

Company Registration No. 4301845 (England and Wales)

**GROUPTYPE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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# **GROUPTYPE LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr S Majithia Mrs S Majithia
<b>Company number</b>	4301845
<b>Registered office</b>	81 Pinner View Harrow Middlesex HA1 4RZ
<b>Auditor</b>	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL

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# **GROUPTYPE LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Profit and loss account	9
Group statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Company statement of cash flows	16
Notes to the financial statements	17 - 28

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# **GROUPTYPE LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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The directors present the strategic report for the year ended 30 September 2021.

### **Fair review of the business**

Turnover for the year ended 30 September 2021 amounted to £13.36m compared to £14.02m for the previous year and the operating profit for the year was £524k compared to £698k in the previous year.

The directors considered the results at the year end to be satisfactory and intend to pursue strategies that would enhance the growth of the company and result in improved performance.

The company continued to serve the strong demand from established, existing clients. There has also been good exposure to new regions and clients.

### **Principal risks and uncertainties**

The company, like all businesses, faces a number of operating risks and uncertainties. There are a small number of risks that could impact the company's long term performance and steps are taken to understand and evaluate these in order to achieve their objective of sustainable growth.

The management have risk management processes in place, which are designed to identify, manage and mitigate business risk.

### **Financial risk management objectives and policies**

The company has access to various financial instruments that include bank overdrafts, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to ensure smooth running of the business. The main risks arising from the company's financial instruments are as stated below.

#### **Liquidity risk**

The company aims to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by having access to overdraft facilities.

#### **Credit risk**

The company strictly monitors amounts outstanding from customers and grants credit only to established customers.

### **Development and performance**

The directors aim to continue with the management policies which have resulted in the company's steady growth in recent years.

### **Key performance indicators**

The directors use both financial and non-financial performance indicators to monitor the company's position.

The key financial performance indicators of the company is sales £13.36m (2020: £14.02m).

The key non-financial performance indicators of the company are customer service and satisfaction, and stakeholder relationships.

The directors are of the belief that the monitoring of the above-mentioned indicators is an effective aspect of business performance review.

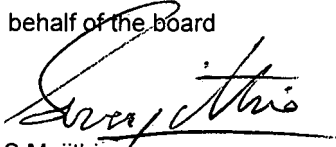
# **GROUPTYPE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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On behalf of the board



Mr S Majithia  
**Director**

10 May 2022

# **GROUPTYPE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The directors present their annual report and financial statements for the year ended 30 September 2021.

#### **Principal activities**

The principal activity of the group continued to be that of exporting fast moving consumer goods (FMCG).

#### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £130,000. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Majithia  
Mrs S Majithia

#### **Auditor**

KLSA LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

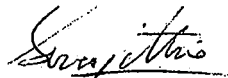
# **GROUPTYPE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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On behalf of the board



Mr S Majithia  
Director

10 May 2022

# **GROUPTYPE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GROUPTYPE LIMITED**

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#### **Opinion**

We have audited the financial statements of Grouptype Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2021 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **GROUPTYPE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GROUPTYPE LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **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 strategic report and the directors' report.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence,
- capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.

# **GROUPTYPE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GROUPTYPE LIMITED**

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We also considered potential fraud drivers: including financial or other pressures, opportunity, override of controls and personal or corporate motivations. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing journals, evaluating the business rationale of significant transactions outside the normal course of business and validating the appropriateness of internal controls and significant accounting estimations based on our fraud risk criteria;

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

We assessed the impact of COVID-19 on the inherent risk of fraud, including potential opportunities for fraud with remote working and government grants.

We obtained understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the financial reporting framework, tax regulations in the jurisdictions in which the company operates.

Based on this understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved: making enquiries of management, those responsible for legal and compliance procedures and reviewing other correspondence.

We communicated identified fraud risks and non-compliance with laws and regulations with those charged with governance, throughout the audit team and remained alert to any indications throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Other matters**

The comparative period was not subject to audit because the company took advantage of audit exemption by virtue of section 479A of Companies Act 2006 in that period.

# **GROUPTYPE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GROUPTYPE LIMITED**

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### **Use of our report**

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



**Ketan Shah (Senior Statutory Auditor)**  
**For and on behalf of KLSA LLP**

**10 May 2022**

**Chartered Accountants**  
**Statutory Auditor**

**Kalamu House**  
**11 Coldbath Square**  
**London**  
**EC1R 5HL**

# GROUPTYPE LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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	Notes	2021 £	2020 £
Turnover	3	13,336,557	14,023,639
Cost of sales		(12,474,585)	(13,187,485)
<b>Gross profit</b>		<b>861,972</b>	<b>836,154</b>
Administrative expenses		(337,374)	(147,621)
Other operating income		-	10,000
<b>Operating profit</b>	<b>4</b>	<b>524,598</b>	<b>698,533</b>
Interest receivable and similar income	7	5,316	7,927
<b>Profit before taxation</b>		<b>529,914</b>	<b>706,460</b>
Tax on profit	8	(101,144)	(134,975)
<b>Profit for the financial year</b>		<b>428,770</b>	<b>571,485</b>

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Profit for the financial year is all attributable to the owner of the parent company.

## **GROUPTYPE LIMITED**

### **GROUP STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	428,770	571,485
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>428,770</u>	<u>571,485</u>

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

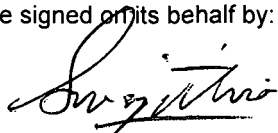
# GROUPTYPE LIMITED

## GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10		1,508		476
<b>Current assets</b>					
Stocks	13	2,120,061		1,263,102	
Debtors	14	605,189		302,322	
Cash at bank and in hand		4,019,787		4,503,352	
		<u>6,745,037</u>		<u>6,068,776</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(3,244,732)</u>		<u>(2,866,209)</u>	
<b>Net current assets</b>			<u>3,500,305</u>		<u>3,202,567</u>
<b>Net assets</b>			<u><u>3,501,813</u></u>		<u><u>3,203,043</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss reserves			<u>3,500,813</u>		<u>3,202,043</u>
<b>Total equity</b>			<u><u>3,501,813</u></u>		<u><u>3,203,043</u></u>

The financial statements were approved by the board of directors and authorised for issue on 10 May 2022 and are signed on its behalf by:



Mr S Majithia  
Director

# GROUPTYPE LIMITED

## COMPANY BALANCE SHEET

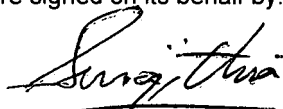
AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	11		5,000		5,000
<b>Current assets</b>					
Debtors	14	860,000		730,000	
Cash at bank and in hand		1,369,280		1,466,799	
		<u>2,229,280</u>		<u>2,196,799</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(260,676)</u>		<u>(231,079)</u>	
<b>Net current assets</b>			1,968,604		1,965,720
<b>Net assets</b>			<u>1,973,604</u>		<u>1,970,720</u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss reserves			1,972,604		1,969,720
<b>Total equity</b>			<u>1,973,604</u>		<u>1,970,720</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £132,884 (2020 - £134,597 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 10 May 2022 and are signed on its behalf by:



Mr S Majithia  
Director

Company Registration No. 4301845

# GROUPTYPE LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2019</b>		1,000	2,760,558	2,761,558
<b>Year ended 30 September 2020:</b>				
Profit and total comprehensive income for the year		-	571,485	571,485
Dividends	9	-	(130,000)	(130,000)
<b>Balance at 30 September 2020</b>		1,000	3,202,043	3,203,043
<b>Year ended 30 September 2021:</b>				
Profit and total comprehensive income for the year		-	428,770	428,770
Dividends	9	-	(130,000)	(130,000)
<b>Balance at 30 September 2021</b>		1,000	3,500,813	3,501,813



# GROUPTYPE LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2019</b>		1,000	1,965,123	1,966,123
<b>Year ended 30 September 2020:</b>				
Profit and total comprehensive income for the year		-	134,597	134,597
Dividends	9	-	(130,000)	(130,000)
<b>Balance at 30 September 2020</b>		1,000	1,969,720	1,970,720
<b>Year ended 30 September 2021:</b>				
Profit and total comprehensive income for the year		-	132,884	132,884
Dividends	9	-	(130,000)	(130,000)
<b>Balance at 30 September 2021</b>		1,000	1,972,604	1,973,604

# GROUPTYPE LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	19		(222,316)		1,399,965
Income taxes paid			(134,976)		(120,227)
<b>Net cash (outflow)/inflow from operating activities</b>			(357,292)		1,279,738
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,589)		(403)	
Interest received		5,316		7,927	
<b>Net cash generated from investing activities</b>			3,727		7,524
<b>Financing activities</b>					
Dividends paid to equity shareholders		(130,000)		(130,000)	
<b>Net cash used in financing activities</b>			(130,000)		(130,000)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(483,565)		1,157,262
Cash and cash equivalents at beginning of year			4,503,352		3,346,090
<b>Cash and cash equivalents at end of year</b>			4,019,787		4,503,352

# GROUPTYPE LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	20	(100,000)		-	
Income taxes paid		(1,080)		(1,228)	
<b>Net cash outflow from operating activities</b>		(101,080)		(1,228)	
<b>Investing activities</b>					
Interest received		3,561		5,676	
Dividends received		130,000		130,000	
<b>Net cash generated from investing activities</b>		133,561		135,676	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(130,000)		(130,000)	
<b>Net cash used in financing activities</b>		(130,000)		(130,000)	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(97,519)		4,448	
Cash and cash equivalents at beginning of year		1,466,799		1,462,351	
<b>Cash and cash equivalents at end of year</b>		1,369,280		1,466,799	

# **GROUPTYPE LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Grouptype Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Grouptype Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Grouptype Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

# **GROUPTYPE LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance basis
Computers equipment	20% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### **1.6 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# **GROUPTYPE LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.7 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include 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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***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 payments 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.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### 3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business	13,336,557	14,023,639

# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 3 Turnover and other revenue

(Continued)

	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	5,316	7,927
Grants received	-	10,000
	<u>          </u>	<u>          </u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
UK sales	1,538,508	2,522,276
Export sales	11,798,049	11,501,363
	<u>          </u>	<u>          </u>
	13,336,557	14,023,639
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	137,946	18,598
Government grants	-	(10,000)
Depreciation of owned tangible fixed assets	557	1,128
Operating lease charges	10,800	10,800
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	8,000	-
	<u>          </u>	<u>          </u>

### 6 Employees

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

Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
5	4	-	-
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	82,820	56,934	-	-
Social security costs	5,250	1,901	-	-
	<u>88,070</u>	<u>58,835</u>	<u>-</u>	<u>-</u>

### 7 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	5,316	7,927
	<u>5,316</u>	<u>7,927</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	5,316	7,927
	<u>5,316</u>	<u>7,927</u>

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	101,144	134,975
	<u>101,144</u>	<u>134,975</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	529,914	706,460
	<u>529,914</u>	<u>706,460</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	100,684	134,227
Tax effect of expenses that are not deductible in determining taxable profit	667	534
Permanent capital allowances in excess of depreciation	-	214
Capital allowances in excess of depreciation	(207)	-
	<u>101,144</u>	<u>134,975</u>
Taxation charge	101,144	134,975

# **GROUPTYPE LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

### **9 Dividends**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Recognised as distributions to equity holders:		
Interim paid	130,000	130,000

### **10 Tangible fixed assets**

<b>Group</b>	<b>Fixtures and fittings</b>	<b>Computers equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 October 2020	738	5,026	5,764
Additions	807	782	1,589
At 30 September 2021	1,545	5,808	7,353
<b>Depreciation and impairment</b>			
At 1 October 2020	369	4,919	5,288
Depreciation charged in the year	294	263	557
At 30 September 2021	663	5,182	5,845
<b>Carrying amount</b>			
At 30 September 2021	882	626	1,508
At 30 September 2020	369	107	476

The company had no tangible fixed assets at 30 September 2021 or 30 September 2020.

### **11 Fixed asset investments**

		<b>Group</b>	<b>2020</b>	<b>Company</b>	<b>2020</b>
	<b>Notes</b>	<b>2021</b>	<b>£</b>	<b>2021</b>	<b>£</b>
		<b>£</b>		<b>£</b>	
Investments in subsidiaries	12	-	-	5,000	5,000

# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 11 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Company

Shares in  
subsidiaries  
£

#### Cost or valuation

At 1 October 2020 and 30 September 2021

5,000

#### Carrying amount

At 30 September 2021

5,000

At 30 September 2020

5,000

### 12 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Firman Exports Limited	England and Wales	Ordinary	100.00

### 13 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	2,120,061	1,263,102	-	-

### 14 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	466,629	299,622	-	-
Other debtors	134,960	-	860,000	730,000
Prepayments and accrued income	3,600	2,700	-	-
	605,189	302,322	860,000	730,000

# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 15 Creditors: amounts falling due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade creditors	2,739,076	2,145,589	-	-
Corporation tax payable	101,142	134,974	676	1,079
Other taxation and social security	3,510	174,702	-	-
Other creditors	393,004	233,721	260,000	230,000
Accruals and deferred income	8,000	177,223	-	-
	<u>3,244,732</u>	<u>2,866,209</u>	<u>260,676</u>	<u>231,079</u>

### 16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 17 Related party transactions

#### Transactions with related parties

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

Included in the other creditors balance for the year, includes a balance due to the shareholders amounting to £260,000 (2020: £230,000).

### 18 Controlling party

The ultimate controlling party is the Majithia family.

# GROUPTYPE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 19 Cash (absorbed by)/generated from group operations

	2021 £	2020 £
Profit for the year after tax	428,770	571,485
<b>Adjustments for:</b>		
Taxation charged	101,144	134,975
Investment income	(5,316)	(7,927)
Depreciation and impairment of tangible fixed assets	557	1,128
<b>Movements in working capital:</b>		
Increase in stocks	(856,959)	(116,231)
Increase in debtors	(302,867)	(186,737)
Increase in creditors	412,355	1,003,272
<b>Cash (absorbed by)/generated from operations</b>	<b>(222,316)</b>	<b>1,399,965</b>

### 20 Cash absorbed by operations - company

	2021 £	2020 £
Profit for the year after tax	132,884	134,597
<b>Adjustments for:</b>		
Taxation charged	677	1,079
Investment income	(133,561)	(135,676)
<b>Movements in working capital:</b>		
Increase in debtors	(130,000)	(130,000)
Increase in creditors	30,000	130,000
<b>Cash absorbed by operations</b>	<b>(100,000)</b>	<b>-</b>

### 21 Analysis of changes in net funds - group

1 October 2020 £	Cash flows £	30 September 2021 £
Cash at bank and in hand	4,503,352	(483,565) 4,019,787

### 22 Analysis of changes in net funds - company

1 October 2020 £	Cash flows £	30 September 2021 £
Cash at bank and in hand	1,466,799	(97,519) 1,369,280