

Needlers Holdings Limited
Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31st March 2022

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

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for the year ended 31st March 2022

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Needlers Holdings Limited

Company Information

for the year ended 31st March 2022

DIRECTORS:

M Day
D J Egan
Mrs V E Gough
Mrs E J Pointon
P Tiffany

SECRETARY:

Mrs C Underwood

REGISTERED OFFICE:

Fifth Floor
Two Pancras Square
London
N1C 4AG

REGISTERED NUMBER:

06929573 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

Needlers Holdings Limited (Registered number: 06929573)

Strategic Report

for the year ended 31st March 2022

The directors present their strategic report for the year ended 31st March 2022.

REVIEW OF BUSINESS

The company acts and will continue to act as a intermediate company for its subsidiary trading company Needlers Limited.

ON BEHALF OF THE BOARD:

P Tiffany - Director

21st December 2022

Report of the Directors

for the year ended 31st March 2022

The directors present their report with the financial statements of the company for the year ended 31st March 2022.

DIVIDENDS

No dividends were paid during the year (2021: £268,750).

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2021 to the date of this report.

M Day
D J Egan
Mrs V E Gough
Mrs E J Pointon
P Tiffany

GOING CONCERN

Following the acquisition of the company by RS Group PLC in the previous period, the company remains a non-trading intermediate holding company. There have been no transactions in the year. The company has reported net current liabilities of £2,681,000, predominately due to inter-group borrowings. The company has net assets of £2,862,000.

The directors have considered the results, financial position and future forecasts of the company in arriving at their conclusion, which covered the period to September 2023. This included risks and uncertainties relevant to the company, including those set out in the Strategic Report of the company and its trading subsidiaries.

The Directors have considered if any other matters which may cast significant doubt on the company's ability to continue as going concern are present. After making enquiries and considering the results of the procedures noted above, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). 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;
- 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.

Report of the Directors

for the year ended 31st March 2022

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The ultimate parent company (Note 12) entered into a deed in 2007 to indemnify the Directors (from time to time) of the company to the extent permitted by law. A copy of this indemnity (which remains in force as of the date on which this report was approved) is available at the registered office of the company. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2021, which was renewed for 2022, for each of its Directors and each of the Directors of its subsidiary companies. It remains in force at the date of approval of this Directors' Report. Neither the indemnity nor insurance provides cover in the event that a Director or Officer is proved to have acted fraudulently.

ON BEHALF OF THE BOARD:

P Tiffany - Director

21st December 2022

Report of the Independent Auditors to the Members of Needlers Holdings Limited

Opinion

We have audited the financial statements of Needlers Holdings Limited (the 'company') for the year ended 31st March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2022;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Needlers Holdings Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, tax legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Report of the Independent Auditors to the Members of Needlers Holdings Limited

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

Matthew Fox FCCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

21st December 2022

Statement of Comprehensive Income

for the year ended 31st March 2022

		Year ended 31.3.22 £	Period 1.1.20 to 31.3.21 £
	Notes		
TURNOVER		-	1,000,000
Administrative expenses		-	54,398
OPERATING PROFIT		-	945,602
Interest payable and similar expenses	3	-	1,356
PROFIT BEFORE TAXATION		-	944,246
Tax on profit	4	-	179,407
PROFIT FOR THE FINANCIAL YEAR		-	764,839
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		-	764,839

Needlers Holdings Limited (Registered number: 06929573)**Balance Sheet****31st March 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Investments	6		5,543,023		5,543,023
CURRENT ASSETS					
Debtors	7	1,225,076		1,423,934	
CREDITORS					
Amounts falling due within one year	8	<u>3,906,337</u>		<u>4,105,195</u>	
NET CURRENT LIABILITIES			<u>(2,681,261)</u>		<u>(2,681,261)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,861,762</u>		<u>2,861,762</u>
CAPITAL AND RESERVES					
Called up share capital	9		55,040		55,040
Share premium	10		678,735		678,735
Retained earnings	10		<u>2,127,987</u>		<u>2,127,987</u>
SHAREHOLDERS' FUNDS			<u>2,861,762</u>		<u>2,861,762</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21st December 2022 and were signed on its behalf by:

P Tiffany - Director

Statement of Changes in Equity

for the year ended 31st March 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2020	45,000	1,631,898	678,735	2,355,633
Changes in equity				
Issue of share capital	10,040	-	-	10,040
Dividends	-	(268,750)	-	(268,750)
Total comprehensive income	-	764,839	-	764,839
Balance at 31st March 2021	55,040	2,127,987	678,735	2,861,762
Changes in equity				
Balance at 31st March 2022	55,040	2,127,987	678,735	2,861,762

Notes to the Financial Statements

for the year ended 31st March 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Needlers Holdings Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

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

The financial statements cover the year to 31 March 2022. The company's year end was changed at Companies House in December 2020 to match the year end of other group companies and therefore the information shown for the period from 1 January 2020 to 31 March 2021 is not directly comparable.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Needlers Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, RS Group plc (formerly Electrocomponents plc), which are publicly available (Note 14).

Turnover

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

Investments in subsidiaries

Fixed asset investments are included at cost unless, in the opinion of the directors, there is a permanent diminution in the value of these investments, in which case a provision is made against the deficit.

Investments are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

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.

Notes to the Financial Statements - continued

for the year ended 31st March 2022

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

The company and its subsidiary operates a defined contributions scheme for its directors and senior management which is independently administered. The pension cost charge represents contributions payable by the company to the scheme.

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 profit and loss account in other administrative expenses.

Significant judgements

The preparation of accounts under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant that are included in these accounts. Judgements have been reviewed to take account of the likely impact of climate change, geopolitical uncertainties and the Company's latest assumptions of any likely further impact of the COVID-19 pandemic and its variants.

2. EMPLOYEES AND DIRECTORS

	Year ended 31.3.22 £	Period 1.1.20 to 31.3.21 £
Wages and salaries	<u>-</u>	<u>15,072</u>

The average number of employees during the year was as follows:

	Year ended 31.3.22	Period 1.1.20 to 31.3.21
Directors	<u>-</u>	<u>2</u>

	Year ended 31.3.22 £	Period 1.1.20 to 31.3.21 £
Directors' remuneration	<u>-</u>	<u>15,072</u>

Notes to the Financial Statements - continued

for the year ended 31st March 2022

2. EMPLOYEES AND DIRECTORS - continued

The Directors of the company who are employees of other RS Group plc companies predominantly perform services for and are remunerated by other group companies. These Directors received no emoluments for their qualifying services to the company.

Three directors (2021: three) were entitled to receive shares in the ultimate parent company under that company's Long Term Incentive Plan by virtue of their directorship or employment directly with the ultimate parent company. Full details of this LTIP is provided in the ultimate parent company's annual report and financial statements which can be obtained as disclosed in Note 12.

In the prior period, three directors who were remunerated by a subsidiary company during that period exercised options in this company. This included the highest paid director as disclosed in the prior period.

3. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31.3.22 £	Period 1.1.20 to 31.3.21 £
Loan interest	<u>-</u>	<u>1,356</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year ended 31.3.22 £	Period 1.1.20 to 31.3.21 £
Current tax:		
UK corporation tax	<u>-</u>	<u>179,407</u>
Tax on profit	<u>-</u>	<u>179,407</u>

5. DIVIDENDS

	Year ended 31.3.22 £	Period 1.1.20 to 31.3.21 £
Ordinary A shares of £1 each		
Interim	<u>-</u>	<u>268,750</u>

The directors do not propose a final dividend for the period ended 31st March 2022 (2021: £Nil).

Notes to the Financial Statements - continued

for the year ended 31st March 2022

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st April 2021	
and 31st March 2022	<u>5,543,023</u>
NET BOOK VALUE	
At 31st March 2022	<u>5,543,023</u>
At 31st March 2021	<u>5,543,023</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Needlers Limited

Registered office: Fifth Floor, Two Pancras Square, London, N1C 4AG

Nature of business: the supply of personal protective equipment

	%
Class of shares:	holding
Ordinary shares	100.00
Preference shares	100.00

B & W (Hygiene Services) Company Limited

Registered office: Fifth Floor, Two Pancras Square, London, N1C 4AG

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The company, by virtue of its 100% shareholding in Needlers Limited owns 100% of the share capital in B & W (Hygiene Services) Company Limited.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Amounts owed by group undertakings	<u>1,225,076</u>	<u>1,423,934</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Amounts owed to group undertakings	3,906,337	3,906,337
Tax	-	179,407
Accruals and deferred income	-	19,451
	<u>3,906,337</u>	<u>4,105,195</u>

Notes to the Financial Statements - continued

for the year ended 31st March 2022

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022	2021
Number:	Class:		£	£
40,150	Ordinary A	£1	40,150	40,150
10,040	Ordinary B	£1	10,040	10,040
4,850	Ordinary C	£1	4,850	4,850
			<u>55,040</u>	<u>55,040</u>

During the prior year 4,850 Ordinary A shares were redesignated as Ordinary C shares and 10,040 Ordinary B shares were issued for cash at par. The latter were issued pursuant to the terms of a share option scheme and the relevant options were exercisable in the event of a sale of the company and the maximum number of shares were dependent on the value of that sale. All 10,040 share options exercised were granted in earlier years and no options remained outstanding at the year end.

10. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1st April 2021	2,127,987	678,735	2,806,722
Profit for the year	-	-	-
At 31st March 2022	<u>2,127,987</u>	<u>678,735</u>	<u>2,806,722</u>

Called up share capital represents the nominal value of shares that have been issued.

The share premium account represents the premium arising on the issue of shares net of issue costs.

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

11. RELATED PARTY DISCLOSURES

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.

There were no other related party transactions.

12. CONTROLLING PARTIES

The immediate parent company is Electrocomponents U.K. Limited.

The ultimate parent company and smallest and largest group to consolidate these accounts is RS Group plc. Copies of the RS Group plc Annual Report and accounts are available to the public and may be obtained from Fifth Floor, Two Pancras Square, London, N1C 4AG, UK.

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.