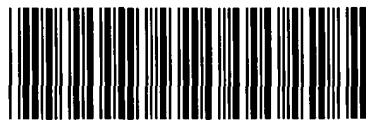


GOLDENS INTERNATIONAL LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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GOLDENS INTERNATIONAL LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2019**

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GOLDENS INTERNATIONAL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2019**

Director: A A Karattu Thody

Registered office: Second Floor
325 Washwood Heath Road
Birmingham
B8 2XJ

Registered number: 06346491 (England and Wales)

Auditors: M. Parmar & Co.
Registered Auditors
First Floor
244 Edgware Road
London
W2 1DS

GOLDENS INTERNATIONAL LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The director presents his strategic report of the company and the group for the year ended 31 August 2019.

Review of business

The group continues to pursue a strategy of providing a diversified range of products and leveraging economies of scale, which has again led an increase in turnover and profitability, as expected.

Turnover has increased by 4% during the year ended 31 August 2019 to £30,232,878 (2018: £29,146,233). Due to the consolidation of business operations, there has been a significant increase in profit for the year ended 31 August 2019 to £286,791 (2018: £77,412).

The group has net assets of £1,861,007 (2018: £1,555,216) and is actively seeking to take advantage of any future opportunities.

Principal risks and uncertainties

The director considers the following to be the principal risks and uncertainties which could affect the group's business:

External

- Impact of Covid-19 on operations and the supply chain.
- Adverse macroeconomic conditions impacting on customers' budgets
- Customers increasingly shopping online. Trend accelerated by Covid-19.
- Maintaining a high company profile in the United Kingdom.
- Lack of clarity on future trading relationships with the EU post-Brexit
- Effects of increases in National Minimum Wage.
- Changes in health and safety regulations.
- Increase in import duties and tariffs.
- Maintaining same profile, delivery of service and products across ever expanding network of stores.

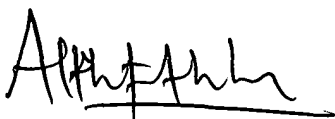
Internal

- Adequate staff training to ensure excellence in customer service.
- Increased attention to supply chains and inventory in case of another lockdown.
- Utilisation of IT systems to manage stores.
- Tight management controls to monitor the performance of the business.

Key performance indicators

The director considers the key performance indicators of the business to be turnover, gross profit margin and product range.

On behalf of the board:



A A Karattu Thody - Director

24 August 2020

GOLDENS INTERNATIONAL LIMITED

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 AUGUST 2019

The director presents his report with the financial statements of the company and the group for the year ended 31 August 2019.

Principal activity

The principal activity of the group in the year under review was that of owning and operating a chain of retail supermarkets.

Dividends

No dividends will be distributed for the year ended 31 August 2019.

Future developments

The company will continue to pursue its strategy of actively looking to open new branches which fit into the business model and improving the range of products.

Director

A A Karattu Thody held office during the whole of the period from 1 September 2018 to the date of this report.

Financial instruments

Financial assets such as trade debtors and trade creditors arise directly from the groups operating activities and expose the group to credit and cash flow risk. The group has in place appropriate measures to mitigate and manage this risk.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director confirms that all applicable accounting standards have been followed and there have been no material departures from the accounting standards.

Statement as to disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

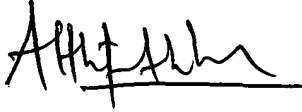
GOLDENS INTERNATIONAL LIMITED

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 AUGUST 2019**

Auditors

The auditors, M. Parmar & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'A A Karattu Thody', written over a horizontal line.

A A Karattu Thody - Director

24 August 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOLDENS INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Goldens International Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 August 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOLDENS INTERNATIONAL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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

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

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

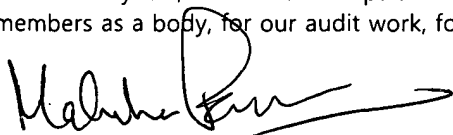
Auditors' responsibilities for the audit of the financial statements

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.

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. This description forms part of our Report of the Auditors.

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.



Mahendra Parmar (Senior Statutory Auditor)
for and on behalf of M. Parmar & Co.
Registered Auditors
First Floor
244 Edgware Road
London
W2 1DS

24 August 2020

GOLDENS INTERNATIONAL LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

		2019	2018
	Notes	£	£
Turnover	4	30,232,878	29,146,233
Cost of sales		(25,248,712)	(24,033,227)
Gross profit		4,984,166	5,113,006
Administrative expenses		(4,628,895)	(4,951,076)
Operating profit	6	355,271	161,930
Profit/loss on sale of operatn	7	6,205	-
		361,476	161,930
Interest payable and similar expenses	8	(8,134)	(10,765)
Profit before taxation		353,342	151,165
Tax on profit	9	(66,551)	(73,753)
Profit for the financial year		286,791	77,412
Profit attributable to: Owners of the parent		286,791	77,412

The notes form part of these financial statements

GOLDENS INTERNATIONAL LIMITED

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2019**

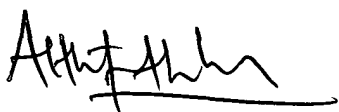
		2019	2018
	Notes	£	£
Profit for the year		286,791	77,412
Other comprehensive income		-	-
Total comprehensive income for the year		<u>286,791</u>	<u>77,412</u>
Total comprehensive income attributable to: Owners of the parent		<u>286,791</u>	<u>77,412</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 AUGUST 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	11		903,763		1,204,836
Tangible assets	12		2,126,078		2,098,864
Investments	13		-		-
			<u>3,029,841</u>		<u>3,303,700</u>
Current assets					
Stocks	14	1,355,220		1,873,656	
Debtors	15	218,399		222,148	
Cash at bank and in hand		15,148		57,754	
		<u>1,588,767</u>		<u>2,153,558</u>	
Creditors					
Amounts falling due within one year	16	2,511,603		3,646,598	
Net current liabilities			<u>(922,836)</u>		<u>(1,493,040)</u>
Total assets less current liabilities			<u>2,107,005</u>		<u>1,810,660</u>
Creditors					
Amounts falling due after more than one year	17		(131,910)		(144,618)
Provisions for liabilities	21		<u>(114,088)</u>		<u>(110,826)</u>
Net assets			<u><u>1,861,007</u></u>		<u><u>1,555,216</u></u>
Capital and reserves					
Called up share capital	22		20,000		1,000
Retained earnings	23		1,841,007		1,554,216
Shareholders' funds			<u><u>1,861,007</u></u>		<u><u>1,555,216</u></u>

The financial statements were approved by the director and authorised for issue on 24 August 2020 and were signed by:



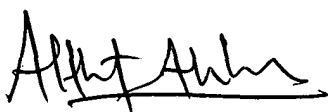
A A Karattu Thody - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 AUGUST 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	11		903,763		1,204,836
Tangible assets	12		2,095,715		2,034,839
Investments	13		6,101		6,101
			<u>3,005,579</u>		<u>3,245,776</u>
Current assets					
Debtors	15	1,181,131		1,653,420	
Cash at bank and in hand		635		33,045	
		<u>1,181,766</u>		<u>1,686,465</u>	
Creditors					
Amounts falling due within one year	16	1,311,240		2,416,072	
Net current liabilities			<u>(129,474)</u>		<u>(729,607)</u>
Total assets less current liabilities			2,876,105		2,516,169
Creditors					
Amounts falling due after more than one year	17		(131,910)		(144,618)
Provisions for liabilities	21		<u>(108,595)</u>		<u>(98,999)</u>
Net assets			<u>2,635,600</u>		<u>2,272,552</u>
Capital and reserves					
Called up share capital	22		20,000		1,000
Retained earnings	23		2,615,600		2,271,552
Shareholders' funds			<u>2,635,600</u>		<u>2,272,552</u>
 Company's profit for the financial year			 <u>344,048</u>		 <u>552,801</u>

The financial statements were approved by the director and authorised for issue on 24 August 2020 and were signed by:



A A Karattu Thody - Director

The notes form part of these financial statements

GOLDENS INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 September 2017	1,000	1,476,804	1,477,804
Changes in equity			
Profit for the year	-	77,412	77,412
Total comprehensive income	-	77,412	77,412
Balance at 31 August 2018	1,000	1,554,216	1,555,216
Changes in equity			
Profit for the year	-	286,791	286,791
Total comprehensive income	-	286,791	286,791
Issue of share capital	19,000	-	19,000
Balance at 31 August 2019	20,000	1,841,007	1,861,007

The notes form part of these financial statements

GOLDENS INTERNATIONAL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 September 2017	1,000	1,718,751	1,719,751
Changes in equity			
Total comprehensive income	-	552,801	552,801
Balance at 31 August 2018	1,000	2,271,552	2,272,552
Changes in equity			
Issue of share capital	19,000	-	19,000
Total comprehensive income	-	344,048	344,048
Balance at 31 August 2019	20,000	2,615,600	2,635,600

The notes form part of these financial statements

GOLDENS INTERNATIONAL LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	155,722	252,890
Interest paid		(1,109)	(1,647)
Interest element of hire purchase payments paid		(7,025)	(9,118)
Tax paid		(7,830)	(23,211)
Net cash from operating activities		<u>139,758</u>	<u>218,914</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(50,000)	-
Purchase of tangible fixed assets		(445,130)	(183,530)
Sale of intangible fixed assets		241,510	-
Sale of tangible fixed assets		89,114	-
Net cash from investing activities		<u>(164,506)</u>	<u>(183,530)</u>
Cash flows from financing activities			
Capital repayments in year		(12,708)	(40,221)
Share issue		19,000	-
Net cash from financing activities		<u>6,292</u>	<u>(40,221)</u>
Decrease in cash and cash equivalents		<u>(18,456)</u>	<u>(4,837)</u>
Cash and cash equivalents at beginning of year	2	25,765	30,602
Cash and cash equivalents at end of year	2	<u><u>7,309</u></u>	<u><u>25,765</u></u>

The notes form part of these financial statements

GOLDENS INTERNATIONAL LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Reconciliation of profit before taxation to cash generated from operations

	2019	2018
	£	£
Profit before taxation	353,342	151,165
Depreciation charges	438,363	413,467
Finance costs	8,134	10,765
	<u>799,839</u>	<u>575,397</u>
Decrease/(increase) in stocks	518,436	(105,125)
Increase in trade and other debtors	(399,378)	(7,163)
Decrease in trade and other creditors	(763,175)	(210,219)
	<u>155,722</u>	<u>252,890</u>
Cash generated from operations	155,722	252,890

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2019

	31/8/19	1/9/18
	£	£
Cash and cash equivalents	15,148	57,754
Bank overdrafts	(7,839)	(31,989)
	<u>7,309</u>	<u>25,765</u>

Year ended 31 August 2018

	31/8/18	1/9/17
	£	£
Cash and cash equivalents	57,754	31,515
Bank overdrafts	(31,989)	(913)
	<u>25,765</u>	<u>30,602</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Statutory information

Goldens International 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 General 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.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 August 2019.

Significant judgements and estimates

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Turnover

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

Revenue is recognised when performance obligations are satisfied and control has transferred to the customer. For goods sold in store, revenue is recognised at the point of sale.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated useful life of twenty years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- Over the term of the lease
Long leasehold	- Over the term of the lease
Plant and machinery	- 25% on reducing balance and 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 20% on reducing balance
Equipment	- 20% on reducing balance

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

2. **Accounting policies - continued**

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is based on the cost of purchase on a first in, first out basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Impairment

A review for indicators of impairment is carried out at each reporting date with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly.

Functional and presentational currency

The company's functional and presentational currency is Pound Sterling.

Dividends

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

Pension - defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies - continued

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 in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management have been required to make judgements, estimates and assumptions. These estimates relate to the carrying value of assets and liabilities that are based on underlying assumptions and other factors, which are considered to be relevant. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an on-going basis.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

4. Turnover

Turnover represents the sale of goods to customers net of VAT. The turnover of the company has been derived from its principal activity. All trading is undertaken in the UK.

5. Employees and directors

	2019	2018
	£	£
Wages and salaries	1,883,734	1,907,670
Social security costs	61,395	60,318
Other pension costs	7,918	6,105
	<u>1,953,047</u>	<u>1,974,093</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

5. Employees and directors - continued

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

	2019	2018
Shop staff	216	194
Accounts	4	4
Administration	21	21
	<u>241</u>	<u>219</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 241 (2018 - 219).

	2019	2018
	£	£
Director's remuneration	<u>49,159</u>	<u>56,871</u>

Applications for employment by disabled persons are always fully and fairly considered, bearing in mind the aptitudes of the applicant concerned. In the event of team members becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of their employees.

6. Operating profit

The operating profit is stated after charging:

	2019	2018
	£	£
Hire of plant and machinery	20,846	40,850
Depreciation - owned assets	268,502	231,028
Depreciation - assets on hire purchase contracts	60,300	75,375
Goodwill amortisation	109,563	107,064
Auditors' remuneration	<u>12,000</u>	<u>12,000</u>

7. Exceptional items

	2019	2018
	£	£
Profit/loss on sale of operatn	<u>6,205</u>	<u>-</u>

8. Interest payable and similar expenses

	2019	2018
	£	£
Interest on overdue tax paid	1,109	1,647
Hire purchase	<u>7,025</u>	<u>9,118</u>
	<u>8,134</u>	<u>10,765</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

9. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	58,336	32,246
Deferred tax	8,215	41,507
Tax on profit	<u>66,551</u>	<u>73,753</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

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

	2019	2018
	£	£
Profit before tax	<u>353,342</u>	<u>151,165</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	67,135	28,721
Effects of:		
Capital allowances in excess of depreciation	(8,799)	-
Depreciation in excess of capital allowances	-	3,525
Deferred tax	<u>8,215</u>	<u>41,507</u>
Total tax charge	<u>66,551</u>	<u>73,753</u>

10. Individual income statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

11. Intangible fixed assets

Group**Goodwill
£****Cost**

At 1 September 2018

2,141,267

Additions

50,000

Disposals

(431,268)

At 31 August 2019

1,759,999

Amortisation

At 1 September 2018

936,431

Amortisation for year

109,563

Eliminated on disposal

(189,758)

At 31 August 2019

856,236

Net book value

At 31 August 2019

903,763

At 31 August 2018

1,204,836

Company**Goodwill
£****Cost**

At 1 September 2018

2,141,267

Additions

50,000

Disposals

(431,268)

At 31 August 2019

1,759,999

Amortisation

At 1 September 2018

936,431

Amortisation for year

109,563

Eliminated on disposal

(189,758)

At 31 August 2019

856,236

Net book value

At 31 August 2019

903,763

At 31 August 2018

1,204,836

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

12. Tangible fixed assets

Group

	Short leasehold £	Long leasehold £	Plant and machinery £
Cost			
At 1 September 2018	287,877	892,738	436,637
Additions	-	50,000	93,990
Disposals	(61,020)	-	-
At 31 August 2019	226,857	942,738	530,627
Depreciation			
At 1 September 2018	125,416	51,332	274,856
Charge for year	14,802	21,189	51,154
Eliminated on disposal	(33,561)	-	-
At 31 August 2019	106,657	72,521	326,010
Net book value			
At 31 August 2019	120,200	870,217	204,617
At 31 August 2018	162,461	841,406	161,781

	Fixtures and fittings £	Motor vehicles £	Equipment £	Totals £
Cost				
At 1 September 2018	2,025,912	403,059	3,529	4,049,752
Additions	273,818	27,322	-	445,130
Disposals	(83,413)	-	-	(144,433)
At 31 August 2019	2,216,317	430,381	3,529	4,350,449
Depreciation				
At 1 September 2018	1,324,140	173,061	2,083	1,950,888
Charge for year	189,904	51,464	289	328,802
Eliminated on disposal	(21,758)	-	-	(55,319)
At 31 August 2019	1,492,286	224,525	2,372	2,224,371
Net book value				
At 31 August 2019	724,031	205,856	1,157	2,126,078
At 31 August 2018	701,772	229,998	1,446	2,098,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

12. Tangible fixed assets - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
Cost			
At 1 September 2018 and 31 August 2019	143,133	297,647	440,780
Depreciation			
At 1 September 2018	42,677	96,602	139,279
Charge for year	20,091	40,209	60,300
At 31 August 2019	62,768	136,811	199,579
Net book value			
At 31 August 2019	80,365	160,836	241,201
At 31 August 2018	100,456	201,045	301,501

Company

	Short leasehold £	Long leasehold £	Plant and machinery £
Cost			
At 1 September 2018	287,877	892,738	436,637
Additions	-	50,000	93,990
Disposals	(61,020)	-	-
At 31 August 2019	226,857	942,738	530,627
Depreciation			
At 1 September 2018	125,416	51,332	274,856
Charge for year	14,802	21,189	51,154
Eliminated on disposal	(33,561)	-	-
At 31 August 2019	106,657	72,521	326,010
Net book value			
At 31 August 2019	120,200	870,217	204,617
At 31 August 2018	162,461	841,406	161,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

12. Tangible fixed assets - continued

Company

	Fixtures and fittings £	Motor vehicles £	Totals £
Cost			
At 1 September 2018	1,903,541	396,579	3,917,372
Additions	273,818	27,322	445,130
Disposals	(40,620)	-	(101,640)
At 31 August 2019	2,136,739	423,901	4,260,862
Depreciation			
At 1 September 2018	1,262,005	168,924	1,882,533
Charge for year	183,071	50,995	321,211
Eliminated on disposal	(5,036)	-	(38,597)
At 31 August 2019	1,440,040	219,919	2,165,147
Net book value			
At 31 August 2019	696,699	203,982	2,095,715
At 31 August 2018	641,536	227,655	2,034,839

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
Cost			
At 1 September 2018 and 31 August 2019	143,133	297,647	440,780
Depreciation			
At 1 September 2018	42,677	96,602	139,279
Charge for year	20,091	40,209	60,300
At 31 August 2019	62,768	136,811	199,579
Net book value			
At 31 August 2019	80,365	160,836	241,201
At 31 August 2018	100,456	201,045	301,501

GOLDENS INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

13. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 September 2018	6,101
Additions	1,000
Disposals	(1,000)
	<u>6,101</u>
At 31 August 2019	<u>6,101</u>
Net book value	
At 31 August 2019	<u>6,101</u>
	<u>6,101</u>
At 31 August 2018	<u>6,101</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Goldens (Birmingham) Limited

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket

	%		
Class of shares:	holding	2019	2018
Ordinary	100.00	£	£
Aggregate capital and reserves		134,323	113,919
Profit for the year		<u>50,404</u>	<u>36,117</u>

Goldens (Derby) Limited

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket

	%		
Class of shares:	holding	2019	2018
Ordinary	100.00	£	£
Aggregate capital and reserves		52,648	49,709
Profit for the year		<u>2,939</u>	<u>1,449</u>

GOLDENS INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

13. Fixed asset investments - continued

Goldens (Nottingham) Limited

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		47,509	56,007
Profit for the year		11,502	8,444
		<u> </u>	<u> </u>

Goldens (London) Limited

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket (sold) / Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		(741,696)	(733,147)
Loss for the year		(8,549)	(157,322)
		<u> </u>	<u> </u>

Goldens (Leicester) Ltd

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		46,071	55,253
Profit for the year		5,818	5,376
		<u> </u>	<u> </u>

Goldens (Tinsley) Ltd

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket (sold)

	%		
Class of shares:	holding		
Ordinary			
		18/7/19	2018
		£	£
Aggregate capital and reserves		(1,726)	1,000
Loss for the period/year		(2,726)	-
		<u> </u>	<u> </u>

GOLDENS INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

13. Fixed asset investments - continued

Goldens (Washwood Heath) Ltd

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket (closed)

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		(287,461)	(287,461)
Loss for the year		-	(153,104)
		<u> </u>	<u> </u>

Goldens (Rotherham) Ltd

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		16,599	13,485
Profit for the year		18,114	13,652
		<u> </u>	<u> </u>

Goldens Stoke Limited

Registered office: Second Floor, 325 Washwood Heath Road, Birmingham, England, B8 2XJ

Nature of business: Supermarket

	%		
Class of shares:	holding		
Ordinary	100.00		
		2019	
		£	
Aggregate capital and reserves		(33,759)	
Loss for the year		(34,759)	
		<u> </u>	

14. Stocks

	Group	
	2019	2018
	£	£
Stocks	1,355,220	1,873,656
	<u> </u>	<u> </u>

The amount of stock recognised as an expense during the period was £1,355,220 (2018: £1,873,656).

GOLDENS INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

15. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Amounts owed by group undertakings	-	-	1,017,256	1,479,045
Lease deposit	26,500	26,500	26,500	26,500
VAT	31,038	19,656	-	-
Prepayments	23,486	28,117	-	-
	<u>81,024</u>	<u>74,273</u>	<u>1,043,756</u>	<u>1,505,545</u>
Amounts falling due after more than one year:				
Rental deposit	<u>137,375</u>	<u>147,875</u>	<u>137,375</u>	<u>147,875</u>
Aggregate amounts	<u>218,399</u>	<u>222,148</u>	<u>1,181,131</u>	<u>1,653,420</u>

Included within debtors are balances totalling £163,875 (2018: £174,375) that have been pledged as collateral for future contingent liabilities of the company due to landlords.

16. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 18)	7,839	31,989	456	-
Other loans (see note 18)	1,013,740	1,945,914	1,013,740	1,945,913
Hire purchase contracts (see note 19)	87,170	87,170	87,170	87,170
Trade creditors	1,045,897	1,278,841	-	-
Amounts owed to group undertakings	-	-	117,591	335,985
Tax	121,956	71,450	74,563	27,584
Social security and other taxes	133,581	133,174	-	9,560
Directors' current accounts	56,700	56,700	-	-
Accrued expenses	44,720	41,360	17,720	9,860
	<u>2,511,603</u>	<u>3,646,598</u>	<u>1,311,240</u>	<u>2,416,072</u>

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Hire purchase contracts (see note 19)	<u>131,910</u>	<u>144,618</u>	<u>131,910</u>	<u>144,618</u>

GOLDENS INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

18. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	7,839	31,989	456	-
Other loans	1,013,740	1,945,914	1,013,740	1,945,913
	<u>1,021,579</u>	<u>1,977,903</u>	<u>1,014,196</u>	<u>1,945,913</u>

19. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	99,319	99,319
Between one and five years	143,459	163,192
	<u>242,778</u>	<u>262,511</u>
Finance charges repayable:		
Within one year	12,149	12,149
Between one and five years	11,549	18,574
	<u>23,698</u>	<u>30,723</u>
Net obligations repayable:		
Within one year	87,170	87,170
Between one and five years	131,910	144,618
	<u>219,080</u>	<u>231,788</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

19. Leasing agreements - continued**Company**

	Hire purchase contracts	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	99,319	99,319
Between one and five years	143,459	163,192
	<u>242,778</u>	<u>262,511</u>
Finance charges repayable:		
Within one year	12,149	12,149
Between one and five years	11,549	18,574
	<u>23,698</u>	<u>30,723</u>
Net obligations repayable:		
Within one year	87,170	87,170
Between one and five years	131,910	144,618
	<u>219,080</u>	<u>231,788</u>

20. Financial instruments

Financial assets for the group measured at amortised cost comprise of other debtors £218,399 (2018: £222,148) and cash £15,148 (2018: £57,754).

Financial assets for the company measured at amortised cost comprise of other debtors £163,875 (2018: £174,375), amounts owed by subsidiaries £1,017,256 (2018: £1,479,045) and cash £635 (2018: £33,045).

Financial liabilities for group measured at amortised cost comprise of loans and overdrafts £1,021,579 (2018: £1,977,903), trade creditors £1,045,897 (2018: £1,278,841), other creditors £532,313 (2018: £493,112) and accrued expenses £44,720 (2018: £41,360).

Financial liabilities for company measured at amortised cost comprise of bank loans and overdrafts £1,014,196 (2018: £1,945,913), amounts owed to subsidiaries £117,591 (2018: £335,985), other creditors £293,643 (2018: £268,932) and accrued expenses £17,720 (2018: £9,860).

21. Provisions for liabilities

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>114,088</u>	<u>110,826</u>	<u>108,595</u>	<u>98,999</u>

GOLDENS INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

21. Provisions for liabilities - continued

Group

	Deferred tax
	£
Balance at 1 September 2018	110,826
Provided during year	3,262
	<u>114,088</u>
Balance at 31 August 2019	<u>114,088</u>

Company

	Deferred tax
	£
Balance at 1 September 2018	98,999
Provided during year	9,596
	<u>108,595</u>
Balance at 31 August 2019	<u>108,595</u>

22. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
20,000	Ordinary	£1	<u>20,000</u>	<u>1,000</u>

19,000 Ordinary shares of £1 were issued during the year for cash of £19000.

The shares carry full rights with regards to voting, participation and dividends. In the event of the company being wound up, the shareholder will be entitled to a share in the proceeds of the company's assets after all the debts have been paid.

23. Reserves

Group

	Retained earnings
	£
At 1 September 2018	1,554,216
Profit for the year	286,791
	<u>1,841,007</u>
At 31 August 2019	<u>1,841,007</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

23. Reserves - continued

Company

	Retained earnings £
At 1 September 2018	2,271,552
Profit for the year	344,048
At 31 August 2019	<u>2,615,600</u>

Retained earnings include all current and prior period retained profits and losses.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £7,918 (2019: £6,105). Contributions totalling £672 (2019: £513) were payable to the fund by the company at the reporting date and are included in creditors.

25. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

As at 31 August 2019, the company owed £1,013,740 (2018 - £1,945,914) to a company controlled by the ultimate controlling party. The creditor is interest-free, unsecured and no guarantees were provided.

During the year, a total of key management personnel compensation of £46,159 (2018 - £56,871) was paid.

26. Ultimate controlling party

The controlling party is A A Karattu Thody.

The ultimate controlling party is A Nazar who owns 85% of the issued share capital of the parent company.