

Financial Statements
for the Year Ended 31 March 2022
for
EUROSAT DISTRIBUTION LIMITED

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for the year ended 31 March 2022**

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EUROSAT DISTRIBUTION LIMITED

**Company Information
for the year ended 31 March 2022**

Directors: Mr Abbas Arbab-Zadeh
Mr M P Carver

Secretary: Mr M P Carver

Registered office: 3 Phoenix Park
Apsley Way
London
NW2 7LN

Registered number: 02247629 (England and Wales)

Auditors: Haines Watts Essex LLP
Chartered Accountants
Statutory Auditors
Coopers House
65a Wingletye Lane
Hornchurch
Essex
RM11 3AT

Statement of Financial Position
31 March 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	5		31,719		18,469
Investments	6		10,000		10,000
			<u>41,719</u>		<u>28,469</u>
Current assets					
Stocks		322,697		262,756	
Debtors	7	342,109		401,004	
Cash at bank and in hand		433,181		632,038	
		<u>1,097,987</u>		<u>1,295,798</u>	
Creditors					
Amounts falling due within one year	8	436,312		594,583	
Net current assets			<u>661,675</u>		<u>701,215</u>
Total assets less current liabilities			<u>703,394</u>		<u>729,684</u>
Provisions for liabilities	11		6,027		2,679
Net assets			<u>697,367</u>		<u>727,005</u>
Capital and reserves					
Called up share capital	12		100		100
Retained earnings			697,267		726,905
Shareholders' funds			<u>697,367</u>		<u>727,005</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2022 and were signed on its behalf by:

Mr Abbas Arbab-Zadeh - Director

**Notes to the Financial Statements
for the year ended 31 March 2022**

1. **Statutory information**

Eurosat Distribution 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 Company Information page.

2. **Statement of compliance**

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. **Accounting policies**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is the Pound Sterling (£).

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

There is estimation uncertainty in calculating stock provisions. The company makes an estimate for obsolete and slow moving stock. Management review the aging profile and physical condition of stock regularly and use this as a basis for the provision.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Notes to the Financial Statements - continued
for the year ended 31 March 2022

3. Accounting policies - continued**Tangible fixed assets**

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

Improvements to property	- 25% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Government grants

The accruals model has been adopted in recognising grant income relating to the Coronavirus Job Retention Scheme (CJRS). Grant income has been recognised in the same period in which the expense has been incurred and included in other operating income.

Stock

Stock is stated at the lower of cost and net realisable value. Where applicable, cost includes attributable overheads in bringing the stock to its present condition and location.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company 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 company will not be able to collect all amounts due.

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

Financial liabilities and equity instruments issued by the company 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 company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Notes to the Financial Statements - continued
for the year ended 31 March 2022

3. Accounting policies - continued

Pension costs and other post-retirement benefits

The company operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

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.

Investments

Investments are recognised at cost less provision for impairment.

4. Employees and directors

The average number of employees during the year was 10 (2021 - 9) .

5. Tangible fixed assets

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
Cost			
At 1 April 2021	28,960	9,625	9,180
Additions	-	-	-
Disposals	-	-	-
At 31 March 2022	<u>28,960</u>	<u>9,625</u>	<u>9,180</u>
Depreciation			
At 1 April 2021	26,783	9,625	8,581
Charge for year	1,188	-	167
Eliminated on disposal	-	-	-
At 31 March 2022	<u>27,971</u>	<u>9,625</u>	<u>8,748</u>
Net book value			
At 31 March 2022	<u>989</u>	-	<u>432</u>
At 31 March 2021	<u>2,177</u>	-	<u>599</u>

Notes to the Financial Statements - continued
for the year ended 31 March 20225. **Tangible fixed assets - continued**

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1 April 2021	32,098	11,667	91,530
Additions	21,385	2,845	24,230
Disposals	<u>(14,606)</u>	-	<u>(14,606)</u>
At 31 March 2022	<u>38,877</u>	<u>14,512</u>	<u>101,154</u>
Depreciation			
At 1 April 2021	17,157	10,915	73,061
Charge for year	8,828	797	10,980
Eliminated on disposal	<u>(14,606)</u>	-	<u>(14,606)</u>
At 31 March 2022	<u>11,379</u>	<u>11,712</u>	<u>69,435</u>
Net book value			
At 31 March 2022	<u>27,498</u>	<u>2,800</u>	<u>31,719</u>
At 31 March 2021	<u>14,941</u>	<u>752</u>	<u>18,469</u>

6. **Fixed asset investments**

	Other investments £
Cost	
At 1 April 2021 and 31 March 2022	<u>10,000</u>
Net book value	
At 31 March 2022	<u>10,000</u>
At 31 March 2021	<u>10,000</u>

The above are companies in which the company's interest at the year end is more than 20%.

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

	2022 £	2021 £
Trade debtors	312,366	393,132
Other debtors	<u>29,743</u>	<u>7,872</u>
	<u>342,109</u>	<u>401,004</u>

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

	2022 £	2021 £
Trade creditors	295,543	419,144
Taxation and social security	108,850	140,646
Other creditors	<u>31,919</u>	<u>34,793</u>
	<u>436,312</u>	<u>594,583</u>

Notes to the Financial Statements - continued
for the year ended 31 March 20229. **Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	85,230	85,230
Between one and five years	177,563	262,793
	<u>262,793</u>	<u>348,023</u>

10. **Secured debts**

A bond and fixed charge has been granted to HSBC over the property and assets of the company. A floating charge is also in existence over all assets.

11. **Provisions for liabilities**

	2022	2021
	£	£
Deferred tax	<u>6,027</u>	<u>2,679</u>
		Deferred tax
		£
Balance at 1 April 2021		2,679
Charge to Statement of Income and Retained Earnings during year		3,348
Balance at 31 March 2022		<u>6,027</u>

12. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

13. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Report of the Auditors was unqualified.

Ian Gorsuch (Senior Statutory Auditor)
for and on behalf of Haines Watts Essex LLP

Notes to the Financial Statements - continued
for the year ended 31 March 2022

13. **Disclosure under Section 444(5B) of the Companies Act 2006 - continued**

The following wording was included in the section of the audit report headed "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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in note 2 to the financial statements.

14. **Pension commitments**

Pension contributions payable during the year amounted to £8,550 (2021: £7,430). There was £1,289 outstanding at the year end (2021: £1,775).

15. **Ultimate controlling party**

The ultimate controlling party is Mr Abbas Arbab-Zadeh.

Ultimate parent company

NEEM Holdings Limited (incorporated in United Kingdom) is regarded by the directors as being the company's ultimate parent company.

NEEM Holdings Limited is the parent of the smallest and largest group into which the results and financial position of this company are consolidated. Copies of the financial statements of NEEM Holdings Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

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