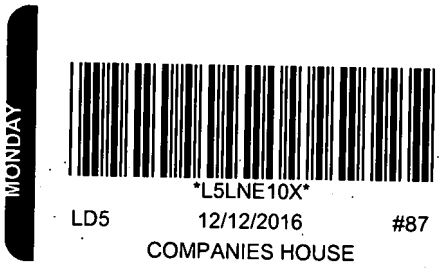
Registered number
02076721

Viva Enterprises Limited

Report and Financial Statements

31 March 2016



Viva Enterprises Limited
Company Information

Directors
R Dangoor
N Dangoor

Secretary
N Dangoor

Auditors
Tung Sing & Co Limited
Chartered Accountants and Statutory Auditor
26 Oakleigh Park South
London
N20 9JU

Bankers
Barclays
75 King Street
Hammersmith
London
W6 9HY

Registered office
245-247 Cricklewood Broadway
London
NW2 6NY

Registered number
02076721

Viva Enterprises Limited
Strategic Report

The directors present their strategic report for the year ended 31 March 2016.

Review of the business
The company has improved its turnover to £12,951,580 compared to £12,173,077 for the year ended 31 March 2015. This resulted in an increased profit before tax to £3,620,549 compared to £3,488,369 for the year ended 31 March 2015.

The company continues to explore opportunities for growth in terms of organic development and the company is well placed to take advantage of all opportunities that may arise.

Principal risks and uncertainties
Like all companies carrying out similar activities, the company is subject to strong competition from large companies in the same trade and this may affect the gross margin achieved from its sales. As a result, the company has established good relationship with its suppliers in the Far East to purchase goods at lower prices to enable to compete with its larger competitors.

As a result of increasing its purchases from the Far East, the company is exposed to the risk of currency fluctuation as most of its goods are priced in US dollars. The directors are aware of this risk but are confident that the company has sufficient cash flow to finance its purchases.

Development and performance
On 1 April 2016, the company acquired the remaining 50% shareholding in Elite Electrical & Lighting Distributors Limited and merged the business of that company with the company. The directors are confident that this acquisition will increase the turnover of the company resulting in higher profit.

Financial key performance indicators
As noted above, the company's turnover has increased in the year under review and the company has managed to limit the increase in its expenses to a reasonable level, resulting in an improved profit.

The profit achieved by the company is well above the average for companies carrying out similar activities.

This report was approved by the board on 2 November 2016 and signed on its behalf.

R Dangoor
Director

Viva Enterprises Limited
Registered number: 02076721
Directors' Report

The directors present their report and financial statements for the year ended 31 March 2016.

Principal activities
The company's principal activity during the year continued to be that of electrical and lighting retailers and wholesalers.

Results and dividends
The results for the year are set out on page 5. During the year the company paid dividends of £1,000,000 (2015: £500,000).

Directors
The following persons served as directors during the year:
R Dangoor
N Dangoor

Charitable donations
During the year the company made charitable donations of £5,898 (2015: £11,282).

Directors' responsibilities
The directors are responsible for preparing the strategic report and 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 (Financial Reporting Standard 102 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 period. In preparing these financial statements, the directors are required to:

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

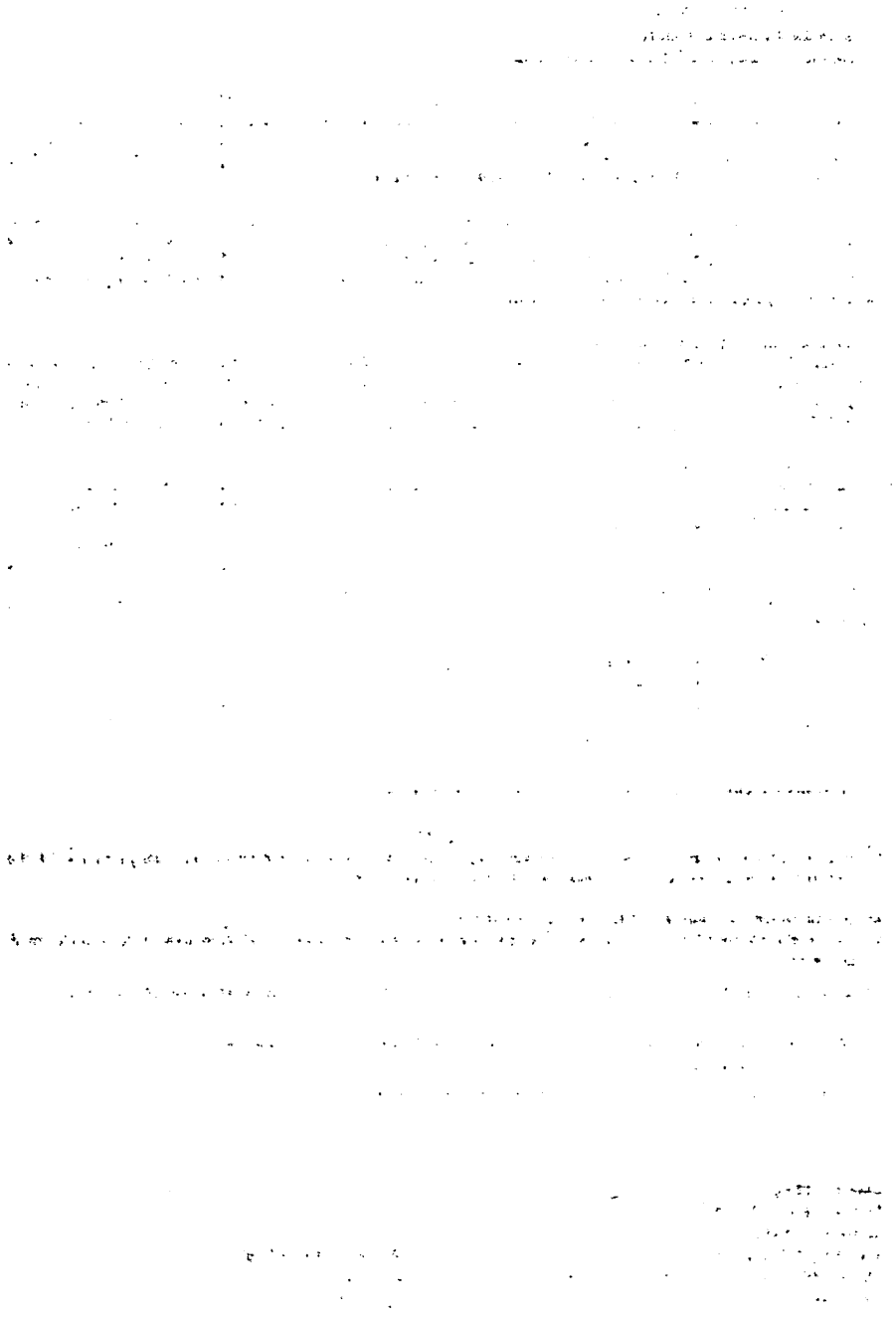
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Disclosure of information to auditors
Each person who was a director at the time this report was approved confirms that:

- so far as he or she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 2 November 2016 and signed on its behalf.

R Dangoor
Director



Viva Enterprises Limited
Independent auditors' report
to the members of Viva Enterprises Limited

We have audited the financial statements of Viva Enterprises Limited for the year ended 31 March 2016 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

C. M. Y. Tung Sing

CMY Tung Sing
(Senior Statutory Auditor)
for and on behalf of
Tung Sing & Co Limited
Chartered Accountants and Statutory Auditor
2 November 2016

26 Oakleigh Park South
London
N20 9JU

Viva Enterprises Limited
Income Statement
for the year ended 31 March 2016

	Notes	2016 £	2015 £
Turnover	2	12,951,580	12,173,077
Cost of sales		(6,689,490)	(6,298,679)
Gross profit		6,262,090	5,874,398
Administrative expenses		(2,873,262)	(2,656,680)
Other operating loss		(272,910)	-
Operating profit	3	3,115,918	3,217,718
Income from investments		485,000	245,000
Interest receivable		20,457	25,651
Interest payable	6	(826)	-
Profit on ordinary activities before taxation		3,620,549	3,488,369
Tax on profit on ordinary activities	7	(701,311)	(687,610)
Profit for the financial year		2,919,238	2,800,759

Continuing operations
None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses
The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 9 to 17 form part of these financial statements.

Viva Enterprises Limited
Statement of Financial Position
as at 31 March 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	8		2,436,478		2,496,394
Investments	9		50		325,148
			2,436,528		2,821,542
Current assets					
Stocks	10	2,623,874		2,072,042	
Debtors	11	7,082,153		3,145,918	
Cash at bank and in hand		4,611,711		6,623,131	
		14,317,738		11,841,091	
Creditors: amounts falling due within one year	12	(1,599,185)		(1,426,582)	
Net current assets			12,718,553		10,414,509
Total assets less current liabilities			15,155,081		13,236,051
Provisions for liabilities					
Deferred taxation	13		(35,791)		(35,999)
Net assets			15,119,290		13,200,052
Capital and reserves					
Called up share capital	14		1,000		1,000
Share premium	15		54,302		54,302
Profit and loss account	16		15,063,988		13,144,750
Total equity			15,119,290		13,200,052

R Dangoor
Director

N Dangoor
Director

Approved by the board on 2 November 2016

Viva Enterprises Limited
Statement of Changes in Equity
for the year ended 31 March 2016

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 April 2014	1,000	54,302	10,843,991	10,899,293
Profit for the financial year			2,800,759	2,800,759
Dividends			(500,000)	(500,000)
At 31 March 2015	1,000	54,302	13,144,750	13,200,052
At 1 April 2015	1,000	54,302	13,144,750	13,200,052
Profit for the financial year			2,919,238	2,919,238
Dividends			(1,000,000)	(1,000,000)
At 31 March 2016	1,000	54,302	15,063,988	15,119,290

Viva Enterprises Limited
Statement of Cash Flows
for the year ended 31 March 2016

	Notes	2016 £	2015 £
Operating activities			
Operating profit		3,115,918	3,217,718
Adjustments for:			
Provision for impairment of fixed asset investment		325,098	-
Depreciation		86,097	97,548
Profit on disposal of fixed assets		(3,299)	(3,539)
		3,523,814	3,311,727
Increase in stocks		(551,832)	(249,954)
Increase in debtors		(3,936,235)	(334,770)
Increase/(decrease) in creditors		215,096	(386,930)
		(749,157)	2,340,073
Dividends received		485,000	245,000
Interest received		20,457	25,651
Interest paid		(826)	-
Corporation tax paid		(744,012)	(585,634)
Cash (used in)/generated by operating activities		(988,538)	2,025,090
Investing activities			
Payments to acquire tangible fixed assets		(40,617)	(589,066)
Proceeds from sale of tangible fixed assets		17,735	-
Cash used in investing activities		(22,882)	(589,066)
Financing activities			
Equity dividends paid		(1,000,000)	(500,000)
Cash used in financing activities		(1,000,000)	(500,000)
Net cash (used)/generated			
Cash (used in)/generated by operating activities		(988,538)	2,025,090
Cash used in investing activities		(22,882)	(589,066)
Cash used in financing activities		(1,000,000)	(500,000)
Net cash (used)/generated		(2,011,420)	936,024
Cash and cash equivalents at 1 April		6,623,131	5,687,107
Cash and cash equivalents at 31 March		4,611,711	6,623,131
Cash and cash equivalents comprise:			
Cash at bank		4,611,711	6,623,131

1 Summary of significant accounting policies

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

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The following accounting policies have been applied:

Turnover
Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	2% straight line
Leasehold properties	over the lease term
Fixtures, fittings & equipment	15% - 25% reducing balance
Motor vehicles	25% reducing balance

Investments
Fixed asset investments are stated at cost less provision for impairment.

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

Judgments in applying accounting policies and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements:

- The recoverability of trade debtors has been assessed as at the year end and up until the date of signing these financial statements. Management have made the decision to provide for any amounts, based on their judgment of all the available information and their experience of the specific nature of the trade debtor in question.

- The net realisable value of stocks has been assessed at the year end and up until the date of signing these financial statements. Management have made the decision to provide for amounts relating to obsolete and slow moving stocks, based on their judgement of all the available information and their experience of the specific nature of the stocks in question.

1 Summary of significant accounting policies (continued)

Debtors and creditors receivable / payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other administrative expenses.

Taxation
A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

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 reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation
Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets
Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable for the period by the company to the fund.

2 Analysis of turnover

	2016 £	2015 £
Electrical and lighting retailer and wholesaler	12,951,580	12,173,077
By geographical market:		
UK	12,464,801	11,668,296
Africa	486,779	504,781
	12,951,580	12,173,077

3 Operating profit

	2016 £	2015 £
This is stated after charging:		
Depreciation of owned fixed assets	86,097	97,548
Operating lease rentals - land and buildings	222,500	222,500
Auditors' remuneration for audit services	18,000	18,000

4 Directors' emoluments

	2016 £	2015 £
Emoluments	85,520	77,187
Highest paid director:		
Emoluments	65,520	65,520

Number of directors to whom retirement benefits accrued:	2016 Number	2015 Number
Defined contribution plans	2	2

5 Staff costs

	2016 £	2015 £
Wages and salaries	1,543,059	1,450,917
Social security costs	151,244	143,522
Other pension costs	13,539	3,180
	1,707,842	1,597,619

Average number of employees during the year	Number	Number
Administration	26	24
Sales	42	40
	68	64

6 Interest payable

	2016 £	2015 £
Interest on late payment of tax	826	-

7 Taxation

	2016	2015
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	701,519	694,012
Deferred tax:		
Origination and reversal of timing differences	(208)	(6,402)
Tax on profit on ordinary activities	701,311	687,610

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2016	2015
	£	£
Profit on ordinary activities before tax	3,620,549	3,488,369
Standard rate of corporation tax in the UK	20%	21%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	724,110	732,557
Effects of:		
Expenses not deductible for tax purposes	9,181	8,302
Capital allowances for period in excess of depreciation	208	4,603
Provision for impairment not deductible for tax purposes	65,020	-
Income from investments not taxable	(97,000)	(51,450)
Current tax charge for period	701,519	694,012

Factors that may affect future tax charges

On 8 July 2015, the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 19 per cent with effect from 1 April 2017 and 18 per cent with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015.

8 Tangible fixed assets

	Leasehold properties (short) £	Freehold properties £	Fixtures, fittings, equipment & motor vehicles £	Total £
Cost				
At 1 April 2015	424,420	2,303,837	1,041,338	3,769,595
Additions	-	-	40,617	40,617
Disposals	-	-	(44,393)	(44,393)
At 31 March 2016	424,420	2,303,837	1,037,562	3,765,819
Depreciation				
At 1 April 2015	412,115	148,174	712,912	1,273,201
Charge for the year	3,075	20,087	62,935	86,097
On disposals	-	-	(29,957)	(29,957)
At 31 March 2016	415,190	168,261	745,890	1,329,341
Carrying amount				
At 31 March 2016	9,230	2,135,576	291,672	2,436,478
At 31 March 2015	12,305	2,155,663	328,426	2,496,394

9 Investments

	2016 £	2015 £
Unlisted investments		
Cost	325,148	325,148
Impairment		
Provision for the year	325,098	-
Carrying amount	50	325,148

The company holds 20% or more of the share capital of the following company:

Company	Shares held Class	%	Capital and reserves £	Profit for the year £
Elite Electrical & Lighting Distributors Limited	Ordinary	50	1,396,232	468,196

10 Stocks

	2016 £	2015 £
Finished goods and goods for resale	2,623,874	2,072,042

11 Debtors

	2016 £	2015 £
Trade debtors	932,160	948,993
Other debtors	5,858,425	1,932,703
Prepayments	291,568	264,222
	7,082,153	3,145,918

Other debtors include a loan of £72,468 (2015: £69,018) to a third party, which is secured over a freehold property and carries interest at the rate of 5% per annum.

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	824,888	617,253
Corporation tax	351,519	394,012
Other taxes and social security costs	325,449	314,759
Accruals	97,329	100,558
	1,599,185	1,426,582

13 Deferred taxation

	2016 £	2015 £
Accelerated capital allowances	35,791	35,999

	2016 £	2015 £
At 1 April	35,999	42,401
Credited to the profit and loss account	(208)	(6,402)
At 31 March	35,791	35,999

14 Share capital

	Nominal value	2016 Number	2016 £	2015 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1,000	1,000	1,000

15 Share premium

	2016 £	2015 £
At 1 April	54,302	54,302
At 31 March	54,302	54,302

16 Profit and loss account

	2016 £	2015 £
At 1 April	13,144,750	10,843,991
Profit for the financial year	2,919,238	2,800,759
Dividends	(1,000,000)	(500,000)
At 31 March	15,063,988	13,144,750

17 Dividends

	2016 £	2015 £
Dividends on ordinary shares	1,000,000	500,000

18 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £13,539 (2015: £3,180).

19 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2016 £	Land and buildings 2015 £
Falling due:		
within one year	80,000	80,000
in over five years	142,500	142,500
	222,500	222,500

20 Related party transactions

(a) During the year the company purchased goods at cost amounting to £5,204 (2015: £8,659) from and sold goods at cost amounting to £63,259 (2015: £61,754) to Elite Electrical and Lighting Distributors Limited, a company of which Mr R Dangoor is a director.

(b) During the year the company carried out the following transactions in the ordinary course of business and on an arms' length basis with companies of which Mr R Dangoor is a shareholder:

	Sales during the year		Outstanding balance	
	2016	2015	2016	2015
	£	£	£	£
Careline Properties Limited	3,174	8,801	308	1,168
Cignia UK Properties Limited	2,612	4,279	585	984
London House Hotels Limited	3,122	2,869	129	-

(c) During the year the company paid rent of £160,000 (2015: £160,000) to J Dangoor and D Dangoor, the sons of the directors, R Dangoor and N Dangoor. This transaction was carried out on an arms' length basis.

(d) Included within debtors is an amount of £1,700,000 (2015: £1,854,944) owed by Cignia UK Properties Limited, a company of which Mr R Dangoor is a shareholder.

(e) Included within debtors is an amount of £3,101,200 (2015: £Nil) owed by Cignia Developments Limited (previously 383 Edgware Road Limited), a company of which Mr R Dangoor is a shareholder.

The above loans in (d) and (e) are interest free and repayable on demand.

(f) Included in debtors is an amount of £982,983 owing by R Dangoor and N Dangoor, the directors and shareholders of the company, arrived at as follows:

	£
Balance as at 1 April 2015	13,480 (credit)
Withdrawn during the year	2,716,373 (debit)
Dividend	1,000,000 (credit)
Repaid during the year	720,000 (credit)
Balance as at 31 March 2016	982,893 (debit)

The above loan is interest free and repayable on demand. The amount outstanding of £982,983 has since been repaid after the year end.

21 Ultimate controlling party

The company was under the control of the directors throughout the current and previous year.

22 Presentation currency

The financial statements are presented in Sterling.

23 Legal form of entity and country of incorporation

Viva Enterprises Limited is a limited company incorporated in England.

24 Principal place of business

The address of the company's principal place of business and registered office is:

245-247 Cricklewood Broadway
London
NW2 6NY

25 First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.