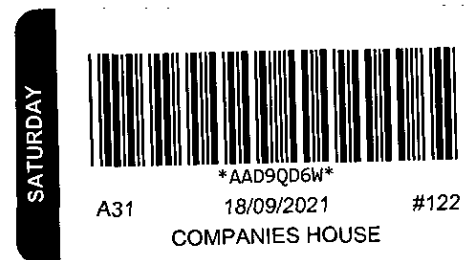


Shaneel Enterprises Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2021



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

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

Shaneel Enterprises Limited

Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

Review of business

Despite the effects of COVID-19 the Group has managed to trade successfully in the year. The Group reorganised its trading activities and the key priorities during the year were the safety and welfare of the staff, as well as maintaining a platform to continue its operations. In common with many businesses the current trading conditions going forward are still uncertain given the impact of COVID-19. The Group continues to review its operations on a regular basis and formulates plans accordingly and it has complied at all times with the measures introduced by the authorities. Given the recent relaxing of COVID-19 measures the Group is still aware of its social and welfare responsibilities as an employer and will continue to assess the situation and adapt as necessary.

By developing new sales opportunities the Group only experienced a small decrease in turnover of 2.9% from £136.1m to £132.1m. The company also focused on increasing liquidity by selling off some of the ageing stock at a lower margin to ensure the company's cash reserves remained strong. This led to the gross margin dropping from 29.1% to 28.5%.

Overall profit before tax increased to £11.3m (2020: £8.1m). The increase was marginally as a result of foreign exchange gains made on the revaluation of foreign borrowings and this together with a reduction of employment and premises costs resulted in an overall increase in profit before tax of £3.2m.

Profit after tax was £9.2m (2020: £6.6m). Cash balances at the year-end remain high at £18.8m (2020: £16.9m).

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.

As noted, 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	2021	2020	% change
Turnover	£000's	132,099	136,102	(2.9)
Operating profit	£000's	12,679	9,335	35.8
EBITDA	£000's	19,518	16,208	20.4
Profit after tax	£000's	9,230	6,553	40.9
Current assets	£000's	120,438	114,565	5.1
Current liabilities as a % of current assets	%	48	59	(18.6)

Shaneel Enterprises Limited

Strategic Report for the Year Ended 31 March 2021 (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 Group are turnover and profitability. The turnover has increased over the years and one of the principal factors has been the acquisition of brands and licences by the Group. The Group's strategy remains the same which is the development or acquisition of brands and licences.

Through successful marketing, the Group 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 Group has the resources to trade effectively. The company secured a new term loan in July 2021 which will ensure the continued expansion of the business and shows the support the banks have for the business even in difficult economic times. 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 risk 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, the foreign exchange risk is likely remain increased. The company operates a very good natural hedge with little surplus, therefore there is little need to transact spot or forward trades.

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 countries in which the Group operates, especially in Singapore, the UAE, the US and EU 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 may result in reduced sales and reduced profits. The Group monitors the situation on a regular basis.

Shaneel Enterprises Limited operates in an extremely competitive market

Most, if not all, of the markets in which the Group 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 Group operates, may have an adverse effect on the demand for, and pricing of, the Group's products. Consequently, the results of the Group's operations and profitability may be affected.

Shaneel Enterprises Limited

Strategic Report for the Year Ended 31 March 2021 (continued)

Section 172 (1) statement

a) Our Group's plans were designed to have a long-term beneficial impact on the Group 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 group. As a Group 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 controlled environment and comply with all necessary regulated requirements necessary to maintain the smooth operation of the Group.

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 Group and create a work environment where all employees can thrive. It is a testament to the Group that it has a large number of long-term committed employees. The Group has put in steps for workforce engagement, training and development, employee networks, and regular communication updates with senior management.

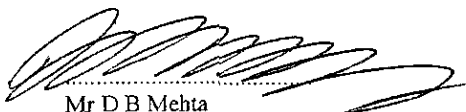
c) At Shancel, we think about the implications of our decisions on all stakeholders, as well as the wider community. The Group is committed to building a sustainable business with a legacy we can all be proud of. Our success depends on our relationships with a network of experts beyond our business. 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 Group 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 Group'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 Group on a voluntary basis. The Group is constantly evolving and adapting as regulation changes and public interest in emerging issues grow. The plans the Group 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 Group tries to ensure that when it is pragmatic and consistent with the aims of the Group 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 Group 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 Group 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 8 September 2021 and signed on its behalf by:



Mr D B Mehta
Director

Shaneel Enterprises Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 2021, is set out in the Strategic Report on pages 2 to 4, which includes information on the Group's risks, uncertainties and performance indicators. The Group's accounts are prepared on a going concern basis. However, reference should be made to factors affecting the ability of the Group to continue trading as noted in the going concern section below.

Results and dividends

The Group's profit for the year before taxation amounted to £11.3m (2020: £8.1m). 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 (2020: £Nil).

Directors of the Company

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

Mr D B Mehta

Mr H B Mehta

Financial instruments

The Group'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.

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 Group made charitable donations of £11,387 (2020: £Nil), the Group did not make any political donations during the year (2020: £Nil).

Directors' section 172 (1) statement

Information on the Directors' section 172 (1) statement is given in the Strategic Report on page 4.

Shaneel Enterprises Limited

Directors' Report for the Year Ended 31 March 2021 (continued)

Group energy and carbon report

The Group 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 Group arising from plant.

Scope 2 emissions

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

Scope 3 emissions

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

The Group's emissions by scope		2021	2020
Scope	Source	Tonnes CO2	Tonnes CO2
Scope 1	Plant	424	419
Scope 2	Electricity	114	88
Scope 3	Other equipment	2	4
Total		540	511
Intensity: Tonnes of CO2 emissions produced per pound of revenue		0.000004088	0.000003753

Future developments

The Directors expect the market to remain competitive in the current climate, particularly in the light of COVID-19 and the movement out of the European Union trading bloc. They are fully aware of the challenges and have put in place and continue to adapt strategies in order to mitigate these factors in order to continue to grow the Group 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;
- (c) The creation of knowledge for the design and development of advanced formulations for new and essential fragrances; and
- (d) Development of bespoke systems for workflow management - warehouse database.

During the year ended 31 March 2021, £653,331 in relation to wages (2020: £630,829) was expended on research and development activities.

Shaneel Enterprises Limited

Directors' Report for the Year Ended 31 March 2021 (continued)

Going concern

During the year to 31 March 2021 the Group was quick to adapt its working conditions allowing staff to work remotely and keeping in regular contact with suppliers and customers. Although profitability dropped during the year, the Group managed to maintain profits at a similar level to the prior year, generating a positive cash flow for the Group, and are budgeting to increase profitability moving forward.

Cash flow forecasts have been prepared to 31 December 2022, 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 times that have been caused by the COVID-19 pandemic.

The Group has a facility available allowing borrowings of up to £11m, which is sufficient to service the current needs of the Group. This, together with the positive cash flow generation is sufficient to meet the current financing needs of the Group.

Accordingly, the financial statements have been prepared on a going concern basis.

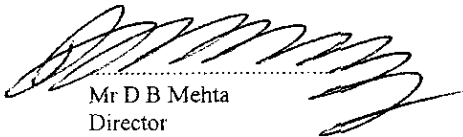
Disclosure of information to the auditor

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 8 September 2021 and signed on its behalf by:



Mr 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 2021, 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 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

8 September 2021

Shaneel Enterprises Limited

Consolidated Income Statement for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	132,098,763	136,101,781
Cost of sales		<u>(94,522,539)</u>	<u>(96,549,871)</u>
Gross profit		37,576,224	39,551,910
Administrative expenses		(26,059,248)	(31,268,785)
Other operating income	4	<u>1,162,039</u>	<u>1,051,695</u>
Operating profit	5	<u>12,679,015</u>	<u>9,334,820</u>
Interest receivable and similar income	6	1,290	1,770
Amounts written off investments		(3,579)	-
Interest payable and similar charges	7	<u>(1,367,897)</u>	<u>(1,281,034)</u>
		<u>(1,370,186)</u>	<u>(1,279,264)</u>
Profit before tax		11,308,829	8,055,556
Taxation	11	<u>(2,078,791)</u>	<u>(1,502,665)</u>
Profit for the financial year		<u>9,230,038</u>	<u>6,552,891</u>
Profit attributable to:			
Owners of the company		<u>9,230,038</u>	<u>6,552,891</u>

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

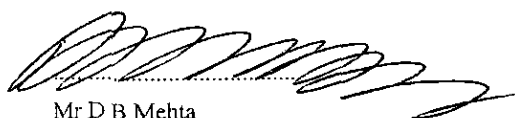
Shaneel Enterprises Limited

(Registration number: 02171783)

Consolidated Statement of Financial Position as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	15,573,968	22,187,881
Tangible assets	13	943,528	949,707
		<u>16,517,496</u>	<u>23,137,588</u>
Current assets			
Stocks	15	77,574,253	73,487,130
Debtors	16	24,103,615	24,150,440
Cash at bank and in hand		18,759,953	16,927,564
		<u>120,437,821</u>	<u>114,565,134</u>
Creditors: Amounts falling due within one year	18	<u>(57,544,808)</u>	<u>(67,290,276)</u>
Net current assets		<u>62,893,013</u>	<u>47,274,858</u>
Total assets less current liabilities		<u>79,410,509</u>	<u>70,412,446</u>
Creditors: Amounts falling due after more than one year	18	-	(250,000)
Provisions for liabilities		<u>(90,382)</u>	<u>(72,357)</u>
Net assets		<u>79,320,127</u>	<u>70,090,089</u>
Capital and reserves			
Called up share capital	19	1,000,100	1,000,100
Profit and loss account		<u>78,320,027</u>	<u>69,089,989</u>
Equity attributable to owners of the company		<u>79,320,127</u>	<u>70,090,089</u>
Total equity		<u>79,320,127</u>	<u>70,090,089</u>

Approved and authorised by the Board on 8 September 2021 and signed on its behalf by:



Mr D B Mehta
Director

The notes on pages 17 to 30 form an integral part of these financial statements.

Shaneel Enterprises Limited

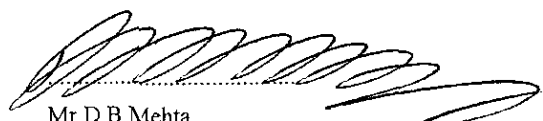
(Registration number: 02171783)

Statement of Financial Position as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	792,738	776,388
Investments	14	<u>2,457,351</u>	<u>2,457,351</u>
		<u>3,250,089</u>	<u>3,233,739</u>
Current assets			
Stocks	15	45,291,533	39,769,105
Debtors	16	4,628,934	7,920,311
Cash at bank and in hand		<u>17,638,697</u>	<u>16,348,001</u>
		67,559,164	64,037,417
Creditors: Amounts falling due within one year	18	<u>(6,160,346)</u>	<u>(6,925,850)</u>
Net current assets		<u>61,398,818</u>	<u>57,111,567</u>
Total assets less current liabilities		64,648,907	60,345,306
Provisions for liabilities		<u>(65,244)</u>	<u>(47,475)</u>
Net assets		<u>64,583,663</u>	<u>60,297,831</u>
Capital and reserves			
Called up share capital	19	1,000,100	1,000,100
Profit and loss account		<u>63,583,563</u>	<u>59,297,731</u>
Total equity		<u>64,583,663</u>	<u>60,297,831</u>

The company made a profit after tax for the financial year of £4,285,832 (2020 - profit of £5,258,750).

Approved and authorised by the Board on 8 September 2021 and signed on its behalf by:



Mr D B Mehta
Director

Shaneel Enterprises Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2021 Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	1,000,100	69,089,989	70,090,089
Profit for the year	-	9,230,038	9,230,038
Total comprehensive income	-	9,230,038	9,230,038
At 31 March 2021	1,000,100	78,320,027	79,320,127

	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

The notes on pages 17 to 30 form an integral part of these financial statements.

Shaneel Enterprises Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		9,230,038	6,552,891
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	6,839,353	6,873,012
Foreign exchange (gains)/losses	5	(2,909,329)	1,713,091
Loss/(profit) on disposal of tangible assets	5	1,240	(6,368)
Income tax expense	11	2,078,791	1,502,665
Finance costs		<u>1,366,607</u>	<u>1,279,264</u>
		16,606,700	17,914,555
Working capital adjustments			
Increase in stocks	15	(4,087,123)	(15,576,763)
Increase in debtors		(66,113)	(3,392,303)
(Decrease)/increase in creditors		<u>(2,377,921)</u>	<u>3,155,301</u>
Cash generated from operations		10,075,543	2,100,790
Income taxes paid		<u>(1,138,405)</u>	<u>(1,928,830)</u>
Net cash flow from operating activities		<u>8,937,138</u>	<u>171,960</u>
Cash flows from investing activities			
Interest received	6	1,290	1,770
Acquisitions of tangible assets	13	(220,500)	(176,239)
Proceeds from sale of tangible assets		-	23,899
Acquisition of intangible assets		<u>(250,000)</u>	<u>(118,459)</u>
Net cash flows from investing activities		<u>(469,210)</u>	<u>(269,029)</u>
Cash flows from financing activities			
Interest paid		(1,367,897)	(390,527)
Repayment of borrowings		(13,014,317)	(9,058,815)
Proceeds from other borrowing draw downs		<u>7,746,675</u>	<u>12,927,421</u>
Net cash flows from financing activities		<u>(6,635,539)</u>	<u>3,478,079</u>
Net increase in cash and cash equivalents		1,832,389	3,381,010
Cash and cash equivalents at 1 April		<u>16,927,564</u>	<u>13,546,554</u>
Cash and cash equivalents at 31 March		<u><u>18,759,953</u></u>	<u><u>16,927,564</u></u>

The notes on pages 17 to 30 form an integral part of these financial statements.

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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 8 September 2021.

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 2021.

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 2021 (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

During the year to 31 March 2021 the Group was quick to adapt its working conditions allowing staff to work remotely and keeping in regular contact with suppliers and customers. Although profitability dropped during the year, the Group managed to maintain profits at a similar level to the prior year, generating a positive cash flow for the Group, and are budgeting to increase profitability moving forward.

Cash flow forecasts have been prepared to 31 December 2022, 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 times that have been caused by the COVID-19 pandemic.

The Group has a facility available allowing borrowings of up to £11m, which is sufficient to service the current needs of the Group. This, together with the positive cash flow generation is sufficient to meet the current financing needs of the Group.

Accordingly, the financial statements have been prepared on a going concern basis.

Accounting judgements and key sources of estimation uncertainty

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

- Determine 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 Group, 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.

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

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.

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:

Asset class	Depreciation method and rate
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 Group is expected to benefit.

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (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.

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (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:

	2021 £	2020 £
Sale of goods	<u>132,098,763</u>	<u>136,101,781</u>

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

	2021 £	2020 £
United Kingdom	44,102,185	47,045,256
Rest of Europe	50,392,228	55,536,878
Rest of the World	<u>37,604,350</u>	<u>33,519,647</u>
	<u>132,098,763</u>	<u>136,101,781</u>

4 Other operating income

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

	2021 £	2020 £
Other operating income	<u>1,162,039</u>	<u>1,051,695</u>

Included within other operating income is an amount of £623,060 (2020: £nil) received from the government in relation to the furlough scheme.

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

5 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	225,440	233,326
Amortisation expense	6,613,913	6,639,686
Foreign exchange (gains)/losses	(2,909,328)	1,713,091
Research and development	722,515	678,395
Operating lease expense - property	1,517,650	1,525,900
Operating lease expenses	85,078	104,726
Loss/(profit) on disposal of fixed assets	<u>1,240</u>	<u>(6,368)</u>

Included within research and development are costs of £653,331 (2020: £630,829) relating to wages and salaries (see note 8).

6 Interest receivable and similar income

	2021 £	2020 £
Interest income	<u>1,290</u>	<u>1,770</u>

7 Interest payable and similar expenses

	2021 £	2020 £
Interest payable	<u>1,367,897</u>	<u>1,281,034</u>

8 Staff costs

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	7,764,456	8,040,778	4,312,374	4,723,227
Social security costs	912,522	966,853	520,365	589,128
Pension costs	366,257	329,614	144,359	139,283
Apprenticeship levy	<u>24,810</u>	<u>26,288</u>	<u>14,454</u>	<u>16,514</u>
	<u>9,068,045</u>	<u>9,363,533</u>	<u>4,991,552</u>	<u>5,468,152</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 2021 (continued)

8 Staff costs (continued)

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Production	25	26	-	-
Administration	41	38	38	35
Sales	13	16	13	16
Marketing	52	50	14	13
Distribution	37	54	19	29
	<u>168</u>	<u>184</u>	<u>84</u>	<u>93</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 employer contributions payable by the Group to the fund of £107,247 (2020: £108,411), and employee contributions of £259,010 (2020: £221,202). Group contributions amounting to £29,098 (2020: £30,028) were payable to the fund at year-end and are included within creditors.

Company employer contributions during the year amounted to £39,152 (2020: £42,421), and employee contributions of £105,206 (2020: £96,862). Company contributions amounting to £11,215 (2020: £10,976) 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:

	2021 £	2020 £
Remuneration	<u>2,170,345</u>	<u>2,503,750</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 £59,235 (2020: £74,728).

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	<u>1,105,124</u>	<u>1,262,507</u>

10 Auditors' remuneration

	2021 £	2020 £
Audit of these financial statements	37,750	42,500
Preparation of unaudited subsidiary accounts	<u>1,500</u>	<u>1,500</u>
	<u>39,250</u>	<u>44,000</u>

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

11 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	2,060,766	1,498,754
Deferred taxation		
Arising from origination and reversal of timing differences	13,712	8,224
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	4,313	(4,313)
Total deferred taxation	18,025	3,911
Tax expense in the income statement	2,078,791	1,502,665

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	11,308,829	8,055,556
Corporation tax at standard rate	2,148,677	1,530,556
Effect of expense not deductible in determining taxable profit (tax loss)	916	47,140
Deferred tax expense from unrecognised tax loss or credit	-	8,224
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	4,313	(4,313)
Tax decrease from effect of capital allowances and depreciation	(746)	(9,130)
Tax increase from other short-term timing differences	-	10,771
Tax decrease from effect of adjustment in research and development tax credit	(75,050)	(80,583)
Tax increase from effect of unrelieved loss on foreign subsidiaries	681	-
Total tax charge	2,078,791	1,502,665

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

12 Intangible assets

Group

	Licenses £	Total £
Cost or valuation		
At 1 April 2020	39,865,226	39,865,226
At 31 March 2021	39,865,226	39,865,226
Amortisation		
At 1 April 2020	17,677,345	17,677,345
Amortisation charge	6,613,913	6,613,913
At 31 March 2021	24,291,258	24,291,258
Carrying amount		
At 31 March 2021	15,573,968	15,573,968
At 31 March 2020	22,187,881	22,187,881

13 Tangible assets

Group

	Furniture and fittings £	Motor vehicles £	Plant, machinery and computer equipment £	Total £
Cost or valuation				
At 1 April 2020	1,696,215	273,266	1,692,959	3,662,440
Additions	25,986	-	194,514	220,500
Disposals	-	(17,602)	-	(17,602)
At 31 March 2021	1,722,201	255,664	1,887,473	3,865,338
Depreciation				
At 1 April 2020	1,334,408	239,681	1,138,644	2,712,733
Charge for the year	56,059	8,148	161,233	225,440
Eliminated on disposal	-	(16,363)	-	(16,363)
At 31 March 2021	1,390,467	231,466	1,299,877	2,921,810
Carrying amount				
At 31 March 2021	331,734	24,198	587,596	943,528
At 31 March 2020	361,807	33,585	554,315	949,707

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

13 Tangible assets (continued)

Company

	Furniture and fittings £	Motor vehicles £	Plant, machinery and computer equipment £	Total £
Cost or valuation				
At 1 April 2020	1,436,073	273,266	1,468,554	3,177,893
Additions	20,178	-	183,343	203,521
Disposals	-	(17,602)	-	(17,602)
At 31 March 2021	<u>1,456,251</u>	<u>255,664</u>	<u>1,651,897</u>	<u>3,363,812</u>
Depreciation				
At 1 April 2020	1,126,790	239,681	1,035,034	2,401,505
Charge for the year	47,770	8,148	130,014	185,932
Eliminated on disposal	-	(16,363)	-	(16,363)
At 31 March 2021	<u>1,174,560</u>	<u>231,466</u>	<u>1,165,048</u>	<u>2,571,074</u>
Carrying amount				
At 31 March 2021	<u>281,691</u>	<u>24,198</u>	<u>486,849</u>	<u>792,738</u>
At 31 March 2020	<u>309,283</u>	<u>33,585</u>	<u>433,520</u>	<u>776,388</u>

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

14 Investments in subsidiaries

Company

	2021 £	2020 £
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		
			2021	2020	
Subsidiary undertakings					
Mayfair Perfumes Limited	England and Wales	Ordinary shares	100%	100%	
S A Designer Parfums Limited	England and Wales	Ordinary shares	100%	100%	
House of Worth Limited	England and Wales	Ordinary shares	100%	100%	
Fragranceexpert Limited	England and Wales	Ordinary shares	100%	100%	
Shaneel Mexico Limited	England and Wales	Ordinary shares	100%	0%	
Shaneel Designer Parfums Mexico S.A. DE C.V.	Mexico	Ordinary shares	99.9%	0%	

99.9% of the shareholding of Shaneel Designer Parfums Mexico is held by Shaneel Mexico Limited, which is a direct subsidiary of Shaneel Enterprises Limited. Both Companies were dormant at the year-end. The other subsidiaries principal activities relate to the manufacture and sale of perfumes and cosmetics, and all are registered and operate their trade within England.

15 Stocks

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Finished goods and components	<u>77,574,253</u>	<u>73,487,130</u>	<u>45,291,533</u>	<u>39,769,105</u>

Impairment of stocks Group and Company

The amount of reversal of the impairment loss recognised in profit or loss is £1,722,136 (2020: £1,326,457). The impairment of the stock is based on its age profile, and has been made on a consistent basis.

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

16 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	14,747,104	13,117,211	3,150,655	2,799,386
Amounts owed by subsidiaries	-	-	-	4,000,000
VAT and other debtors	2,337,462	1,465,326	830,899	669,709
Corporation tax	-	112,938	-	-
Prepayments	1,506,280	3,896,921	647,380	451,216
Advance payment to suppliers	5,512,769	5,558,044	-	-
Total current trade and other debtors	<u>24,103,615</u>	<u>24,150,440</u>	<u>4,628,934</u>	<u>7,920,311</u>

17 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank and in hand	<u>18,759,953</u>	<u>16,927,564</u>	<u>17,638,697</u>	<u>16,348,001</u>

18 Creditors

		Group		Company	
	Note	2021	2020	2021	2020
		£	£	£	£
Due within one year					
Loans and borrowings	20	40,183,015	48,644,263	-	-
Trade creditors		12,952,114	13,339,593	5,414,985	6,317,303
Other payables		250,000	250,000	-	-
Accrued expenses		2,739,568	4,042,810	163,875	97,591
Corporation tax liability	11	1,236,115	426,692	500,468	425,350
PAYE and NIC		181,918	227,072	81,018	85,606
VAT		2,078	359,846	-	-
		<u>57,544,808</u>	<u>67,290,276</u>	<u>6,160,346</u>	<u>6,925,850</u>
Due after one year					
Other payables		<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

19 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	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>

The deferred shares do not have any voting rights to receive dividends and other distributions.

20 Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current loans and borrowings				
Loans and borrowings	<u>40,183,015</u>	<u>48,644,263</u>	<u>-</u>	<u>-</u>

Group

Included within Loans and borrowings is an amount due to the bank of £16,469,236 (2020: £8,722,571) secured by a fixed and floating charge over the assets of the Group and the Company, and is repayable on demand. Also included within loans and borrowings are loans of £23,713,788 (2020: £39,921,692) which were fully repaid in July 2021.

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 Mexico Limited	12855825

Shaneel Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

22 Operating lease commitments

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	1,579,902	1,591,451	1,557,222	1,568,771
Later than 1 year not later than 5 years	2,281,861	3,817,120	2,275,318	3,810,273
Total	3,861,763	5,408,571	3,832,540	5,379,044

The amount of non-cancellable operating lease payments in the Group recognised as an expense during the year was £1,602,728 (2020: £1,630,625). The amount of non-cancellable operating lease payments in the Company recognised as an expense during the year was £1,574,514 (2020: £1,600,740).

23 Reconciliation of net debt

	1 April 2020 £	Cash flows £	Foreign exchange £	31 March 2021 £
Bank overdrafts	8,722,571	7,746,665	-	16,469,236
Loans	39,921,692	(13,014,317)	(3,193,606)	23,713,769
Total	48,644,263	(5,267,652)	(3,193,606)	40,183,005

24 Related party transactions

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

During the year the Group purchased services from Nirvana Brands Limited, a company controlled by the director, Dilesh Mehta on normal commercial terms for £1,644,890 (2020: £nil). The amount outstanding at the year-end of £102,143 (2020: £nil) is included in trade creditors.

During the year the Group sold goods to Nirvana Brands Inc, a company controlled by the director Dilesh Mehta, on normal commercial terms for £3,863,650 (2020: £nil). The amount outstanding at the year-end of £3,889 (2020: £nil) is included in trade debtors.

25 Parent and ultimate parent undertaking

There is no ultimate controlling party.

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