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Registration number: 02171783

# Shaneel Enterprises Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2020

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COMPANIES HOUSE

Cameron & Associates Limited  
The Hour House  
32 High Street  
Rickmansworth  
Hertfordshire  
WD3 1ER

# Shaneel Enterprises Limited

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# **Shaneel Enterprises Limited**

## **Company Information**

<b>Directors</b>	D B Mehta
	H B Mehta
<b>Company secretary</b>	C D Mehta
<b>Registered office</b>	78 Wembley Park Drive Wembley Middlesex HA9 8HE
<b>Auditors</b>	Cameron & Associates Limited The Hour House 32 High Street Rickmansworth Hertfordshire WD3 1ER

## Shaneel Enterprises Limited

### Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

#### Review of business

The Group has traded successfully in the year increasing both turnover and gross margins. Turnover for the year increased by 3.8% to £136.1m (2019 increased by 16% to £131.1m). The gross profit increased to £39.6m (2019: £35.8m), and as a percentage of turnover was 29.1% (2019: 27.3%).

The Group has increased its turnover and increased its gross profit margin as a result of achieving greater sales on brands with higher margins as compared to last year.

Increased costs incurred in marketing and advertising, employment, establishment and exchange costs resulted in overall profitability decreasing to £8.1m (2019: £9.6m).

The impact of the COVID-19 pandemic has affected the Company's results during the year. As a result of the measures taken by the Company, and the effect on the wider economy due to government imposed measures to control the virus during March 2020 there was an effect on the Group's profitability.

In common with many businesses the current trading conditions going forward are uncertain given the impact of COVID-19. The Company reviews operations on a regular basis and formulates plans accordingly, as the COVID-19 measures are relaxed.

The two main factors responsible for the increase in administrative costs of £5.3m from £26.0m to £31.3m were the marketing drive to promote the Company's brands of £2.4 to £8.2m from £5.8m and the increased employment costs to service the increased turnover of £1.2m to £10.1m from £8.8m.

Profit after tax was £6.6m (2019: £7.8m). Cash balances at the year end remain high at £16.9m (2019: £13.5m).

The Group has sufficient facilities and cash funds on an ongoing basis and as such, the financial statements have been prepared on a going concern basis. The Directors have considered the impact of COVID-19 and further details are given in note 2 of the financial statements.

The Group is aware of its social and environmental responsibilities as a large employer, and is in the process of establishing benchmarks to measure its progress in these areas.

#### Key performance indicators

The Group's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019	% change
Turnover	£000's	136,102	131,075	3.8
Operating profit	£000's	9,335	10,709	(12.8)
EBITDA	£000's	16,208	17,296	(6.3)
Profit after tax	£000's	6,553	7,794	(15.9)
Current assets	£000's	114,565	92,386	24.0
Current liabilities as a % of current assets	%	59	63	(6)

## **Shaneel Enterprises Limited**

### **Strategic Report for the Year Ended 31 March 2020 (continued)**

#### **Key performance indicators (continued)**

The board of directors recognise Key Performance Indicators (KPIs) as integral to monitoring the progress of the business.

KPIs are identified in the Annual Business Plan and appropriate targets set.

It is the responsibility of the financial and commercial teams to regularly monitor and review these figures and report to the board on the results as well as recommend any corrective action to be taken.

The main KPIs used to monitor the performance of the Company are turnover and profitability. The turnover has increased year by year and one of the principal factors has been the acquisition of brands and licences by the Company. Through successful marketing, the Company has firmly established itself in the market and has seen its turnover and profitability increase over time.

The board of directors intends to continue with policies that have resulted in substantial growth in recent years.

#### **Principal risks and uncertainties**

##### **Finance, funding and liquidity risk**

The risk of trading without adequate financial resources has been addressed through having adequate bank support through the overdraft facility ensuring that the Company has the resources to trade effectively. Credit risk is mitigated through credit control and applying adequate credit limits to customer accounts, as well as having credit insurance for customers that are deemed to be a risk.

##### **Exchange rate risk**

This is mitigated by holding USD and EURO bank accounts and paying suppliers in their own currencies as far as possible. Care is taken when trading in any necessary foreign currencies to effectively ensure that favourable rates are achieved. Due to the impact of COVID-19 and Brexit the foreign exchange risk is likely to increase.

##### **Compliance risk**

The Group ensures that it has adequate procedures in place to reduce any compliance risk. The Group ensures that goods are purchased from reputable suppliers who have the right to sell those goods. The Group has a health and safety officer to ensure that any issues in this area are properly addressed.

##### **Changes in economic conditions which could have a material adverse effect on the level of demand for Shaneel Enterprises Limited's products**

The demand for many of the Group's products is widely linked to economic conditions, both globally and in the particular countries in which the Group operates, especially in Singapore, the UAE, the US and EC countries. A consequence of depressed economic conditions, which includes a downturn in the economies of the Group's market countries, particularly in light of the COVID-19 pandemic would result in an adverse demand for, and pricing of, the Group's products which could result in reduced sales and reduced profits.

##### **The United Kingdom leaving the European Union**

The Withdrawal Agreement between the UK and EU was finalised in 2019. The current discussions are in relation to the future relationship. However, as a cost to open up further sales opportunities for the Group, it is likely that this will give rise to increased Customs and Excise tariffs which will affect the speed at which goods can be moved between the United Kingdom and the European Union. This could also have an adverse effect on the demand for, and pricing of, the Group's products which could result in reduced sales and reduced profits. The Directors of the companies in the Group are keeping the situation under review and are planning strategies which could include expanding overseas establishments to mitigate the effects of any future changes.

##### **Shaneel Enterprises Limited operates in an extremely competitive market**

Most, if not all, of the markets in which the Company operates are extremely competitive. Local factors, such as the number of competitors and capacity, economic conditions and product demand, exert further competitive pressures. The pricing policies of competitors, and the entry of new competitors in the local markets in which the Company operates, may have an adverse effect on the demand for, and pricing of, the Company's products. Consequently, the results of the Company's operations and profitability may be affected.

## Shaneel Enterprises Limited

### Strategic Report for the Year Ended 31 March 2020 (continued)

#### Section 172 (1) statement

a) Our Company's plans were designed to have a long-term beneficial impact on the Company and to contribute to the success in delivering the business of the wholesaling and distribution of perfumery products for the long term prosperity of the Company. As a company we take strategic decisions based on long term outlooks to ensure the continued success of the business. We continue to operate our business within a structured control environment and comply with all necessary regulated requirements necessary to maintain the smooth operation of the Company.

b) Our employees are fundamental to the delivery of our business. Shaneel wants to build teams that are committed and aligned to the long term success of the Company and create a work environment where all employees can thrive. It is a testament to the Company that it has a large number of long-term committed employees. The Company has put in steps for workforce engagement, training and development, employee networks, and regular communication updates with senior management.

c) At Shaneel, we think about the implications of our decisions on all stakeholders, as well as the wider community. The Company is committed to building a sustainable business with a legacy we can all be proud of. Our success depends on our relationships with a network of experts beyond our business. All of our activities are informed by appropriate engagement with stakeholders to gain an understanding of our operating environment and the market in which we operate regular contact is maintained with the key customers and suppliers. The Company at all times aims to comply with all requirements for timings and deliveries as appropriate.

d) Our plans take into account the impact of the Company's operations on the community, the environment and wider societal responsibilities, some of which are mandated by government legislation but others are taken up by the Company on a voluntary basis.

The Company is constantly evolving and adapting as regulation changes and public interest in emerging issues grow. The plans the Company has developed helps it to stay focused and make an impact. It is keenly aware of the environmental impact and the dangers of not staying focused. The Company tries to ensure that when it is pragmatic and consistent with the aims of the Company it will use local resources and people as necessary.

e) The Board of Directors' intention is to behave responsibly and ensure that the business operates in a responsible manner within the high standards of business conduct and good governance. Our Company ensures that we meet standards expected by our regulators in order to ensure that the business is conducted in an orderly manner. There is a policy in place for whistle-blowing and this ensures that employees feel empowered to raise concerns in confidence without fear of unfair treatment.

f) The Company aims to act fairly between employees, other stakeholders and shareholders, such that there is a fair compensation for all parties that are involved in growing and maintaining the profitable operations of the business.

Approved by the Board on 29 September 2020 and signed on its behalf by:



D B Mehta  
Director

## **Shaneel Enterprises Limited**

### **Directors' Report for the Year Ended 31 March 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

#### **Principal activity and business review**

The principal activity of the Company and the Group is the manufacture, wholesale and retail of perfumes and cosmetics.

A review of the activities of the business throughout the year, and up to August 2020, is set out in the Strategic report on pages 2 to 4 which includes information on the Company's risks, uncertainties and performance indicators. The Company's accounts are prepared on a going concern basis. However, reference should be made to factors affecting the ability of the Company to continue trading as noted on page 17 (note 2).

#### **Results and dividends**

The Group's profit for the year before taxation amounts to £8.1m (2019: £9.6m). The results of the year are set out on page 12 in the consolidated income statement..

The Directors do not recommend the payment of a dividend for the year (2019: £Nil).

#### **Directors of the Company**

The directors who held office during the year were as follows:

D B Mehta

H B Mehta

#### **Financial instruments**

The Company's financial instruments consist of cash, bank overdraft and loans, trade receivables and trade payables. The carrying value of these is all recorded at amortised cost. Their contractual maturities are less than one year, with the exception of amounts payable in relation to the acquisition of brands and trademarks in the year which are payable within two years.

The bank loans are on a revolving credit facility.

Share capital details of the Company's issued share capital, are set out in note 19.

Each ordinary share carries the right to one vote at the general meetings of the Company. All issued ordinary shares are fully paid. There are no specific restrictions on the size of the holding or on the transfer of the ordinary shares, which are both governed by the general provisions of the articles of association and the prevailing legislation. The Directors are not aware of any agreements between holders of the Company's ordinary shares that may result in restrictions on the transfer of securities or on voting rights.

Details of the financial risk management are provided in the Strategic Report.

#### **Qualifying indemnity provision**

As permitted by S234(2) of the Companies Act 2006, the Company has entered into an insurance policy to indemnify the Directors of the Company against any liability when acting for the Company.

#### **Charitable donations**

The Company did not make any charitable or political donations during the year (2019: £2,991).

#### **Directors' section 172 statement**

Information on the Directors' section 172 statement is given in the Strategic Report on page 4.

## Shaneel Enterprises Limited

### Directors' Report for the Year Ended 31 March 2020 (continued)

#### Group energy and carbon report

The Company aims to comply with its environmental responsibilities. Safeguarding the environment and training its employees to minimise the environmental impact of its activities are important aspects of the business.

#### Greenhouse gas reporting

Greenhouse gas emissions (GHG), are classified as either direct or indirect and which are divided further into Scope 1, Scope 2 and Scope 3 emissions.

#### Scope 1 emissions

Direct emissions controlled by the Company arising from plant.

#### Scope 2 emissions

Indirect emissions attributable to the Company due to its consumption of purchased electricity.

#### Scope 3 emissions

Other indirect emissions associated with activities that support or supply towards the Company's operations.

#### The Company's emissions by scope

Scope	Source	Tonnes CO2
Scope 1	Plant	419
Scope 2	Electricity	88
Scope 3	Other equipment	4
<b>Total</b>		<b>511</b>

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Intensity	Tonnes CO2e produced	Per pound of revenue	0.000003753
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#### Future developments

The Directors expect the market to remain competitive in the current climate. The impact of the UK's decision to exit the European Union could have a number of effects on the Company, with possible increases in prices and costs as the Company reconfigures itself to comply with new laws and procedures. This together with the uncertain impact of COVID-19 means that future planning of operations is key to the ongoing success of the Company. The Directors are planning strategies to mitigate these factors in order to continue to grow the Company in the future.

#### Research and development

During the year, the Group carried out research and development activities in the following areas:

- (a) The creation of knowledge for the design and development of equipment, tooling and processes for the production of technologically improved packaging;
- (b) The creation of knowledge for the design and development of advanced formulations for a range of toiletry products; and
- (c) The creation of knowledge for the design and development of advanced formulations for new and essential fragrances.
- (d) Development of bespoke systems for workflow management - warehouse database.

During the year ended 31 March 2020, £671,526 in relation to wages (2019: £471,102) was expended on research and development activities.

#### Important non adjusting events after the financial period

During the finalisation of these accounts, the Coronavirus (COVID-19) outbreak evolved into an unprecedented public health emergency in the UK and around the world, causing disruption to businesses and economic activity. The Group considers this outbreak to be a non-adjusting post balance sheet event. The situation remains dynamic as governments around the globe take unprecedented measures to slow the spread and mitigate the human tragedy. As the circumstances evolve rapidly, management do not consider it practicable to provide a quantitative measure of the potential impacts on the Group. Measures and plans are being developed in order to deal with a change in circumstances.



## **Shaneel Enterprises Limited**

### **Directors' Report for the Year Ended 31 March 2020 (continued)**

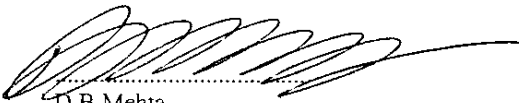
#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Cameron & Associates Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 29 September 2020 and signed on its behalf by:



D B Mehta  
Director

## **Shaneel Enterprises Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 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 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; and
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Shaneel Enterprises Limited**

### **Independent Auditor's Report to the Members of Shaneel Enterprises Limited**

#### **Opinion**

We have audited the financial statements of Shaneel Enterprises Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Income Statement, Consolidated Statement of Financial Position, the parent company Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2020 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Shaneel Enterprises Limited**

### **Independent Auditor's Report to the Members of Shaneel Enterprises Limited (continued)**

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 Statement of Directors' Responsibilities [set out on page 8], 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

## Shaneel Enterprises Limited

### Independent Auditor's Report to the Members of Shaneel Enterprises Limited (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rajinder Basra (Senior Statutory Auditor)

For and on behalf of Cameron & Associates Limited, Statutory Auditor

The Hour House  
32 High Street  
Rickmansworth  
Hertfordshire  
WD3 1ER

29 September 2020

## Shaneel Enterprises Limited

### Consolidated Income Statement for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	136,101,781	131,075,081
Cost of sales		<u>(96,549,871)</u>	<u>(95,253,714)</u>
Gross profit		39,551,910	35,821,367
Administrative expenses		(31,268,785)	(26,033,172)
Other operating income	4	<u>1,051,695</u>	<u>921,184</u>
Operating profit	5	<u>9,334,820</u>	<u>10,709,379</u>
Interest receivable and similar income	6	1,770	1,667
Interest payable and similar charges	7	<u>(1,281,034)</u>	<u>(1,065,935)</u>
		<u>(1,279,264)</u>	<u>(1,064,268)</u>
Profit before tax		8,055,556	9,645,111
Taxation	11	<u>(1,502,665)</u>	<u>(1,850,927)</u>
Profit for the financial year		<u>6,552,891</u>	<u>7,794,184</u>
<b>Profit attributable to:</b>			
Owners of the company		<u>6,552,891</u>	<u>7,794,184</u>

The group has no recognised gains or losses for the year other than the results above.

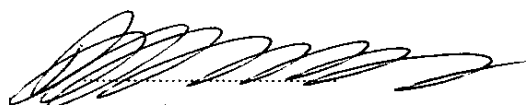
# Shaneel Enterprises Limited

(Registration number: 02171783)

## Consolidated Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	22,187,881	28,209,108
Tangible assets	13	949,707	1,024,325
		<u>23,137,588</u>	<u>29,233,433</u>
<b>Current assets</b>			
Stocks	15	73,487,130	57,910,367
Debtors	16	24,150,440	20,928,768
Cash at bank and in hand		16,927,564	13,546,554
		114,565,134	92,385,689
<b>Creditors: Amounts falling due within one year</b>	18	(67,290,276)	(58,013,478)
<b>Net current assets</b>		<u>47,274,858</u>	<u>34,372,211</u>
<b>Total assets less current liabilities</b>		70,412,446	63,605,644
<b>Creditors: Amounts falling due after more than one year</b>	18	(250,000)	-
<b>Provisions for liabilities</b>		(72,357)	(68,446)
<b>Net assets</b>		<u>70,090,089</u>	<u>63,537,198</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,000,100	1,000,100
Profit and loss account		69,089,989	62,537,098
Equity attributable to owners of the company		<u>70,090,089</u>	<u>63,537,198</u>
Total equity		<u>70,090,089</u>	<u>63,537,198</u>

Approved and authorised by the Board on 29 September 2020 and signed on its behalf by:



D B Mehta  
Director

# Shaneel Enterprises Limited

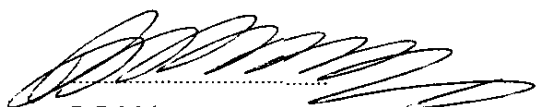
(Registration number: 02171783)

## Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	776,388	875,923
Investments	14	2,457,351	2,457,351
		<u>3,233,739</u>	<u>3,333,274</u>
<b>Current assets</b>			
Stocks	15	39,769,105	22,706,069
Debtors	16	7,920,311	22,916,466
Cash at bank and in hand		16,348,001	12,237,575
		<u>64,037,417</u>	<u>57,860,110</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(6,925,850)</u>	<u>(6,110,078)</u>
<b>Net current assets</b>		<u>57,111,567</u>	<u>51,750,032</u>
<b>Total assets less current liabilities</b>		60,345,306	55,083,306
<b>Provisions for liabilities</b>		<u>(47,475)</u>	<u>(44,225)</u>
<b>Net assets</b>		<u>60,297,831</u>	<u>55,039,081</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,000,100	1,000,100
Profit and loss account		<u>59,297,731</u>	<u>54,038,981</u>
<b>Total equity</b>		<u>60,297,831</u>	<u>55,039,081</u>

The company made a profit after tax for the financial year of £5,258,750 (2019 - profit of £8,393,757).

Approved and authorised by the Board on 29 September 2020 and signed on its behalf by:



D B Mehta  
Director



# Shaneel Enterprises Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 March 2020 Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	1,000,100	62,537,098	63,537,198
Profit for the year	-	6,552,891	6,552,891
Total comprehensive income	-	6,552,891	6,552,891
At 31 March 2020	1,000,100	69,089,989	70,090,089
	Share capital £	Profit and loss account £	Total £
At 1 April 2018	1,000,100	54,742,914	55,743,014
Profit for the year	-	7,794,184	7,794,184
Total comprehensive income	-	7,794,184	7,794,184
At 31 March 2019	1,000,100	62,537,098	63,537,198

The notes on pages 17 to 29 form an integral part of these financial statements.

## Shaneel Enterprises Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2020

		2020	(As restated) 2019
	Note	£	£
<b>Cash flows from operating activities</b>			
Profit for the year		6,552,891	7,794,184
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	6,873,012	6,586,389
Foreign exchange losses	5	1,713,091	1,189,000
Profit on disposal of tangible assets	5	(6,368)	(12,898)
Income tax expense	11	1,502,665	1,850,927
Finance costs		1,279,264	1,064,270
		<u>17,914,555</u>	<u>18,471,872</u>
Working capital adjustments			
Increase in stocks	15	(15,576,763)	(8,016,641)
Increase in debtors		(3,392,303)	(6,671,462)
Increase/(decrease) in creditors		<u>3,155,302</u>	<u>(2,102,653)</u>
Cash generated from operations		2,100,791	1,681,116
Income taxes paid		<u>(1,928,830)</u>	<u>(2,218,132)</u>
Net cash flow from operating activities		<u>171,961</u>	<u>(537,016)</u>
<b>Cash flows from investing activities</b>			
Interest received	6	1,770	1,667
Acquisitions of tangible assets	13	(176,239)	(338,529)
Proceeds from sale of tangible assets		23,899	28,575
Acquisition of intangible assets		<u>(118,459)</u>	<u>(24,568,926)</u>
Net cash flows from investing activities		<u>(269,029)</u>	<u>(24,877,213)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(390,527)	(355,035)
Repayment of bank borrowing		(9,058,815)	(3,665,885)
Proceeds from other borrowing draw downs		<u>12,927,421</u>	<u>25,297,049</u>
Net cash flows from financing activities		<u>3,478,079</u>	<u>21,276,129</u>
Net increase/(decrease) in cash and cash equivalents		3,381,011	(4,138,100)
Cash and cash equivalents at 1 April		<u>13,546,554</u>	<u>17,684,654</u>
Cash and cash equivalents at 31 March		<u><u>16,927,565</u></u>	<u><u>13,546,554</u></u>

The notes on pages 17 to 29 form an integral part of these financial statements.

# Shaneel Enterprises Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 1 General information

Shaneel Enterprises Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Details of the significant judgements and estimates are provided in note 2.

The Group and Company financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102 (March 2018) including the triennial review 2017 amendments) and the Companies Act 2006.

#### *Parent company disclosure exemptions*

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

These financial statements were authorised for issue by the Board on 29 September 2020.

### 2 Accounting policies

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

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

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2020.

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

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 2 Accounting policies (continued)

##### Basis of consolidation (continued)

Intra-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of the subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the group.

##### Going concern

The financial statements are compiled on a going concern basis and prepared on the historical cost basis.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The Company's cash resources are managed on a Group basis. Working capital forecasts have been prepared for the Group up to 31 December 2021, which demonstrate that the Group has sufficient resources to continue in operational existence for the foreseeable future. The forecasts have been sensitised to take into account the current uncertain outlook that has been caused by the COVID-19 pandemic.

##### Accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determining when the significant risks and rewards have transferred to the customer and a sale is recognised. This has been determined to be upon dispatch to the customer;
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. As there were no impairment indicators identified, a full impairment was not carried out;
- Determine the recoverability of inventories, which is dependent upon future sales of the Company, and future prices achievable, which will determine if any provision is required against inventories. The directors have assessed the impairment indicators, and made judgements in reflection to future prices achievable and made impairments as appropriate.

##### Revenue recognition

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

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

##### Foreign currency transactions and balances

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

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

##### Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 2 Accounting policies (continued)

##### **Tax**

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

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

##### **Investments**

In each Company's individual accounts, investments in subsidiaries are measured at cost less accumulated impairment.

##### **Tangible assets**

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

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

##### **Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures and equipment	15% on a reducing balance basis
Plant and machinery	25% on a reducing balance basis
Computer equipment	25% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

##### **Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit.

## **Shaneel Enterprises Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Goodwill**

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'.

Intangible assets acquired are recognised separately from goodwill only when they are separable from the acquired entity and give rise to other contractual/legal rights.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life of five years and is being amortised to 'administrative expenses'.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life.

Goodwill is amortised over its useful life, which shall not exceed five years if a reliable estimate of the useful life cannot be made.

##### **Intangible assets**

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life.

The cost of licenses is amortised over a period of five years, or over the length of the licence if longer.

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

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

##### **Trade debtors**

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

##### **Stock**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## Shanceel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 2 Accounting policies (continued)

##### Borrowings

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

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

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

##### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### Share capital

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

#### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Sale of goods	<u>136,101,781</u>	<u>131,075,081</u>

The analysis of the group's turnover for the year by market is as follows:

	2020 £	2019 £
United Kingdom	47,045,256	41,301,193
Rest of Europe	55,536,878	45,222,435
Rest of the World	<u>33,519,647</u>	<u>44,551,453</u>
	<u>136,101,781</u>	<u>131,075,081</u>

#### 4 Other operating income

The analysis of the Group's other operating income for the year is as follows:

	2020 £	2019 £
Other operating income	<u>1,051,695</u>	<u>921,184</u>

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 5 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	233,326	222,745
Amortisation expense	6,639,686	6,363,644
Foreign exchange losses	1,713,091	1,189,000
Research and development	678,395	475,781
Operating lease expense - property	1,525,900	1,186,947
Operating lease expenses	104,726	77,687
Profit on disposal of fixed assets	<u>(6,368)</u>	<u>(12,898)</u>

Included within research and development costs are £630,829 (2019: £427,994) relating to staff costs (see note 8).

#### 6 Interest receivable and similar income

	2020	2019
	£	£
Finance income	<u>1,770</u>	<u>1,667</u>

#### 7 Interest payable and similar expenses

	2020	2019
	£	£
Interest payable	<u>1,281,034</u>	<u>1,065,935</u>

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	8,040,778	6,901,048	4,723,227	4,486,005
Social security costs	966,853	812,931	589,128	548,382
Pension costs	329,614	200,229	139,283	93,967
Apprenticeship levy	<u>26,288</u>	<u>20,325</u>	<u>16,514</u>	<u>15,338</u>
	<u>9,363,533</u>	<u>7,934,533</u>	<u>5,468,152</u>	<u>5,143,692</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:



## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 8 Staff costs (continued)

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Production	26	21	-	-
Administration	38	37	35	33
Sales	16	26	16	26
Marketing	50	42	13	13
Distribution	54	53	29	26
	<u>184</u>	<u>179</u>	<u>93</u>	<u>98</u>

The assets of the defined contribution scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £329,614 (2019 - £200,229), including contributions payable by the Company to the fund amounting to £139,283 (2019 - £93,967). Group contributions amounting to £30,028 (2019 - £37,344 ) were payable to the fund at year-end and are included within creditors. Company contributions amounting to £10,976 (2019 - £6,233 ) were payable to the fund at the year-end and are included within creditors

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	<u>2,503,750</u>	<u>2,610,879</u>

In addition remuneration in benefits in kind was given to the Directors for the provision of car and medical expenses on behalf of the directors of £74,728 (2019: £71,207).

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	<u>1,262,507</u>	<u>1,311,979</u>

#### 10 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	42,500	39,000
Preparation of unaudited subsidiary accounts	<u>1,500</u>	<u>5,500</u>
	<u>44,000</u>	<u>44,500</u>

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 11 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	1,498,754	1,823,830
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	8,224	20,304
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(4,313)	6,793
Total deferred taxation	<u>3,911</u>	<u>27,097</u>
Tax expense in the income statement	<u>1,502,665</u>	<u>1,850,927</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>8,055,556</u>	<u>9,645,111</u>
Corporation tax at standard rate	1,530,556	1,832,571
Effect of expense not deductible in determining taxable profit (tax loss)	47,140	29,358
Deferred tax expense from unrecognised tax loss or credit	8,224	20,304
Deferred tax (credit)/expense from unrecognised temporary difference from a prior period	(4,313)	6,793
Tax decrease from effect of capital allowances and depreciation	(9,130)	(21,877)
Tax increase from other short-term timing differences	10,772	40,310
Tax decrease from effect of adjustment in research and development tax credit	<u>(80,583)</u>	<u>(56,532)</u>
Total tax charge	<u>1,502,666</u>	<u>1,850,927</u>

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 12 Intangible assets

##### Group

	Goodwill £	Licenses £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	1,063,708	39,246,767	40,310,475
Additions	-	618,459	618,459
At 31 March 2020	<u>1,063,708</u>	<u>39,865,226</u>	<u>40,928,934</u>
<b>Amortisation</b>			
At 1 April 2019	1,007,012	11,094,355	12,101,367
Amortisation charge	56,696	6,582,990	6,639,686
At 31 March 2020	<u>1,063,708</u>	<u>17,677,345</u>	<u>18,741,053</u>
<b>Carrying amount</b>			
At 31 March 2020	<u>-</u>	<u>22,187,881</u>	<u>22,187,881</u>
At 31 March 2019	<u>56,696</u>	<u>28,152,412</u>	<u>28,209,108</u>

#### 13 Tangible assets

##### Group

	Furniture and fittings £	Motor vehicles £	Plant, machinery and computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	1,667,417	358,355	1,545,518	3,571,290
Additions	28,798	-	147,441	176,239
Disposals	-	(85,089)	-	(85,089)
At 31 March 2020	<u>1,696,215</u>	<u>273,266</u>	<u>1,692,959</u>	<u>3,662,440</u>
<b>Depreciation</b>				
At 1 April 2019	1,273,186	295,581	978,198	2,546,965
Charge for the year	61,222	11,658	160,446	233,326
Eliminated on disposal	-	(67,558)	-	(67,558)
At 31 March 2020	<u>1,334,408</u>	<u>239,681</u>	<u>1,138,644</u>	<u>2,712,733</u>
<b>Carrying amount</b>				
At 31 March 2020	<u>361,807</u>	<u>33,585</u>	<u>554,315</u>	<u>949,707</u>
At 31 March 2019	<u>394,231</u>	<u>62,774</u>	<u>567,320</u>	<u>1,024,325</u>

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 13 Tangible assets (continued)

##### Company

	Furniture and fittings £	Motor vehicles £	Plant, machinery and computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	1,411,853	358,355	1,380,128	3,150,336
Additions	24,220	-	88,426	112,646
Disposals	-	(85,089)	-	(85,089)
At 31 March 2020	<u>1,436,073</u>	<u>273,266</u>	<u>1,468,554</u>	<u>3,177,893</u>
<b>Depreciation</b>				
At 1 April 2019	1,074,202	295,581	904,630	2,274,413
Charge for the year	52,588	11,658	130,404	194,650
Eliminated on disposal	-	(67,558)	-	(67,558)
At 31 March 2020	<u>1,126,790</u>	<u>239,681</u>	<u>1,035,034</u>	<u>2,401,505</u>
<b>Carrying amount</b>				
At 31 March 2020	<u>309,283</u>	<u>33,585</u>	<u>433,520</u>	<u>776,388</u>
At 31 March 2019	<u>337,651</u>	<u>62,774</u>	<u>475,498</u>	<u>875,923</u>

#### 14 Investments in subsidiaries, joint ventures and associates

##### Company

	2020 £	2019 £
Investments in subsidiaries	<u>2,457,351</u>	<u>2,457,351</u>

##### Details of undertakings

Details of the investments, in which the Company holds 20% or more of the nominal value of any class of share capital are as follows.

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Mayfair Perfumes Limited	England and Wales	Ordinary	100%	100%
S A Designer Parfums Limited	England and Wales	Ordinary	100%	100%
House of Worth Limited	England and Wales	Ordinary	100%	100%
Fragranceexpert Limited	England and Wales	Ordinary	100%	100%

# Shaneel Enterprises Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

### 15 Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Finished goods and components	<u>73,487,130</u>	<u>57,910,367</u>	<u>39,769,105</u>	<u>22,706,069</u>

### 16 Debtors

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	18,675,255	16,708,651	2,799,386	6,318,464
Amounts owed by subsidiaries	-	-	4,000,000	16,000,000
VAT and other debtors	1,465,326	1,021,248	669,709	174,109
Corporation tax	112,938	283,569	-	-
Prepayments	<u>3,896,921</u>	<u>2,915,300</u>	<u>451,216</u>	<u>423,893</u>
Total current trade and other debtors	<u>24,150,440</u>	<u>20,928,768</u>	<u>7,920,311</u>	<u>22,916,466</u>

### 17 Cash and cash equivalents

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Cash at bank and in hand	<u>16,927,564</u>	<u>13,546,554</u>	<u>16,348,001</u>	<u>12,237,575</u>

### 18 Creditors

		Group		Company	
	Note	2020 £	2019 £	2020 £	2019 £
<b>Due within one year</b>					
Loans and borrowings	20	48,644,263	43,078,435	-	-
Trade creditors		13,339,593	8,680,093	6,317,303	3,335,249
Other payables		250,000	-	-	-
Accrued expenses		4,042,810	3,627,178	97,591	288,068
Corporation tax liability	11	426,692	1,027,399	425,350	1,027,399
Deferred income		-	3,506	-	-
PAYE and NIC		227,072	1,570,417	85,606	1,459,362
VAT		<u>359,846</u>	<u>26,450</u>	<u>-</u>	<u>-</u>
		<u>67,290,276</u>	<u>58,013,478</u>	<u>6,925,850</u>	<u>6,110,078</u>
<b>Due after one year</b>					
Other payables		<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 19 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of \$1 each	1,880,000	1,000,000	1,880,000	1,000,000
Deferred ordinary shares of £1 each	100	100	100	100
	<u>1,880,100</u>	<u>1,000,100</u>	<u>1,880,100</u>	<u>1,000,100</u>

#### 20 Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
<b>Current loans and borrowings</b>				
Borrowings	<u>48,644,263</u>	<u>43,078,435</u>	<u>-</u>	<u>-</u>
<b>Group</b>				

The bank borrowings are secured by a fixed and floating charge over the assets of the Group and the Company, and is repayable on demand.

#### 21 Audit exemptions taken for subsidiaries

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act.

Name	Companies House reg number
House of Worth Limited	03715960
Mayfair Perfumes Limited	03696250
Fragranceexpert Limited	06005330

## Shaneel Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 22 Operating lease commitments

At the year end the Group and Company had total commitments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	1,591,451	1,582,215	1,568,771	1,563,177
Later than 1 year not later than 5 years	3,817,120	5,389,847	3,810,273	5,366,998
Total	<u>5,408,571</u>	<u>6,972,062</u>	<u>5,379,044</u>	<u>6,930,175</u>

#### 23 Reconciliation of net debt

	1 April 2019 £	Cash flows £	Foreign exchange £	31 March 2020 £
Bank overdrafts	17,781,386	(9,058,815)	-	8,722,571
Loans	25,297,049	12,927,421	1,697,222	39,921,692
Total	<u>43,078,435</u>	<u>3,868,606</u>	<u>1,697,222</u>	<u>48,644,263</u>

#### 24 Related party transactions

Details of directors' remuneration within the group is disclosed in note 9

#### 25 Parent and ultimate parent undertaking

There is no ultimate controlling party.

The company's immediate parent is Shaneel Group Limited, incorporated in Jersey.