

Company Registration No. 06276900 (England and Wales)

**MAMADO INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# MAMADO INTERNATIONAL LIMITED

## COMPANY INFORMATION

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

# **MAMADO INTERNATIONAL LIMITED**

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# MAMADO INTERNATIONAL LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

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The director presents the strategic report for the year ended 31 March 2021.

#### Fair review of the business

The company has sustained on its strategic objective to ensure high quality service is provided to their customers whilst creating and distributing new innovative and fashionable brands to ensure continued success.

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.

Despite continuing concerns over slowdown of global trade as result of Covid-19 pandemic, 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

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

With the current level of uncertainties around global slowdown of trade, Covid-19 pandemic, inflation, hike in fuel costs, FX uncertainties and competition, the company is maintaining strong customer relationships and supplier chain relationships to ensure and maintain that any risk is minimised. The global slow down in trade due to Covid-19, Brexit and inflation are the main risk factors the director feels that the company faces during the coming year. The director closely monitors various variables affecting the business and works towards mitigating such risks.

Customer service, added value products, supplier continuity, effective and efficient cost control are all areas that the director feels will minimise any potential future risk, along with controlling the availability of product. These factors will ensure customer relationship to continue and allow business to minimise any risk.

#### Review of the year

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

The company's turnover increased in the year by £6,069,457 to £17,353,234 (£2020: £11,283,777) along with the gross profit increased by £485,053 to £2,554,226 (2020: £2,069,173).

The profit before tax also increased to £1,218,510 (2020: £717,045).

#### Key performance indicators

The Key Performance indicators are:-

|                   | 2021       | 2020       |
|-------------------|------------|------------|
|                   | £          | £          |
| Turnover          | 17,353,234 | 11,283,777 |
| Gross profit      | 2,554,226  | 2,069,173  |
| Gross margin      | 14.72%     | 18.34%     |
| Profit before tax | 1,218,510  | 717,045    |
| Net Assets        | 2,554,250  | 1,582,948  |
| Quick Assets      | 1.10       | 0.45       |

**MAMADO INTERNATIONAL LIMITED**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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On behalf of the board

Mr G Nasser

**Director**

28 March 2022

# **MAMADO INTERNATIONAL LIMITED**

## **DIRECTOR'S REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2021***

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The director presents his annual report and financial statements for the year ended 31 March 2021.

#### **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 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.

On behalf of the board

Mr G Nasser

**Director**

28 March 2022

## **MAMADO INTERNATIONAL LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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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.

# MAMADO INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED

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#### Opinion

We have audited the financial statements of Mamado International Limited (the 'company') for the year ended 31 March 2021 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 FRS 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

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.



# **MAMADO INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED**

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#### **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.

#### **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 and the director's 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 director's 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **MAMADO INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED**

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the beauty and cosmetic sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation including compliance with customs regulations, data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- obtaining an understanding of the policies and procedures including internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations 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).

To address the risk of fraud through management bias and override of controls, we:

- identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates in relation to income recognition, collectability of debtors, impairment of tangible and intangible assets and valuation of stock were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

## **MAMADO INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF MAMADO INTERNATIONAL LIMITED**

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- evaluating 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 (i.e. gives a true and fair view);

- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims;

- reviewing correspondence with HMRC and the company's legal advisors; and

- Concluding 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.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve collusion, forgery, deliberate concealment and omissions, misrepresentations, or the override of internal control.

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.

**Sadikali Gulamabas Premji FCCA (Senior Statutory Auditor)**

**For and on behalf of FLS Accounting Solutions Limited T/A SP Vinshaw 28 March 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 2021

|                                       | Notes    | 2021<br>£        | 2020<br>£        |
|---------------------------------------|----------|------------------|------------------|
| Turnover                              | 3        | 17,353,234       | 11,283,777       |
| Cost of sales                         |          | (14,799,008)     | (9,214,604)      |
| <b>Gross profit</b>                   |          | <b>2,554,226</b> | <b>2,069,173</b> |
| Administrative expenses               |          | (1,500,102)      | (1,352,128)      |
| Other operating income                |          | 164,454          | -                |
| <b>Operating profit</b>               | <b>4</b> | <b>1,218,578</b> | <b>717,045</b>   |
| Interest payable and similar expenses | 7        | (68)             | -                |
| <b>Profit before taxation</b>         |          | <b>1,218,510</b> | <b>717,045</b>   |
| Tax on profit                         | 8        | (247,208)        | (58,932)         |
| <b>Profit for the financial year</b>  |          | <b>971,302</b>   | <b>658,113</b>   |

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 2021***

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|   | <b>2021</b>    | <b>2020</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Profit for the year                     | 971,302        | 658,113        |
| Other comprehensive income              | -              | -              |
| Total comprehensive income for the year | <u>971,302</u> | <u>658,113</u> |

# MAMADO INTERNATIONAL LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

|  | Notes | 2021<br>£          | £ | 2020<br>£          | £ |
|--|-------|--------------------|---|--------------------|---|
| <b>Fixed assets</b>  |       |                    |   |                    |   |
| Tangible assets  | 10    | 1,642,587          |   | 1,041,977          |   |
| <b>Current assets</b>  |       |                    |   |                    |   |
| Stocks   | 11    | 2,384,156          |   | 2,938,041          |   |
| Debtors  | 12    | 4,633,508          |   | 1,465,493          |   |
| Cash at bank and in hand                                       |       | 1,844,863          |   | 424,962            |   |
|  |       | <u>8,862,527</u>   |   | <u>4,828,496</u>   |   |
| <b>Creditors: amounts falling due within one year</b>          | 13    | <u>(5,879,405)</u> |   | <u>(4,190,319)</u> |   |
| <b>Net current assets</b>                                      |       | <u>2,983,122</u>   |   | <u>638,177</u>     |   |
| <b>Total assets less current liabilities</b>                   |       | <u>4,625,709</u>   |   | <u>1,680,154</u>   |   |
| <b>Creditors: amounts falling due after more than one year</b> | 14    | (1,800,000)        |   | -                  |   |
| <b>Provisions for liabilities</b>                              |       | <u>(271,458)</u>   |   | <u>(97,205)</u>    |   |
| <b>Net assets</b>  |       | <u>2,554,251</u>   |   | <u>1,582,949</u>   |   |
| <b>Capital and reserves</b>                                    |       |                    |   |                    |   |
| Called up share capital  | 18    | 1                  |   | 1                  |   |
| Profit and loss reserves                                       | 19    | <u>2,554,250</u>   |   | <u>1,582,948</u>   |   |
| <b>Total equity</b>  |       | <u>2,554,251</u>   |   | <u>1,582,949</u>   |   |

# **MAMADO INTERNATIONAL LIMITED**

## **BALANCE SHEET (CONTINUED)**

***AS AT 31 MARCH 2021***

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The financial statements were approved and signed by the director and authorised for issue on 28 March 2022

Mr G. Nasser

**Director**

**Company Registration No. 06276900**

# MAMADO INTERNATIONAL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

|  | Share capital | Profit and<br>loss reserves | Total     |
|--|---------------|-----------------------------|-----------|
|  | £             | £                           | £         |
| Balance at 1 April 2019                            | 1             | 924,835                     | 924,836   |
| Year ended 31 March 2020:                          |               |                             |           |
| Profit and total comprehensive income for the year | -             | 658,113                     | 658,113   |
| Balance at 31 March 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 |



# MAMADO INTERNATIONAL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

|   | Notes | 2021<br>£               | £ | 2020<br>£             | £ |
|---|-------|-------------------------|---|-----------------------|---|
| <b>Cash flows from operating activities</b>                   |       |                         |   |                       |   |
| Cash generated from operations                                | 23    | 407,504                 |   | 139,008               |   |
| Interest paid   |       | (68)                    |   | -                     |   |
| Income taxes paid   |       | (963)                   |   | (12,335)              |   |
| <b>Net cash inflow from operating activities</b>              |       | <u>406,473</u>          |   | <u>126,673</u>        |   |
| <b>Investing activities</b>                                   |       |                         |   |                       |   |
| Purchase of tangible fixed assets                             |       | (786,572)               |   | (616,744)             |   |
| <b>Net cash used in investing activities</b>                  |       | <u>(786,572)</u>        |   | <u>(616,744)</u>      |   |
| <b>Financing activities</b>                                   |       |                         |   |                       |   |
| Borrowing of bank loans                                       |       | 1,800,000               |   | -                     |   |
| <b>Net cash generated from/(used in) financing activities</b> |       | <u>1,800,000</u>        |   | <u>-</u>              |   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       | <u>1,419,901</u>        |   | <u>(490,071)</u>      |   |
| Cash and cash equivalents at beginning of year                |       | 424,962                 |   | 915,033               |   |
| <b>Cash and cash equivalents at end of year</b>               |       | <u><u>1,844,863</u></u> |   | <u><u>424,962</u></u> |   |

# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **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, Dwyght 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.

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 requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A

#### **1.2 Going concern**

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The director regards the foreseeable future as no less than twelve months following the publication of the company's annual financial statements. The director has considered the company's balance sheet position as at the year end, its working capital forecasts and projections, and the impact of the current COVID 19 crisis, taking account of reasonably possible changes in trading performance and the current state of its operating market and is satisfied that the company has sufficient resources to remain in operational existence. Accordingly, the director has adopted the going concern basis in preparing these 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.

# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.4 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

#### 1.5 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.

#### 1.6 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.

#### *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 2021

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### 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.7 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 2021

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### 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.

#### **1.8 Retirement benefits**

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

#### **1.9 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.

#### **1.10 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 2021

### 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:

|   | 2021<br>£  | 2020<br>£  |
|---|------------|------------|
| <b>Turnover analysed by class of business</b> |            |            |
| Sale of goods                                 | 17,353,234 | 11,283,777 |

|                                  | 2021<br>£ | 2020<br>£ |
|----------------------------------|-----------|-----------|
| <b>Other significant revenue</b> |           |           |
| Grants received                  | 164,454   | -         |

### 4 Operating profit

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting):  |           |           |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | (37,507)  | -         |
| Government grants  | (164,454) | -         |
| Fees payable to the company's auditor for the audit of the company's financial statements                            | 15,000    | 15,000    |
| Depreciation of owned tangible fixed assets  | 185,962   | 105,137   |

# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2020 - 3).

|                               | 2021<br>Number | 2020<br>Number |
|-------------------------------|----------------|----------------|
| Management and Finance        | 3              | 3              |
| Admin, Distribution and Sales | 27             | 24             |
| Total                         | 30             | 27             |

Their aggregate remuneration comprised:

|                       | 2021<br>£ | 2020<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 427,795   | 385,099   |
| Social security costs | 25,039    | 25,027    |
| Pension costs         | 6,498     | 6,192     |
|                       | 459,332   | 416,318   |

### 6 Director's remuneration

|                                      | 2021<br>£ | 2020<br>£ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 42,000    | 42,000    |

### 7 Interest payable and similar expenses

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| Interest on financial liabilities measured at amortised cost: |           |           |
| Interest on bank overdrafts and loans                         | 68        | -         |

### 8 Taxation

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Current tax  |           |           |
| UK corporation tax on profits for the current period | 70,334    | (38,273)  |
| Adjustments in respect of prior periods              | 2,621     | -         |
| Total current tax                                    | 72,955    | (38,273)  |

# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Taxation (Continued)

|  | 2021<br>£      | 2020<br>£     |
|--|----------------|---------------|
| <b>Deferred tax</b>                            |                |               |
| Origination and reversal of timing differences | 174,253        | 97,205        |
|  | <u>174,253</u> | <u>97,205</u> |
| <b>Total tax charge</b>                        | <u>247,208</u> | <u>58,932</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:

|  | 2021<br>£        | 2020<br>£      |
|--|------------------|----------------|
| Profit before taxation   | 1,218,510        | 717,045        |
|  | <u>1,218,510</u> | <u>717,045</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 231,517          | 136,239        |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 192              | 2,458          |
| Other permanent differences  | -                | (70,985)       |
| Under/(over) provided in prior years   | 2,620            | -              |
| Depreciation   | 35,333           | 19,976         |
| Group relief   | (42,729)         | (26,220)       |
| Capital allowances   | (153,978)        | (99,741)       |
| Deferred tax   | 174,253          | 97,205         |
|  | <u>174,253</u>   | <u>97,205</u>  |
| <b>Taxation charge for the year</b>  | <u>247,208</u>   | <u>58,932</u>  |

### 9 Intangible fixed assets

|                                    | Patents<br>£  |
|------------------------------------|---------------|
| <b>Cost</b>                        |               |
| At 1 April 2020 and 31 March 2021  | 57,202        |
|                                    | <u>57,202</u> |
| <b>Amortisation and impairment</b> |               |
| At 1 April 2020 and 31 March 2021  | 57,202        |
|                                    | <u>57,202</u> |
| <b>Carrying amount</b>             |               |
| At 31 March 2021                   | -             |
|                                    | <u>-</u>      |
| At 31 March 2020                   | -             |
|                                    | <u>-</u>      |



# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 10 Tangible fixed assets

|                                    | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total     |
|------------------------------------|---------------------|--------------------------------|----------------|-----------|
|                                    | £                   | £                              | £              | £         |
| <b>Cost</b>                        |                     |                                |                |           |
| At 1 April 2020                    | 1,142,121           | 19,823                         | 68,050         | 1,229,994 |
| Additions                          | 718,400             | 68,172                         | -              | 786,572   |
| At 31 March 2021                   | 1,860,521           | 87,995                         | 68,050         | 2,016,566 |
| <b>Depreciation and impairment</b> |                     |                                |                |           |
| At 1 April 2020                    | 156,829             | 3,965                          | 27,223         | 188,017   |
| Depreciation charged in the year   | 154,752             | 17,600                         | 13,610         | 185,962   |
| At 31 March 2021                   | 311,581             | 21,565                         | 40,833         | 373,979   |
| <b>Carrying amount</b>             |                     |                                |                |           |
| At 31 March 2021                   | 1,548,940           | 66,430                         | 27,217         | 1,642,587 |
| At 31 March 2020                   | 985,292             | 15,858                         | 40,827         | 1,041,977 |

### 11 Stocks

|                                     | 2021<br>£ | 2020<br>£ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 2,384,156 | 2,938,041 |

### 12 Debtors

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 4,571,987 | 1,413,835 |
| Corporation tax recoverable                 | -         | 1,658     |
| Other debtors                               | 61,521    | 50,000    |
|   | 4,633,508 | 1,465,493 |

# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 13 Creditors: amounts falling due within one year

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | 3,152,100        | 2,450,723        |
| Amounts owed to group undertakings | 1,897,187        | 1,591,911        |
| Corporation tax                    | 70,334           | -                |
| Other taxation and social security | 145,503          | -                |
| Other creditors                    | 573,531          | 103,185          |
| Accruals and deferred income       | 40,750           | 44,500           |
|                                    | <u>5,879,405</u> | <u>4,190,319</u> |

### 14 Creditors: amounts falling due after more than one year

|                           | Notes | 2021<br>£        | 2020<br>£ |
|---------------------------|-------|------------------|-----------|
| Bank loans and overdrafts | 15    | <u>1,800,000</u> | <u>-</u>  |

### 15 Loans and overdrafts

|                        | 2021<br>£        | 2020<br>£ |
|------------------------|------------------|-----------|
| Bank loans             | <u>1,800,000</u> | <u>-</u>  |
| Payable after one year | <u>1,800,000</u> | <u>-</u>  |

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

### 16 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<br>2021<br>£ | Liabilities<br>2020<br>£ |
|--------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>               |                          |                          |
| Accelerated capital allowances | <u>271,458</u>           | <u>97,205</u>            |

# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 16 Deferred taxation (Continued)

|                               |         |
|-------------------------------|---------|
|                               | 2021    |
|                               | £       |
| <b>Movements in the year:</b> |         |
| Liability at 1 April 2020     | 97,205  |
| Charge to profit or loss      | 174,253 |
| Liability at 31 March 2021    | 271,458 |

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 17 Retirement benefit schemes

|   |       |       |
|---|-------|-------|
|   | 2021  | 2020  |
|   | £     | £     |
| <b>Defined contribution schemes</b>                                 |       |       |
| Charge to profit or loss in respect of defined contribution schemes | 6,498 | 6,192 |

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.

### 18 Share capital

|                               |        |        |      |      |
|-------------------------------|--------|--------|------|------|
|                               | 2021   | 2020   | 2021 | 2020 |
|                               | Number | Number | £    | £    |
| <b>Ordinary share capital</b> |        |        |      |      |
| <b>Issued and fully paid</b>  |        |        |      |      |
| Ordinary shares of £1 each    | 1      | 1      | 1    | 1    |

### 19 Profit and loss reserves

|                              |           |           |
|------------------------------|-----------|-----------|
|                              | 2021      | 2020      |
|                              | £         | £         |
| At the beginning of the year | 1,582,948 | 924,835   |
| Profit for the year          | 971,302   | 658,113   |
| At the end of the year       | 2,554,250 | 1,582,948 |

### 20 Events after the reporting date

The current COVID-19 Pandemic occurred during the year and continues to date . The director has carefully considered the likely effect of the COVID-19 pandemic on the future performance of the company and considers that the company has adequate resources and plans to minimise any adverse impact and remain in operational existence.

# MAMADO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 21 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 £92,036 (2020: £100,388) owed to G Nasser, a director of the company.

### 22 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.

### 23 Cash generated from operations

|  | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| Profit for the year after tax                        | 971,302        | 658,113        |
| <b>Adjustments for:</b>                              |                |                |
| Taxation charged                                     | 247,208        | 58,932         |
| Finance costs  | 68             | -              |
| Depreciation and impairment of tangible fixed assets | 185,962        | 105,137        |
| <b>Movements in working capital:</b>                 |                |                |
| Decrease/(increase) in stocks                        | 553,885        | (1,306,518)    |
| Increase in debtors                                  | (3,169,673)    | (391,891)      |
| Increase in creditors                                | 1,618,752      | 1,015,235      |
| <b>Cash generated from operations</b>                | <b>407,504</b> | <b>139,008</b> |

### 24 Analysis of changes in net funds

|                                 | 1 April 2020<br>£ | Cash flows 31 March 2021<br>£ |               |
|---------------------------------|-------------------|-------------------------------|---------------|
| Cash at bank and in hand        | 424,962           | 1,419,901                     | 1,844,863     |
| Borrowings excluding overdrafts | -                 | (1,800,000)                   | (1,800,000)   |
|                                 | <u>424,962</u>    | <u>(380,099)</u>              | <u>44,863</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.