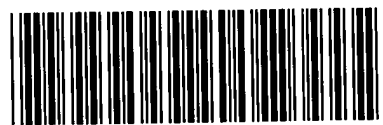


Registration number: 02186341

**THE DEZAC GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 SEPTEMBER 2021**

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COMPANIES HOUSE

## **THE DEZAC GROUP LIMITED**

### **COMPANY INFORMATION**

**Directors** D B L Mills

M B Mills

**Company secretary** D B L Mills

**Registered office** Dezac House  
Montpellier Street  
Cheltenham  
Gloucestershire  
GL50 1SS

**Solicitors** Harrison Clark Rickerbys Limited  
Ellenborough House  
Wellington Street  
Cheltenham  
Gloucestershire  
GL50 1YD

**Bankers** Barclays PLC  
PO Box 119  
Park House  
Newbrick Road  
Stoke Gifford  
Bristol  
BS34 8TN

**Auditors** Hazlewoods LLP  
Staverton Court  
Staverton  
Cheltenham  
GL51 0UX

**THE DEZAC GROUP LIMITED**

**(REGISTRATION NUMBER: 02186341)  
BALANCE SHEET AS AT 29 SEPTEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	49,438	65,917
Investments	6	<u>6</u>	<u>6</u>
		<u>49,444</u>	<u>65,923</u>
<b>Current assets</b>			
Stocks	7	1,906,643	1,666,456
Debtors	8	3,006,021	2,434,744
Cash at bank and in hand		<u>962,432</u>	<u>1,030,244</u>
		5,965,096	5,131,444
Creditors: Amounts falling due within one year	9	<u>(1,526,686)</u>	<u>(1,665,094)</u>
Net current assets		<u>4,438,410</u>	<u>3,466,350</u>
Total assets less current liabilities		4,487,854	3,532,273
Creditors: Amounts falling due after more than one year	9	<u>(177,765)</u>	<u>(51,407)</u>
Net assets		<u>4,310,089</u>	<u>3,480,866</u>
<b>Capital and reserves</b>			
Called up share capital		550	550
Profit and loss account		<u>4,309,539</u>	<u>3,480,316</u>
Total equity		<u>4,310,089</u>	<u>3,480,866</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 8/4/22 and signed on its behalf by:

  
D.B.L. Mills  
Company secretary and director

# THE DEZAC GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Dezac House  
Montpellier Street  
Cheltenham  
Gloucestershire  
GL50 1SS

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

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

#### Statement of compliance

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

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is UK £, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £.

#### Name of parent group

These financial statements are consolidated in the financial statements of Dezac Group Holdings Limited.

The financial statements of Dezac Group Holdings Limited may be obtained from the company's registered office.

#### Group accounts not prepared

The financial statements contain information about The Dezac Group Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Dezac Group Holdings Limited, a company incorporated in England and Wales.

#### Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Turnover is recognised when its value can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred in relation to the transaction can be measured reliably.

The company deems that the risks and rewards of ownership pass when products are delivered or are collected by customers, and it is at this point that revenue is recognised.

## THE DEZAC GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Judgements**

No significant judgements have been made by management in preparing these financial statements.

#### **Key sources of estimation uncertainty**

##### ***Slow moving stock provision***

Determining the value to be recorded in respect of the slow moving stock provision requires an estimate of the future use of stock. A provision is included on all stock items where the previous 6 months usage is less than the value of the stock held at the year end.

##### ***Goods returned provision***

Determining the value to be included in the financial statements requires an estimation of the value of future returns. The directors have based their estimates on historical returns percentages applied to pre year end sales. This is compared to post year end returns received.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the amount receivable. Grants relating to revenue are recognised in income over the period in which the income is receivable.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## THE DEZAC GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short term leasehold property	Over the term of the lease
Plant and machinery	2 - 10 years straight line
Furniture and fittings	2 - 4 years straight line
Motor vehicles	4 years straight line

#### Research and development

Research and development expenditure is written off in the year in which it is incurred.

#### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

#### Trade 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 current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## THE DEZAC GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021

#### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, they are otherwise classified as operating leases. Payments made under operating leases are charged to the profit or loss account on a straight-line basis over the period of the lease.

#### **Financial instruments**

##### ***Classification***

The company only enters into basic financial instrument transactions that results in the recognition of financial assets and liabilities such as trade and other receivables and payables, loans from related parties and investments in non-puttable ordinary shares.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balances sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Debt instruments like loans and other receivables and payables are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the discounted amount of cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

##### ***Recognition and measurement***

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss. For financial assets measured at amortised cost, the impairment loss is measured as the difference between assets carrying value and the present value of estimated cash flows discounted at the assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between assets carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount recognised in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Impairment***

At each reporting date non-financial assets not carried at fair value, such as property, plant and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is higher of value in use and the fair value less costs to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and impairment loss is recognised immediately in profit or loss.

##### ***Defined contribution pension obligation***

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# THE DEZAC GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2020 - 35).

### 4 Tangible assets

	Short term leasehold property £	Furniture and fittings £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost</b>					
At 30 September 2020	484,891	60,752	235,774	738,819	1,520,236
At 29 September 2021	484,891	60,752	235,774	738,819	1,520,236
<b>Depreciation</b>					
At 30 September 2020	484,891	60,752	169,857	738,819	1,454,319
Charge for the year	-	-	16,479	-	16,479
At 29 September 2021	484,891	60,752	186,336	738,819	1,470,798
<b>Carrying amount</b>					
At 29 September 2021	-	-	49,438	-	49,438
At 29 September 2020	-	-	65,917	-	65,917

### 5 Investments

	2021 £	2020 £
Investments in subsidiaries	6	6
<b>Subsidiaries</b>		£
<b>Cost</b>		
At 29 September 2020 and 29 September 2021		6
<b>Carrying amount</b>		
At 29 September 2020 and 29 September 2021		6

# THE DEZAC GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021

### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Dezac Limited	Dezac House, Montpellier Street, Cheltenham, Gloucestershire, GL51 1SS	Ordinary	100%	100%
Salon Essentials Limited	Dezac House, Montpellier Street, Cheltenham, Gloucestershire, GL51 1SS	Ordinary	100%	100%
Rio Health and Beauty Limited	Dezac House, Montpellier Street, Cheltenham, Gloucestershire, GL51 1SS	Ordinary	100%	100%

The principal activity of Dezac Limited is that of a dormant company.

The principal activity of Salon Essentials Limited is that of a dormant company.

The principal activity of Rio Health and Beauty Limited is that of a dormant company.

### 6 Stocks

	2021 £	2020 £
Raw materials and consumables	<u>1,906,643</u>	<u>1,666,456</u>

### 7 Debtors

	Note	2021 £	2020 £
Trade debtors		1,608,553	1,153,664
Director's current account	11	177,000	177,000
Other debtors		1,274,254	1,042,437
Deferred tax assets		<u>36,214</u>	<u>61,643</u>
		<u>3,096,021</u>	<u>2,434,744</u>

# THE DEZAC GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021

### 8 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	9	131,834	261,214
Trade creditors		622,706	385,260
Amounts due to related parties	11	6	6
Social security and other taxes		18,495	55,923
Other creditors		-	60,893
Accrued expenses		567,895	898,697
Corporation tax liability		185,750	3,101
		<u>1,526,686</u>	<u>1,665,094</u>
<b>Due after one year</b>			
Loans and borrowings	9	<u>177,765</u>	<u>51,407</u>

### 9 Loans and borrowings

	2021 £	2020 £
<b>Current loans and borrowings</b>		
Bank borrowings	120,000	250,000
HP and finance lease liabilities	<u>11,834</u>	<u>11,214</u>
	<u>131,834</u>	<u>261,214</u>
<b>Non-current loans and borrowings</b>		
Bank borrowings	130,000	-
HP and finance lease liabilities	<u>47,765</u>	<u>51,407</u>
	<u>177,765</u>	<u>51,407</u>

### 10 Financial commitments, guarantees and contingencies

At 29 September 2021, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £1,322,157 (2020 - £1,138,452).

### 11 Related party transactions

#### BW SIPP Trustees Limited

(the directors of the company are beneficiaries of this pension scheme)

During the year, rent of £126,615 (2020 - £132,113) was paid to BW SIPP Trustees Limited in respect of the Dezac House premises, which it owns. The 2020 expense also includes rent paid in respect of the Forest Vale Industrial Estate, which was vacated during 2020. This transaction was made on a commercial arm's length basis. At the balance sheet date the amount due to BW SIPP Trustees Limited was £72,000 (2020 - £208,501).

#### Transactions with directors

During the year there were no advances or repayments of the directors loan accounts (2020 - advances of £nil and repayments of £nil). At the balance sheet date, the amount due from the directors was £177,000 (2020 - £177,000). No interest was charged on the balance due from the directors in the current or prior year.

## **THE DEZAC GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2021**

#### **12 Parent and ultimate parent undertaking**

The company's immediate and ultimate parent is Dezac Group Holdings Limited, incorporated in England and Wales.

A copy of the financial statements for Dezac Group Holdings Limited can be obtained from Dezac House, Montpellier Street, Cheltenham, Gloucestershire, GL50 1SS.

The ultimate controlling party is D B L Mills.

#### **13 Audit report**

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 14 April 2022 was Paul Fussell, who signed for and on behalf of Hazlewoods LLP.