

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
1 JANUARY 2022 TO 31 MARCH 2023  
FOR  
KINETIC ENTERPRISES LIMITED**

Mehta & Tengra  
Chartered Accountants  
Statutory Auditors  
9 Berners Place  
London  
W1T 3AD

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FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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**KINETIC ENTERPRISES LIMITED**

**COMPANY INFORMATION  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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<b>DIRECTORS:</b>	S P Baharani N P Baharani
<b>REGISTERED OFFICE:</b>	9 Berners Place London W1T 3AD
<b>BUSINESS ADDRESS:</b>	Unit 1 Central Park Central Way Park Royal London NW10 7FY
<b>REGISTERED NUMBER:</b>	02565441 (England and Wales)
<b>AUDITORS:</b>	Mehta & Tengra Chartered Accountants Statutory Auditors 9 Berners Place London W1T 3AD
<b>BANKERS:</b>	Barclays Bank Plc Piccadilly Business Centre 1-3 Arlington Street London SW1A 1RA

**STRATEGIC REPORT  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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The directors present their strategic report for the period 1 January 2022 to 31 March 2023.

**REVIEW OF BUSINESS**

The results for the period and financial position of the company are as shown in the annexed financial statements.

The directors were disappointed with the results for the period, but are confident of increased profitability in the ensuing years. Turnover of the business for the period ended 31 March 2023 was £11,409,380 (2022: £10,200,087). Profit/(loss) for the financial period after taxation amounted to (£254,898)(2021: £90,362).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties are:

**Property Investment**

Property values may decline and returns not be optimised; uneconomic investments may be made or underperforming properties retained; significant tenant defaults may reduce income and property values.

**Management Risks**

The company is reliant on it's small team of advisors and director.

**Financial Risks**

See Financial Instruments note in the Directors Report.

**Credit Risks**

The Company is exposed due to credit given to it's customers, many of whom are not well established.

**Exchange Risks**

The company imports substantial goods from overseas and the weakness of sterling would impact its margins.

**Consumer Confidence**

The company is exposed to demand from retail consumers as its products are mainly lifestyle and supplements.

**Regulatory**

The Company's activities are subject to certain regulations around health and safety. The Company has detailed policies and training plans in place for employees to ensure compliance with regulations.

**STRATEGIC REPORT  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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**KEY PERFORMANCE INDICATORS**

The board of directors uses both financial and non-financial performance indicators to review the company's position.

The main financial performance indicators are:

	<b>P/e 31.03.23</b>	<b>2021</b>
Gross profit to turnover	29.74%	27.81%
Net profit after tax to turnover	-1.81%	1.22%
Current ratio	2.84:1	2.87:1
Receivable turnover ratio	136 days	136 days
Trading ratio	30.75%	39.95%
Cash balances	£57k	£185k

The non-financial indicators are:

**Suppliers confidence**

The company maintains a long standing good relationship with all its suppliers.

**Customer Satisfaction**

The company's customers are mainly based in the UK and Europe, most of whom have a long standing professional relationship with the company.

**Employee relationship**

The company operates non discriminatory policies on the employment and welfare of staff. Health and safety policies are strictly adhered to by ensuring staff are properly trained in handling goods & heavy packaging. The employee/manager relationship and complaint procedures are regularly reviewed by management. The company also maintains a healthy and productive relationship with its employees.

**COMPANY'S POLICY ON PAYMENT OF CREDITORS**

The company's current policy concerning the payment of trade creditors is dictated by the large overseas suppliers who have their own terms. On average the company obtains 2 to 3 weeks of credit.

**ON BEHALF OF THE BOARD:**

N P Baharani - Director

29 December 2023

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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The directors present their report with the financial statements of the company for the period 1 January 2022 to 31 March 2023.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of the import and distribution of health and beauty products.

**DIVIDENDS**

During the year the company declared dividends amounting to £75,000 (2021;£75,000).

**FUTURE DEVELOPMENTS**

The company expects to maintain its highly successful relationship with its suppliers and the loyalty of its customers and hopes to improve on its turnover and gross profit margin.

**DIRECTOR**

S P Baharani held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

N P Baharani was appointed as a director after 31 March 2023 but prior to the date of this report.

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors.

The main purpose of these instruments is to provide finance for its day to day operations.

Since a considerable amount of the company's purchases are in US Dollars there is exposure to currency risks in addition to normal inflationary risks which under the current economic climate may also be a factor.

The trade creditors liquidity risks are managed by ensuring sufficient funds are available to meet the amounts due.

The trade debtors liquidity risks are managed by ensuring the prompt collection of outstanding debts.

**DONATIONS**

£2,285 were paid to different UK registered charities.

**POST BALANCE SHEET EVENTS**

There were no significant events to report.

**TAXATION STATUS**

The company is a close company within the provision of Income and Corporation Tax Act 2010.

**RELATED PARTY TRANSACTION**

The director had no material interest at any time during the year in any contract of significance in relation to the business of the company except as stated in note 24 & 25 to the financial statements.

**FIXED ASSETS**

The changes in fixed assets are given in notes 11,12 & 13 to the financial statements.

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Mehta & Tengra, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

N P Baharani - Director

29 December 2023

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KINETIC ENTERPRISES LIMITED**

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### **Opinion**

We have audited the financial statements of Kinetic Enterprises Limited (the 'company') for the period ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss 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.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KINETIC ENTERPRISES LIMITED**

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### **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 Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page five, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KINETIC ENTERPRISES LIMITED

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### **Auditors' 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 a Report of the Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and then design and perform audit procedures to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatements in respect of irregularities, including fraud and non-compliance and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.
- results of our enquiries of management about their own identification and assessment of the risks and irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified that greatest potential for fraud is revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the UK Companies Act, pension legislation and tax legislation.

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KINETIC ENTERPRISES LIMITED**

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### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Mr J.J. Mehta (Senior Statutory Auditor)  
for and on behalf of Mehta & Tengra  
Chartered Accountants  
Statutory Auditors  
9 Berners Place  
London  
W1T 3AD

29 December 2023

**INCOME STATEMENT  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

		<b>PERIOD</b> <b>1.1.22</b> <b>TO</b> <b>31.3.23</b> <b>£</b>	<b>YEAR ENDED</b> <b>31.12.21</b> <b>£</b>
	Notes		
<b>TURNOVER</b>	4	<b>11,409,380</b>	10,200,087
Cost of sales		<u><b>(8,016,659)</b></u>	<u>(7,363,687)</u>
<b>GROSS PROFIT</b>		<b>3,392,721</b>	2,836,400
Distribution costs		<u><b>(718,711)</b></u>	<u>(594,223)</u>
Administrative expenses		<u><b>(2,909,123)</b></u>	<u>(2,285,794)</u>
		<b>(235,113)</b>	(43,617)
Other operating income		<u><b>14,300</b></u>	<u>100,154</u>
<b>OPERATING (LOSS)/PROFIT</b>	6	<u><b>(220,813)</b></u>	<u>56,537</u>
Interest receivable and similar income	7	<u><b>118,261</b></u>	<u>89,684</u>
		<b>(102,552)</b>	146,221
Interest payable and similar expenses	8	<u><b>(103,901)</b></u>	<u>(21,930)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<u><b>(206,453)</b></u>	<u>124,291</u>
Tax on (loss)/profit	9	<u><b>(48,445)</b></u>	<u>(33,929)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<u><b>(254,898)</b></u>	<u>90,362</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

	Notes	PERIOD 1.1.22 TO 31.3.23 £	YEAR ENDED 31.12.21 £
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(254,898)</b>	<b>90,362</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b><u>(254,898)</u></b>	<b><u>90,362</u></b>

STATEMENT OF FINANCIAL POSITION  
31 MARCH 2023

		2023	2021
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	11	17,403	26,290
Investments	12	1	1
Investment property	13	865,000	865,000
		<u>882,404</u>	<u>891,291</u>
<b>CURRENT ASSETS</b>			
Stocks	14	2,464,738	2,941,575
Debtors	15	8,495,331	8,579,536
Cash at bank and in hand	16	57,870	185,551
		<u>11,017,939</u>	<u>11,706,662</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	(3,327,512)	(3,557,760)
<b>NET CURRENT ASSETS</b>		<u>7,690,427</u>	<u>8,148,902</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,572,831	9,040,193
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(279,891)	(462,000)
<b>PROVISIONS FOR LIABILITIES</b>	20	(186,820)	(142,175)
<b>NET ASSETS</b>		<u>8,106,120</u>	<u>8,436,018</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	25,000	25,000
Fair value reserve	22	558,052	602,697
Retained earnings	22	7,523,068	7,808,321
<b>SHAREHOLDERS' FUNDS</b>		<u>8,106,120</u>	<u>8,436,018</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 December 2023 and were signed on its behalf by:

N P Baharani - Director

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Fair value reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2021</b>	25,000	7,792,959	602,697	8,420,656
<b>Changes in equity</b>				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive income	-	90,362	-	90,362
<b>Balance at 31 December 2021</b>	25,000	7,808,321	602,697	8,436,018
<b>Changes in equity</b>				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive income	-	(210,253)	(44,645)	(254,898)
<b>Balance at 31 March 2023</b>	25,000	7,523,068	558,052	8,106,120

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

		<b>PERIOD</b>	<b>YEAR ENDED</b>
		<b>1.1.22</b>	<b>31.12.21</b>
		<b>TO</b>	
		<b>31.3.23</b>	
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>	Notes		
Cash generated from operations	1	(29,843)	24,413
Interest paid		(103,901)	(21,930)
Tax paid		46,809	(20,630)
Net cash from operating activities		<u>(86,935)</u>	<u>(18,147)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(8,304)	(1,475)
Interest received		118,261	89,684
Net cash from investing activities		<u>109,957</u>	<u>88,209</u>
<b>Cash flows from financing activities</b>			
Amount withdrawn by directors		(75,703)	(57,890)
Equity dividends paid		(75,000)	(75,000)
Net cash from financing activities		<u>(150,703)</u>	<u>(132,890)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(127,681)</u>	<u>(62,828)</u>
<b>Cash and cash equivalents at beginning of period</b>	2	<b>185,551</b>	<b>248,379</b>
<b>Cash and cash equivalents at end of period</b>	2	<u><b>57,870</b></u>	<u><b>185,551</b></u>

The notes form part of these financial statements



**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>PERIOD 1.1.22 TO 31.3.23 £</b>	<b>YEAR ENDED 31.12.21 £</b>
(Loss)/profit before taxation	<b>(206,453)</b>	124,291
Depreciation charges	<b>17,189</b>	11,299
Finance costs	<b>103,901</b>	21,930
Finance income	<b>(118,261)</b>	<b>(89,684)</b>
	<b>(203,624)</b>	67,836
Decrease/(increase) in stocks	<b>476,837</b>	(217,347)
Decrease/(increase) in trade and other debtors	<b>159,908</b>	(454,138)
(Decrease)/increase in trade and other creditors	<b>(462,964)</b>	<b>628,062</b>
<b>Cash generated from operations</b>	<b><u>(29,843)</u></b>	<b><u>24,413</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 31 March 2023**

	<b>31.3.23 £</b>	<b>1.1.22 £</b>
Cash and cash equivalents	<b><u>57,870</u></b>	<b><u>185,551</u></b>

**Year ended 31 December 2021**

	<b>31.12.21 £</b>	<b>1.1.21 £</b>
Cash and cash equivalents	<b><u>185,551</u></b>	<b><u>248,379</u></b>

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1.1.22</b>	<b>Cash flow</b>	<b>At 31.3.23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	<u>185,551</u>	<u>(127,681)</u>	<u>57,870</u>
	<u>185,551</u>	<u>(127,681)</u>	<u>57,870</u>
<b>Debt</b>			
Debts falling due within 1 year	(288,000)	31,471	(256,529)
Debts falling due after 1 year	<u>(462,000)</u>	<u>182,109</u>	<u>(279,891)</u>
	<u>(750,000)</u>	<u>213,580</u>	<u>(536,420)</u>
<b>Total</b>	<u>(564,449)</u>	<u>85,899</u>	<u>(478,550)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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**1. STATUTORY INFORMATION**

Kinetic Enterprises Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold 10% on cost

Fixtures and fittings 10% on cost

Computer equipment 33% on cost

**Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those asset have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Investment property**

(a) The company's investment properties were valued on an open market basis.

(b) The historical cost of investment property is £120,930

(c) Investment property is included at fair value. Gains are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

(d) The gain less the deferred tax is reflected under Fair value reserve in the Balance sheet.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving item. The cost comprises of import purchase price only.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from an associate have been recognised, and will be assessed for tax in a future period, except where:

- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax asset and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax asset and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously

**Provisions**

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made.

**Foreign currencies**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of the historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Long term monetary items are translated at the year end rate.

The assets and liabilities of foreign operations arising on consolidation are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

The company operates a small self administered pension scheme for its directors. The pension scheme is a defined contribution scheme, the assets of which are held separately from the company in an independently administered fund.

The company also operates a defined contribution scheme for its staff under "auto enrolment"

**Taxation**

Taxation for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Leasing and rental transactions**

Where assets are financed by leasing arrangement that give rights approximate to ownership(finance lease), the assets are treated as if they had been purchased outright. The capital element of the related rental obligation is included in the creditors. The interest element of the rental obligation is charged to the profit and loss account over the term of the lease.

All other leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

**Trade and other debtors**

Trade and other debtors are initially recognised at fair value, less impairment losses for bad and doubtful debts.

**Trade and other creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Members are required to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the period end date and the amounts reported for revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of the estimation means that actual outcomes could differ from these estimates.

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

Due to the company's simple nature of operations since incorporation, the members consider there to be no critical judgements, estimates and assumptions used in the preparation of these financial statements.

**4. TURNOVER**

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the company.

**5. EMPLOYEES AND DIRECTORS**

	PERIOD 1.1.22 TO 31.3.23 £	YEAR ENDED 31.12.21 £
Wages and salaries	1,481,102	1,248,457
Social security costs	153,642	145,703
Other pension costs	27,970	103,905
	<u>1,662,714</u>	<u>1,498,065</u>

The average number of employees during the period was as follows:

	PERIOD 1.1.22 TO 31.3.23	YEAR ENDED 31.12.21
Sales and administration	<u>44</u>	<u>42</u>

	PERIOD 1.1.22 TO 31.3.23 £	YEAR ENDED 31.12.21 £
Director's remuneration	75,000	60,000
Director's pension contributions to money purchase schemes	<u>-</u>	<u>80,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**6. OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging:

	PERIOD 1.1.22 TO 31.3.23 £	YEAR ENDED 31.12.21 £
Hire of plant and machinery	5,041	4,209
Depreciation - owned assets	17,191	11,299
Auditors' remuneration	8,000	8,000
Auditors' remuneration for non audit work	<u>8,000</u>	<u>8,000</u>

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	PERIOD 1.1.22 TO 31.3.23 £	YEAR ENDED 31.12.21 £
Other interest	<u>118,261</u>	<u>89,684</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	PERIOD 1.1.22 TO 31.3.23 £	YEAR ENDED 31.12.21 £
Other interest	44,914	11,107
Invoice discounting	<u>58,987</u>	<u>10,823</u>
	<u>103,901</u>	<u>21,930</u>

**9. TAXATION****Analysis of the tax charge**

The tax charge on the loss for the period was as follows:

	PERIOD 1.1.22 TO 31.3.23 £	YEAR ENDED 31.12.21 £
Current tax:		
UK corporation tax	-	28,551
Ated Tax	<u>3,800</u>	<u>5,241</u>
Total current tax	<u>3,800</u>	<u>33,792</u>
Deferred tax	<u>44,645</u>	<u>137</u>
Tax on (loss)/profit	<u>48,445</u>	<u>33,929</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**9. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>PERIOD</b> <b>1.1.22</b> <b>TO</b> <b>31.3.23</b> <b>£</b>	<b>YEAR ENDED</b> <b>31.12.21</b> <b>£</b>
(Loss)/profit before tax	<u><b>(206,453)</b></u>	<u>124,291</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>(39,226)</b>	23,615
Effects of:		
Depreciation	-	2,146
Capital allowances	-	(352)
Disallowed expenses	-	3,142
years		
Deferred tax	<b>44,645</b>	137
Ated Tax	<b>3,800</b>	5,241
Losses for the year	<u><b>39,226</b></u>	<u>-</u>
Total tax charge	<u><b>48,445</b></u>	<u>33,929</u>

**10. DIVIDENDS**

	<b>PERIOD</b> <b>1.1.22</b> <b>TO</b> <b>31.3.23</b> <b>£</b>	<b>YEAR ENDED</b> <b>31.12.21</b> <b>£</b>
Final	<u><b>75,000</b></u>	<u>75,000</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**11. TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2022	101,610	165,754	148,723	416,087
Additions	-	1,298	7,006	8,304
At 31 March 2023	<u>101,610</u>	<u>167,052</u>	<u>155,729</u>	<u>424,391</u>
<b>DEPRECIATION</b>				
At 1 January 2022	81,288	159,798	148,711	389,797
Charge for period	<u>12,702</u>	<u>1,587</u>	<u>2,902</u>	<u>17,191</u>
At 31 March 2023	<u>93,990</u>	<u>161,385</u>	<u>151,613</u>	<u>406,988</u>
<b>NET BOOK VALUE</b>				
At 31 March 2023	<u>7,620</u>	<u>5,667</u>	<u>4,116</u>	<u>17,403</u>
At 31 December 2021	<u>20,322</u>	<u>5,956</u>	<u>12</u>	<u>26,290</u>

**12. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 January 2022 and 31 March 2023	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>1</u>
At 31 December 2021	<u>1</u>

The investments at the balance sheet date represents 2.5% of the issued share capital acquired in Honeyrose Bakery Limited, a company registered in England & Wales.

**13. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 January 2022 and 31 March 2023	<u>865,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>865,000</u>
At 31 December 2021	<u>865,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**13. INVESTMENT PROPERTY - continued**

Fair value at 31 March 2023 is represented by:

	£
Valuation in 2011	344,040
Valuation in 2013	15,030
Valuation in 2016	327,500
Valuation in 2017	57,500
Cost	<u>120,930</u>
	<u>865,000</u>

If leasehold investment property had not been revalued it would have been included at the following historical cost:

	2023	2021
	£	£
Cost	<u>120,930</u>	<u>120,930</u>
Aggregate depreciation	<u>(56,784)</u>	<u>(56,784)</u>

Leasehold investment property was valued on a vacant open market basis on 9 June 2017 by E McMahon MPhil MRICS.

In the opinion of the director this valuation is still valid.

**14. STOCKS**

	2023	2021
	£	£
Stocks	1,828,002	1,624,339
Goods in transit	<u>636,736</u>	<u>1,317,236</u>
	<u>2,464,738</u>	<u>2,941,575</u>

**15. DEBTORS**

	2023	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,817,637	2,462,322
Amount due from related company	150,692	17,900
Other debtors	146,971	110,296
Other taxation	-	29,239
Prepayments	<u>116,036</u>	<u>38,289</u>
	<u>2,231,336</u>	<u>2,658,046</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**15. DEBTORS - continued**

	2023 £	2021 £
Amounts falling due after more than one year:		
Corporation tax recoverable	1,425,829	1,347,609
Loan to an employee	3,299,698	3,111,116
Directors' loan accounts	1,538,468	1,462,765
	<u>6,263,995</u>	<u>5,921,490</u>
 Aggregate amounts	 <u>8,495,331</u>	 <u>8,579,536</u>
 Interest of 2% was charged on the loans.		

**16. CASH AT BANK AND IN HAND**

The company's bankers have provided credit card facility of £70,000.

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2021 £
Other loans (see note 19)	256,529	288,000
Trade creditors	1,816,402	2,006,890
Corporation tax	735,524	684,915
Social security and other taxes	160,817	335,507
Other creditors - Invoice discounting	247,650	3,071
Other creditors	21,823	18,598
Accrued expenses	88,767	220,779
	<u>3,327,512</u>	<u>3,557,760</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023 £	2021 £
Bank loans (see note 19)	-	462,000
Other loans (see note 19)	279,891	-
	<u>279,891</u>	<u>462,000</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	2023 £	2021 £
Amounts falling due within one year or on demand:		
Other loan	<u>256,529</u>	<u>288,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**19. LOANS - continued**

	2023 £	2021 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	288,000
Other loans - 1-2 years	<u>279,891</u>	<u>-</u>
	<u>279,891</u>	<u>288,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>174,000</u>

**20. PROVISIONS FOR LIABILITIES**

	2023 £	2021 £
Deferred tax		
Revaluation of investment prop	186,016	141,371
Other timing differences	<u>804</u>	<u>804</u>
	<u>186,820</u>	<u>142,175</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 January 2022		142,175
Provided during period		<u>44,645</u>
Balance at 31 March 2023		<u>186,820</u>

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2023 £	2021 £
25,000	Ordinary	£1	<u>25,000</u>	<u>25,000</u>

**22. RESERVES**

	Retained earnings £	Fair value reserve £	Totals £
At 1 January 2022	7,808,321	602,697	8,411,018
Deficit for the period	(254,898)		(254,898)
Dividends	(75,000)		(75,000)
Revaluation	<u>44,645</u>	<u>(44,645)</u>	<u>-</u>
At 31 March 2023	<u>7,523,068</u>	<u>558,052</u>	<u>8,081,120</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

**23. PENSION COMMITMENTS**

The company operates a defined contribution scheme for its staff under "auto enrolment"  
 The contribution for the period charged to the profit and loss account amounted to £27,970 (2021:£23,905).  
 The amounts outstanding at the balance sheet date was £3,916 (2021:£4,513).

**24. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the period ended 31 March 2023 and the year ended 31 December 2021:

	2023 £	2021 £
<b>S P Baharani</b>		
Balance outstanding at start of period	1,462,765	1,404,875
Amounts advanced	75,703	57,890
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>1,538,468</u>	<u>1,462,765</u>

Interest of £37,694 (2021:£28,681) has been charged on amounts due.

**25. RELATED PARTY DISCLOSURES**

Rent received of £14,300 (2021:£14,300) by the company represents payment by the director for personal use of the company's property.

One of the Director of Kinetic Enterprises Ltd is also a shareholder of another company. At the year end the amount due from the related company was £150,692 (2021:£17,900).

**26. ULTIMATE CONTROLLING PARTY**

The controlling party is S P Baharani.

**27. DERIVATIVE FINANCIAL INSTRUMENTS**

Company uses derivative financial instruments to reduce exposure to foreign exchange risk. Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.