

Company registration number 06641887 (England and Wales)

**AVALON DISTRIBUTION LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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# AVALON DISTRIBUTION LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R Allen-Turner R Aslett I Hughes J Mowll G Perkins J Thoday D Palmer-Brown J Taylor
<b>Company number</b>	06641887
<b>Registered office</b>	4a Exmoor Street London W10 6BD
<b>Bankers</b>	The Royal Bank of Scotland Plc 62/63 Threadneedle Street PO Box 412 London EC2R 8LA

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# AVALON DISTRIBUTION LIMITED

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# AVALON DISTRIBUTION LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 30 JUNE 2022*

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The directors present their annual report and financial statements for the year ended 30 June 2022.

#### **Principal activities**

The principal activity of the company continued to be that of the distribution of completed television programmes and sales of formats to third parties.

#### **Directors**

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

R Allen-Turner

R Aslett

J Beresford

(Resigned 1 January 2022)

I Hughes

J Mowll

G Perkins

J Thoday

D Palmer-Brown

J Taylor

#### **Results and dividends**

The results for the year are set out on page 3.

Nil dividends were declared and paid by Avalon Distribution Limited in the year ended 30 June 2022 (2021: £2,500,000 ).  
A dividend of £3,750,000 was declared from Avalon Distribution in October 2022.

#### **Future developments**

We are not aware of any trends or factors which are likely to have significant impact on the future development, performance and position of the company's business.

#### **Post Balance Sheet events**

There have been no significant events affecting the company since the year-end.

# AVALON DISTRIBUTION LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2022**

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### Director's Responsibilities Statement

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 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 United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of Audit Requirements

The Company is a wholly owned subsidiary of Avalon Television Limited and of its ultimate parent, Tiverton 2 Limited. It is included in the consolidated financial statements of Tiverton 2 Limited, which are publicly available.

Consequently, the company has taken advantage of the exemption from statutory audit according to The Companies and Limited Liability Partnership (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012.

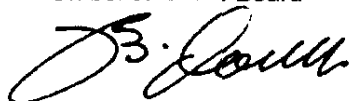
### Small Companies Exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly the exemption has been taken from preparing a strategic report.

### Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

On behalf of the Board



J Mowll

Director

22 May 2023

# AVALON DISTRIBUTION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 30 JUNE 2022**

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		2022 £	2021 £
	Notes		
Turnover	3	17,058,185	15,385,706
Cost of sales		(12,794,173)	(11,539,280)
<b>Gross profit</b>		<b>4,264,012</b>	<b>3,846,426</b>
Administrative expenses		(841,407)	(1,714,269)
<b>Profit on ordinary activities before taxation</b>	<b>4,5</b>	<b>3,422,605</b>	<b>2,132,157</b>
Taxation on profit on ordinary activities	8	(651,173)	(489,956)
<b>Profit for the financial year</b>		<b>2,771,432</b>	<b>1,642,201</b>

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The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

# AVALON DISTRIBUTION LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		10,392		8,978
<b>Current assets</b>					
Debtors	11	22,371,188		12,769,542	
Cash at bank and in hand		7,389,955		6,693,001	
		<u>29,761,143</u>		<u>19,462,543</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(23,660,774)</u>		<u>(16,132,192)</u>	
<b>Net current assets</b>			6,100,369		3,330,351
<b>Total assets less current liabilities</b>			6,110,761		3,339,329
<b>Provisions for liabilities</b>			-		-
<b>Capital and reserves</b>					
Called up share capital	14		1		1
Share premium account			99		99
Profit and loss account			6,110,661		3,339,229
<b>Total equity</b>			<u>6,110,761</u>		<u>3,339,329</u>

The Notes on pages 6 to 15 are an integral part of these financial statements

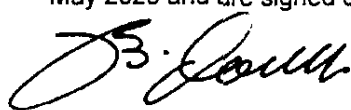
For the financial year ended 30 June 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 3 to 15 were approved by the Board of Directors and authorised for issue on 22 May 2023 and are signed on its behalf by:



J Mowll  
Director

Company Registration No. 06641887

# AVALON DISTRIBUTION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Share capital £	Share premium account £	Profit and loss account £	Total £
<b>Balance at 1 July 2020</b>		1	99	4,197,028	4,197,128
<b>Year ended 30 June 2021:</b>					
Profit and total comprehensive income for the year		-	-	1,642,201	1,642,201
Dividends		-	-	(2,500,000)	(2,500,000)
<b>Balance at 30 June 2021</b>		1	99	3,339,229	3,339,329
<b>Year ended 30 June 2022:</b>					
Profit and total comprehensive income for the year		-	-	2,771,432	2,771,432
<b>Balance at 30 June 2022</b>	<b>14</b>	1	99	6,110,661	6,110,761



# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2022**

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### **1 Accounting policies**

#### **1.1 General information**

The principle activity of the company continued to be that of the distribution of completed television programmes and sales of formats to third parties.

Avalon Distribution Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4a Exmoor Street, London, W10 6BD.

#### **1.2 Statement of compliance**

The individual financial statements of Avalon Distribution Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **1.3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **(a) Basis of Preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

##### **(b) Going Concern**

In reaching their decision to prepare the accounts on a going concern basis, the Directors have considered the impacts of the current economic climate on both the company and the group of which it is a member.

Having given due consideration to the above factors, the current year result and the anticipated future performance of the Company, taking into account reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the financial statements.

##### **(c) Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Tiverton 2 Limited, includes the company's cash flows in its own consolidated financial statements.

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### (d) Foreign Currency

##### (i) Functional and presentation currency

The Group financial statements are presented in pounds sterling. The Company's functional and presentation currency is the pound sterling.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### (e) Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of value added taxes. Revenue is recognised to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Distribution turnover and related costs are recognised when a contractual arrangement is in place and the underlying programme is complete and has been fully delivered.

#### (f) Interest

Interest receivable and payable are recognised in the profit and loss account using the effective interest method.

#### 1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated

Computer equipment

straight-line over 4 years

#### 1.5 Cash and cash equivalents

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

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

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#### 1 Accounting policies

(Continued)

##### 1.6 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

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

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

##### 1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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

##### 1.8 Taxation

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

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#### 1 Accounting policies

(Continued)

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### 1.9 Retirement benefits

Eligible Company employees are offered membership of a defined contribution pension scheme which is operated by Avalon Management Group Limited. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The assets of the plan are held separately from the Group in an independently administered funds.

#### 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.

No material judgements or estimates have been used in preparation of the Company's financial statements.

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by category</b>		
Licence Sales	12,924,821	13,129,656
Other	4,133,364	2,706,050
	<u>17,058,185</u>	<u>15,385,706</u>
 <b>Turnover analysed by geographical market</b>		
UK	2,977,711	3,897,698
ROW	14,080,474	11,488,008
	<u>17,058,185</u>	<u>15,385,706</u>

#### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	3,286	2,992
(Gain)/loss on foreign exchange transactions	(317,014)	781,326
	<u>3,286</u>	<u>781,326</u>

#### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
Tax services	2,000	2,106
	<u>2,000</u>	<u>2,106</u>

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2020 - 4)

	2022 Number	2021 Number
Total	4	4
	2022	2021
Their aggregate remuneration comprised:	£	£
Wages and salaries	636,432	662,251
Social security costs	83,809	84,289
Pension costs	7,600	6,513
	<u>727,841</u>	<u>753,053</u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	260,119	270,551
Company pension contributions to defined contribution schemes	3,996	4,000

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	260,119	270,551
Company pension contributions to defined contribution schemes	<u>3,996</u>	<u>4,000</u>

### 8 Taxation

	2022 £	2021 £
(a) Tax expense included in the profit and loss		
<b>Current tax</b>		
UK corporation tax on profits for the current period	651,173	475,747
Adjustments in respect of prior periods	-	14,097
Total current tax	<u>651,173</u>	<u>489,844</u>

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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8    Taxation		(Continued)
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	112
	<u>          </u>	<u>          </u>
 Total tax charge	 <u>651,173</u>	 <u>489,956</u>

### (b) Reconciliation of tax charge

Tax assessed for the year is higher than the standard rate of corporation tax in the UK for the year ended 30 June 2022 of 19% (2021: 19%). The differences are explained below.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>3,422,605</u>	<u>2,132,157</u>
 Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	 <u>650,295</u>	 <u>405,110</u>
 Effects of:		
Non deductible expenses	245	70,570
Adjustments in respect of prior years	9	14,097
Depreciation on assets not qualifying for tax allowances	625	-
Other non-reversing timing differences	-	577
Capital Allowances	-	(398)
	<u>          </u>	<u>          </u>
<b>Current tax charge for the year</b>	<b><u>651,173</u></b>	<b><u>489,956</u></b>

### (c) Tax rate changes

The standard rate of corporation tax in the UK will change from 19% to 25% with effect from 1 April 2023.

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 9 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 July 2021	11,970
Additions	4,700
At 30 June 2022	16,670
<b>Depreciation and impairment</b>	
At 1 July 2021	2,992
Depreciation charged in the year	3,286
At 30 June 2022	6,278
<b>Carrying amount</b>	
At 30 June 2022	10,392
At 30 June 2021	8,978

#### 10 Financial instruments

	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	22,691,538	12,707,684
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
Measured at amortised cost	23,104,430	15,679,059

Financial assets measured at amortised cost comprise of trade debtors, other debtors, amounts owed by group undertakings, and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and amounts owed to group undertakings.

#### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,243,096	820,457
Withholding Tax	(382,249)	103,522
Amounts owed by parent and fellow subsidiary undertakings	15,782,436	7,282,436
Prepayments and accrued income	5,727,905	4,563,127
	22,371,188	12,769,542



# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 11 Debtors

(Continued)

Amounts owed by group undertakings and related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2022 £	2021 £
Trade creditors	89,743	(16)
Amounts owed to parent and fellow subsidiary undertakings	6,568,390	2,583,842
Amounts owed to related parties	459,259	-
VAT	134,231	32,334
Accruals and deferred income	16,407,878	13,516,032
	<u>23,659,501</u>	<u>16,132,192</u>

#### 13 Retirement benefit schemes

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

The charge to profit or loss in respect of defined contribution schemes was £7,600 (2021 - £6,513).

#### 14 Called up share capital

	2022 £	2021 £
Ordinary share capital Issued and fully paid 100 Ordinary shares of 1p each	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

#### 15 Control

*The immediate parent undertaking is Avalon Television Limited.*

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tiverton 2 Limited. Copies of consolidated financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The ultimate controlling party is J Thoday.

#### 16 Related party transactions

# AVALON DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2022**

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### **16 Related party transactions**

**(Continued)**

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.