COMPANY REGISTRATION NUMBER: 01873788

AAA SUPPLY LIMITED

UNAUDITED FINANCIAL STATEMENTS

31 March 2017

AAA SUPPLY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF AAA SUPPLY LIMITED

YEAR ENDED 31 MARCH 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of AAA Supply Limited for the year ended 31 March 2017, 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 Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance. This report is made solely to the Board of Directors of AAA Supply Limited, as a body, in accordance with the terms of our engagement letter dated 7 February 2017. Our work has been undertaken solely to prepare for your approval the financial statements of AAA Supply Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AAA Supply Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that AAA Supply 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 profit of AAA Supply Limited. You consider that AAA Supply Limited is exempt from the statutory audit requirement for the year. We have not been instructed to carry out an audit or a review of the financial statements of AAA Supply 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.

ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED Chartered accountant

Hanover Buildings 11-13 Hanover Street Liverpool L1 3DN

21 December 2017

AAA SUPPLY LIMITED

STATEMENT OF FINANCIAL POSITION

31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	**5**		**1,040,520**		1,046,575
CURRENT ASSETS					
Stocks		**66,565**		60,290	
Debtors	**6**	**465,329**		487,139	
Cash at bank and in hand		**484,560**		171,488	
		1,016,454		718,917	
CREDITORS: Amounts falling due within one year	**7**	**603,641**		351,506	
NET CURRENT ASSETS			**412,813**		367,411
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,453,333**		1,413,986
CREDITORS: Amounts falling due after more than one year	**8**		**8,406**		15,131
PROVISIONS					
Taxation including deferred tax			**16,940**		16,940
NET ASSETS			**1,427,987**		1,381,915
CAPITAL AND RESERVES					
Called up share capital			**100**		100
Profit and loss account			**1,427,887**		1,381,815
SHAREHOLDERS FUNDS			**1,427,987**		1,381,915

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 21 December 2017 , and are signed on behalf of the board by:

BJ Hitchen

Director

Company registration number: 01873788

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Hanover Buildings, 11-13 Hanover Street, Liverpool, L1 3DN.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

Judgements and key sources of estimation uncertainty

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Revenue recognition

Turnover is derived from the supply of floor coverings and is recognised on the date of delivery of goods, exclusive of Value Added Tax.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 that are expected to apply to the reversal of the timing difference. Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Tangible 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. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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:

Freehold property	-	£100 per annum
Equipment	-	33% straight line
Plant & machinery	-	15% reducing balance
Fixtures & fittings	-	15% reducing balance

Motor vehicles - 25% reducing balance

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 23 (2016: 23).

5. TANGIBLE ASSETS

	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 April 2016	994,919	32,613	134,036	141,750	**1,303,318**
Additions	–	–	–	10,805	**10,805**
Disposals	–	–	–	(20,500)	**(20,500)**
At 31 March 2017	994,919	32,613	134,036	132,055	**1,293,623**
Depreciation					
At 1 April 2016	18,749	29,716	96,624	111,654	**256,743**
Charge for the year	100	435	5,612	10,063	**16,210**
Disposals	–	–	–	(19,850)	**(19,850)**
At 31 March 2017	18,849	30,151	102,236	101,867	**253,103**
Carrying amount					
At 31 March 2017	976,070	2,462	31,800	30,188	**1,040,520**
At 31 March 2016	976,170	2,897	37,412	30,096	1,046,575

Included within the above is investment property as follows:

	£
At 1 April 2016 and 31 March 2017	**300,000**

Included in 'Freehold Property' are investment properties with a cost of £212,440. These investment properties were revalued on an open market value basis by Albany Property Services, professional valuers, on 31 March 2009 at a valuation of £300,000. The directors believe this value to be a true representation of the fair value of the investment properties as at 31 March 2017.

6. DEBTORS

	2017	2016
	£	£
Trade debtors	**430,395**	434,513
Other debtors	**34,934**	52,626
	465,329	487,139

7. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**180,494**	228,691
Corporation tax	–	8,055
Social security and other taxes	**66,801**	12,719
Other creditors	**356,346**	102,041
	603,641	351,506

8. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	**8,406**	15,131

9. RELATED PARTY TRANSACTIONS

The following related party transactions were undertaken during the year: Mr B J Hitchen is a director and majority shareholder. During the year he introduced £72,534 (2015: £79,448) and withdraw funds of £60,729 (2015: £57,241). As at 31 March 2016 the balance due to Mr B J Hitchen was £10,308 (2015: Amount due to the company £1,498). The maximum balance outstanding during the year was £7,872 (2014: £35,255). No interest is charged on the director's loan account. Mrs S Hitchen is a director. During the year she introduced £13,989 (2015: £12,150) and withdraw funds of £12,150 (2015: £12,300). As at 31 March 2016 the balance due to Mrs S Hitchen was £1,839 (2015: Amount due to the company was £150). The maximum balance outstanding during the year was £150. No interest is charged on the director's loan account. During the year the company received a loan of £Nil (2015: £50,000) from Variety Flooring Liverpool Limited, a company under common control. Variety Flooring Liverpool Limited paid insurance on behalf of the company amounting to £1,200 (2015: £1,027). The company provided a loan to Variety Flooring Liverpool Limited of £7,800. The balance owing to the company from Variety Flooring Liverpool Limited at the year end was £4,573 (2015: Amount due to Variety Flooring Liverpool Limited£52,027). No further transactions with related parties were undertaken such as are required to be disclosed in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

10. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

Reconciliation of equity

	1 April 2015			31 March 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	1,014,580	–	1,014,580	1,046,575	–	1,046,575
Current assets	533,196	–	533,196	718,917	–	718,917
Creditors: amounts falling due within one year	(345,766)	–	(345,766)	(351,506)	–	(351,506)
Net current assets	187,430	–	187,430	367,411	–	367,411
Total assets less current liabilities	1,202,010	–	1,202,010	1,413,986	–	1,413,986
Creditors: amounts falling due after more than one year	–	–	–	(15,131)	–	(15,131)
Provisions	–	(16,940)	(16,940)	–	(16,940)	(16,940)
Net assets	1,202,010	(16,940)	1,185,070	1,398,855	(16,940)	1,381,915
Capital and reserves	1,202,010	(16,940)	1,185,070	1,398,855	(16,940)	1,381,915

FRS 102 requires that the revaluation gains and losses on investment properties are recognised in profit or loss. Previously the company recognised such gains and losses directly in the investment property revaluation reserve. This has resulted in the profit and loss account reserve on transition increasing by £89,160 and the elimination of the balance on the investment property revaluation reserve. Deferred tax on investment property revaluation gains: FRS 102 requires deferred tax to be recognised on investment property revaluation gains and losses which resulted in an increase to the deferred tax liability on transition of £16,940.