

BROADSOURCE EUROPE LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	394	1,259
		<u>394</u>	<u>1,259</u>
Current assets			
Debtors: amounts falling due within one year	5	737,879	702,119
Cash at bank and in hand	6	95,606	127,765
		<u>833,485</u>	<u>829,884</u>
Creditors: amounts falling due within one year	7	(689,745)	(559,692)
Net current assets		<u>143,740</u>	<u>270,192</u>
Total assets less current liabilities		<u>144,134</u>	<u>271,451</u>
Net assets		<u>144,134</u>	<u>271,451</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		144,034	271,351
		<u>144,134</u>	<u>271,451</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit 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 Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

H Faltyn
Director

Date: 8 March 2024

The notes on pages 5 to 11 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2022	100	271,351	271,451
Comprehensive income for the year			
Loss for the year	-	(127,317)	(127,317)
Total comprehensive income for the year	-	(127,317)	(127,317)
Total transactions with owners	-	-	-
At 30 June 2023	100	144,034	144,134

The notes on pages 5 to 11 form part of these financial statements.

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2021	100	533,553	533,653
Comprehensive income for the year			
Profit for the year	-	271,351	271,351
Total comprehensive income for the year	-	271,351	271,351
Contributions by and distributions to owners			
Dividends: Equity capital	-	(533,553)	(533,553)
Total transactions with owners	-	(533,553)	(533,553)
At 30 June 2022	100	271,351	271,451

The notes on pages 5 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. General information

The company is a private company, limited by shares, incorporated in England and Wales, registration number 10049348. The registered office is 6th Floor, 2 London Wall Place, London, EC2Y 5AU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006

The financial statements are presented in £ sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Pensions

The Company operates a defined contribution pension plan for its employees. A defined contribution

plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when

they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% straight-line method
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified 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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.10 Financial instruments (continued)

course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2022 - 3).

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 July 2022	2,622
At 30 June 2023	2,622
Depreciation	
At 1 July 2022	1,363
Charge for the year on owned assets	865
At 30 June 2023	2,228
Net book value	
At 30 June 2023	394
At 30 June 2022	1,259

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5. Debtors

	2023 £	2022 £
Trade debtors	147,503	270,809
Amounts owed by group undertakings	590,172	428,492
Other debtors	-	279
Prepayments and accrued income	204	2,539
	<u>737,879</u>	<u>702,119</u>

6. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>95,606</u>	<u>127,765</u>

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	14,979	7,424
Amounts owed to group undertakings	421,402	300,797
Corporation tax	-	63,853
Other taxation and social security	8,776	4,448
Other creditors	19,620	18,115
Accruals and deferred income	224,968	165,055
	<u>689,745</u>	<u>559,692</u>

8. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Related party transactions

At 30 June 2023, the company was owed £590,172 (2022: £428,492) by BroadSource Australia Pty Ltd, a fellow subsidiary company, a company of which the directors, H Faltyn and J Thals, are directors. The loan is unsecured, interest free and repayable on demand.

At 30 June 2023, the company owed £421,402 (2022: £300,797) to BroadSource Group Pty Ltd, the parent company, a company of which the directors, H Faltyn and J Thals, are directors. The loan is unsecured, interest free and repayable on demand.

10. Ultimate parent company

BroadSource Europe Limited is a wholly owned subsidiary of BroadSource Group Pty Ltd, the ultimate parent company, a company incorporated in Australia.

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