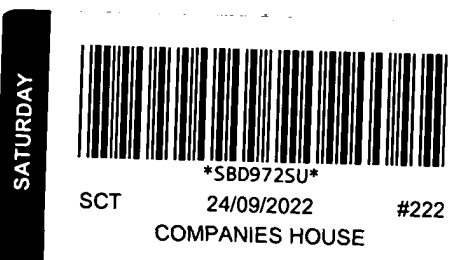


Company Registration No. SC350728

**TARAK INTERNATIONAL LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**



# TARAK INTERNATIONAL LIMITED

<b>CONTENTS</b>	<b>Page</b>
Strategic Report	1
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 23

## **COMPANY INFORMATION**

<b>Directors</b>	Tarak Ramzan Sheraz Ramzan Gerard Sweeney
<b>Company Secretary</b>	Sheraz Ramzan
<b>Company Number</b>	SC350728
<b>Registered Office</b>	61 Hydepark Street Glasgow G3 8BW
<b>Auditors</b>	RSM UK Audit LLP 14th Floor 20 Chapel Street Liverpool L3 9AG
<b>Bankers</b>	HSBC plc 2 Buchanan Street Glasgow G1 3LB

# **TARAK INTERNATIONAL LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their Strategic Report in respect of the year to 31 March 2022.

#### **Business review and results**

The company's revenue is generated from the operation of the QUIZ website, international franchise and wholesale revenues from QUIZ product and concessions operated in the Republic of Ireland.

Common with other retailers the company was impacted by the COVID-19 pandemic with revenues being significantly impacted in the previous year. In the current year, sales have gradually recovered to their previous levels on a like-for-like basis as social restrictions have been relaxed.

The company generated an operating profit of £0.4 million (2021: £8.5 million loss) further to:

- A 35% increase in revenues to £37.8 million given the relaxation of social restrictions related to the COVID-19 pandemic;
- Gross margins increasing by 4.8% to 55.1% which contributed to a £6.7 million increase in gross margin generated;
- Operating costs reducing by £1.7 million or 8% to £21.9 million;

The directors are confident that the company will increase revenues and further improve profitability.

#### **Future developments & risks and uncertainties**

The company is focused on growing its online business with the key drivers being increasing awareness of the QUIZ brand through effective marketing; strengthening the products and collections and increasing online traffic leading to a rise in the number of active customers.

In addition, the company will look to continue to capitalize on the positive reactions to the QUIZ brand across international markets. The company's flexible approach to adopting the most appropriate route to market will help grow international revenues.

The company has both internal and external risk factors that could impact on performance. The company has risk management processes to identify, review and evaluate these risks allowing the directors to take action as required where possible. A review of the key risk factors is detailed below:

##### *Changing Economic Environment*

Broad changes to consumer expenditure or a deterioration in the economy could materially and adversely affect the company's financial condition, operations and business prospects. In the UK, where the majority of the Group's revenues are generated, the exit from the EU has increased the likelihood and potential impact of this risk.

##### *Competition*

The company operates in a highly competitive market, competing against a variety of other UK and international retailers. Failure to compete on product offering, quality, service or price could adversely affect company performance and profitability.

##### *Loss of Key Trading Partners*

There is a high dependency on a small number of third party partners in relation to revenues. The loss of one of these partners would impact upon the business.

##### *Fashion and Design*

As with all fashion brands there is a risk that our offer will not satisfy the needs of our customers or we fail to correctly identify trends. If new product ranges or styles fail to meet sales expectations, lower sales and market share could occur.

**TARAK INTERNATIONAL LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

*Product Sourcing*

The company sources product from a wide range of suppliers including a significant proportion from overseas. Failure to carry out sufficient due diligence on our suppliers, and to act in the event of any negative findings, especially in relation to ethical or quality related issues, could adversely impact our brand and reputation.

*Physical Infrastructure*

Damage to or the loss of our distribution facility could have a material impact upon the business and its ability to effectively service our customers. A similar event at Head Office could impact the ability of the business to operate effectively.

*IT Infrastructure and Cyber Security*

The company's IT infrastructure is key to the operation of its business. Non-availability of the company's IT systems, including the website, for a prolonged period or malicious attacks, data breaches or viruses could result in business disruption, loss of sales and reputational damage.

**Financial key performance indicators**

The directors track the performance of the business by closely monitoring the revenue on all individual income streams on a monthly basis against budget and the prior year figures. Gross profit margins split by income stream, and staff costs as a percentage of turnover are also monitored on a monthly basis against budget and the prior year figures. Overhead spend is also closely controlled and monitored against budgeted figures.

This report was approved by the Board on 26 August 2022 and signed on its behalf by:



Gerard Sweeney  
Director

## **TARAK INTERNATIONAL LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditors' Report, for the year ended 31 March 2022.

### **Principal Activities**

The principal activity of the company is retail of ladies' fashion clothing, footwear and accessories online, through franchise operations worldwide and concessions operated in the Republic of Ireland.

### **Business Review**

The strategic report setting out a fair review of the business, its position at the year end and a description of the principal risks and uncertainties facing the company is set out on page 1.

### **Results and Dividends**

Results for the year ended 31 March 2022 are set out in the Statement of Comprehensive Income on page 9.

No dividends were paid during the year (2021: nil). The directors do not recommend the payment of a final dividend.

### **Directors**

The following directors have held office since 1 April 2021 and up to the date of this report:

Tarak Ramzan  
Sheraz Ramzan  
Omar Aziz (resigned 1 June 2021)  
Gerard Sweeney

### **Going Concern**

The company's going concern statement can be found in the basis of preparation in note 1 to the financial statements.

### **Strategic Report**

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

### **Disclosure of Information to the Auditors**

In the case of each Director in office at the date the Directors' Report is approved, the following applies:

- The Director knows of no information, which would be relevant to the auditors for the purpose of their audit report, of which the auditors are not aware; and
- The Director has taken all steps that he/she ought to have taken as a director to make him/herself aware of any such information and to establish that the auditors are aware of it

### **Auditor**

The Auditor, RSM UK Audit LLP, has indicated their willingness to continue in office and a resolution seeking to re-appoint them will be proposed at the AGM.

This Directors' report was approved by the Board of Directors and authorised for issue on 26 August 2022.



Gerard Sweeney  
Director

**TARAK INTERNATIONAL LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The directors are responsible for preparing the Strategic Report, 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 of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

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

# **TARAK INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TARAK INTERNATIONAL LIMITED**

### **Opinion**

We have audited the financial statements of Tarak International Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are 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.

## **TARAK INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TARAK INTERNATIONAL LIMITED (CONTINUED)**

#### **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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## **TARAK INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TARAK INTERNATIONAL LIMITED (CONTINUED)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls, revenue recognition and valuation of inventory as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied. We documented and carried out walk-through tests on the systems and controls relevant to revenue and tested the amounts reported in the financial statements using data analytics and tests of detail. In relation to inventory, we documented and reconfirmed our understanding of the Company's policies in relation to the measurement of unit cost, classification of current trends/seasons and the determination and application of provisions against the carrying value of stock, we completed tests of detail to test the unit cost for a sample of stock lines to source documentation from suppliers and compared that value to proceeds from subsequent sales, we reviewed post year end trading activity to compare net realisable value with the carrying value at the reporting date to test whether the provision applied by management is free from material misstatement either as a result of error or bias, we reviewed and challenged the reasonableness and appropriateness of the policy and current year's inventory provision and we also considered the reasonableness of the prior year inventory provision.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*G Bond*

Graham Bond FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
14<sup>th</sup> Floor  
20 Chapel Street  
Liverpool  
L3 9AG  
G2 6HG

26 August 2022

**TARAK INTERNATIONAL LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £000	2021 £000
<b>Turnover</b>	<b>3</b>	39,830	28,963
Cost of sales		(17,723)	(14,260)
<b>Gross profit</b>		22,107	14,703
Distribution costs		(7,962)	(6,611)
Recurring administrative expenses		(13,963)	(12,283)
Non-recurring administrative expenses	<b>4</b>	-	(4,676)
Total administrative expenses		(13,963)	(16,959)
Total operating costs		(21,925)	(23,570)
Other operating income		193	898
<b>Operating profit/(loss)</b>		375	(7,969)
Interest payable and similar charges	<b>6</b>	-	(2)
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>7</b>	375	(7,971)
Taxation	<b>11</b>	429	241
<b>Profit/(loss) on ordinary activities after taxation and profit/(loss) for the year</b>		804	(7,730)
<b>Other comprehensive income (net of tax)</b>			
Foreign exchange reserve (loss)/gain on non-UK assets		(21)	(132)
<b>Total comprehensive income/(loss) for the year</b>		783	(7,862)

**TARAK INTERNATIONAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

Company Registration No. SC350728

	Notes	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	12	851	1,365
Tangible assets	13	465	642
Deferred tax asset	14	95	74
		<u>1,411</u>	<u>2,081</u>
<b>Current assets</b>			
Stocks	15	4,826	4,869
Debtors	16	5,281	2,625
Cash at bank and in hand		982	242
		<u>11,089</u>	<u>7,736</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(10,643)</u>	<u>(8,691)</u>
<b>Net current assets/(liabilities)</b>		<u>446</u>	<u>(955)</u>
<b>Total assets less current liabilities</b>		<u>1,857</u>	<u>1,126</u>
<b>Provisions for liabilities</b>	18	<u>(22)</u>	<u>(74)</u>
<b>Net assets</b>		<u>1,835</u>	<u>1,052</u>
<b>Capital and reserves</b>			
Called up share capital	20	10	10
Profit and loss account	23	<u>1,825</u>	<u>1,042</u>
<b>Total equity</b>		<u>1,835</u>	<u>1,052</u>

The financial statements were approved by the Board and authorised for issue on 26 August 2022 and are signed on its behalf by:

*Gerard Sweeney*

Gerard Sweeney  
**Director**

**TARAK INTERNATIONAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital £000	Profit and Loss Account £000	Total £000
<b>Balance at 31 March 2020</b>	10	8,904	8,914
Loss for the year	-	(7,730)	(7,730)
Other comprehensive income, net of tax			
Foreign exchange gain on non-monetary assets	-	(132)	(132)
<b>Total comprehensive income for the year</b>	-	(7,862)	(7,862)
<b>Balance at 31 March 2021</b>	10	1,042	1,052
Profit for the year	-	804	804
Other comprehensive income, net of tax			
Foreign exchange loss on non-monetary assets	-	(21)	(21)
<b>Total comprehensive loss for the year</b>	-	783	783
<b>Balance at 31 March 2022</b>	10	1,825	1,835

# **TARAK INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2022**

#### **I Accounting policies**

##### **Company information**

Tarak International Limited is a private company limited by shares incorporated in Scotland. The registered office is 61 Hydepark Street, Glasgow, Strathclyde, G3 8BW.

The principal activity of the company is described in the directors' report.

##### **Basis of accounting**

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.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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

##### **Functional and presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the company.

##### **Going concern**

The Directors have prepared a detailed forecast with a supporting business plan for the foreseeable future to determine whether the Company will have adequate resources to enable it to operate as a going concern for the foreseeable future.

When preparing this forecast, the Directors considered the current trading levels, which have been consistent with management's expectations, and the outlook for the Company against their detailed base case scenario and further downside scenarios.

##### **Borrowing facilities**

The Company has access to £3.5 million of banking facilities provided to QUIZ plc and subsidiary undertakings ("the Group"), which expire on 30 June 2023. There are no financial covenants associated with these facilities, which are reviewed annually. Whilst the facilities are repayable on demand the Directors believe that these facilities will be available to the Group through to 30 June 2023 and will be renewed in due course.

##### **Forecast scenarios**

The Directors have reviewed the management's business plan forecast for the QUIZ plc group the period to 31 March 2023. The forecasts have been produced on the following basis:

- Base case scenario assumes stores and concessions are open throughout the period under review. A sales recovery is assumed to levels consistent with those generated prior to COVID-19 on a like-for-like basis throughout the period under review for stores and concessions. Web sales are assumed to be at a level similar to those generated prior to COVID-19. The assumed sales levels are consistent with those currently achieved.
- Downside scenario assumes reduced sales across the next year to reflect reduced demand including assumed reductions in store and concessions sales of 10% on a like-for-like basis. Online sales are assumed to be 10% below their base case scenario.

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**I Accounting policies (continued)**

Within each forecast, management have reflected outstanding financial commitments and the impact of previously realised cost savings. There are no further anticipated savings incorporated in response to any downside scenario for reduced revenues. Further actions could be undertaken to mitigate against any shortfalls arising from these scenarios. These include reducing operating costs and capital expenditure, ceasing or suspending loss-making activities and optimising working capital.

The Base Case and Downside scenario forecasts indicate the Group will remain within its available borrowing facilities through the forthcoming twelve-month period.

*Parent Company Support*

The Company's immediate and ultimate parent company is QUIZ plc. The Group's bank facilities have been granted to QUIZ plc. The cash flows and bank facilities are managed across the group with management allocating funds to each company based upon their requirements.

A letter of support had been provided by QUIZ plc which confirm that it will provide financial support as required by the Company, provided that it has submitted a reasonable request for funds, to ensure that it will continue as a going concern from the date of signing the financial statements to 30 September 2023.

*Going concern basis*

Based on the assessment outlined above, the Directors have a reasonable expectation that the Company has access to adequate resources to enable it to continue to operate as a going concern for the foreseeable future, being a period of at least twelve months from the date when these financial statements are authorised to be issued. For these reasons, the Directors consider it appropriate for the Company to continue to adopt the going concern basis of accounting in preparing the Annual Report and financial statements. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

**Reduced Disclosures**

The company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure within FRS 102:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Quiz plc. The consolidated financial statements of Quiz plc are available from its registered office 61 Hydepark Street, Glasgow, G3 8BW.

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**I Accounting policies (continued)**

**Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognized in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to in the ordinary nature of the business net of Value Added Tax.

**Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Income Statement on a systematic basis over the periods in which the Group recognises expenses and related costs for which the grants are intended to compensate. The receipt of Government grants in respect of the Coronavirus Job Retention Scheme are included as other operating income in the period when the employee wages, which are supplemented by the grant payment, are paid.

**Intangible fixed assets – goodwill**

Goodwill is capitalised and written off evenly over 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

Intangible assets purchased are recognised when future economic benefits are probable and are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Computer software	between 5 and 7 years
-------------------	-----------------------

Amortisation is revised prospectively for any significant change in useful life or residual value. On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**I Accounting policies (continued)**

**Tangible fixed assets and depreciation**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Computer equipment	between 5 and 7 years
Fixtures, fittings & equipment	between 5 and 7 years

**Impairments of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

**Stock**

Stocks are valued at the lower of cost and net realisable value estimated selling price less cost to complete and sell. Cost is determined on a first in first out basis. At each reporting date, the Company assesses whether stocks are impaired. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss.

**Retirement benefits**

For defined contribution schemes the amount charged to the profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using the tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**I Accounting policies (continued)**

**Taxation (continued)**

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction for event it relates to and is also charged or credited to other comprehensive income, or equity.

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Financial assets**

*Trade debtors, other and inter-company debtors*

Trade, other and inter-company debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

**Financial liabilities**

*Bank overdrafts*

Bank overdrafts are presented within creditors: amounts falling due within one year.

*Financial liabilities and equity*

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

*Trade, other and inter-company creditors*

Trade, other and inter-company creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

**Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit or loss unless hedge accounting is applied and the hedge is a cash flow hedge.

To qualify for hedge accounting, the company documents the hedged item, the hedging instrument and the hedging relationship between them, and the causes of hedge ineffectiveness (such as different maturities, nominal amounts or variable rates, and counterparty credit risk).

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1 Accounting policies (continued)**

*Borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

*Derecognition of financial liabilities*

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

**Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Inventory Provision**

Provision is made for those items of inventory where the net realisable value is estimated to be lower than cost. Net realisable value is based on both historical experience and assumptions regarding future selling prices and is consequently a source of estimation uncertainty.

In the current year, management performed an assessment of all inventory, taking into consideration current sales and forecast sell through plans to consider the impact on the period-end stock holding. The provision for aged inventory is calculated as providing for 50% of inventory that is more than three seasons old and providing 100% of inventory that is more than three years old. Given the potential for demand to be impacted going forward the Group has provided up to 10% of the remaining inventory in the current year. Given this approach the provision for aged inventory totalled £1,399,000 at 31 March 2022 (2021: £1,509,000).

**Returns Provision**

The accounting estimate related to the return of stocks sold online is susceptible to changes from period to period. The value of expected returns of £1,298,000 (2021: £979,000) is estimated using recent past experience and a review of returns received post year end. The provision reflecting the impact of these anticipated returns on the income statement is included in the other payables balance.

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**3 Turnover**

The total turnover of the company for the year has been derived from its principal activity. An analysis of turnover is given below:

	<b>2022</b>	<b>2021</b>
	£000	£000
United Kingdom	27,297	21,433
Overseas	12,533	7,530
	<u>39,830</u>	<u>28,963</u>

**4 Non-recurring administrative costs**

	<b>2022</b>	<b>2021</b>
	£000	£000
Write off of intercompany balances	-	4,676
	<u>-</u>	<u>4,676</u>

The write off of the intercompany balances arose further to the administration of a fellow subsidiary undertaking Kast Retail Limited in June 2021.

**5 Other operating income**

	<b>2022</b>	<b>2021</b>
	£000	£000
Government support – furlough payments	193	898
	<u>193</u>	<u>898</u>

**6 Interest payable and similar charges**

	<b>2022</b>	<b>2021</b>
	£000	£000
Other interest	-	2
	<u>-</u>	<u>2</u>

**7 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	<b>2022</b>	<b>2021</b>
	£000	£000
Amortisation of intangible assets	587	328
Depreciation of tangible assets	219	265
Fees payable to the company's auditors for the audit of the company's financial statements	30	15
	<u>836</u>	<u>608</u>

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**8 Dividends**

The Company did not pay any dividends in the year (2021: nil).

**9 Directors' remuneration**

The directors received no remuneration during the year (2021 - £Nil).

**10 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the year was:

	<b>2022</b>	<b>2021</b>
	Number	Number
Number of administrative staff	103	108
Number of other staff – shop staff	41	52
	<u>144</u>	<u>160</u>
<b>Employment costs</b>	<b>£000</b>	<b>£000</b>
Wages and salaries	2,990	3,005
Social security costs	255	241
Other pension costs	49	47
Agency costs	263	204
	<u>3,557</u>	<u>3,497</u>

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**II Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Domestic current year tax</b>		
Corporation tax	-	(74)
Adjustment for prior years	24	(275)
	<u>24</u>	<u>(349)</u>
Foreign corporation tax	-	(9)
Deferred tax - origination and reversal of timing differences	(453)	117
	<u>(429)</u>	<u>(241)</u>
<b>Factors affecting the tax charge for the year</b>		
Profit/(loss) on ordinary activities before taxation	<u>375</u>	<u>(7,971)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19%	71	(1,514)
Effects of:		
Different tax rates applying in other jurisdictions	1	8
Non-deductible expenses	5	3
Impact on deferred tax of increase in UK corporation tax rate	13	-
Non recognition of deferred tax asset	-	1,387
Recognition of deferred tax asset	(95)	-
Utilisation in current year of previously unrecognized deferred tax asset	(172)	-
Group relief from fellow subsidiary undertakings	(41)	-
Adjustments to previous periods	<u>(211)</u>	<u>(125)</u>
<b>Current tax credit for the year</b>	<u>(429)</u>	<u>(241)</u>

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**12 Intangible fixed assets**

	<b>Computer software £000</b>
<b>Cost</b>	
At 1 April 2021	2,071
Additions	73
At 31 March 2022	<u>2,144</u>
<b>Amortisation</b>	
At 1 April 2021	706
Charge for the year	587
At 31 March 2022	<u>1,293</u>
<b>Net book value</b>	
At 31 March 2022	<u>851</u>
At 31 March 2021	<u>1,365</u>

The amortisation of goodwill is included within administrative expenses in the profit and loss account.

**13 Tangible fixed assets**

	<b>Computer equipment £000</b>	<b>Fixtures and fittings £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 April 2021	722	409	1,131
Additions	28	14	42
Disposals	(1)	-	(1)
At 31 March 2022	<u>749</u>	<u>423</u>	<u>1,172</u>
<b>Depreciation</b>			
At 1 April 2021	292	197	489
Charge for the year	105	114	219
Disposals	(1)	-	(1)
At 31 March 2022	<u>396</u>	<u>311</u>	<u>707</u>
<b>Net book value</b>			
At 31 March 2022	<u>353</u>	<u>112</u>	<u>465</u>
At 31 March 2021	<u>430</u>	<u>212</u>	<u>642</u>

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**14 Deferred tax asset**

	<b>2022</b>	<b>2021</b>
	£000	£000
Deferred tax asset re tax losses	95	74

The Company had no further deferred tax assets in relation to unutilized tax losses which have not been recognised at 31 March 2022 (2021: £380,000).

**15 Stocks**

	<b>2022</b>	<b>2021</b>
	£000	£000
Finished goods and goods for resale	4,826	4,869

**16 Debtors**

	<b>2022</b>	<b>2021</b>
	£000	£000
Trade debtors	3,166	1,937
Amounts owed by group companies	1,386	-
Other debtors	229	547
Current tax receivable	380	-
Prepayments and accrued income	120	141
	<b>5,281</b>	<b>2,625</b>

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

	<b>2022</b>	<b>2021</b>
	£000	£000
Trade creditors	1,260	1,042
Amounts owed to group companies	7,457	6,804
Other taxes and social security costs	377	476
Other creditors	1,324	244
Accruals and deferred income	225	125
	<b>10,643</b>	<b>8,691</b>

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**18 Provisions for liabilities**

	<b>Deferred Tax</b>
	£000
Balance as at 1 April 2021	74
Credit to profit and loss account	(53)
Balance as at 31 March 2022	<u>21</u>

The deferred tax liability is expected to reverse in a period greater than 12 months and relates to accelerated capital allowances that are expected to mature over the same period.

**19 Retirement benefits**

The Company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £11,000 (2021: £9,000).

**20 Share capital**

	<b>2022</b>	<b>2021</b>
	£000	£000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

**21 Related party transactions**

The company has taken advantage of the exemption available under Financial Reporting Standard 102 Para 33.1A with regard to the non-disclosure of transactions between wholly owned group companies.

**22 Controlling Party**

The company's immediate parent is QUIZ plc, a company registered in Jersey. The smallest and largest group for which group financial statements are drawn up and of which the company is a member is QUIZ plc. Its registered office and the address from which group financial statements can be obtained is 61 Hydepark Street, Glasgow, G3 8BW.

**23 Reserves**

The Profit and Loss Reserve is the cumulative profit and loss net of distribution to owners.

**TARAK INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**24 Bank Facilities**

The Company's bank loans, overdrafts and other credit facilities were extended post year end and are scheduled to expire on 30 September 2022.

These facilities continue to be secured by an unlimited multilateral and cross-company guarantee given by Zandra Retail Limited and Tarak International Limited and also by a limited guarantee given by, and by a floating charge over the assets of, Zandra Retail Limited and Tarak International Limited. The bank also holds a right of set-offs between Zandra Retail Limited and Tarak International Limited. All entities included in the guarantee are wholly owned subsidiaries in the Group. In addition to the above, QUIZ plc has provided a Parent Company Guarantee with respect to the facilities.