

**REGISTERED NUMBER: 03665577 (England and Wales)**

**Eran Diamonds (UK) Limited**  
**Filleted Consolidated**  
**Financial Statements**  
**for the Year Ended 31st December 2022**

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for the Year Ended 31st December 2022**

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**Eran Diamonds (UK) Limited (Registered number: 03665577)**

**Company Statement of Financial Position  
31st December 2022**

	Notes	2022	2021
		£	£
<b>Fixed assets</b>			
Tangible assets	7	-	-
Investments	8	<u>5,018,043</u>	<u>5,018,043</u>
		5,018,043	5,018,560
<b>Current assets</b>			
Stock		23,470	42,320
Debtors	9	7,821,865	5,977,030
Cash at bank		<u>518,243</u>	<u>466,257</u>
		8,363,578	6,485,607
<b>Creditors</b>			
Amounts falling due within one year	10	<u>(5,111,743)</u>	<u>(3,313,366)</u>
<b>Net current assets</b>		<u>3,251,835</u>	<u>3,172,241</u>
<b>Total assets less current liabilities</b>		8,269,878	8,190,284
<b>Creditors</b>			
Amounts falling due after more than one year	11	<u>(2,490,000)</u>	<u>(2,520,000)</u>
<b>Net assets</b>		<u>5,779,878</u>	<u>5,670,284</u>
<b>Capital and reserves</b>			
Called up share capital	12	90,000	90,000
Share premium		4,595,000	4,595,000
Retained earnings		<u>1,094,878</u>	<u>985,284</u>
<b>Shareholders' funds</b>		<u>5,779,878</u>	<u>5,670,284</u>
<b>Company's profit for the financial year</b>		<u>235,594</u>	<u>251,772</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2022 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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

The financial statements were approved by the Board of Directors and authorised for issue on 26th June 2023 and were signed on its behalf by:



.....  
Mr S Nahar - Director

**Eran Diamonds (UK) Limited (Registered number: 03665577)**

**Consolidated Statement of Financial Position  
31st December 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	6	1,480,811	1,558,749
Tangible assets	7	<u>5,172,580</u>	<u>2,883,323</u>
		6,653,391	4,442,072
<b>Current assets</b>			
Stock		3,592,600	3,533,082
Debtors	9	993,736	822,807
Investments	8	343,400	293,400
Cash at bank and in hand		<u>3,956,693</u>	<u>4,623,534</u>
		8,886,429	9,272,823
<b>Creditors</b>			
Amounts falling due within one year	10	<u>(5,402,934)</u>	<u>(3,829,284)</u>
<b>Net current assets</b>		<u>3,483,494</u>	<u>5,443,539</u>
<b>Total assets less current liabilities</b>		10,136,885	9,885,611
<b>Creditors</b>			
Amounts falling due after more than one year	11	<u>(2,490,000)</u>	<u>(2,520,000)</u>
<b>Net assets</b>		<u>7,646,885</u>	<u>7,365,611</u>
<b>Capital and reserves</b>			
Called up share capital	12	90,000	90,000
Share premium	13	4,595,000	4,595,000
Retained earnings	13	<u>2,566,913</u>	<u>2,270,775</u>
<b>Shareholders' funds</b>		7,251,913	6,955,775
<b>Non-controlling interests</b>		<u>394,972</u>	<u>409,836</u>
<b>Total equity</b>		<u>7,646,885</u>	<u>7,365,611</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th June 2023 and were signed on its behalf by:



Mr S Nahar - Director

The notes form part of these financial statements

**Eran Diamonds (UK) Limited**

**Consolidated Statement of Changes in Equity  
for the Year Ended 31st December 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>
<b>Balance at 1st January 2021</b>	90,000	942,515	4,595,000
<b>Changes in equity</b>			
Dividends		(186,000)	
Total comprehensive income	-	1,514,260	-
	90,000	2,270,775	4,595,000
Acquisition of non-controlling interest	-	-	-
<b>Balance at 31st December 2021</b>	<u>90,000</u>	<u>2,270,775</u>	<u>4,595,000</u>
<b>Changes in equity</b>			
Dividends		(186,000)	
Total comprehensive income	-	482,138	-
	90,000	2,566,913	4,595,000
Acquisition of non-controlling interest	-	-	-
<b>Balance at 31st December 2022</b>	<u>90,000</u>	<u>2,566,913</u>	<u>4,595,000</u>

	<b>Other reserves</b>	<b>Total £</b>	<b>Non-controlling interests £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2021</b>	-	5,627,515	250,146	5,877,662
<b>Changes in equity</b>				
Dividends	-	(186,000)	(48,000)	(234,000)
Total comprehensive income	-	1,514,260	207,690	1,721,950
	-	6,955,775	409,836	7,365,611
Acquisition of non-controlling interest	-	-	-	-
<b>Balance at 31st December 2021</b>	<u>-</u>	<u>6,955,755</u>	<u>409,836</u>	<u>7,365,611</u>
<b>Changes in equity</b>				
Dividends	-	(186,000)	(48,000)	(234,000)
Total comprehensive income	-	482,138	33,136	515,274
	-	7,251,913	394,972	7,646,885
Acquisition of non-controlling interest	-	-	-	-
<b>Balance at 31st December 2022</b>	<u>-</u>	<u>7,251,913</u>	<u>394,972</u>	<u>7,646,885</u>

The notes form part of these financial statements

**Eran Diamonds (UK) Limited**

**Company Statement of Changes in Equity  
for the Year Ended 31st December 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2021</b>	90,000	859,512	4,595,000	5,544,512
<b>Changes in equity</b>				
Dividends		(126,000)		(126,000)
Total comprehensive income	-	<u>251,772</u>	-	<u>251,772</u>
<b>Balance at 31st December 2021</b>	<u>90,000</u>	<u>985,284</u>	<u>4,595,000</u>	<u>5,670,284</u>
<b>Changes in equity</b>				
Dividends		(126,000)		(126,000)
Total comprehensive income	-	<u>235,594</u>	-	<u>235,594</u>
<b>Balance at 31st December 2022</b>	<u><u>90,000</u></u>	<u><u>1,094,878</u></u>	<u><u>4,595,000</u></u>	<u><u>5,779,878</u></u>

## **Eran Diamonds (UK) Limited**

### **Notes to the Consolidated Financial Statements for the Year Ended 31st December 2022**

#### **1. Statutory information**

Eran Diamonds (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

#### **2. Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

#### **3. Accounting policies**

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

##### **Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on amortisation is capitalised and written off over between three and twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group income statement is published, a separate income statement for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

##### **Non controlling interests**

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportion of profit and loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

##### **Related party exemption**

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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **Eran Diamonds (UK) Limited**

### **Notes to the Consolidated Financial Statements - continued for the Year Ended 31st December 2022**

#### **Accounting policies - continued**

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

##### **Intangible assets**

Intangible assets are initially recorded at cost and is subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date and amortised over 20 years.

##### **Tangible fixed assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	- not depreciated
Leasehold land and buildings	- over the lease term of 15 years
Plant and machinery	- 20% reducing balance
Fixtures, fittings, tools and equipment	- 12.5% reducing balance

##### **Fixed asset investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

##### **Financial instruments**

Where investments can be measured reliably at their fair value, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised. The Company has over the last two years added lab grown diamonds as a new product range which is offered to its wholesale and retail customers. The pricing structure of this product has been seen to be extremely volatile and price changes are affecting the industry as technology improves. The Company acknowledges the exposure this creates with stock valuations hence it makes adequate efforts to value stock at the lower of market or cost wherever possible. The current closing stock valuations are made to reflect these changes and the Company is confident that the stock reflects real market values taking into account future changes and exchange rate fluctuations.

##### **Debtors**

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.



## **Eran Diamonds (UK) Limited**

### **Notes to the Consolidated Financial Statements - continued for the Year Ended 31st December 2022**

#### **Accounting policies - continued**

##### **Creditors**

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Pension plans**

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

#### **4. Employees**

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

	<b>2022</b>	<b>2021</b>
Average number of employees	<u><b>15</b></u>	<u><b>13</b></u>

**Eran Diamonds (UK) Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2022**

**5. Individual statement of comprehensive income**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**6. Intangible fixed assets**

**Group**

	<b>Goodwill £</b>	<b>Totals £</b>
<b>Cost</b>		
At 1st January 2022		
and 31st December 2022	<u><b>1,558,749</b></u>	<u><b>1,558,749</b></u>
<b>Amortisation</b>		
At 1st January 2022	-	-
Amortisation for year	<u><b>(77,937)</b></u>	<u><b>(77,937)</b></u>
At 31st December 2022	<u><b>1,480,811</b></u>	<u><b>1,480,811</b></u>
<b>Net book value</b>		
At 31st December 2022	<u><u><b>1,480,811</b></u></u>	<u><u><b>1,480,811</b></u></u>
<i>At 31st December 2021</i>	<u><u><b>1,558,749</b></u></u>	<u><u><b>1,558,749</b></u></u>

**Eran Diamonds (UK) Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2022**

**7. Tangible fixed assets**

<b>Group</b>	<b>Land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Plant and machinery £</b>	<b>Totals £</b>
<b>Cost</b>				
At 1st January 2021	2,974,520	90,440	21,497	3,086,457
Additions	2,290,445	-	-	2,290,445
Disposals	-	-	-	-
At 31st December 2022	<u>5,264,965</u>	<u>90,440</u>	<u>21,497</u>	<u>3,086,457</u>
<b>Depreciation</b>				
At 1st January 2022	100,698	80,939	21,497	203,134
Charge for year	-	1,188	-	1,188
Eliminated on disposal	-	-	-	-
At 31st December 2022	<u>-</u>	<u>82,127</u>	<u>21,497</u>	<u>204,322</u>
<b>Net book value</b>				
At 31st December 2022	<u>5,164,267</u>	<u>8,313</u>	<u>-</u>	<u>5,172,580</u>
At 31st December 2021	<u>2,873,822</u>	<u>9,501</u>	<u>-</u>	<u>2,883,323</u>

Land and buildings consist of purpose built student accommodation amounting to £2,040,445. The remaining carrying value of land and buildings consists of residential investment properties.

**Company**

	<b>Plant and machinery £</b>	<b>Totals £</b>
<b>Cost</b>		
At 1st January 2022	8,597	8,597
Additions	-	-
Disposals	-	-
At 31st December 2022	<u>8,597</u>	<u>8,597</u>
<b>Depreciation</b>		
At 1st January 2022	8,597	8,597
Charge for year	-	-
Eliminated on disposal	-	-
At 31st December 2022	<u>8,597</u>	<u>8,597</u>
<b>Net book value</b>		
At 31st December 2022	<u>-</u>	<u>-</u>
At 31st December 2021	<u>-</u>	<u>-</u>

**Eran Diamonds (UK) Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2022**

**8. Investments**

**Group (Current asset investments)**

	<b>Unlisted investments £</b>
<b>Cost</b>	
At 1st January 2022	<b>293,400</b>
Additions	<u><b>50,000</b></u>
At 31st December 2022	<u><b>343,400</b></u>
<b>Net book value</b>	
At 31st December 2022	<u><b>343,400</b></u>
At 31st December 2021	<u><u><b>293,400</b></u></u>

**Company (Fixed asset investments)**

	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1st January 2021	<b>5,018,043</b>
Additions	-
Disposals	<u>-</u>
At 31st December 2021	<u><b>5,018,043</b></u>
<b>Net book value</b>	
At 31st December 2021	<u><b>5,018,043</b></u>
At 31st December 2020	<u><u><b>5,018,043</b></u></u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries**

**Rahaan International Limited**

Registered office: 1<sup>st</sup> Floor, 46 Warstone Lane, Hockley, Birmingham, B18 6JJ, England

Nature of business: Diamond merchants

Class of shares:	%
Ordinary	holding 100.00

**J.E. Marlow & Sons Limited**

Registered office: 1<sup>st</sup> Floor, 46 Warstone Lane, Hockley, Birmingham, B18 6JJ, England

Nature of business: Shipbroking

Class of shares:	%
Ordinary B	holding 85.00

**Eran Diamonds (UK) Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2022**

**9. Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	573,681	430,350	278,523	194,971
Amounts owed by group undertakings	-	-	7,263,342	5,492,059
Other debtors	<u>420,055</u>	<u>392,457</u>	<u>280,000</u>	<u>290,000</u>
	<u><b>993,736</b></u>	<u><b>822,807</b></u>	<u><b>7,821,865</b></u>	<u><b>5,977,030</b></u>

**10. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	4,648,523	2,924,771	4,644,043	2,922,735
Tax	125,353	391,714	41,189	44,849
Social security and other taxes	405,479	478,150	309,885	328,166
Other creditors	142,381	23,110	100,827	12,013
Accruals	<u>81,198</u>	<u>11,539</u>	<u>15,799</u>	<u>5,603</u>
	<u><b>5,402,934</b></u>	<u><b>3,829,284</b></u>	<u><b>5,111,743</b></u>	<u><b>3,313,366</b></u>

**Eran Diamonds (UK) Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2022**

**11. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other creditors	2,490,000	2,520,000	2,490,000	2,520,000

**12. Called up share capital**

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
90,000	Ordinary	£1.00	<u>90,000</u>	<u>90,000</u>

**13. Reserves**

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Other reserve - This reserve records the surpluses arising on previous business acquisitions and combinations as well as foreign currency translation differences.

**14. Directors' advances, credits and guarantees**

At the reporting date, the company owed £140,828 (2021: £11,868) to S. Nahar who is a director of the company and a shareholder. The loan is unsecured and interest free but repayable on demand.

**15. Related party disclosures**

The company purchased £2,193,108 (2021: £0) of goods from Rahaan Jewellery LLC, a company registered in the United Arab Emirates and which holds a minority interest in Eran Diamonds (UK) Limited. All transactions were carried out on commercial terms and at arm's length. At the reporting date the company owed £3,374,272 (2021: £1,023,018) to Rahaan Jewellery LLC.

**16. Controlling party**

The company was under the control of Mr S Nahar throughout the current and previous year.

1. The first step in the process of identifying a problem is to define the problem clearly and concisely.

2. The second step is to gather information about the problem, including its causes, effects, and any relevant data.

3. The third step is to analyze the information.

4. The fourth step is to develop a plan of action, which involves identifying the steps that need to be taken to solve the problem.

5. The fifth step is to implement the plan, which involves putting the plan into action and monitoring progress.

6. The sixth step is to evaluate the results, which involves assessing the effectiveness of the solution and making any necessary adjustments.

7. The seventh step is to document the process.

8. The eighth step is to communicate the results.

9. The ninth step is to reflect on the process.

10. The tenth step is to conclude the process.

11. The eleventh step is to review the process.

12. The twelfth step is to implement the plan.

13. The thirteenth step is to evaluate the results.

14. The fourteenth step is to document the process.

15. The fifteenth step is to communicate the results.