

Company registration number: 05007223

**AVS Direct Ltd
Filleter Annual Report and Unaudited Financial Statements
for the Year Ended 31 January 2020**

AVS DIRECT LTD

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AVS DIRECT LTD**(Registration number: 05007223)****Balance Sheet as at 31 January 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	23,645	8,567
Current assets			
Stocks	<u>5</u>	432,940	350,518
Debtors	<u>6</u>	50,805	46,325
Cash at bank and in hand		<u>137,053</u>	<u>60,391</u>
		620,798	457,234
Creditors: Amounts falling due within one year	<u>7</u>	<u>(375,985)</u>	<u>(354,508)</u>
Net current assets		<u>244,813</u>	<u>102,726</u>
Total assets less current liabilities		268,458	111,293
Creditors: Amounts falling due after more than one year	<u>7</u>	(153,803)	-
Provisions for liabilities			
Deferred tax liabilities		<u>(4,059)</u>	<u>(652)</u>
Net assets		<u>110,596</u>	<u>110,641</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>110,594</u>	<u>110,639</u>
Total equity		<u>110,596</u>	<u>110,641</u>

AVS DIRECT LTD

(Registration number: 05007223)

Balance Sheet as at 31 January 2020

For the financial year ending 31 January 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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 and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The option not to file the profit and loss account and directors' report has been taken.

Approved and authorised by the director on 14 September 2020 .

K B Squire
Director

AVS DIRECT LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

1 General information

The company is a private company limited by share capital, incorporated in the United Kingdom.

The address of its registered office is:
120 High Street
Portishead
Bristol
BS20 6PR

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 were prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

These financial statements are presented in Sterling (£).

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of motor vehicles and the provision of repair and servicing facilities to customers in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and is recognised when the sale or service is complete.

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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 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.

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

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

Depreciation of tangible assets

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:

Asset class	Depreciation method and rate
Leasehold property improvements	25% straight line
Plant and machinery	20% straight line

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.

Debtors

Trade debtors are amounts due from customers for motor vehicles sold or repair and servicing facilities provided to customers 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.

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of other stocks 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.

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.

Assets held under hire purchase agreements are capitalised as tangible fixed assets with the future obligation being recognised as a liability. Finance costs are recognised in the Profit and Loss Account calculated at a constant periodic rate of interest over the term of the liability.

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.

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.

AVS DIRECT LTD

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

Defined contribution pension obligation

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year was 12 (2019 - 13).

4 Tangible assets

	Leasehold property improvements £	Plant and machinery £	Total £
Cost or valuation			
At 1 February 2019	11,435	63,924	75,359
Additions	-	23,055	23,055
At 31 January 2020	11,435	86,979	98,414
Depreciation			
At 1 February 2019	8,795	57,997	66,792
Charge for the year	1,320	6,657	7,977
At 31 January 2020	10,115	64,654	74,769
Carrying amount			
At 31 January 2020	1,320	22,325	23,645
At 31 January 2019	2,640	5,927	8,567

5 Stocks

	2020 £	2019 £
Other stocks	432,940	350,518

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

6 Debtors

	2020 £	2019 £
Trade debtors	13,622	6,385
Other debtors	37,183	39,940
Total current trade and other debtors	50,805	46,325

7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	8	36,702	4,792
Trade creditors		225,899	203,614
Taxation and social security		33,487	34,343
Corporation tax		-	9,966
Other creditors		79,897	101,793
		375,985	354,508
Due after one year			
Loans and borrowings	8	153,803	-

Creditors includes £160,566 (2019 - £246,932) in relation to the financing of stock purchased in the course of the company's ordinary trading activities. These amounts are secured against the assets to which they relate and are supported by a personal guarantee from the director.

8 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	-	4,792
Other borrowings	36,702	-
	36,702	4,792
Non-current loans and borrowings		
Other borrowings	153,803	-

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Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

Other borrowings

These amounts are supported by a personal guarantee from the director.

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £199,437 (2019 - £311,612). The amount of the commitment due within one year is £112,175 (2019 - £112,175) and the amount due within two to five years is £87,262 (2019 - £199,437).

10 Related party transactions

Other transactions with directors

The director has provided a personal guarantee to creditors amounting to £160,566 (2019 - £246,932) and in addition to this, a personal guarantee in respect of the company's outstanding operating lease commitments. During the year the director and the company secretary maintained an interest free current account with the company, which is repayable on demand. At the balance sheet date the amounts due to the director and company secretary was £5,927 (2019 - £5,927).

11 Non adjusting events after the financial period

The director has identified the Covid-19 pandemic as a non-adjusting event after the balance sheet date, as the pandemic is not indicative of any conditions that were in existence at the year end.

The business was closed during April and May 2020 as a result of the national lockdown, however all staff have since returned to work and trading is at the same level as it was prior to the lockdown. The director has therefore concluded that there are no indicators of impairment of the assets in the balance sheet at the year end as a result of the Covid-19 pandemic.

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.