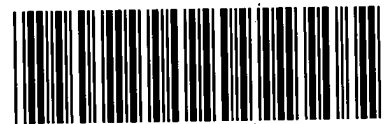


Company Registration No. 03868917 (England and Wales)

**A & A 2000 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2017**

TUESDAY



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31/07/2018  
COMPANIES HOUSE

# **A & A 2000 LIMITED**

## **COMPANY INFORMATION**

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**Directors** Mr A M Warren  
Mrs A K Warren

**Secretary** Mr A M Warren

**Company number** 03868917

**Registered office** Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

**Auditor** Alwyns LLP  
Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

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# **A & A 2000 LIMITED**

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# **A & A 2000 LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 OCTOBER 2017**

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The directors present the annual report for the year ended 31 October 2017.

### **Fair review of the business**

During the year, turnover decreased to £12,443,906 (2016 - £11,409,467). This performance was achieved in a highly competitive market where the directors feel that the reputation for quality and service engendered by the group has helped to retain existing customers and attract new business.

The directors consider that the overall financial performance has been satisfactory given current market conditions.

The core business remains stable and the directors consider that the on-going development of new products and markets will lead to future revenue growth. In addition, the focus on research and development will leave the group well placed to meet the future needs of its customers and continue to evolve.

### **Principal risks and uncertainties**

The directors continually monitor the key risks facing the group.

At the present time the directors believe that the key risks facing the group relate to the current economic situation, retention of key staff, competitiveness in the sector and the development of new and exciting new products.

The group continues to develop and sell a wide range of electrical products to an established customer based. It enjoys long standing relationships with both customers and suppliers, as well as having an experienced and knowledgeable workforce. It continues to expand its customer base, research and develop new products, and modernise its distribution and management processes.

### **Key performance indicators**

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, profit and cash reserves. The key non-financial performance indicators continue to be customer gains and retention.

On behalf of the board



Mrs A K Warren

Director

20 July 2018

# **A & A 2000 LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 OCTOBER 2017**

---

The directors present their annual report and financial statements for the year ended 31 October 2017.

#### **Principal activities**

The principal activity of the group continued to be that of component distributors.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A M Warren

Mrs A K Warren

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

#### **Financial instruments**

##### ***Treasury operations and financial instruments***

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

##### ***Liquidity risk***

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

##### ***Interest rate risk***

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

##### ***Foreign currency risk***

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

##### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **Auditor**

The auditor, Alwyns LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# A & A 2000 LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2017**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....  
Mrs A K Warren

Director

Date: ..... 20 July 2018

# A & A 2000 LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & A 2000 LIMITED

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### Opinion

We have audited the financial statements of A & A 2000 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2017 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 FRS 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 group's and the parent company's affairs as at 31 October 2017 and of the group's profit for the year then ended;
- 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 Auditor's *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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# **A & A 2000 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A & A 2000 LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement, 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 is 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# A & A 2000 LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A & A 2000 LIMITED

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### 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 an auditor's report 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.

*Alwyns LLP*

David Stanley (Senior Statutory Auditor)  
for and on behalf of Alwyns LLP

Chartered Accountants  
Statutory Auditor

23 July 2018

Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

# A & A 2000 LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	2016 £
Turnover	3	12,443,906	11,409,467
Cost of sales		(7,270,561)	(6,462,471)
<b>Gross profit</b>		<b>5,173,345</b>	<b>4,946,996</b>
Administrative expenses		(2,210,487)	(1,697,075)
<b>Operating profit</b>	4	<b>2,962,858</b>	<b>3,249,921</b>
Interest receivable and similar income	7	9,641	16,100
<b>Profit before taxation</b>		<b>2,972,499</b>	<b>3,266,021</b>
Taxation	8	(576,440)	2,549,388
<b>Profit for the financial year and total comprehensive income</b>	19	<b>2,396,059</b>	<b>5,815,409</b>

Profit for the financial year and total comprehensive income is all attributable to the owners of the parent company.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# A & A 2000 LIMITED

## GROUP BALANCE SHEET AS AT 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	9	138,805		121,576	
Investments	10	803,000		803,000	
		<u>941,805</u>		<u>924,576</u>	
<b>Current assets</b>					
Stocks	13	658,383		673,524	
Debtors	14	5,832,147		3,631,257	
Cash at bank and in hand		5,634,140		5,215,801	
		<u>12,124,670</u>		<u>9,520,582</u>	
<b>Creditors: amounts falling due within one year</b>	15	(2,584,089)		(2,360,352)	
<b>Net current assets</b>		<u>9,540,581</u>		<u>7,160,230</u>	
<b>Total assets less current liabilities</b>		<u>10,482,386</u>		<u>8,084,806</u>	
<b>Provisions for liabilities</b>	16	(10,027)		(8,506)	
<b>Net assets</b>		<u><u>10,472,359</u></u>		<u><u>8,076,300</u></u>	
<b>Capital and reserves</b>					
Called up share capital	18	1,507,397		1,507,397	
Share premium account	19	28,719		28,719	
Capital redemption reserve	19	7,109		7,109	
Profit and loss reserves	19	8,929,134		6,533,075	
<b>Total equity</b>		<u><u>10,472,359</u></u>		<u><u>8,076,300</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 20 July 2018 and are signed on its behalf by:



Mr A M Warren  
Director



Mrs A K Warren  
Director

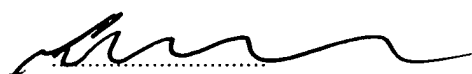
# A & A 2000 LIMITED

## COMPANY BALANCE SHEET AS AT 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	10		101		101
<b>Current assets</b>					
Debtors	14	1,585,156		1,585,156	
Cash at bank and in hand		1		1	
		<u>1,585,157</u>		<u>1,585,157</u>	
<b>Net current assets</b>			<u>1,585,157</u>		<u>1,585,157</u>
<b>Total assets less current liabilities</b>			<u>1,585,258</u>		<u>1,585,258</u>
<b>Capital and reserves</b>					
Called up share capital	18	1,507,398		1,507,398	
Share premium account	19	28,719		28,719	
Capital redemption reserve	19	7,109		7,109	
Profit and loss reserves	19	42,032		42,032	
<b>Total equity</b>			<u>1,585,258</u>		<u>1,585,258</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2016 - £160,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 20 July 2018 and are signed on its behalf by:



Mr A M Warren  
Director



Mrs A K Warren  
Director

Company Registration No. 03868917

## A & A 2000 LIMITED

### GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2015</b>		1,514,506	56,319	-	(10,361,991)	13,748,602	4,957,436
<b>Year ended 31 October 2016:</b>							
Profit and total comprehensive income for the year		-	-	-	-	5,815,409	5,815,409
Redemption of shares	18	(7,109)	(27,600)	7,109	-	(117,968)	(145,568)
Other movements		-	-	-	10,361,991	(12,912,968)	(2,550,977)
<b>Balance at 31 October 2016</b>		1,507,397	28,719	7,109	-	6,533,075	8,076,300
<b>Year ended 31 October 2017:</b>							
Profit and total comprehensive income for the year		-	-	-	-	2,396,059	2,396,059
<b>Balance at 31 October 2017</b>		1,507,397	28,719	7,109	-	8,929,134	10,472,359

# A & A 2000 LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2015</b>		1,514,507	56,319	-	-	1,570,826
<b>Year ended 31 October 2016:</b>						
Profit and total comprehensive income for the year		-	-	-	160,000	160,000
Redemption of shares	18	(7,109)	(27,600)	7,109	(117,968)	(145,568)
<b>Balance at 31 October 2016</b>		1,507,398	28,719	7,109	42,032	1,585,258
<b>Year ended 31 October 2017:</b>						
Profit and total comprehensive income for the year		-	-	-	-	-
<b>Balance at 31 October 2017</b>		1,507,398	28,719	7,109	42,032	1,585,258

# A & A 2000 LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	2,550,015		39,071	
Income taxes paid		(2,075,264)		(39,589)	
<b>Net cash inflow/(outflow) from operating activities</b>		474,751		(518)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(66,053)		(41,684)	
Proceeds on disposal of fixed asset investments		-		(450,000)	
Interest received		9,641		16,100	
<b>Net cash used in investing activities</b>		(56,412)		(475,584)	
<b>Financing activities</b>					
Redemption of shares		-		(145,568)	
<b>Net cash used in financing activities</b>		-		(145,568)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		418,339		(621,670)	
Cash and cash equivalents at beginning of year		5,215,801		5,837,471	
<b>Cash and cash equivalents at end of year</b>		<b>5,634,140</b>		<b>5,215,801</b>	

# A & A 2000 LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24		-		(14,432)
<b>Investing activities</b>					
Dividends received		-		160,000	
<b>Net cash (used in)/generated from investing activities</b>			-		160,000
<b>Financing activities</b>					
Redemption of shares		-		(145,568)	
<b>Net cash used in financing activities</b>			-		(145,568)
<b>Net increase in cash and cash equivalents</b>			-		-
Cash and cash equivalents at beginning of year			1		1
<b>Cash and cash equivalents at end of year</b>			1		1



# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

#### Company information

A & A 2000 Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Crown House, 151 High Road, Loughton, Essex, IG10 4LG.

The group consists of A & A 2000 Limited and all of its subsidiaries.

#### 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.

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, 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 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The consolidated financial statements incorporate those of A & A 2000 Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 October 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 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.

#### 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 VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2017

---

#### 1 Accounting policies

(Continued)

##### 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	25% on reducing balance
Motor vehicles	25% 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 recognised in the profit and loss account.

##### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

##### 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.

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.

##### 1.9 Cash at bank and in hand

Cash at bank and in hand 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.

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

---

### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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 group after deducting all of its 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

(Continued)

#### 1.12 Taxation

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

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 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

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

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### 1.16 Employee Benefit Trust

The subsidiary has an Employee Benefit Trust (EBT) for the benefit of certain employees. In accordance with UITF 32, until such time as the assets of the EBT vest unconditionally with the employees, the assets and liabilities of the EBT are included within the relevant assets and liabilities of the subsidiary.

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 1 Accounting policies

(Continued)

#### 1.17 Employer Financed Retirement Benefit Scheme (EFRBS)

In accordance with UITF Abstract 32 'Employee Benefit Trusts and other intermediate payment arrangements' the subsidiary does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Electrical component distribution	12,443,906	11,409,467

	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	9,641	16,100

### 4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	48,824	40,525
Cost of stocks recognised as an expense	7,166,360	6,220,577
Operating lease charges	262,954	259,880

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	12,000	11,000
	<u>12,000</u>	<u>11,000</u>

### 6 Employees

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

Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
15	15	-	-
38	39	-	-
4	4	-	-
<u>57</u>	<u>58</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	1,358,124	1,320,245	-	-
Social security costs	120,908	121,959	-	-
Pension costs	18,359	18,024	-	-
	<u>1,497,391</u>	<u>1,460,228</u>	<u>-</u>	<u>-</u>

### 7 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	9,641	16,100
	<u>9,641</u>	<u>16,100</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	9,641	16,100
	<u>9,641</u>	<u>16,100</u>

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 8 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	568,884	18,000
Adjustments in respect of prior periods	6,035	(16,411)
Total current tax	574,919	1,589
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,521	-
Deferred tax on share-based payments charge	-	(2,550,977)
Total deferred tax	1,521	(2,550,977)
Total tax charge/(credit) for the year	576,440	(2,549,388)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	2,972,499	3,266,021
Expected tax charge based on the standard rate of corporation tax in the UK of 19.41% (2016: 20.00%)	576,962	653,204
Tax effect of expenses that are not deductible in determining taxable profit	1,642	2,874
Tax effect of utilisation of tax losses not previously recognised	-	(638,289)
Permanent capital allowances in excess of depreciation	-	(2,726)
Depreciation on assets not qualifying for tax allowances	14,343	3,204
Research and development tax credit	(8,567)	(8,419)
Deferred tax adjustments in respect of prior years	1,521	(2,550,977)
	(9,461)	(8,259)
Taxation charge/(credit) for the year	576,440	(2,549,388)

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 9 Tangible fixed assets

Group	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 November 2016	260,985	285,617	546,602
Additions	14,719	51,334	66,053
At 31 October 2017	275,704	336,951	612,655
<b>Depreciation and impairment</b>			
At 1 November 2016	236,730	188,296	425,026
Depreciation charged in the year	9,743	39,081	48,824
At 31 October 2017	246,473	227,377	473,850
<b>Carrying amount</b>			
At 31 October 2017	29,231	109,574	138,805
At 31 October 2016	24,255	97,321	121,576

The company had no tangible fixed assets at 31 October 2017 or 31 October 2016.

### 10 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	11	-	-	101	101
Other investments		803,000	803,000	-	-
		803,000	803,000	101	101

#### Movements in fixed asset investments

Group	Other £
<b>Cost or valuation</b>	
At 1 November 2016 and 31 October 2017	803,000
<b>Carrying amount</b>	
At 31 October 2017	803,000
At 31 October 2016	803,000



# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 10 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 November 2016 and 31 October 2017

101

#### Carrying amount

At 31 October 2017

101

At 31 October 2016

101

### 11 Subsidiaries

Details of the company's subsidiaries at 31 October 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
A&A Woodford Limited	England	Electrical component distributors	ordinary	100.00	

### 12 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	3,728,936	3,519,836	1,585,156	1,585,156
Equity instruments measured at cost less impairment	803,000	803,000	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	1,625,587	2,004,390	-	-

### 13 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	658,383	673,524	-	-

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 14 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,657,737	2,448,637	-	-
Corporation tax recoverable	2,045,405	-	-	-
Amounts owed by group undertakings	-	-	1,585,156	1,585,156
Other debtors	1,071,199	1,071,199	-	-
Prepayments and accrued income	57,806	111,421	-	-
	<u>5,832,147</u>	<u>3,631,257</u>	<u>1,585,156</u>	<u>1,585,156</u>

### 15 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	1,047,946	1,130,868	-	-
Corporation tax payable	564,060	19,000	-	-
Other taxation and social security	394,442	336,962	-	-
Other creditors	474,249	815,000	-	-
Accruals and deferred income	103,392	58,522	-	-
	<u>2,584,089</u>	<u>2,360,352</u>	<u>-</u>	<u>-</u>

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	<u>10,027</u>	<u>8,506</u>

The company has no deferred tax assets or liabilities.

	Group 2017 £	Company 2017 £
<b>Movements in the year:</b>		
Liability at 1 November 2016	8,506	-
Charge to profit or loss	<u>1,521</u>	<u>-</u>
Liability at 31 October 2017	<u>10,027</u>	<u>-</u>

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

### 16 Deferred taxation

(Continued)

The deferred tax liability set out above is expected to reverse within 3 years and relates to accelerated capital allowances that are expected to mature within the same period.

### 17 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	18,359	18,024

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 18 Share capital

	Group and company	
	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
21,800 "C" ordinary shares of 1p each	218	218
718,000 "D" ordinary shares of 1p each	7,180	7,180
	<u>7,398</u>	<u>7,398</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
1,500,000 redeemable preference shares of £1 each	1,500,000	1,500,000

Last year, the company reduced its issued share capital by way of purchasing 20,900 ordinary shares and 690,000 ordinary D shares.

### 19 Reserves

#### Share premium

The share premium account relates to the share premium on the "D" ordinary shares of 1p each.

#### Other reserves

Last year, the employee share schemes which owned shares in the company and included The A & A 2000 Limited Qualifying Employee Share Ownership Trust (QUEST) and the A & A 2000 Limited Share Incentive Plan (SIP) were fully dissolved.

# A & A 2000 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 20 Operating lease commitments

#### Lessee

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

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	200,000	200,000	-	-
	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>

### 21 Related party transactions

The Group leases its premises from its self administered pension scheme paying rent of £200,000 per annum.

At the year end the Group owed the directors £474,249 (2016: £800,960).

### 22 Controlling party

The directors are the ultimate controlling parties by virtue of their shareholding.

### 23 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	2,396,059	5,815,409
Adjustments for:		
Taxation charged/(credited)	576,440	(2,549,388)
Investment income	(9,641)	(16,100)
Depreciation and impairment of tangible fixed assets	48,824	40,525
Movements in working capital:		
Decrease/(increase) in stocks	15,141	(129,021)
(Increase) in debtors	(155,485)	(20,681)
(Decrease) in creditors	(321,323)	(3,101,673)
<b>Cash generated from operations</b>	<u><u>2,550,015</u></u>	<u><u>39,071</u></u>

## A & A 2000 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

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**23 Cash generated from operations - company**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	-	160,000
Adjustments for:		
Investment income	-	(160,000)
Movements in working capital:		
(Increase) in debtors	-	(14,432)
	<hr/>	<hr/>
<b>Cash absorbed by operations</b>	<b>-</b>	<b>(14,432)</b>
	<hr/> <hr/>	<hr/> <hr/>