

Company Registration No. 03131986 (England and Wales)

A & A BUSINESS SUPPLIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020
PAGES FOR FILING WITH REGISTRAR

A & A BUSINESS SUPPLIES LIMITED

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A & A BUSINESS SUPPLIES LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		24,016		48,032
Tangible assets	4		56,366		63,445
			<u>80,382</u>		<u>111,477</u>
Current assets					
Stocks		28,829		22,978	
Debtors	5	597,656		709,399	
		<u>626,485</u>		<u>732,377</u>	
Creditors: amounts falling due within one year	6	(570,038)		(721,523)	
Net current assets			<u>56,447</u>		<u>10,854</u>
Total assets less current liabilities			<u>136,829</u>		<u>122,331</u>
Provisions for liabilities			<u>(9,758)</u>		<u>(9,768)</u>
Net assets			<u><u>127,071</u></u>		<u><u>112,563</u></u>
Capital and reserves					
Called up share capital			7,537		7,537
Capital redemption reserve			728		728
Profit and loss reserves			<u>118,806</u>		<u>104,298</u>
Total equity			<u><u>127,071</u></u>		<u><u>112,563</u></u>

A & A BUSINESS SUPPLIES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2020

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 January 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 year 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.

The financial statements were approved by the board of directors and authorised for issue on 26 June 2020 and are signed on its behalf by:

Mr S Taylor
Director

Company Registration No. 03131986

A & A BUSINESS SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Company information

A & A Business Supplies Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o HJS Chartered Accountants, 12-14 Carlton Place, Southampton, Hampshire, England, SO15 2EA.

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 amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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.

Since the company's year end, the Covid-19 pandemic has spread around the globe, with consequential restrictions on movement and events in many countries. With the country entering into lockdown conditions, in line with many other nations across the globe, there has been disruption to ongoing work and the company, has taken steps to temporarily reduce its work force to compensate for the lower trading levels.

As the company operates in the office and business supplies industry, demand for these services has remained strong throughout the pandemic, and although certain office supply demand has temporarily reduced, other areas have increased. This increase together with cost savings made means the company has maintained profitability to date.

As a result, the directors consider that the measures introduced, together with strong cash reserves will ensure that the company is in a good position to withstand the economic pressures brought about by the Covid-19 pandemic, and has the ability to continue as a going concern for a period of 12 months from the date of approving these financial statements.

1.3 Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

A & A BUSINESS SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

The Goodwill, being the amount paid in connection with the acquisition of a business in 2005, has been fully amortised.

The Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated remaining useful life of five years. At 31st January 2017, this policy was reviewed and amended to reflect the estimated remaining useful life of the goodwill of 4 years.

1.5 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 machinery	33% on reducing balance
Fixtures, fittings & equipment	15% on reducing balance

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets. A provision is made for any impairment loss and taken to the profit and loss account.

1.7 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 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.

1.9 Financial instruments

The company only enters into Basic financial instrument transactions.

Financial instruments are recognised in the company's balance sheet 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.

A & A BUSINESS SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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.

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.

1.10 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.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The 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

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 the tax assessments.

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.

The company's liability for current and deferred tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

A & A BUSINESS SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 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 Employees

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

	2020 Number	2019 Number
Total	15	14

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2019 and 31 January 2020	379,288
Amortisation and impairment	
At 1 February 2019	331,256
Amortisation charged for the year	24,016
At 31 January 2020	355,272
Carrying amount	
At 31 January 2020	24,016
At 31 January 2019	48,032

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

4 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 February 2019	73,127	158,811	231,938
Additions	-	6,087	6,087
At 31 January 2020	73,127	164,898	238,025
Depreciation and impairment			
At 1 February 2019	56,092	112,401	168,493
Depreciation charged in the year	5,678	7,488	13,166
At 31 January 2020	61,770	119,889	181,659
Carrying amount			
At 31 January 2020	11,357	45,009	56,366
At 31 January 2019	17,035	46,410	63,445

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	507,449	645,687
Other debtors	85,173	58,945
Prepayments and accrued income	5,034	4,767
	597,656	709,399

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	25,220	107,018
Trade creditors	419,931	498,302
Corporation tax	47,902	40,648
Other taxation and social security	39,055	34,271
Other creditors	3,803	2,311
Accruals and deferred income	34,127	38,973
	570,038	721,523

A & A BUSINESS SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

7 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
£	£
67,067	97,306
<u>67,067</u>	<u>97,306</u>

8 Related party transactions

At the balance sheet date, the directors owed the company £44,254 (2019 £37,004).

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.