Company Registration No. SC607621 (Scotland)

PANKOSMIA LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

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PANKOSMIA LIMITED

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PANKOSMIA LIMITED

Report To The Directors On The Preparation Of The Unaudited Statutory Accounts Of Pankosmia Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Pankosmia Limited for the period ended 31 March 2020 which comprise, the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the ICAS we are subject to its ethical and other professional requirements which are detailed at https://www.icas.com/professional-resources/ethics/support-and-guidance.

This report is made solely to the Board of Directors of Pankosmia Limited, as a body, in accordance with the terms of our engagement letter dated 18 December 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Pankosmia Limited and state those matters that we have agreed to state to the Board of Directors of Pankosmia Limited, as a body, in this report in accordance with the requirements of the ICAS as detailed at https://www.icas.com/professional-resources/practice/support-and-guidance/framework-for-the-preparation-of-accounts-revised-january- To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pankosmia Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Pankosmia Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Pankosmia Limited. You consider that Pankosmia Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Pankosmia Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Condie & Co Limited
Chartered Accountants

10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

29 March 2021

PANKOSMIA LIMITED

Statement Of Financial Position

As At 31 March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**4**		531,000		-
Tangible assets	**5**		52,928		-
			583,928		-
Current assets					
Stocks		10,000		-	
Debtors	**6**	28,574		3	
Cash at bank and in hand		4,798		-	
		43,372		3	
Creditors: amounts falling due within one year	**7**	(408,742)		-	
Net current (liabilities)/assets			(365,370)		3
Total assets less current liabilities			218,558		3
Creditors: amounts falling due after more than one year	**8**		(358,066)		-
Net (liabilities)/assets			(139,508)		3
Capital and reserves					
Called up share capital	**9**		3		3
Profit and loss reserves			(139,511)		-
Total equity			(139,508)		3

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial period ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

Statement Of Financial Position (Continued)

As At 31 March 2020

The financial statements were approved by the board of directors and authorised for issue on 29 March 2021 and are signed on its behalf by:

Dr M Elsapagh
Director

Mr V Petroysan
Director

Mr M Tsakalidis
Director

Company Registration No. SC607621

1 Accounting policies

Company information

Pankosmia Limited is a private company limited by shares incorporated in Scotland. The registered office is 259 Mearns Road, Glasgow, G77 5LU.

1.1 Accounting convention

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 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company incurred losses during the period of £139,511 and had net current liabilities of £365,370 at the period end. The company is thus dependent on the continued support of its directors and the bank. The directors are confident about the continued support and accordingly consider it appropriate for the financial statements to be prepared on the going concern basis. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

These financial statements represent a period from 22 March 2019 to 31 March 2020. The financial period was extended in order to capture all transactions in the company's first year of trading and as such the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1 **Accounting policies** **(Continued)**

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% Straight line
Fixtures and fittings	20% Straight line
IT equipment	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 **Accounting policies** **(Continued)**

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

1.9 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.

1.10 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 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 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.

Classification of 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 deducting all of its liabilities.

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 payments 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.

1.11 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.

1 **Accounting policies** **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

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.

3 **Employees**

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2019 Number
Total	5	-

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 22 March 2019	-
Additions	590,000
At 31 March 2020	590,000
Amortisation and impairment	
At 22 March 2019	-
Amortisation charged for the period	59,000
At 31 March 2020	59,000
Carrying amount	
At 31 March 2020	531,000
At 21 March 2019	-

5 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	IT equipment	Total
	£	£	£	£
Cost				
At 22 March 2019	-	-	-	-
Additions	2,657	62,000	1,209	65,866
At 31 March 2020	2,657	62,000	1,209	65,866
Depreciation and impairment				
At 22 March 2019	-	-	-	-
Depreciation charged in the period	336	12,400	202	12,938
At 31 March 2020	336	12,400	202	12,938
Carrying amount				
At 31 March 2020	2,321	49,600	1,007	52,928
At 21 March 2019	-	-	-	-

Tangible fixed assets with a net book value of £52,928 (2019: £Nil) have been pledged as security in favour of Bank of Scotland PLC.

6 Debtors

Amounts falling due within one year:	2020 £	2019 £
Other debtors	28,574	3

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	42,347	-
Taxation and social security	1,036	-
Other creditors	365,359	-
	408,742	-

The Bank of Scotland PLC hold a floating charge and negative pledge dated 28 February 2019 over all assets of the company as security.

8 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	358,066	-

The Bank of Scotland PLC hold a floating charge and negative pledge dated 28 February 2019 over all assets of the company as security.

9 Called up share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
3 Ordinary shares of £1 each	3	3

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020 £	2019 £
	74,000	-

11 Related party transactions

The company has taken advantage of Section 1 AC35 of FRS 102 whereby only material transactions which are not under normal market conditions need to be disclosed.

12 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Dr M Elsapagh	-	-	20,074	(194)	19,880
Dr V Petroysan	-	-	38,263	(45)	38,218
Dr M Tsakalidis	-	-	33,885	(637)	33,248
		-	92,222	(876)	91,346

The balance due to the directors, which is included in other creditors, is interest free and repayable on demand.

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.