

# Shop TJC Limited

Annual Report and Financial Statements  
for the Year Ended 31 March 2021

DSK Partners LLP  
Chartered Accountants and Statutory Auditors  
75 Park Lane  
Croydon  
Surrey  
CR9 1XS

# Shop TJC Limited

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## **Shop TJC Limited**

### **Company Information**

<b>Directors</b>	Harsh Bahadur Amit Agrawal Srikant Jha Sanjeev Agrawal
<b>Company secretary</b>	Nitin Panwad
<b>Registered office</b>	Surrey House Plane Tree Crescent Feltham Middlesex TW13 7HF
<b>Auditors</b>	DSK Partners LLP Chartered Accountants and Statutory Auditors 75 Park Lane Croydon Surrey CR9 1XS

## **Shop TJC Limited**

### **Strategic Report for the Year Ended 31 March 2021**

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

#### **Principal activity**

The principal activity of the company in the year under review continued to be the selling of jewellery, fashion accessories, lifestyle and essential products through television home shopping channels and the Internet.

#### **Review of Business**

The results for the year and financial position of the company are as shown in the annexed financial statements.

Trading condition on the market were challenging, but our unique and unrivalled offer of stunning products at outstanding price has continued to grow in popularity.

The business has continued sales growth and achieved another record turnover of £81m (2019-20: £61.4m) with 31.9% growth over last year. Gross profit increased by £9.4m year on year to £31.5m (2019-20: £22.1m) with 42.6% growth over last year. The growth was driven by across all product categories. The business continues to develop and enhance its product range to reach new and existing customers and grow market share.

Distribution cost increased from £3.5m to £5.6m due to fast product deliveries to the customers. Administrative expenses increased from £12.4m to £15.3m mainly as a result of increased manpower and web marketing cost.

As a result, operating profit for the year increased to £10.7m in compared to £6.3m in 2019-20.

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

The principle risk is any elongated downturn and may impact consumer spending. Company is managing risk though focus on offering to customer affordable lower price point products line. The company has very agile sourcing system and will adopt very fast.

The business continues to develop its online growth strategy through own website and marketplace to increase reach to new and existing customers.

The company has implemented processes to manage inventory levels and has implemented process and control to monitor the performance, minimize financial risks and meet all regulatory requirements.

## **Shop TJC Limited**

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

#### **Future Development**

The company will continue to invest in developing new brands and bringing new and exciting products to its customers. Company is also heavily investing in digital transformation to provide an enhanced omni channel experience. The company is also investing in the programs which helps to retain and acquire the customers like TJC Plus and warranty program.

#### **Parent Company**

The company is a subsidiary of a much larger group, Vaibhav Global Limited (VGL). VGL is a professionally managed, end-to-end vertically integrated Jewellery & fashion business organisation. The Company is operating dedicated 24 hour television home shopping channels in the US, the UK. The Company has robust sourcing organisation in India, China, Thailand and Indonesia, while core manufacturing operations are in Jaipur, India. With the expansion of product line to include lifestyle products, such sourcing organisations assume greater significance.

#### **Employees**

The company takes pride in its highly motivated and trained human resource, which has contributed its best for the Company to achieve newer heights.

Within the bounds of commercial confidentiality, the Company endeavors to keep staff at all levels informed of matters that affect the progress of the company and are of interest to them as employees. The company has continued to invest in staff to nurture and develop those people who are at the heart of everything we do. In addition, the senior management gives regular presentation to staff on business development and brief the objective of the company. Company also ensuring all of the employees' health and safety during COVID-19 situation by providing them Masks, Sanitizers and ensuring social distancing.

#### **Charitable Activities**

The company is proud sponsor of 'Your Purchase feed' programme where for every item sold, it donates one meal to a hungry child through Akshaya patra in India and Magic breakfast in UK. In addition to your purchase feeds program, TJC team have been helping local schools/ care homes/ hospitals with PPE equipment's such as masks, gloves, hand sanitizers. We have donated over 55,000 masks to the community to date.

TJC has taken part in programs such as The Felix project during the extended lock down in the UK to support front line charities, primary schools and vulnerable and homeless people to receive a healthy meal.

## **Shop TJC Limited**

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

#### **Section 172(1) statement**

The Directors understand their responsibilities to promote the success of the company in accordance with Section 172 of the Companies Act. The board consider the key stake holders to be customers, employees, suppliers and the community & environment.

## Shop TJC Limited

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

Stakeholder	Form of engagement	Outcome
<b>1) Customers</b> <hr/> <p>The company put their customers at the heart of everything the Company does and is a foundation stone of the Company's culture and purpose.</p>	<p>The Company has put in place a community forum on website which ensures that the Company puts the Customer at the heart of its business; ensures feedback from Customers is understood and acted upon.</p> <p>The Company has formed a Customer Experience Team which engages divisional leaders and ambassadors to continue to review the way Customers are served</p> <p>The Company has introduced a new TJC plus subscription programme (Unlimited free shipping )and Warranty Programme.</p> <p>The company has also introduced new engraving project and personalised jewellery project for customers</p>	<p>A new online community forum improves customer experience and create high level of trust with the company.</p> <p>Customer feedback was considered in the formulation of the three-year strategy</p>
<b>2) Employees</b> <hr/> <p>The company's Regular engagement takes place throughout the year to update, inform and gather feedback from employees.</p>	<p>Employee survey, townhalls and weekly departmental meetings.</p> <p>The company hold discussion with a cross section of leadership team members</p> <p>The company holding Regular coffee morning meetings to discuss each level of issues.</p> <p>The Company also ensuring health &amp; safety of all employees</p> <p>The company has arranged Flu jabs for all the employees</p> <p>The company is conducting weekly meditation session to improve mindfulness at work.</p>	<p>Employee feedback was considered in the formulation of the three-year strategy</p> <p>The company has started to provide daily free breakfast, fruits and lunches on monthly basis.</p> <p>Company also ensuring all of the employees' health and safety during COVID-19 situation by providing them Masks, Sanitizers and ensuring social distancing.</p>

## Shop TJC Limited

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

The company also conducted health awareness week to inspire employees to adapt health lifestyle.

#### 3) Suppliers

The Company's suppliers are key to the smooth running of its business.

Regular meetings are held with key suppliers

Offering long term partnership to help the business.

New suppliers are subject to formal due diligence which includes data and information security consideration

Whenever necessary considering early payments to them.

#### 4) Community & Environment

The Company embraces social responsibility, community engagement, environmental sustainability, and supports employees in improving the lives of others and making a difference in its communities.

The CSR programme includes partnering with charities that align with purchase feeds program programme.

The company has started partnership with Magic breakfast to donate more meals to schools in UK

All Employees are actively encouraged to get involved with CSR activities

During the recent COVID situation, Company has extended charitable activities by donating masks & PPE's to over 100 hospitals, care homes, schools and councils etc.

The company has also donated large number of meals through Felix project in UK

TJC team organised & executed a successful events such as 'poppy run' to raise funds for the Royal British Legion on remembrance day to support the most vulnerable in the society, such as older veterans .

TJC has donated 50 tablets to St Pauls school in Hammersmith to make sure kids' education doesn't get hampered during long lockdown in the UK in distance learning..

TJC team conducted their annual 'McMillan coffee morning' in virtual to raise funds for the charity in memory of their beloved colleague, Yvette O'mara



## **Shop TJC Limited**

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

TJC has also donated his products to five charities chosen by employees ( NSPCC, action against bullying, Stephen Lawrence trust, Every man's project, Women's aid) in order to raise awareness within the company in collaboration with TJC's culture awareness committee.

TJC has achieved certification to the Carbon Trust Standard in 2020.

TJC is also committed to the Year-on-year energy consumption reduction.

TJC has integrated waste management system to improve recycling rates

TJC is also promoting other campaign such as Cycle to work program & Litter picking campaign

#### **Acknowledgment:**

The Directors wish to thank all the employees for their continued contribution, hard work and dedication throughout the year.

The Directors also wish to thank the company's valued and esteemed customers for their continued patronage.

The Directors take this opportunity to thank and place on record their sincere appreciation of the wholehearted support extended by Company's bankers, vendors, auditors and various statutory authorities.

Approved by the Board on 11 May 2021 and signed on its behalf by:

Srikant Jha  
Director

## **Shop TJC 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.

#### **Change of Name**

The company passed a special resolution on 14 May 2020 changing its name from The Jewellery Channel Limited to Shop TJC Limited.

#### **Dividends**

The total distribution of dividends for the year ended 31 March 2021 will be £3,548,597.

#### **Future developments**

The company will continue to invest in developing new brands and bringing new and exciting products to its customers. The company is also heavily investing in digital transformation to provide an enhanced omni channel experience.

#### **Parent Company**

The company is a subsidiary of a much larger group Vaibhav Global Limited (VGL) . VGL is a professionally managed, end-to-end vertically integrated jewellery and fashion business organisation. The company is operating dedicated 24-hour television home shopping channels in the US and the UK. The company has a robust sourcing organisation in India, China, Thailand and Indonesia, while core manufacturing operations are in Jaipur, India. With the expansion of product line to include lifestyle products, such sourcing organisations assume greater significance.

#### **Charitable Activities**

The company is proud sponsor of 'TJC One for One' programme where for every item sold, it donates one meal to a hungry child through 'Akshaya Patra' in India and 'Magic Breakfast' in the UK. Since its launch in January 2015, the company has delivered over nineteen million meals. One of TJC's founding principles is to do the right thing and our One for One charity ensures we do just that. The donation through Akshaya Patra is made by our ultimate parent company Vaibhav Global Limited.

During the recent COVID-19 situation, the company has extended charitable activity by donating masks & PPE to over 100 hospitals, care homes, schools, councils etc. The company has also donated large number of meals through Felix project in the UK.

#### **Acknowledgements**

The Directors wish to thank all the employees for their continued contribution, hard work and dedication throughout the year.

The Directors also wish to thank the company's valued and esteemed customers for their continued patronage.

The Directors take this opportunity to thank and place on record their sincere appreciation of the wholehearted support extended by the company's bankers, vendors, auditors and various statutory authorities.

#### **Directors of the company**

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

Harsh Bahadur

Amit Agrawal

Srikant Jha

Sanjeev Agrawal

## **Shop TJC Limited**

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

#### **Charitable Donations**

#### **Post Balance Sheet Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations or the state of affairs of the company in the financial year subsequent to the financial year ended 31st March 2021.

#### **Engagement with employees**

The company takes pride in its highly motivated and trained human resource, which has contributed its best for the company to achieve newer heights.

Within the bounds of commercial confidentiality, the company endeavors to keep staff at all levels informed of matters that affect the progress of the company and are of interest to them as employees. The company has continued to invest in staff to nurture and develop those people who are at the heart of everything we do. In addition, the senior management gives regular presentation to staff on business development and brief the objective of the company. The company is also ensuring that all of the employees' health and safety needs are met during the COVID-19 situation by providing them with masks, sanitizers and ensuring social distancing is possible and adhered to.

#### **Engagement with suppliers, customers and other relationships**

The company trades with a large number of suppliers including group companies. The company also has airtime partnerships with a number of retailers to broaden our offerings without social risk. The company manages its supply chain to minimize stock risk and exposure. The company also undertakes QC testing and compliance to ensure the right quality of product.

The company has long term relationships with all our platform providers and maintain good relationship with them to ensure we are made aware of capacity opportunities. Increased marketing activities is helping us drive consumers to our TV channels and website. The company continue to update its website and improve navigation and customer web service.

#### **Statement of Corporate Governance Arrangements**

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the company's objectives of enhancing shareholder value and discharging social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders, including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

The company believes in adopting and adhering to the best standards of Corporate Governance. The company philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, disclosures, accountability and equity in all spheres of its operations.

The company is committed towards transparency in all its dealings and places high emphasis on business principles and believes good Corporate Governance goes beyond working results and financial priority and is a pre-requisite for the attainment of excellent performance.

## Shop TJC Limited

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

#### Board Composition

The Board of Directors has an optimum combination of Executive & Managing Directors. The composition of the Board and category of directors during the financial year 2020-21 are as follows:

S.No	Category	Name	Date of appointment
1	Managing Director	Mr Srikant Jha	24-Sep-2019
2	Executive Director	Mr Sanjeev Agrawal	30-Jul-2007
3	Executive Director	Mr Harsh Bahadur	01-Feb-2009
4	Executive Director	Mr Amit Agarwal	01-Apr-2018

#### Director Responsibilities

The Directors accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

#### Opportunity and Risk

The company's approach to strategic opportunities is set out by the Executive Directors and Managing Director. We seek to capitalise on opportunities while mitigating risks where possible. The company has many opportunities in digital expansion, that can be great advantage for the company during current period of changing market conditions. However, can also be the company's biggest risk with possibility of changing customer's shopping behaviour moving from tele shopping to digital shopping experience

#### Stakeholders

We always try to engage with our key stakeholders, including our workforce, shareholders, suppliers, local communities and customers. As well as informing business-level decisions, an overview of the output of this engagement and related developments is reported to the Board and Committees to ensure due consideration is given to stakeholders and the output of this engagement when decisions are taken at those levels.

There was no non-compliance, penalty imposed on the Company by any statutory authority. All mandatory requirements of HMRC have been complied during the year.

#### Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### 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:

## **Shop TJC Limited**

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

- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement as to Disclosure of Informations to Auditors**

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

#### **Reappointment of auditors**

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

Approved by the Board on 11 May 2021 and signed on its behalf by:

Srikant Jha  
Director

# **Shop TJC Limited**

## **Independent Auditor's Report to the Members of Shop TJC Limited**

### **Opinion**

We have audited the financial statements of Shop TJC Limited (the 'company') for the year ended 31 March 2021, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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 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.

## **Shop TJC Limited**

### **Independent Auditor's Report to the Members of Shop TJC 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the [set out on page 7 ], 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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.

## Shop TJC Limited

### Independent Auditor's Report to the Members of Shop TJC Limited (continued)

- 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 company'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 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 company to cease to continue as a going concern.

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

.....  
Romit Basu FCA (Senior Statutory Auditor)

For and on behalf of DSK Partners LLP, Statutory Auditor

75 Park Lane

Croydon

Surrey

CR9 1XS

11 May 2021



## Shop TJC Limited

### Income Statement for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	81,003,249	61,402,560
Cost of sales		<u>(49,469,962)</u>	<u>(39,284,362)</u>
Gross profit		31,533,287	22,118,198
Distribution costs		(5,589,334)	(3,503,877)
Administrative expenses		(15,287,560)	(12,363,408)
Other operating income		<u>15,415</u>	<u>113,727</u>
Operating profit	<u>4</u>	<u>10,671,808</u>	<u>6,364,640</u>
Income from shares in group undertakings		-	6,849,991
Other interest receivable and similar income		96,971	(17,953)
Interest payable and similar expenses		<u>5,177</u>	<u>(5,177)</u>
		<u>102,148</u>	<u>6,826,861</u>
Profit before tax		10,773,956	13,191,501
Tax on profit	<u>7</u>	<u>(2,115,404)</u>	<u>(1,251,158)</u>
Profit for the financial year		<u><u>8,658,552</u></u>	<u><u>11,940,343</u></u>

The above results were derived from continuing operations.

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

## Shop TJC Limited

### Statement of Comprehensive Income for the Year Ended 31 March 2021

	2021 £	2020 £
Profit for the year	8,658,552	11,940,343
Other comprehensive income	-	125,150,783
Total comprehensive income for the year	<u>8,658,552</u>	<u>137,091,126</u>

# Shop TJC Limited

(Registration number: 05654854)

## Statement of Financial Position as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	<u>9</u>	1,375,857	787,778
Tangible assets	<u>10</u>	1,742,078	1,204,766
Investments	<u>11</u>	141,010,292	140,984,713
		<u>144,128,227</u>	<u>142,977,257</u>
<b>Current assets</b>			
Stocks	<u>12</u>	9,903,580	9,340,113
Debtors	<u>13</u>	7,996,034	7,311,556
Cash at bank and in hand		<u>1,516,323</u>	<u>1,641,403</u>
		19,415,937	18,293,072
<b>Creditors: Amounts falling due within one year</b>	<u>14</u>	<u>(9,516,671)</u>	<u>(12,496,291)</u>
<b>Net current assets</b>		<u>9,899,266</u>	<u>5,796,781</u>
<b>Total assets less current liabilities</b>		154,027,493	148,774,038
<b>Provisions for liabilities</b>	<u>15</u>	<u>(224,342)</u>	<u>(80,842)</u>
<b>Net assets</b>		<u>153,803,151</u>	<u>148,693,196</u>
<b>Capital and reserves</b>			
Called up share capital		23,083,930	23,083,930
Other reserves		125,150,783	125,150,783
Profit and loss account		<u>5,568,438</u>	<u>458,483</u>
Shareholders' funds		<u>153,803,151</u>	<u>148,693,196</u>

Approved and authorised by the Board on 11 May 2021 and signed on its behalf by:

Srikant Jha  
Director

## Shop TJC Limited

### Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2020	23,083,930	125,150,783	458,483	148,693,196
Profit for the year	-	-	8,658,552	8,658,552
Total comprehensive income	-	-	8,658,552	8,658,552
Dividends	-	-	(3,548,597)	(3,548,597)
At 31 March 2021	23,083,930	125,150,783	5,568,438	153,803,151

  

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2019	7,250,000	-	(3,831)	7,246,169
Profit for the year	-	-	11,940,343	11,940,343
Other comprehensive income	-	125,150,783	-	125,150,783
Total comprehensive income	-	125,150,783	11,940,343	137,091,126
Dividends	-	-	(11,478,029)	(11,478,029)
New share capital subscribed	15,833,930	-	-	15,833,930
At 31 March 2020	23,083,930	125,150,783	458,483	148,693,196

# **Shop TJC Limited**

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

### **1 General information**

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

The address of its registered office is:

Surrey House  
Plane Tree Crescent  
Feltham  
Middlesex  
TW13 7HF

These financial statements were authorised for issue by the Board on 11 May 2021.

The financial statements are prepared in sterling which is also the functional currency of the company and rounded to the nearest pound.

### **2 Accounting policies**

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

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

#### **Going concern**

Following UK Government guidance relating to the COVID-19 pandemic, wherein online retail businesses are encouraged to remain open, the Company continued to operate as usual. It was supported by local sourcing and global supply chains of the Group which are in the process of being progressively resumed. The Company is also taking necessary precautions for the safety of its employees, partners and customers.

The Company has made detailed assessments of its liquidity position and of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, investments, receivables and other current assets as at the Statement of Financial Position date. The evaluation based on current estimates has concluded that no material adjustments are required in the financial statements. Given the uncertainties associated with the nature, condition and duration of COVID- 19, the impact assessment on the Company's financial statements will be continuously reviewed.

As part of the directors' assessment of going concern, they have prepared detailed cash flow and profit and loss forecasts for the next 13 months. The forecasts have been prepared on an appropriate basis, taking into account the current economic conditions that exist.

The directors believe the going concern basis is appropriate as the parent company will continue to support the company if necessary. After making appropriate enquires, the directors have a reasonable expectation that the company has adequate resources to enable it to continue in operational existence for the foreseeable future.

## **Shop TJC Limited**

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

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

##### **Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Preparation of consolidated financial statements**

The financial statements contain information about Shop TJC Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

## Shop TJC Limited

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

#### 2 Accounting policies (continued)

##### Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements are applied to the following accounting policies

##### Stock

Stock is valued at the lower of cost and cost to sell after making allowance for slow moving or obsolete items. The judgement in this case is with regards to the slow moving or obsolete items which are no longer suitable for sale. The company uses its vast knowledge of the industry and current fashion trends in order to make these judgements. The carrying value of stock at the year end is £9,903,580.

##### Sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future and ultimately Going Concern. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### Fixed assets

Depreciation is estimated in order to write off the assets over the remaining useful life of the asset. These estimates are based on the companies experience, considered reasonable, and are consistent with prior years. The future value of the assets themselves are however subject to any potential disposals, replacement, damage or improvement. As at the date of this report the directors believe that the carrying value of fixed assets is £3,117,935.

##### Turnover

Turnover represents total invoiced value (which includes postage) excluding value added tax of goods sold. Turnover is recognised for the sale of goods at the point the order is taken and payment received from the customer. Provision is also made for anticipated returns.

##### Patents and licenses

Patents and licenses relates to the Television channel broadcast rights and licenses owned by the company. Amortisation of the television channel broadcast rights is calculated to write off the cost in equal instalments over its estimated useful life which the company believes to be infinite, but the directors have set the amortisation policy over 3 - 10 years straight line.

##### Computer software

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

Computer software - 25% on cost

##### 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.

## Shop TJC Limited

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

#### 2 Accounting policies (continued)

##### 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
Improvements to property	10% on cost
Plant and machinery	20% on cost
Fixtures & fittings	20% on cost
Computer equipment	33% on cost

Assets held under finance leases are depreciated in the same way as owned assets.

At each statement of financial position date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### Investments in subsidiaries

Investments in subsidiary undertakings are recognised at fair value at the date of acquisition.

##### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell (net realisable value). Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit or loss as incurred. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.



## **Shop TJC Limited**

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

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

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

##### **Foreign currencies**

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

##### **Share based payments**

Employees of the Company participate in the stock option plan established by Vaibhav Global Limited, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The above cost is recharged by VGL and charged to the statement of income and retained earnings of the Company over the vesting period.

##### **Financial instruments**

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

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## Shop TJC Limited

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

#### 3 Revenue

##### Turnover by Geographical market

	2020-21 £	2019-20 £
United Kingdom	79,341,255	60,094,644
Europe	839,485	840,003
Rest of the world	822,509	467,913
<b>Total</b>	<b>81,003,249</b>	<b>61,402,560</b>

#### 4 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	524,695	341,668
Amortisation expense	293,703	327,835
Auditor's remuneration	13,500	13,200
Foreign exchange (gains)/losses	(96,070)	18,067
Operating lease expense - property	111,103	124,393
Operating lease expense - plant and machinery	830,432	677,631

#### 5 Staff costs

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

	2021 £	2020 £
Wages and salaries	9,196,214	7,280,305
Social security costs	694,735	461,672
Pension costs, defined contribution scheme	141,771	106,388
Share-based payment expenses	121,969	121,175
	<b>10,154,689</b>	<b>7,969,540</b>

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

## Shop TJC Limited

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

#### 5 Staff costs (continued)

	2021 No.	2020 No.
Production	28	30
Administration and support	59	59
Sales, marketing and distribution	134	93
	<u>221</u>	<u>182</u>

#### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	<u>198,163</u>	<u>246,366</u>

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	<u>198,163</u>	<u>124,704</u>

#### 7 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	1,971,904	1,176,571
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>143,500</u>	<u>74,587</u>
Tax expense in the income statement	<u>2,115,404</u>	<u>1,251,158</u>

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

The differences are reconciled below:

# Shop TJC Limited

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

### 7 Taxation (continued)

	2021 £	2020 £
Profit before tax	10,773,956	13,191,501
Corporation tax at standard rate	2,047,052	2,506,385
Effect of expense not deductible in determining taxable profit (tax loss)	23,174	23,023
Deferred tax expense from unrecognised temporary difference from a prior period	143,500	74,587
Tax decrease from effect of capital allowances and depreciation	(98,322)	(51,339)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	(1,301,498)
Total tax charge	2,115,404	1,251,158

### Tax relating to items recognised in other comprehensive income or equity

	2021 £	2020 £
Current tax related to items recognised as items of other comprehensive income	-	125,150,783

### 8 Dividends

	2021 £	2020 £
Dividend on ordinary shares of £1 each	3,548,597	11,478,029

## Shop TJC Limited

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

#### 9 Intangible assets

	Patents and licences £	Computer software £	Intangible assets under development £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	1,100,000	1,262,510	-	2,362,510
Additions acquired separately	-	413,623	468,159	881,782
At 31 March 2021	1,100,000	1,676,133	468,159	3,244,292
<b>Amortisation</b>				
At 1 April 2020	550,000	1,024,732	-	1,574,732
Amortisation charge	110,000	183,703	-	293,703
At 31 March 2021	660,000	1,208,435	-	1,868,435
<b>Carrying amount</b>				
At 31 March 2021	440,000	467,698	468,159	1,375,857
At 31 March 2020	550,000	237,778	-	787,778

Patents and Licences include Television channel rights that relate to broadcasting licences owned by the company for broadcasting of programs.

Intangible assets under development includes the development costs for CRM Software, Tablet and IOS application.

# Shop TJC Limited

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

### 10 Tangible assets

	Improvements to property £	Fixtures and fittings £	Plant and machinery £	Computer equipment £
<b>Cost or valuation</b>				
At 1 April 2020	716,497	249,827	1,283,160	466,505
Additions	306,270	31,900	631,529	39,906
At 31 March 2021	1,022,767	281,727	1,914,689	506,411
<b>Depreciation</b>				
At 1 April 2020	311,107	195,070	712,310	335,256
Charge for the year	157,310	24,622	220,999	59,304
At 31 March 2021	468,417	219,692	933,309	394,560
<b>Carrying amount</b>				
At 31 March 2021	554,350	62,035	981,380	111,851
At 31 March 2020	405,390	54,756	570,849	131,248
			<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 April 2020			50,302	2,766,291
Additions			52,400	1,062,005
At 31 March 2021			102,702	3,828,296
<b>Depreciation</b>				
At 1 April 2020			7,779	1,561,522
Charge for the year			62,461	524,696
At 31 March 2021			70,240	2,086,218
<b>Carrying amount</b>				
At 31 March 2021			32,462	1,742,078
At 31 March 2020			42,523	1,204,766

## Shop TJC Limited

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

#### 11 Investments

Subsidiaries	£
<b>Cost or valuation</b>	
At 1 April 2020	140,984,713
Additions	<u>25,579</u>
At 31 March 2021	<u>141,010,292</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 March 2021	<u><u>141,010,292</u></u>
At 31 March 2020	<u><u>140,984,713</u></u>

#### Details of undertakings

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

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Shop LC Global Inc. USA	Corridor Park, Building 'D' Suit 300, 100 Michael Angelo Way, Austin, TX 78728 USA	Ordinary	100%	100%
Shop LC GMBH, Germany	District court Neuss HRB 21570 Germany	Ordinary	100%	0%

# Shop TJC Limited

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

### 11 Investments (continued)

#### Subsidiary undertakings

##### *Shop LC Global Inc. USA*

The principal activity of Shop LC Global Inc. USA is Online Retail Store. The profit for the financial period of Shop LC Global Inc. USA was £14,914,586 and the aggregate amount of capital and reserves at the end of the period was £37,333,182.

##### *Shop LC GMBH, Germany*

The principal activity of Shop LC GMBH, Germany is Online Retail Store. The loss for the financial period of Shop LC GMBH, Germany was £127,195 and the aggregate amount of capital and reserves at the end of the period was £(105,900).

#### Investment details

On 11th March 2020, the company issued 15,833,930 shares of £1 each to enable it to acquire the shares of Shop LC Global Inc. This was a share for share exchange. The new shares rank pari-passu in all respects with the existing shares.

On 22nd Jan 2021, the company invested in 100% share capital of Shop LC GMBH, a company incorporated in Germany.

### 12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	9,903,580	9,340,113

### 13 Debtors

	Note	2021 £	2020 £
Trade debtors		4,215,173	4,119,518
Amounts owed by group undertakings		804,384	55,605
Other debtors		1,843,691	2,104,827
Prepayments		1,132,786	1,031,606
		7,996,034	7,311,556

Included in the other debtors, is a rent deposit of £185,825 held by the landlords. The landlords have a charge over this deposit.



## Shop TJC Limited

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

#### 14 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Trade creditors		1,800,969	2,174,209
Amount owed to group undertakings		2,466,920	5,941,874
Social security and other taxes		468,241	1,217,135
Other payables		2,154,522	790,256
Accruals		1,505,976	1,196,247
Income tax liability	<u>7</u>	<u>1,120,043</u>	<u>1,176,570</u>
		<u>9,516,671</u>	<u>12,496,291</u>

#### 15 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2020	80,842	80,842
Provided during the year	<u>143,500</u>	<u>143,500</u>
At 31 March 2021	<u>224,342</u>	<u>224,342</u>

#### 16 Share capital

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

	2021		2020	
	No.	£	No.	£
Ordinary of £1 each	23,083,930	23,083,930	23,083,930	23,083,930

#### 17 Ultimate Parent Company

Brett Enterprises Pvt. Ltd. is the beneficial owner of 56% of the shareholding in the group. It is incorporated in India and its financial statements are available from 5, Kitab Mahal, 192 Dr. D.N. Road, Fort, Mumbai-400 001.

The largest group in which the results of the company are consolidated is that headed by Vaibhav Global Limited, a publicly quoted company incorporated in India. Its financial statements are available from K-6-B Fateh Tiba, Adarsh Nagar, Jaipur, India.

The immediate parent undertaking is VGL Retail Ventures Limited, a company incorporated in Mauritius.

## **Shop TJC Limited**

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

#### **18 Ultimate Controlling Party**

No individual or group of individuals acting together control 50% or more of the company or its ultimate parent undertaking.

#### **19 Share based Payments**

The Shop TJC Limited employees received shares in Vaibhav Global Limited, in accordance with the terms of the employee share option plan.

#### **20 Security**

The company has granted a fixed and floating charge over its assets in favour of its bankers Barclays bank PLC.

## Shop TJC Limited

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

#### 21 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than one year	814,801	1,307,306
Later than one year and not later than five years	757,290	1,345,514
	<u>1,572,091</u>	<u>2,652,820</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.