

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
MIRZA (UK) LIMITED**

MIRZA (UK) LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2023

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13
Trading and Profit and Loss Account	23

MIRZA (UK) LIMITED

COMPANY INFORMATION
For The Year Ended 31 March 2023

DIRECTORS: Mr A Habib
Mr T Mirza
Mr P J Mugglestone

SECRETARY: Mr A Habib

REGISTERED OFFICE: Mirza House
Sherbourne Drive Tilbrook
Milton Keynes
Buckinghamshire
MK7 8HY

REGISTERED NUMBER: 02802325 (England and Wales)

AUDITORS: Fortus Audit LLP
1 Rushmills
Bedford Road
Northampton
Northamptonshire
NN4 7YB

MIRZA (UK) LIMITED
STRATEGIC REPORT
For The Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

The principal activity of the business is that of importer and wholesaler of footwear.

As there has been reconfiguration of sourcing option preferred by customers, revenue for the year under review decreased to £8,873,857 from £15,634,710 in 2022 and gross profit decreased by £313,914 from £3,521,868 in 2022. Cash balances decreased accordingly from £4,786,793 to £958,025 in 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

Management continually monitor the risks facing the Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Company are as follows:

Liquidity risk

The company has arranged its borrowings over a period of time so as to ensure that it has sufficient liquid resources to meet the operating needs of the business.

Credit risk

Receivable balances are continually monitored and appropriate action is taken to recover them.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors monitor the progress of the Company by reference to the following KPIs. During the year, the Company has maintained performance under these KPIs through the management strategies in place.

Gross profit margin: 36.2% (2022: 22.5%)
Operating profit margin : 4.27% (2022: 6.35%)
Stock turnover days: 222 (2022: 51)
Trade debtor days: 36 (2022: 25)
Trade creditor days: 157 (2022: 183)

CUSTOMER SATISFACTION

The Company has primarily retained its existing customers during the year. Based on the individual customer-based dedicated management system, the Company has received positive feedback from existing customers for the business services provided to them during the year.

STAFF RETENTION

Staff are generally well-motivated and feel valued being part of a growing company. Staff levels have not changed significantly in period.

ON BEHALF OF THE BOARD:



.....
Mr A Habib - Director

Date: 12/5/23

MIRZA (UK) LIMITED
REPORT OF THE DIRECTORS
For The Year Ended 31 March 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of shoe importers and wholesalers.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2023.

FUTURE DEVELOPMENTS

Retail trade remained precarious in FY 2022/23. Against the backdrop of significant volatility in the macroeconomic environment, it is difficult to predict customer demand pattern in the upcoming financial year. However, with greater operational efficiency and with adaptation of a new commercial model, we are taking step towards a more sustainable future.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr A Habib
Mr T Mirza
Mr P J Mugglestone

Other changes in directors holding office are as follows:

Mr R A Mirza - resigned 29 June 2022

FINANCIAL INSTRUMENTS

The company utilises various financial instruments including loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

MIRZA (UK) LIMITED

**REPORT OF THE DIRECTORS
For The Year Ended 31 March 2023**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
Mr A Habib - Director

Date: 12/5/23

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MIRZA (UK) LIMITED**

Opinion

We have audited the financial statements of Mirza (Uk) Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the 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 company's affairs as at 31 March 2023 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MIRZA (UK) LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assess the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MIRZA (UK) LIMITED**

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.

Emma Jones

Emma Jones FCCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
1 Rushmills
Bedford Road
Northampton
Northamptonshire
NN4 7YB

Date:15/05/2023.....

MIRZA (UK) LIMITED
STATEMENT OF COMPREHENSIVE
INCOME
For The Year Ended 31 March 2023

	Notes	2023		2022	
		£	£	£	£
TURNOVER	3		8,873,857		15,634,710
Cost of sales			5,665,903		12,112,842
GROSS PROFIT			3,207,954		3,521,868
Distribution costs		1,473,913		1,511,199	
Administrative expenses		1,355,135		1,052,109	
			2,829,048		2,563,308
			378,906		958,560
Other operating income			-		34,611
OPERATING PROFIT	5		378,906		993,171
Impairment of investment	6		-		118,540
			378,906		874,631
Interest receivable and similar income			26,025		-
			404,931		874,631
Gain/loss on revaluation of investment property			200,000		(200,000)
			604,931		674,631
Interest payable and similar expenses	7		74,961		51,228
PROFIT BEFORE TAXATION			529,970		623,403
Tax on profit	8		115,968		198,191
PROFIT FOR THE FINANCIAL YEAR			414,002		425,212
OTHER COMPREHENSIVE INCOME			-		1,465,148
Income tax relating to other comprehensive income			-		(254,167)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			-		1,210,981
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			414,002		1,636,193

The notes form part of these financial statements

MIRZA (UK) LIMITED (REGISTERED NUMBER: 02802325)

BALANCE SHEET
31 March 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		5,999,342		5,968,885
Investments	10		508,118		508,118
Investment property	11		1,500,000		1,300,000
			<u>8,007,460</u>		<u>7,777,003</u>
CURRENT ASSETS					
Stocks	12	3,455,173		1,701,553	
Debtors	13	1,982,144		2,929,778	
Cash in hand		958,025		4,786,793	
		<u>6,395,342</u>		<u>9,418,124</u>	
CREDITORS					
Amounts falling due within one year	14	4,033,399		7,143,756	
			<u>2,361,943</u>		<u>2,274,368</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			10,369,403		10,051,371
CREDITORS					
Amounts falling due after more than one year	15		(1,470,463)		(1,614,027)
PROVISIONS FOR LIABILITIES					
	19		(501,881)		(454,287)
NET ASSETS					
			<u>8,397,059</u>		<u>7,983,057</u>
CAPITAL AND RESERVES					
Called up share capital	20		110,000		110,000
Revaluation reserve			3,382,001		3,382,001
Capital redemption reserve			90,000		90,000
Retained earnings			4,815,058		4,401,056
SHAREHOLDERS' FUNDS					
			<u>8,397,059</u>		<u>7,983,057</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12/5/23 and were signed on its behalf by:


.....
Mr A Habib - Director

The notes form part of these financial statements

MIRZA (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	110,000	3,975,844	2,171,020	90,000	6,346,864
Changes in equity					
Total comprehensive income	-	425,212	1,210,981	-	1,636,193
Balance at 31 March 2022	<u>110,000</u>	<u>4,401,056</u>	<u>3,382,001</u>	<u>90,000</u>	<u>7,983,057</u>
Changes in equity					
Total comprehensive income	-	414,002	-	-	414,002
Balance at 31 March 2023	<u>110,000</u>	<u>4,815,058</u>	<u>3,382,001</u>	<u>90,000</u>	<u>8,397,059</u>

The notes form part of these financial statements

MIRZA (UK) LIMITED**CASH FLOW STATEMENT
For The Year Ended 31 March 2023**

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(7,280,198)	4,780,596
Interest paid		(74,961)	(51,228)
Tax paid		(188,967)	(51,396)
Net cash from operating activities		<u>(7,544,126)</u>	<u>4,677,972</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(55,999)	(6,246)
Sale of tangible fixed assets		-	49,700
Interest received		26,025	-
Net cash from investing activities		<u>(29,974)</u>	<u>43,454</u>
Cash flows from financing activities			
Loan repayments in year		(143,564)	(2,171,494)
Amounts loaned to related parties		-	(400,000)
Amounts loaned from related parties		3,888,896	388,074
Net cash from financing activities		<u>3,745,332</u>	<u>(2,183,420)</u>
(Decrease)/increase in cash and cash equivalents		<u>(3,828,768)</u>	<u>2,538,006</u>
Cash and cash equivalents at beginning of year	2	4,786,793	2,248,787
Cash and cash equivalents at end of year	2	<u>958,025</u>	<u>4,786,793</u>

The notes form part of these financial statements

MIRZA (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 March 2023

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit before taxation	529,970	623,403
Depreciation charges	25,541	59,327
Profit on disposal of fixed assets	-	(9,486)
(Gain)/loss on revaluation of fixed assets	(200,000)	200,000
Impairment of investments	-	118,540
Finance costs	74,961	51,228
Finance income	(26,025)	-
	<u>404,447</u>	<u>1,043,012</u>
(Increase)/decrease in stocks	(1,753,620)	556,718
(Increase)/decrease in trade and other debtors	(539)	60,530
(Decrease)/increase in trade and other creditors	(5,930,486)	3,120,336
Cash generated from operations	<u>(7,280,198)</u>	<u>4,780,596</u>

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 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>958,025</u>	<u>4,786,793</u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	4,786,793	2,256,996
Bank overdrafts	-	(8,209)
	<u>4,786,793</u>	<u>2,248,787</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	<u>4,786,793</u>	<u>(3,828,768)</u>	<u>958,025</u>
	<u>4,786,793</u>	<u>(3,828,768)</u>	<u>958,025</u>
Debt			
Debts falling due within 1 year	(218,525)	-	(218,525)
Debts falling due after 1 year	<u>(1,614,027)</u>	<u>143,564</u>	<u>(1,470,463)</u>
	<u>(1,832,552)</u>	<u>143,564</u>	<u>(1,688,988)</u>
Total	<u>2,954,241</u>	<u>(3,685,204)</u>	<u>(730,963)</u>

The notes form part of these financial statements

MIRZA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2023**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Related party exemption

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.

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

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

Stock provisioning

The company is a shoe wholesaler, and it subject to changing customer demands and economic change. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. Management consider the nature and condition of stock, as well as apply assumptions around expected future demand for the stock, when calculating the level stock provisioning.

Property valuations

The Company determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Company considers whether a property generates cash flows largely independently of the other assets held by the Company.

The fair values of freehold and investment properties are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, professional valuations or similar valuation techniques are also used to determine the fair values of the properties.

In the absence of current prices in an active market for similar properties, the Company considers information from a variety of sources, including:

- current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Impairment of investments in associates

Determining whether the company's investments in associates have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

Turnover

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

Tangible fixed assets

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

Freehold Property	- On valuation
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor Vehicles	- 25% on reducing balance

Investments in associates

Investments in associate undertakings are recognised at cost less any provision for impairment.

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving stock.

Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, and loans from fellow group and associated companies, 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

Going concern

As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2023	2022
	£	£
Shoe sales	6,798,573	15,057,744
Commission income	1,898,300	515,397
Pallet storage income	176,984	61,569
	<u>8,873,857</u>	<u>15,634,710</u>

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	8,873,857	15,634,710
	8,873,857	15,634,710

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	609,466	391,673
Social security costs	34,429	45,979
Other pension costs	30,135	8,814
	674,030	446,466

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

	2023	2022
Distribution staff	3	4
Sales and development staff	2	2
Administrative staff	2	2
	7	8

	2023	2022
	£	£
Directors' remuneration	187,677	163,526
Directors' pension contributions to money purchase schemes	871	749
	188,548	164,275

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

Money purchase schemes	1	1
------------------------	---	---

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Other operating leases	24,719	8,449
Depreciation - owned assets	25,542	59,327
Profit on disposal of fixed assets	-	(9,486)
Auditors' remuneration	12,000	10,000
Foreign exchange differences	49,152	806
	111,413	78,096

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

6.	EXCEPTIONAL ITEMS	2023	2022
		£	£
	Impairment of investment	-	(118,540)
		<u> </u>	<u> </u>

The exceptional item in the prior year represents an impairment of the company's investment in Genesis Riverview Resorts PVT Limited, a company incorporated in India.

This impairment was deemed exceptional as it had arisen as a result of the impact of the COVID-19 pandemic on the hospitality trade across the world and the industry in which the investment company operates in.

7.	INTEREST PAYABLE AND SIMILAR EXPENSES	2023	2022
		£	£
	Bank loan interest	74,961	51,228
		<u> </u>	<u> </u>

8. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	67,910	188,101
Prior year under provision	464	-
	<u> </u>	<u> </u>
Total current tax	68,374	188,101
Deferred tax	47,594	10,090
	<u> </u>	<u> </u>
Tax on profit	115,968	198,191
	<u> </u>	<u> </u>

Reconciliation of total tax charge included in profit and loss

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

	2023	2022
	£	£
Profit before tax	529,970	623,403
	<u> </u>	<u> </u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	100,694	118,447
Effects of:		
Expenses not deductible for tax purposes	2,969	62,060
Income not taxable for tax purposes	(38,000)	-
Depreciation in excess of capital allowances	1,845	7,594
Adjustments to tax charge in respect of previous periods	866	-
	<u> </u>	<u> </u>
Deferred tax	47,594	10,090
	<u> </u>	<u> </u>
Total tax charge	115,968	198,191
	<u> </u>	<u> </u>

Tax effects relating to effects of other comprehensive income

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

8. TAXATION - continued

	Gross £	2022 Tax £	Net £
Revaluation of freehold property	1,465,148	(254,167)	1,210,981

At Spring Budget 2021, the government announced an increase in the Corporation Tax main rate from 19% to 25% for companies with profits over £250,000 together with the introduction of a small profits rate of 19% with effect from 1 April 2023. Deferred tax has therefore been calculated at the future rate of 25%.

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2022	5,900,000	289,026	335,550	-	6,524,576
Additions	-	-	1,999	54,000	55,999
At 31 March 2023	<u>5,900,000</u>	<u>289,026</u>	<u>337,549</u>	<u>54,000</u>	<u>6,580,575</u>
DEPRECIATION					
At 1 April 2022	-	232,859	322,832	-	555,691
Charge for year	-	14,155	3,512	7,875	25,542
At 31 March 2023	<u>-</u>	<u>247,014</u>	<u>326,344</u>	<u>7,875</u>	<u>581,233</u>
NET BOOK VALUE					
At 31 March 2023	<u>5,900,000</u>	<u>42,012</u>	<u>11,205</u>	<u>46,125</u>	<u>5,999,342</u>
At 31 March 2022	<u>5,900,000</u>	<u>56,167</u>	<u>12,718</u>	<u>-</u>	<u>5,968,885</u>

Freehold property was valued in November 2021 by Brown & Lee Chartered Surveyors. The fair value of £5,900,000 was determined using an open market existing use basis and the Directors' opinion is that this is a true representation of the value of the property at 31 March 2023.

If the properties had not been included at valuation they would have been included under historical cost convention as follows

	2023 £	2022 £
Freehold property	3,424,976	3,424,976
Investment property	<u>685,338</u>	<u>685,338</u>
	<u>4,110,314</u>	<u>4,110,314</u>

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

10. **FIXED ASSET INVESTMENTS**

	Interest in associate £
COST	
At 1 April 2022 and 31 March 2023	2,193,362
PROVISIONS	
At 1 April 2022 and 31 March 2023	1,685,244
NET BOOK VALUE	
At 31 March 2023	508,118
At 31 March 2022	508,118

At 31 March 2023 the company owned 25.06% of the shares in Genesis Riverview Resorts PVT Limited, a company incorporated in India.

11. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 April 2022	1,300,000
Revaluations	200,000
At 31 March 2023	1,500,000
NET BOOK VALUE	
At 31 March 2023	1,500,000
At 31 March 2022	1,300,000

Investment property was valued in December 2021 by Opes Real Estate. The fair value of £1,500,000 was assessed by the directors during the current financial year.

12. **STOCKS**

	2023 £	2022 £
Finished goods	3,455,173	1,701,553

13. **DEBTORS**

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	867,181	1,080,275
Amounts owed by group undertakings	-	803,028
Other debtors	690	1,890
Prepayments and accrued income	227,989	13,155
	1,095,860	1,898,348

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

13.	DEBTORS - continued	2023	2022
		£	£
	Amounts falling due after more than one year:		
	Amounts owed by participating interests	886,284	1,031,430
		<u> </u>	<u> </u>
	Aggregate amounts	1,982,144	2,929,778
		<u> </u>	<u> </u>
14.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
		£	£
	Bank loans and overdrafts (see note 16)	218,525	218,525
	Trade creditors	244,983	6,073,910
	Amounts owed to group undertakings	3,328,796	388,074
	Corporation tax	67,508	188,101
	Social security and other taxes	-	5,951
	VAT	67,841	167,908
	Other creditors	18,360	13,178
	Accruals and deferred income	87,386	88,109
		<u> </u>	<u> </u>
		4,033,399	7,143,756
		<u> </u>	<u> </u>
15.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2023	2022
		£	£
	Bank loans (see note 16)	1,470,463	1,614,027
		<u> </u>	<u> </u>
16.	LOANS		
	An analysis of the maturity of loans is given below:		
		2023	2022
		£	£
	Amounts falling due within one year or on demand:		
	Bank loans	218,525	218,525
		<u> </u>	<u> </u>
	Amounts falling due between one and two years:		
	Bank loans - 1-2 years	218,525	218,525
		<u> </u>	<u> </u>
	Amounts falling due between two and five years:		
	Bank loans - 2-5 years	1,251,938	1,395,502
		<u> </u>	<u> </u>
17.	LEASING AGREEMENTS		
	Minimum lease payments under non-cancellable operating leases fall due as follows:		
		2023	2022
		£	£
	Within one year	17,362	6,640
	Between one and five years	29,701	-
		<u> </u>	<u> </u>
		47,063	6,640
		<u> </u>	<u> </u>

MIRZA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2023

18. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	1,688,988	1,832,552

The bank loans are secured by a first charge over the company's freehold property.

19. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax	501,881	454,287
		Deferred tax
		£
Balance at 1 April 2022		454,287
Provided during year		47,594
Other comprehensive income		—
Balance at 31 March 2023		501,881

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2023	2022
Number:	Class:	Nominal value:	£	£
1,100	Ordinary	£100	110,000	110,000

21. PENSION COMMITMENTS

The company makes payments to employees' own personal pension schemes. The pension charge represents contributions payable by the company to the schemes and amounted to £30,135 (2022: £8,814). £1,045 (2022:£1,078) was outstanding at the year end.

22. RELATED PARTY DISCLOSURES

In previous years, Mirza (UK) Limited made loans totalling £1,966,193 to other related parties. The balance outstanding on these loans as at 31 March 2023 was £886,284 (2022: £1,834,458).

KMP remuneration

The key management personnel are deemed to be the directors therefore no additional key management personnel remuneration disclosure is necessary.

23. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Mirza International Limited, a company registered in Kanpur, India. The results of this company are included in the financial statements of Mirza International Limited, copies are available from its registered office: 14/6 Civil Lines, Kanpur, UP 208001, India.

The immediate parent company is RTS Fashion Limited, a company registered in Dubai.

MIRZA (UK) LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2023

	2023		2022	
	£	£	£	£
Turnover				
Sales	6,798,573		15,057,744	
Commission income	1,898,300		515,397	
Pallet storage income	176,984		61,569	
		8,873,857		15,634,710
Cost of sales				
Purchases		5,665,903		12,112,842
				12,112,842
GROSS PROFIT		3,207,954		3,521,868
Other income				
Sundry receipts	-		7,716	
Government grants	-		26,895	
Interest Receivable	26,025		-	
		26,025		34,611
		3,233,979		3,556,479
Expenditure				
Packaging	22,898		59,268	
Carriage	115,785		299,815	
Storage	943		80	
Other distribution costs	508,432		153,923	
Import & customs duty	312,487		664,858	
Discounts taken	(7)		(34)	
Commission	513,375		333,289	
Rent	24,719		8,449	
Rates and water	135,071		130,048	
Insurance	28,226		28,239	
Light and heat	39,105		20,456	
Directors' salaries	172,215		163,526	
Directors' pension contributions	871		749	
Wages	437,251		228,147	
Social security	34,429		45,979	
Pensions	29,264		8,065	
Telephone	8,404		11,646	
Post and stationery	28,893		29,888	
Advertising	20,688		136	
Travel and subsistence	59,513		36,681	
Motor expenses	43,792		39,826	
Staff Welfare	1,017		4,982	
Repairs and renewals	22,017		33,777	
Training	-		720	
Cleaning	9,452		5,664	
Computer expenses	12,134		21,279	
Sundry expenses	13,464		3,480	
Security costs	26,972		43,158	
Trademarks	11,868		6,786	
Website maintenance expenses	3,527		-	
Subscriptions	7,822		12,443	
Marketing & development	37,981		30,575	
Legal and professional	12,303		26,889	
		2,694,911		2,452,787
Carried forward		3,233,979		3,556,479

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MIRZA (UK) LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2023

	2023		2022	
	£	£	£	£
Brought forward	2,694,911	3,233,979	2,452,787	3,556,479
Auditors' remuneration	12,000		10,000	
Donations	1,408		988	
Foreign exchange losses	49,152		806	
Depreciation of tangible fixed assets				
Freehold property	-		31,909	
Plant and machinery	14,154		17,847	
Fixtures and fittings	753		1,005	
Motor vehicles	7,875		5,745	
Computer equipment	2,759		2,822	
Profit/loss on sale of tangible fixed assets	-		(9,486)	
Entertainment	7,596		5,740	
	<u> </u>	<u>2,790,608</u>	<u> </u>	<u>2,520,163</u>
		443,371		1,036,316
Finance costs				
Bank charges	4,524		5,227	
Invoice discounting charges	15,600		15,600	
Other finance charges	18,316		22,318	
Bank loan interest	74,961		51,228	
	<u> </u>	<u>113,401</u>	<u> </u>	<u>94,373</u>
		329,970		941,943
Gain/loss on revaluation of assets				
Gain/loss on revaluation of investment property		200,000		(200,000)
		<u> </u>		<u> </u>
		529,970		741,943
Exceptional items				
Impairment of investment		-		118,540
		<u> </u>		<u> </u>
NET PROFIT		<u>529,970</u>		<u>623,403</u>

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