022 £
Within one year	233,392	234,372
Between two and five years	467,065	713,561
	<u>700,457</u>	<u>947,933</u>

The company had no operating leases as lessee.

Group as a lessor

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

	2023 £	2022 £
Within one year	386,451	386,405
Between two and five years	154,611	530,219
	<u>541,062</u>	<u>916,624</u>

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2023

26 Operating lease commitments (Continued)

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:

	2023	2022
	£	£
Within one year	403,200	403,200
Between two and five years	<u>1,377,600</u>	<u>1,377,600</u>
	<u>1,780,800</u>	<u>1,780,800</u>

27 Related party transactions

Remuneration of key management personnel

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

	2023	2022
	£	£
Aggregate compensation	<u>336,501</u>	<u>268,341</u>

During the year the company paid dividends totalling £250,000 (2022: £250,000) 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 £380,318 (2022: £598,073). Made sales in the year amounted to £315 (2022: £Nil). At the period end Warna Exporters (PVT) Limited owed Charles Bentley & Son Limited £35,348 (2022: £Nil) after providing £58,824 (2022: £175,052) against the balance.

At the period end Charles Bentley & Son Limited owed Warna Exporters (PVT) Limited £4,544 (2022: £87,525).

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 £36,584 (2022: £41,343). At the period end Summerland Brush Co owed Charles Bentley & Son Limited £22,637 (2022: £Nil) after providing £405,326 (2022: £405,326) against the balance.

During the period the group paid £45,000 (2022: £180,000) to CW Bentley for the rent of the group premises.

At the period end CW Bentley was owed by group and company £9,068 (2022: £80,826), and this amount is included within other creditors.. The maximum balance during the year was £294,392 (2022: £365,316).

During the period the group paid an amount of £207,360 (2022: £213,022) to The Charles Bentley Self-Administered Pension Scheme, to which CW Bentley is the main beneficiary. At the period end a balance of £Nil (2022: £Nil) was owed from this fund and is included in other debtors.

CHARLES BENTLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2023

During the period the company paid £Nil (2022: £Nil) to S Pollard as a director's loan. After repayments of £1,125 were made in the year a balance of £6,711 (2022: £7,690) was owed at the period end. Interest has been charged at 2% per annum.

During the period the company paid £Nil (2022: £Nil) to J Bentley as a director's loan. After repayments of £1,250 were made in the year a balance of £6,755 (2022: £7,859) was owed at the period end. Interest has been charged at 2% per annum.

28 Other financial commitments

8% of purchases relate to transactions conducted in Euros and 38% relate to transactions conducted in US Dollars. As a consequence, the Group uses foreign currency forward contracts to manage the foreign change risk of future transactions and cash flows.

The contracts are valued based on available market data. The Group does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in profit or loss.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts that the Group has committed to are as follows:

	2023 £	2022 £
US Dollars	144,245	-
	<hr/>	<hr/>
	144,245	-
	<hr/>	<hr/>
Represented by:		
Contracts to buy US Dollars between 05/04/23 and 02/11/2023	2,125,649	3,272,079

29 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 2023

30 Reconciliation of (loss) / profit after tax to net cash generated from

	2023	2022
	£	£
(Loss) / profit for the period after tax	31,495	(177,582)
Adjustments for:		
Taxation charged	32,057	(26,493)
Finance costs	219,843	196,677
Investment income	-	-
Loss/(gain) on disposal of tangible fixed assets	2,554	1,473
Depreciation of tangible fixed assets	294,353	296,242
Amortisation of intangible fixed assets	25,778	10,730
Interest received	(6,485)	(4,504)
Operating cash flows before movements in working capital		
Decrease/(increase) in stocks	2,200,934	(766,464)
Increase in debtors	163,058	1,608,762
Increase in creditors	(836,791)	(920,042)
(Decrease)/increase in RBS invoice discounting facility	<u>(1,173,843)</u>	<u>736,135</u>
Cash generated from operations	<u>952,956</u>	<u>954,934</u>

31 Analysis of Net Debt

	31/03/2022	Cash flow	31/03/2023
Cash at bank and in hand	217,393	99,425	316,817
Bank Loans	(274,144)	(7,604)	(281,748)
Debt Factoring	(3,040,891)	1,173,843	(1,867,049)
Debt Due Within One Year	(3,315,036)	1,166,239	(2,148,797)
Bank Loans	(3,875,652)	283,186	(3,592,466)
Debt Due After One Year	(3,875,652)	283,186	(3,592,466)
Hire Purchase	(10,792)	(4,468)	(6,324)
Total Net Debt	(6,984,086)	1,544,382	(5,430,769)