

Company registration number 06276900 (England and Wales)

MAMADO INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

MAMADO INTERNATIONAL LIMITED

COMPANY INFORMATION

Director	Mr G Nasser
Company number	06276900
Registered office	36 The Metro Centre Dwight Road Watford WD18 9SB
Auditor	FLS Accounting Solutions Limited T/A SP Vinshaw 36 The Metro Centre Dwight Road Watford WD18 9SB

MAMADO INTERNATIONAL LIMITED

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MAMADO INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents the strategic report for the year ended 31 March 2022.

Fair review of the business

The company has maintained its strategic objective to ensure development of high quality hair and cosmetic products and continues with its innovation, research and development in bringing new products to the market place.

The director is of the opinion that the level of business and the financial position of the company at the year end is pleasing and a comparable level of progress is anticipated in the conceivable future.

During the year, the group expanded its operations by setting up a new wholly owned fellow group undertaking in the USA, to tap into the American Market for its high quality products. The results of the American entity are included within the consolidated accounts of the parent undertaking.

Despite continuing concerns over slowdown of global trade as result of rising inflation, cost of living crisis, War in Ukraine, and other economic factors, we have managed, by efficiency and supplier continuity, to control costs. Price negotiation and continuity of supply have been key to our control of costs and quality of products. The company's investment in strategic operational areas of the business meant that the current supply chain issues are effectively and efficiently managed to ensure steady and continued availability of products at reasonable prices.

The director continues to look for added value products and services. Availability of product is key to the success of the business and its ability to maintain and improve turnover and margins.

Principal risks and uncertainties

The company recognises that the current business, geo-political and economic environment is very challenging and will lead to short/medium term disruptive shocks. This is evident in the global slowdown of trade, inflation, cost of living crisis, FX uncertainties and competition. The company has put in place structures and strategies to help mitigate these uncertainties.

Competition in the UK, USA and EU remains a constant risk, however the successful setup of the US entity has increased the company's overall output and capability in serving those markets thus increasing its market share in those territories where it operates.

The cost of living crisis will add further pressure on employment costs. The company maintains strong relations with its employees ensuring their needs are addressed in the most effective manner.

The slowing down of global economy, the change in the geo-political landscape, currency and interest rate fluctuations, consumer confidence are constantly being reviewed and monitored by the director. The company is confident that it has the tools to mitigate these risks and to address future risks and uncertainties whilst maximising all opportunities that are presented. This will bring security and benefit to all our stakeholders - shareholders, valued employees, customers and suppliers.

Review of the year

Performance is measured by reference to turnover and also gross margins.

The company's turnover increased in the year by £2,180,432 to £19,533,666 (£2021: £17,353,234) along with the gross profit increased by £694,467 to £3,248,693 (2021: £2,554,226).

MAMADO INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Key performance indicators

The Key Performance indicators are:-

	2022	2021
	£	£
Turnover	19,533,666	17,353,234
Gross profit	3,248,693	2,554,226
Gross margin	16.63%	14.72%
Profit before tax	947,314	1,218,510
EBIDTA	1,233,977	1,404,540
Net Assets	3,322,424	2,554,251
Quick Assets	1.21	1.10

On behalf of the board

Mr G Nasser

Director

23 December 2022

MAMADO INTERNATIONAL LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents his annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of wholesale and manufacturing of hair and cosmetics products.

Results and dividends

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

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

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

Mr G Nasser

Auditor

The auditor, FLS Accounting Solutions Limited T/A SP Vinshaw, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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. He is 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 of disclosure to auditor

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

MAMADO INTERNATIONAL LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board

Mr G Nasser
Director

23 December 2022

MAMADO INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Mamado International Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2022 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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MAMADO INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. We designed procedures capable of detecting non-compliance with laws and regulations and irregularities, including fraud, through:

- Obtaining an understanding of the Group and its subsidiary's industry through discussions with management, and the application of our cumulative audit knowledge and experience of the industry to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements such as United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", taxation legislation including compliance with customs regulations, pension legislation, data protection, anti-bribery, employment, health and safety legislation and the Companies Act 2006.
- Identifying possible risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether there was potential for management bias in the reporting of events and transactions in the financial statements relating to principal accounting estimates and uncertainties.

MAMADO INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED

Our audit procedures were designed to respond to the identified risks relating to non-compliance with laws and regulations and irregularities (including fraud) that are material to the financial statements.

Our audit procedures in relation to non-compliance with laws and regulations included, but were not limited to:

- Discussing with the director and management their policies and procedures regarding compliance with laws and regulations and reviewing correspondence with relevant licensing or regulatory authorities; and
- Communicating identified laws and regulations with the audit team and remaining alert to any indications of non-compliance throughout the audit; and
- Considering the risk of non-compliance with laws and regulations; and
- Considering whether the financial statement disclosures fairly represent the underlying transactions.

Our audit procedures in relation to irregularities and fraud included, but were not limited to:

- Making enquiries of director and management as to where they considered there was susceptibility to fraud, and whether they had knowledge of actual, suspected or alleged fraud; and
- Gaining an understanding of the internal controls established to mitigate risks relating to fraud; and
- Discussing the risk of fraud and management bias with the audit team and remaining alert to any indications of fraud and management bias throughout the audit; and
- Addressing the risk of management override of controls by testing journal entries, considering the rationale behind significant or unusual transactions, and reviewing accounting estimates.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management.

Because of these inherent limitations, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. This risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

MAMADO INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Sadikali Gulamabas Premji FCCA

Senior Statutory Auditor

For and on behalf of FLS Accounting Solutions Limited T/A SP Vinshaw 23 December 2022

Chartered Certified Accountants

Statutory Auditor

36 The Metro Centre
Dwight Road
Watford
WD18 9SB

MAMADO INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	19,533,666	17,353,234
Cost of sales		(16,284,973)	(14,799,008)
Gross profit		3,248,693	2,554,226
Administrative expenses		(2,384,461)	(1,500,102)
Other operating income		130,304	164,454
Operating profit	4	994,536	1,218,578
Interest payable and similar expenses	7	(47,222)	(68)
Profit before taxation		947,314	1,218,510
Tax on profit	8	(179,141)	(247,208)
Profit for the financial year		768,173	971,302

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MAMADO INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Profit for the year	768,173	971,302
Other comprehensive income	-	-
Total comprehensive income for the year	<u>768,173</u>	<u>971,302</u>

MAMADO INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		1,923,412		1,642,587
Current assets					
Stocks	11	2,098,057		2,384,156	
Debtors	12	5,939,359		4,633,508	
Cash at bank and in hand		620,675		1,844,863	
		<u>8,658,091</u>		<u>8,862,527</u>	
Creditors: amounts falling due within one year	13	<u>(5,429,718)</u>		<u>(5,879,405)</u>	
Net current assets			<u>3,228,373</u>		<u>2,983,122</u>
Total assets less current liabilities			<u>5,151,785</u>		<u>4,625,709</u>
Creditors: amounts falling due after more than one year	14		<u>(1,497,866)</u>		<u>(1,800,000)</u>
Provisions for liabilities					
Deferred tax liability	17	<u>331,495</u>		<u>271,458</u>	
			<u>(331,495)</u>		<u>(271,458)</u>
Net assets			<u><u>3,322,424</u></u>		<u><u>2,554,251</u></u>
Capital and reserves					
Called up share capital	19		1		1
Profit and loss reserves	20		<u>3,322,423</u>		<u>2,554,250</u>
Total equity			<u><u>3,322,424</u></u>		<u><u>2,554,251</u></u>

The financial statements were approved and signed by the director and authorised for issue on 23 December 2022

Mr G. Nasser

Director

Company Registration No. 06276900

MAMADO INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2020	1	1,582,948	1,582,949
Year ended 31 March 2021:			
Profit and total comprehensive income for the year	-	971,302	971,302
Balance at 31 March 2021	1	2,554,250	2,554,251
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	768,173	768,173
Balance at 31 March 2022	1	3,322,423	3,322,424

MAMADO INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24				
		(629,794)		407,504	
Interest paid		(47,222)		(68)	
Income taxes paid		(128,563)		(963)	
Net cash (outflow)/inflow from operating activities		(805,579)		406,473	
Investing activities					
Purchase of tangible fixed assets		(542,234)		(786,572)	
Proceeds from disposal of tangible fixed assets		31,040		-	
Net cash used in investing activities		(511,194)		(786,572)	
Financing activities					
Repayment of bank loans		-		1,800,000	
Payment of finance leases obligations		92,585		-	
Net cash generated from financing activities		92,585		1,800,000	
Net (decrease)/increase in cash and cash equivalents		(1,224,188)		1,419,901	
Cash and cash equivalents at beginning of year		1,844,863		424,962	
Cash and cash equivalents at end of year		620,675		1,844,863	

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Mamado International Limited is a private company limited by shares incorporated in England and Wales. The registered office is 36 The Metro Centre, Dwight Road, Watford, WD18 9SB.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Patents	20% on cost
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MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Plant and machinery	10% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

1.6 Stocks

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

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

1.7 Cash and cash equivalents

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

1.8 Financial instruments

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 Taxation

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

Current tax

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

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.12 Government grants

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

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.13 Foreign exchange

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

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock

Stocks are valued at the lower of cost or net realisable value. In order to establish an appropriate cost of the stock, the cumulative value of the last purchase price, the cost of duty, commission and shipping are taken into account. These costs are re-assessed on an annual basis. Net realisable value is resale price less any further sales costs and discounts.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	19,533,666	17,353,234
	<u> </u>	<u> </u>
	2022 £	2021 £
Other revenue		
Grants received	96,539	164,454
	<u> </u>	<u> </u>

Turnover represents the sale of goods and products to its business customers net of VAT.

The turnover of the company has been derived from its principal activity to customers in the United Kingdom as well as the rest of the world. No further disclosure of exports is given due to it being considered commercially sensitive.

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(20,570)	(37,507)
Government grants	(96,539)	(164,454)
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	15,000
Depreciation of owned tangible fixed assets	239,442	185,962
Profit on disposal of tangible fixed assets	(9,073)	-
	<u> </u>	<u> </u>

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Employees

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

	2022 Number	2021 Number
Management and Finance	3	3
Admin, Distribution and Sales	30	27
Total	33	30

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	502,504	427,795
Social security costs	28,318	25,039
Pension costs	7,653	6,498
	538,475	459,332

6 Director's remuneration

	2022 £	2021 £
Remuneration for qualifying services	42,000	42,000

7 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	46,369	68
Other finance costs:		
Interest on finance leases and hire purchase contracts	625	-
Other interest	228	-
	47,222	68

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	119,104	70,334
Adjustments in respect of prior periods	-	2,621
Total current tax	119,104	72,955

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Taxation (Continued)

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	60,037	174,253
	<u> </u>	<u> </u>
Total tax charge	179,141	247,208
	<u> </u>	<u> </u>

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

	2022 £	2021 £
Profit before taxation	947,314	1,218,510
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	179,990	231,517
Tax effect of expenses that are not deductible in determining taxable profit	(1,388)	192
Under/(over) provided in prior years	-	2,620
Depreciation	45,494	35,333
Capital allowances	(104,992)	(153,978)
Group relief	-	(42,729)
Deferred tax	60,037	174,253
	<u> </u>	<u> </u>
Taxation charge for the year	179,141	247,208
	<u> </u>	<u> </u>

9 Intangible fixed assets

	Patents £
Cost	
At 1 April 2021 and 31 March 2022	57,202
	<u> </u>
Amortisation and impairment	
At 1 April 2021 and 31 March 2022	57,202
	<u> </u>
Carrying amount	
At 31 March 2022	-
	<u> </u>
At 31 March 2021	-
	<u> </u>

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2021	1,860,521	87,995	68,050	2,016,566
Additions	282,140	53,518	206,576	542,234
Disposals	-	-	(68,050)	(68,050)
At 31 March 2022	2,142,661	141,513	206,576	2,490,750
Depreciation and impairment				
At 1 April 2021	311,581	21,565	40,833	373,979
Depreciation charged in the year	198,777	18,394	22,271	239,442
Eliminated in respect of disposals	-	-	(46,083)	(46,083)
At 31 March 2022	510,358	39,959	17,021	567,338
Carrying amount				
At 31 March 2022	1,632,303	101,554	189,555	1,923,412
At 31 March 2021	1,548,940	66,430	27,217	1,642,587

11 Stocks

	2022 £	2021 £
Finished goods and goods for resale	2,098,057	2,384,156

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	4,168,663	4,571,987
Corporation tax recoverable	58,229	-
Amounts owed by group undertakings	1,603,205	-
Other debtors	-	26,000
Prepayments and accrued income	109,262	35,521
	5,939,359	4,633,508

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	15	360,000	-
Obligations under finance leases	16	34,719	-
Trade creditors		3,301,476	3,152,100
Amounts owed to group undertakings		284,596	1,897,187
Corporation tax		119,104	70,334
Other taxation and social security		136,425	145,503
Other creditors		1,134,398	573,531
Accruals and deferred income		59,000	40,750
		<u>5,429,718</u>	<u>5,879,405</u>

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	15	1,440,000	1,800,000
Obligations under finance leases	16	57,866	-
		<u>1,497,866</u>	<u>1,800,000</u>

15 Loans and overdrafts

	2022 £	2021 £
Bank loans	1,800,000	1,800,000
	<u>1,800,000</u>	<u>1,800,000</u>
Payable within one year	360,000	-
Payable after one year	1,440,000	1,800,000
	<u>1,800,000</u>	<u>1,800,000</u>

The long-term loans are secured by fixed and floating charges over all property or undertaking of the company.

16 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	34,719	-
In two to five years	57,866	-
	<u>92,585</u>	<u>-</u>

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	331,495	271,458
	<u> </u>	<u> </u>
Movements in the year:		2022 £
Liability at 1 April 2021		271,458
Charge to profit or loss		60,037
		<u> </u>
Liability at 31 March 2022		331,495
		<u> </u>

18 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7,653	6,498
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	2,554,250	1,582,948
Profit for the year	768,173	971,302
At the end of the year	3,322,423	2,554,250

21 Financial commitments, guarantees and contingent liabilities

The company has given guarantees and charges over its assets in favour of other group companies in support of certain borrowings of those companies. At the balance sheet date the amount outstanding under these borrowings was approximately £2.666 million (2021: £2.224 million).

The director has provided a personal guarantee of a maximum of £850,500 to the company's bankers in respect of the borrowings of the company and its fellow group undertakings.

22 Related party transactions

The company has taken advantage of exemption under section 33.1A of FRS 102, from the requirement to disclose transactions with wholly owned members of the group.

Included within other creditors is an amount of £1,132,503 (2021: £92,036) owed to G Nasser, a director of the company.

23 Ultimate controlling party

The company's parent undertaking is KMS Holdings Limited, a company incorporated in England and Wales under company registration number 06276544.

The ultimate controlling party is Mr G Nasser, by the virtue of holding the entire issued share capital of KMS Holdings Limited.

MAMADO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Cash (absorbed by)/generated from operations

	2022 £	2021 £
Profit for the year after tax	768,173	971,302
Adjustments for:		
Taxation charged	179,141	247,208
Finance costs	47,222	68
Gain on disposal of tangible fixed assets	(9,073)	-
Depreciation and impairment of tangible fixed assets	239,442	185,962
Movements in working capital:		
Decrease in stocks	286,099	553,885
Increase in debtors	(1,247,622)	(3,169,673)
(Decrease)/increase in creditors	(893,176)	1,618,752
Cash (absorbed by)/generated from operations	(629,794)	407,504

25 Analysis of changes in net funds/(debt)

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	1,844,863	(1,224,188)	620,675
Borrowings excluding overdrafts	(1,800,000)	-	(1,800,000)
Obligations under finance leases	-	(92,585)	(92,585)
	44,863	(1,316,773)	(1,271,910)

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.