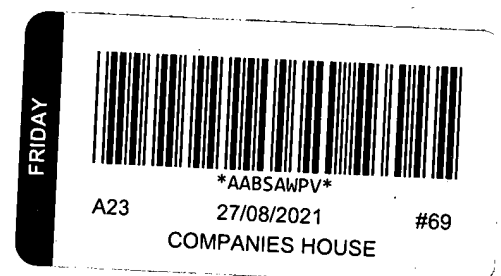


COMPANY REGISTRATION NUMBER: 05527717

**SHIRAZ & SONS LIMITED**  
**FILLETED UNAUDITED FINANCIAL STATEMENTS**  
**31 AUGUST 2020**

**HOWELL DAVIES LIMITED**

Chartered Accountants  
Tudor House  
37a Birmingham New Road  
Wolverhampton  
West Midlands  
WV4 6BL



# **SHIRAZ & SONS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2020**

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# **SHIRAZ & SONS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **Director**

A S Porbanderwalla

### **Registered Office**

11 Coleshill Street  
Fazeley  
Tamworth  
Staffordshire  
B78 3RB

### **Accountants**

Howell Davies Limited  
Chartered Accountants  
Tudor House  
37a Birmingham New Road  
Wolverhampton  
West Midlands  
WV4 6BL

# SHIRAZ & SONS LIMITED

## CHARTERED ACCOUNTANTS REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SHIRAZ & SONS LIMITED

YEAR ENDED 31 AUGUST 2020

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of SHIRAZ & SONS LIMITED for the year ended 31 August 2020, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com/en/membership/regulations-standards-and-guidance](http://www.icaew.com/en/membership/regulations-standards-and-guidance).

Our work has been undertaken in accordance with ICAEW Technical Release 07/16 AAF as detailed at [www.icaew.com/compilation](http://www.icaew.com/compilation).



HOWELL DAVIES LIMITED  
Chartered Accountants

Tudor House  
37a Birmingham New Road  
Wolverhampton  
West Midlands  
WV4 6BL

26 August 2021

# SHIRAZ & SONS LIMITED

## STATEMENT OF FINANCIAL POSITION

31 AUGUST 2020

Company registration number: 05527717

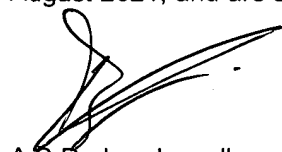
	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Intangible assets	5	355,967	557,213
Tangible assets	6	409,712	459,144
		<u>765,679</u>	<u>1,016,357</u>
<b>Current Assets</b>			
Stock		289,947	245,155
Debtors	7	1,393,748	1,645,937
Cash at bank and in hand		1,293,599	549,044
		<u>2,977,294</u>	<u>2,440,136</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,947,733)</u>	<u>(1,687,857)</u>
<b>Net Current Assets</b>		<u>1,029,561</u>	<u>752,279</u>
<b>Total Assets Less Current Liabilities</b>		<u>1,795,240</u>	<u>1,768,636</u>
<b>Creditors: amounts falling due after more than one year</b>	9	(183,142)	(279,698)
<b>Provisions</b>			
Taxation including deferred tax		(30,450)	(34,892)
<b>Net Assets</b>		<u>1,581,648</u>	<u>1,454,046</u>
<b>Capital and Reserves</b>			
Called up share capital		100	100
Fair value reserve		29,160	29,160
Profit and loss account		1,552,388	1,424,786
<b>Shareholders Funds</b>		<u>1,581,648</u>	<u>1,454,046</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered. For the year ending 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 26 August 2021, and are signed on behalf of the board by:



A S Porbanderwalla  
Director

The notes on pages 4 to 11 form part of these financial statements.

# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

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### 1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 11 Coleshill Street, Fazeley, Tamworth, Staffordshire, B78 3RB.

### 2. Statement of Compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting Policies

#### Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty:-

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### (i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### (ii) Useful economic lives of intangible assets

The annual amortisation charge for intangible assets such as goodwill is sensitive to changes in the estimated useful economic lives of those assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, economic utilisation and the operational aspects of those assets.

# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2020

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### 3. Accounting Policies *(continued)*

#### Revenue Recognition

Turnover represents PPD sales, over the counter sales and wholesale goods sales and is measured at the fair value of the consideration received or receivable, excluding value added tax.

Revenue from the sale of goods or over the counter cash sales are recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually on despatch of those goods where the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably. PPD turnover is recognised according to the month which the services relate.

#### Current and Deferred Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are 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. Deferred tax is measured 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.

#### Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### Goodwill

Goodwill arises on retail chemist acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life which the directors consider to be ten years. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2020

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### 3. Accounting Policies *(continued)*

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property improvements - Over period of lease / 5 years  
Fixtures, fittings & equipment - 15% straight line  
Motor vehicles - 20% straight line

#### Investment Property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in other comprehensive income/expenses.

#### Stocks

Retail chemist shop stock and wholesale stock are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase incurred in bringing the stock to its present location and condition. The company engages an independent professional valuer to value stocks.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expenses in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as an expense in the period in which the reversal occurs.

#### Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.



# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2020

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### 3. Accounting Policies *(continued)*

#### Government Grants *(continued)*

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 AUGUST 2020

### 3. Accounting Policies (continued)

#### Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### Defined Contribution Plans

- Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

### 4. Employee Numbers

The average number of persons employed by the company during the year amounted to 41 (2019: 41).

### 5. Intangible Assets

	<b>Goodwill £</b>
<b>Cost</b>	
<b>At 1 September 2019 and 31 August 2020</b>	<b>2,946,464</b>
<b>Amortisation</b>	
At 1 September 2019	2,389,251
Charge for the year	201,246
<b>At 31 August 2020</b>	<b>2,590,497</b>
<b>Carrying amount</b>	
<b>At 31 August 2020</b>	<b>355,967</b>
At 31 August 2019	557,213

# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 AUGUST 2020

### 6. Tangible Assets

	Freehold Investment Property £	Short Leasehold Property Imp £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2019	225,000	125,900	498,511	32,043	881,454
Additions	—	—	39,056	—	39,056
<b>At 31 August 2020</b>	<u>225,000</u>	<u>125,900</u>	<u>537,567</u>	<u>32,043</u>	<u>920,510</u>
<b>Depreciation</b>					
At 1 September 2019	—	60,852	341,804	19,654	422,310
Charge for the year	—	25,180	57,943	5,365	88,488
<b>At 31 August 2020</b>	<u>—</u>	<u>86,032</u>	<u>399,747</u>	<u>25,019</u>	<u>510,798</u>
<b>Carrying amount</b>					
<b>At 31 August 2020</b>	<u>225,000</u>	<u>39,868</u>	<u>137,820</u>	<u>7,024</u>	<u>409,712</u>
At 31 August 2019	<u>225,000</u>	<u>65,048</u>	<u>156,707</u>	<u>12,389</u>	<u>459,144</u>

Investment property was previously revalued based on the director's assessment of fair value. The director considers there to be no further change to fair value.

### 7. Debtors

	2020 £	2019 £
Trade debtors	781,278	469,176
Other debtors	612,470	1,176,761
	<u>1,393,748</u>	<u>1,645,937</u>

### 8. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	15,780	23,948
Trade creditors	1,281,800	981,082
Social security and other taxes	48,026	9,001
Other creditors	602,127	673,826
	<u>1,947,733</u>	<u>1,687,857</u>

# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2020

### 8. Creditors: amounts falling due within one year *(continued)*

Bank borrowings other than Bounce-back loans are secured by the banks standard debenture, legal charges and directors personal guarantees. At 31st August 2020 secured creditors amounted to £148,922 (2019: £303,646).

### 9. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	<u>183,142</u>	<u>279,698</u>

Included within creditors: amounts falling due after more than one year is an amount of £79,645 (2019: £177,063) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The company had two bank loans at 31st August 2020. One of the loans is repayable over 15 years by equal monthly instalments subject to a temporary Coronavirus capital repayment holiday. The interest rate applied is 2% over the Bank of England Base Rate, therefore at the yearend the rate was 2.1%. The other loan is a Bounce-back loan and after a one year repayment holiday is repayable within 5 years in equal instalments at a fixed interest rate of 2.5%.

### 10. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	2020 £	2019 £
Included in provisions	<u>30,450</u>	<u>34,892</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020 £	2019 £
Accelerated capital allowances	26,765	31,207
Fair value adjustment of investment property	<u>3,685</u>	<u>3,685</u>
	<u>30,450</u>	<u>34,892</u>

### 11. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	46,215	46,543
Later than 1 year and not later than 5 years	122,838	143,512
Later than 5 years	<u>321,391</u>	<u>346,932</u>
	<u>490,444</u>	<u>536,987</u>

# SHIRAZ & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2020

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### 12. Director's Advances, Credits and Guarantees

Director loans to the company are interest free and repayable on demand.

### 13. Related Party Transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2020 £	2019 £	2020 £	2019 £
Loans to companies with common director / shareholders	(580,471)	(95,738)	497,611	1,078,082
Loans from companies with common director / shareholders	<u>(188,568)</u>	<u>(39,415)</u>	<u>(277,426)</u>	<u>(88,858)</u>

The company was under the control of A Porbandewalla and close family during the current and previous year.