

# AA Carpets Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2020

# AA Carpets Limited

## Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Unaudited Financial Statements	<u>4</u> to <u>9</u>

**AA Carpets Limited**  
**Company Information**

<b>Directors</b>	Mr D Petrie Mr A Petrie Mrs L Petrie
<b>Company secretary</b>	Ms L Gaddes
<b>Registered office</b>	Unit 7 Derwent Drive Workington Cumbria CA14 3YW
<b>Bankers</b>	Lloyds TSB Bank Plc 11 Finkle Street Kendal Cumbria LA9 4AG
<b>Accountants</b>	Gibbons Chartered Accountants Carleton House 136 Gray Street Workington Cumbria CA14 2LU

**AA Carpets Limited**  
**(Registration number: 3919215)**  
**Balance Sheet as at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	43,155	80,119
<b>Current assets</b>			
Stocks	<u>5</u>	29,858	41,780
Debtors	<u>6</u>	64,296	73,181
Cash at bank and in hand		2,904	12,027
		97,058	126,988
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	(130,992)	(144,202)
<b>Net current liabilities</b>		(33,934)	(17,214)
<b>Total assets less current liabilities</b>		9,221	62,905
<b>Provisions for liabilities</b>		(8,003)	(13,646)
<b>Net assets</b>		1,218	49,259
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		1,118	49,159
<b>Total equity</b>		1,218	49,259

For the financial year ending 31 March 2020 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

**AA Carpets Limited**  
**(Registration number: 3919215)**  
**Balance Sheet as at 31 March 2020**

Approved and authorised by the Board on 30 July 2020 and signed on its behalf by:

.....

Mr D Petrie

Director

# **AA Carpets Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 7  
Derwent Drive  
Workington  
Cumbria  
CA14 3YW

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

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

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## **AA Carpets Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Improvements to leasehold property	10% straight line basis
Motor vehicles	25% reducing balance basis
Furniture, fittings and equipment	15% straight line basis

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

## **AA Carpets Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.



## **AA Carpets Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 12 (2019 - 15).

# AA Carpets Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

### 4 Tangible assets

	Improvements to leasehold property £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	11,855	125,014	93,096	229,965
Disposals	-	-	(20,999)	(20,999)
At 31 March 2020	11,855	125,014	72,097	208,966
<b>Depreciation</b>				
At 1 April 2019	9,834	98,996	41,016	149,846
Charge for the year	1,186	11,438	9,245	21,869
Eliminated on disposal	-	-	(5,904)	(5,904)
At 31 March 2020	11,020	110,434	44,357	165,811
<b>Carrying amount</b>				
At 31 March 2020	835	14,580	27,740	43,155
At 31 March 2019	2,021	26,018	52,080	80,119

### 5 Stocks

	2020 £	2019 £
Finished goods and goods for resale	29,858	41,780

### 6 Debtors

	2020 £	2019 £
Trade debtors	59,363	71,129
Other debtors	4,933	2,052
Total current trade and other debtors	64,296	73,181

# AA Carpets Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

### 7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	8	-	3,260
Trade creditors		26,869	31,267
Taxation and social security		19,872	21,785
Other creditors		84,251	87,890
		<u>130,992</u>	<u>144,202</u>

### 8 Loans and borrowings

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Hire purchase contracts	-	3,260

### 9 Related party transactions

#### Summary of transactions with other related parties

The company and the related party share the same officers/shareholders.

#### Loans from related parties

	2020	Other related parties £
At start of period		30,000
Advanced		20,600
Repaid		(11,000)
At end of period		<u>39,600</u>
	Other related parties £	Total £
<b>2019</b>		
At start of period	<u>30,000</u>	<u>30,000</u>

#### Terms of loans from related parties

The related party has provided the company with an interest free, unsecured loan. The loan is repayable upon demand.

Gibbons  
Chartered Accountants  
Carleton House  
136 Gray Street

Workington

This document was delivered using electronic communications and authenticated in accordance with the original's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.