REGISTERED NUMBER: 11321427 (England and Wales)

JZ Consumer Brands Limited

Group Strategic Report,

Directors' Report and

Consolidated Financial Statements

for the Year Ended 31 March 2023

Contents of the Consolidated Financial Statements
for the year ended 31 March 2023

Company Information
for the year ended 31 March 2023

Directors:	J Benham L G Gelderd J M Green-Armytage B D Hammersley R R Otley M S N Wright G Gasparini
Registered office:	17a Curzon Street London W1J 5HS
Registered number:	11321427 (England and Wales)
Auditors:	Haines Watts Chartered Accountants and Statutory Auditor 178 Buckingham Avenue Slough Berkshire SL1 4RD

Group Strategic Report
for the year ended 31 March 2023

The directors present their strategic report for the Company and Group for the year ended 31 March 2023.

Principal activity and business review
The principal activity of the Company during the year was that of an investment holding company.

Key performance indicators and business highlights
The Directors use a number of key performance indicators to monitor the Group's performance throughout the year. Primarily these are straightforward financial indicators such as sales and profit growth, alongside margins, contribution and EBITDA analysis. The Group also monitors its cash flow projections and working capital balances to provide appropriate focus on balance sheet performance.

The results for the year and financial position of the Group is as shown in the accompanying financial statements. The key KPIs for the year are as follows:

Net Sales: £33.6 million (up £1.9m (6%) versus prior year).

Profit after tax: £1.6 million (up £1.9m (552%) versus prior year).

Management measures business performance by looking at sales revenue and Operating EBITDA (earnings before interest, tax, depreciation and amortisation), this measure excludes non-recurring items classed as exceptional within the business's internal reporting. During the year, net sales grew by 6%, and Operating EBITDA by 32%. Whilst margins were initially squeezed by increased product and supply costs, Operating EBITDA growth was further supported by selective price increases to the trade and with strong cost management. Brand marketing and trade support was maintained at levels appropriate to the brand's requirements, whilst overheads were down on the prior year as the group managed resources appropriately allowing for a small reduction in total headcount. The 32% growth in the business's internal profit measurement, was before considering then impact of what the Group classifies as one-off exceptional costs. During the year, these costs included some personnel restructuring and final write-downs of stock rendered obsolete by regulatory changes impacting product ingredients. The statutory operating profit which includes these impacts, still reports growth of 462%, as the prior year also had some costs impacting operating profit that were excluded from the internally reported Operating EBITDA.

Future developments
Management are confident of continuing the strong performance and growth trend from the year just gone, and have budgeted for significant sales and profit growth. Price increases on a number of the Group's brands will drive revenue growth, mitigating some of the cost challenges in the supply chain, and reversing the adverse margin impacts in 2022/23. Further profitability improvements are projected from product re-sourcing plans. Continuing new product innovation and range launches in both the UK and export markets are a further driver of sales, margin and profit growth).

Overall, the Directors believe that the Group is well positioned to continue to exploit growth opportunities across its brands both in the UK and export markets, and are confident of further strong revenue and profit growth in the upcoming year. The Group also continues to actively explore potential brand portfolio extensions to utilise the underlying strength of the platform that has been built over the last few years.

Business strategy and policies
The Group's strategy is to develop and grow its personal care brands. A key feature of the Group's strategy has been establishing and successfully managing long term mutually beneficial commercial relationships with its customers, suppliers and principal brand owners. The Group's systems are designed to discharge its financial and other regulatory obligations to stakeholders in a timely and efficient manner, whilst also ensuring the highest level of service to our customers. The Group continuously evaluates its operations and invests in people, systems and equipment in order to improve and maintain its operational capabilities. Furthermore, the Group continuously analyses the environment it operates in and takes necessary steps to ensure that insurable risks are adequately insured. The Group takes its environmental and social responsibilities seriously and actively looks for more environmentally friendly products and packaging. The Directors of the Group value providing a safe working environment to its staff and have implemented comprehensive health and safety at work procedures, with an increased focus on staff mental well-being.

Business risk management and mitigation
The Group, through its management team, will periodically review the risks facing the business and ensure that plans are in place to mitigate those risks.

The Group owns personal care brands that have been available in the UK market place for decades and in certain instances for over a century. The Group believes that these brands have a loyal consumer base, however as noted above, the Group has a process for new product development and re-launches to ensure that the Group's products continuously meet changing customer needs.

In a changing regulatory environment, the Group regularly engages external consultants with expert knowledge in technical matters related to personal care products. In addition, the Group is an active member of the Cosmetics Toiletry and Perfumery Association (CTPA).

Principal risks and uncertainties
The high inflationary environment and the squeeze on consumers relative wealth is a risk in the current market, across the economy as well as within the health and beauty category. However, whilst consumers in some cases are cutting back discretionary spends, the Group has found in the past, that personal care categories are less impacted than other consumer goods categories by consumer caution. In addition, the Group's broad presence across the retail categories including a strong presence in the discount channels, further mitigates risks in this area.

The health and personal care market overall remains highly competitive. However, the Directors continually monitor the market, and its risks and challenges, and the Directors maintain a focus on having a balanced portfolio of brands, customers and markets, and a supply of innovative new and updated products, to ensure the Group is not adversely impacted by the inherent risks above.

Supply side cost inflation has been a challenge, and is expected to continue to be so in the medium term. However, the Group continues to manage the cost pressures it faces, working closely with its select group of partner suppliers to mitigate costs where possible.

On behalf of the board:

B D Hammersley - Director

11 October 2023

Directors' Report
for the year ended 31 March 2023

The directors present their report with the financial statements of the Company and the Group for the year ended 31 March 2023.

Dividends
The total distribution of preference share dividends for the year ended 31 March 2023 will be £1,889,568.

Directors
The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

J Benham
L G Gelderd
J M Green-Armytage
B D Hammersley
R R Otley
M S N Wright
G Gasparini

Donations
During the year the Group made charitable contributions of £7,210 (2022: £6,105). This was made up primarily of a donation to the CTPA's charitable arm Look Good Feel Better for £5,900. The Group made no political donations during the year.

Statement of directors' responsibilities
The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the board:

B D Hammersley - Director

11 October 2023

Opinion
We have audited the financial statements of JZ Consumer Brands Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' 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 group's and the parent 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 directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:
- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We discussed with the directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud, included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates and challenged the assumptions and judgements made by management in its significant accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. Our tests included agreeing the financial statement disclosures to underlying supporting documentation.

Because of the inherent limitations of an audit, 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. The 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 Auditors' 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.

Jonathan Moughton (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
178 Buckingham Avenue
Slough
Berkshire
SL1 4RD

16 October 2023

Consolidated Statement of Comprehensive Income for the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	3	33,624,984	31,600,784
Cost of sales		(21,628,217)	(20,636,205)
Gross profit		11,996,767	10,964,579
Distribution costs		(3,548,731)	(4,245,234)
Administrative expenses		(5,642,921)	(6,220,657)
Operating profit		2,805,115	498,688
Interest payable and similar expenses	6	(580,599)	(673,308)
Profit/(loss) before taxation	7	2,224,516	(174,620)
Tax on profit/(loss)	9	(632,253)	(177,287)
Profit/(loss) for the financial year		1,592,263	(351,907)
Other comprehensive income		-	-
Total comprehensive income for the year		1,592,263	(351,907)
Profit/(loss) attributable to:			
Owners of the parent		1,592,263	(351,907)
Total comprehensive income attributable to:			
Owners of the parent		1,592,263	(351,907)

JZ Consumer Brands Limited (Registered number: 11321427)

Consolidated Balance Sheet
31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	12		21,509,558		23,080,246
Tangible assets	13		298,350		312,068
Investments	14		-		-
			21,807,908		23,392,314
Current assets					
Stocks	15	9,169,929		6,573,131	
Debtors	16	8,213,963		6,913,702	
Cash at bank		40,118		2,990,270	
		17,424,010		16,477,103	
Creditors					
Amounts falling due within one year	17	13,182,921		11,253,089	
Net current assets			4,241,089		5,224,014
Total assets less current liabilities			26,048,997		28,616,328
Creditors					
Amounts falling due after more than one year	18		-		(4,161,410)
Provisions for liabilities	21		(24,761)		(22,945)
Net assets			26,024,236		24,431,973
Capital and reserves					
Called up share capital	22		25,529,168		23,639,600
Share premium	23		1,980,001		1,980,001
Retained earnings	23		(1,484,933)		(1,187,628)
			26,024,236		24,431,973

The financial statements were approved by the Board of Directors and authorised for issue on 11 October 2023 and were signed on its behalf by:

B D Hammersley - Director

The notes form part of these financial statements

JZ Consumer Brands Limited (Registered number: 11321427)

Company Balance Sheet
31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		-		-
Investments	14		35,268,193		35,268,193
			35,268,193		35,268,193
Current assets					
Debtors	16	5,733		19,493	
Cash at bank		500		2,704,514	
		6,233		2,724,007	
Creditors					
Amounts falling due within one year	17	7,522,279		8,189,666	
Net current liabilities			(7,516,046)		(5,465,659)
Total assets less current liabilities			27,752,147		29,802,534
Creditors					
Amounts falling due after more than one year	18		-		4,161,410
Net assets			27,752,147		25,641,124
Capital and reserves					
Called up share capital	22		25,529,168		23,639,600
Share premium	23		1,980,001		1,980,001
Retained earnings	23		242,978		21,523
			27,752,147		25,641,124
Company's profit for the financial year			2,111,023		1,951,744

The financial statements were approved by the Board of Directors and authorised for issue on 11 October 2023 and were signed on its behalf by:

B D Hammersley - Director

Consolidated Statement of Changes in Equity
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2021	21,890,000	913,879	1,980,001	24,783,880
Changes in equity				
Issue of share capital	1,749,600	-	-	1,749,600
Dividends	-	(1,749,600)	-	(1,749,600)
Total comprehensive income	-	(351,907)	-	(351,907)
Balance at 31 March 2022	23,639,600	(1,187,628)	1,980,001	24,431,973
Changes in equity				
Issue of share capital	1,889,568	-	-	1,889,568
Dividends	-	(1,889,568)	-	(1,889,568)
Total comprehensive income	-	1,592,263	-	1,592,263
Balance at 31 March 2023	25,529,168	(1,484,933)	1,980,001	26,024,236

The notes form part of these financial statements

Company Statement of Changes in Equity
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2021	21,890,000	(180,621)	1,980,001	23,689,380
Changes in equity				
Issue of share capital	1,749,600	-	-	1,749,600
Dividends	-	(1,749,600)	-	(1,749,600)
Total comprehensive income	-	1,951,744	-	1,951,744
Balance at 31 March 2022	23,639,600	21,523	1,980,001	25,641,124
Changes in equity				
Issue of share capital	1,889,568	-	-	1,889,568
Dividends	-	(1,889,568)	-	(1,889,568)
Total comprehensive income	-	2,111,023	-	2,111,023
Balance at 31 March 2023	25,529,168	242,978	1,980,001	27,752,147

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	27	2,231,343	3,516,493
Interest paid		(580,599)	(673,308)
Tax paid		(397,538)	(398,719)
Net cash from operating activities		1,253,206	2,444,466
Cash flows from investing activities			
Purchase of tangible fixed assets		(68,537)	(306,405)
Net cash from investing activities		(68,537)	(306,405)
Cash flows from financing activities			
Loan repayments in year		(4,134,821)	(1,924,222)
Net cash from financing activities		(4,134,821)	(1,924,222)
(Decrease)/increase in cash and cash equivalents		(2,950,152)	213,839
Cash and cash equivalents at beginning of year	28	2,990,270	2,776,431
Cash and cash equivalents at end of year	28	40,118	2,990,270

The notes form part of these financial statements

1. Statutory information

JZ Consumer Brands Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. Accounting policies

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 pound.

Going concern
The financial statements have been prepared on a going concern basis. In making their assessment the directors have reviewed and considered relevant information, including the annual budget, and latest profit and loss forecast and corresponding future cash flow and liquidity projections. These projections have taken due consideration of the potential consumer good market challenges around rising costs, and the impact of cost of living increases on consumers' demand. The business has plans to mitigate these potential challenges. Furthermore, the Group has a strong balance sheet and sufficient available funding in place to manage its requirements going forward. Based on these assessments and actions, the directors have concluded that they can continue to adopt a going concern basis in preparing the annual reports and accounts.

Basis of consolidation
The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2023. A subsidiary is an entity that is controlled by the parent. The subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Company has no associate companies, joint venture arrangements nor any special purpose entities.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Significant judgements and estimates
In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have significant effect on the amounts recognised in the financial statements are described below:

Impairment of intangible assets
Determining whether trademarks are impaired requires an estimation of the recoverable amount. The recoverable amount calculation requires the entity to estimate future cashflows expected to arise from the trademark and a suitable discount rate in order to calculate present value. The carrying amount of trademarks at the balance sheet date was £4,402,007 and no impairment loss has been recognised.

Recoverability of debtors
Determining whether debtors are recoverable requires a review of the outstanding amounts, and making a judgement on the recoverability of those amounts. The business makes a provision for any amounts that it judges to be at risk of non-recoverability.

2. **Accounting policies - continued**

Turnover
Turnover is measured at fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of trade discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on delivery of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and costs incurred in respect of the transactions can be measured reliably.

Goodwill
Goodwill arising in business combination is recognised as an asset at the date the control is acquired. Goodwill is measured as the excess of the sum of the consideration transferred over net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed.

Goodwill is amortised on a straight line basis over 20 years.

Intangible assets
Intangible assets comprise of trademarks. Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date. Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Trademarks	-	Straight line over 10 to 20 years

Tangible fixed assets
Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	Straight line over 10 years
Plant and equipment	-	Straight line over 3 to 10 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

Current or deferred taxation assets and liabilities are not discounted.

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

2. **Accounting policies - continued**

Deferred tax

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

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

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

Foreign currencies

Transactions in foreign currencies are recorded in the functional currency by being translated into sterling at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any exchange differences being taken to the Statement of Comprehensive Income.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pension costs and other post-retirement benefits

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basis Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the will Group not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

3. Turnover

The turnover and profit (2022 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	28,740,320	26,662,154
Europe	3,256,121	2,976,326
Asia	733,495	671,606
Africa	169,952	349,153
Australia and New Zealand	546,138	742,751
North and South America	178,958	198,794
	33,624,984	31,600,784

4. Employees and directors

	2023	2022
	£	£
Wages and salaries	2,939,234	3,157,567
Social security costs	347,081	345,285
Other pension costs	169,472	152,057
	3,455,787	3,654,909

The average number of employees during the year was as follows:

	2023	2022
Administrative staff	41	43
Management staff	6	6
	47	49

The average number of employees by undertakings that were proportionately consolidated during the year was 47 (2022 - 49) .

5. Directors' emoluments

	2023	2022
	£	£
Directors' remuneration	461,450	461,104
Directors' pension contributions to money purchase schemes	28,565	28,669

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	176,967	176,861
Pension contributions to money purchase schemes	11,200	11,200

The number of directors who accrued benefits under company pension plans was 3 (2022 - 3).

6. **Interest payable and similar expenses**

	2023	2022
	£	£
Bank loan interest	580,599	675,517
Other interest payable	-	(2,209)
	580,599	673,308

7. **Profit/(loss) before taxation**

Operating profit is stated after charging:

	2023	2022
	£	£
Amortisation of intangible assets	1,570,688	1,570,688
Depreciation of tangible assets	82,255	107,660
Foreign exchange differences	12,141	460
Operating lease rentals	164,338	222,326
Auditors' remuneration	39,450	36,750

Amortisation of intangible assets is included in administration expenses. The operating profit is fully attributed to the Group, as the Company has no such charges which require disclosure.

8. **Auditors' remuneration**

	2023	2022
	£	£
Fees payable to the Company's auditors for audit services of the Group	36,000	33,000
Fees payable for non-audit services of the Group	3,450	3,750
	39,450	36,750

9. **Taxation**

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	645,539	177,801
Prior year tax (over)/under provision	(15,102)	(8,552)
Total current tax	630,437	169,249
Deferred tax	1,816	8,038
Tax on profit/(loss)	632,253	177,287

9. **Taxation - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit/(loss) before tax	2,224,516	(174,620)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	422,658	(33,178)
Effects of:		
Expenses not deductible for tax purposes	224,692	213,600
Capital allowances in excess of depreciation	(1,343)	-
Adjustments to tax charge in respect of previous periods	(15,102)	(8,552)
Timing differences	1,348	5,417
Total tax charge	632,253	177,287

10. **Individual statement of comprehensive income**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. **Dividends**

On 31 August 2022 a dividend of £1,889,568 was declared on the £1 Preference shares and capitalised as additional preference share capital in the year.

12. **Intangible fixed assets**

Group

	Goodwill £	Trademarks £	Totals £
Cost			
At 1 April 2022 and 31 March 2023	22,193,579	13,958,903	36,152,482
Amortisation			
At 1 April 2022	3,976,349	9,095,887	13,072,236
Amortisation for year	1,109,679	461,009	1,570,688
At 31 March 2023	5,086,028	9,556,896	14,642,924
Net book value			
At 31 March 2023	17,107,551	4,402,007	21,509,558
At 31 March 2022	18,217,230	4,863,016	23,080,246

The Soft & Gentle brand, which was purchased in 2012 is considered material to the Group. The carrying amount as at March 2023 was £4,226,036 (2022: £4,659,000) and the brand has an estimated remaining useful life of 10 years.

Amortisation cost for the year for all brands/trademarks are included within administrative expenses.

13. Tangible fixed assets

Group

	Long leasehold £	Plant and machinery £	Totals £
Cost			
At 1 April 2022	231,304	690,006	921,310
Additions	3,530	65,007	68,537
At 31 March 2023	234,834	755,013	989,847
Depreciation			
At 1 April 2022	12,167	597,075	609,242
Charge for year	23,356	58,899	82,255
At 31 March 2023	35,523	655,974	691,497
Net book value			
At 31 March 2023	199,311	99,039	298,350
At 31 March 2022	219,137	92,931	312,068

14. Fixed asset investments

Group

	Shares in group undertakings £
Cost	
Disposals	3,617
Impairments	(3,617)
At 31 March 2023	-
Net book value	
At 31 March 2023	-

Company

	Shares in group undertakings £
Cost	
At 1 April 2022 and 31 March 2023	35,268,193
Net book value	
At 31 March 2023	35,268,193
At 31 March 2022	35,268,193

14. **Fixed asset investments - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Karium Ltd
Registered office: The Capitol Building, Oldbury, Bracknell, RG12 8FZ.
Nature of business:

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	**2022**
		£	**£**
Aggregate capital and reserves		16,432,775	15,841,856
Profit for the year		3,090,919	1,306,028

The principal activity of Karium Ltd is the marketing and distribution of personal care products.

15. **Stocks**

	Group	
	2023	**2022**
	£	**£**
Stocks on hand	9,169,929	6,573,131

16. **Debtors: amounts falling due within one year**

	Group		Company	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Trade debtors	7,980,679	6,665,791	-	-
Other debtors	-	583	-	-
Prepayments and accrued income	233,284	247,328	5,733	19,493
	8,213,963	6,913,702	5,733	19,493

17. **Creditors: amounts falling due within one year**

	Group		Company	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Trade creditors	6,248,916	5,325,681	-	-
Amounts owed to group undertakings	50,000	-	7,508,879	6,817,352
Tax	288,054	55,155	-	-
Social security and other taxes	390,861	125,613	13,400	14,217
Other creditors	23,442	35,977	-	-
Bank loan	3,020,713	2,994,124	-	1,302,000
Accruals and deferred income	3,160,935	2,716,539	-	56,097
	13,182,921	11,253,089	7,522,279	8,189,666

18. Creditors: amounts falling due after more than one year

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Bank loan	-	4,161,410	-	4,161,410

19. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases 2023	Non-cancellable operating leases 2022
	£	£
Within one year	150,000	37,500
Between one and five years	600,000	600,000
In more than five years	525,000	675,000
	1,275,000	1,312,500

The Group has entered into a 10 year lease agreement which has an option to break with no costs at the end of year 5. Lease payments shown above are on the basis that the break option is not exercised. Lease commitments totalling £525,000 would not stand in the event the company chooses to exercise its option.

20. Secured debts

The Company, along with its subsidiary undertaking Karium Ltd, has entered into a bank financing arrangement with PNC Bank. The Company previously had a term loan as part of the facilities provided by PNC, with interest paid monthly at rates of up to 6.5% over base rate. However, this loan was repaid in full during the course of the current year.

21. Provisions for liabilities

	Group 2023	Group 2022
	£	£
Deferred tax	24,761	22,945

Group

	Deferred tax
	£
Balance at 1 April 2022	22,945
Movement during the year	1,816
Balance at 31 March 2023	24,761

22. Called up share capital

Allotted, issued and fully paid:

Class:	Nominal value	No. of shares	2023	2022
	£		£	£
Ordinary A	0.01	1,899,995	19,000	19,000
Ordinary B	0.01	100,006	1,000	1,000
Ordinary C	0.01	84	1	1
Preference	1.00	25,509,168	25,509,168	23,619,600
			25,529,169	23,639,601

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets. There are different classes of ordinary shares which have different entitlements on the Company's assets at the point of sale.

The preference shares are non-voting and non-redeemable. During the year £1,889,568 of amounts owed to preference shareholders were capitalised by the issue of additional preference shares at par.

23. Reserves

Group

	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2022	(1,187,628)	1,980,001	792,373
Profit for the year	1,592,263		1,592,263
Dividends	(1,889,568)		(1,889,568)
At 31 March 2023	(1,484,933)	1,980,001	495,068

Company

	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2022	21,523	1,980,001	2,001,524
Profit for the year	2,111,023		2,111,023
Dividends	(1,889,568)		(1,889,568)
At 31 March 2023	242,978	1,980,001	2,222,979

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve includes all historical retained profits and losses of the group.

24. Pension commitments

The amount recognised in the group profit or loss as an expense in relation to defined contribution plans was £169,472 (2022: £176,874).

25. Related party disclosures

The Company pays management fees to another entity in the global JZI Group. Fees of £193,903 (2022: £200,000) were accrued during the year and a balance of £50,000 (2022: £nil) was owing at the balance sheet date.

There are no other related party transactions that require disclosure under FRS 102.

26. Ultimate controlling party

The immediate parent company and ultimate controlling party is JZI Fund III L.P., an investment fund controlled by JZI Advisors Inc, a company incorporated in the United States of America. Financial statements are not available for this entity.

The Company has taken advantage of the exemptions available under FRS102, section 33.1A, not to disclose transactions between wholly-owned members of the group.

27. Reconciliation of profit/(loss) before taxation to cash generated from operations

	2023	2022
	£	£
Profit/(loss) before taxation	2,224,516	(174,620)
Depreciation charges	82,255	107,659
Loss on disposal of fixed assets	-	1,043
Amortisation of intangible assets	1,570,688	1,570,688
Finance costs	580,599	673,308
	4,458,058	2,178,078
(Increase)/decrease in stocks	(2,596,798)	1,551,905
Increase in trade and other debtors	(1,300,261)	(1,330,168)
Increase in trade and other creditors	1,670,344	1,116,678
Cash generated from operations	2,231,343	3,516,493

28. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	40,118	2,990,270

Year ended 31 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	2,990,270	2,776,431

29. Analysis of changes in net funds

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank	2,990,270	(2,950,152)	40,118
	2,990,270	(2,950,152)	40,118
Total	2,990,270	(2,950,152)	40,118