

Active Audio Visual Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 30 September 2018

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Active Audio Visual Limited for the Year Ended 30 September 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Active Audio Visual Limited for the year ended 30 September 2018 which comprise the Balance sheet 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 <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Active Audio Visual Limited, as a body, in accordance with the terms of our engagement letter dated 26 April 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Active Audio Visual Limited and state those matters that we have agreed to state to the Board of directors of Active Audio Visual Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Active Audio Visual Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Active Audio Visual 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 loss of Active Audio Visual Limited. You consider that Active Audio Visual Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Active Audio Visual 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.

Kreston Reeves LLP

Chartered Accountants

37 St Margaret's Street
Canterbury
Kent
CT1 2TU
28 June 2019

Active Audio Visual Limited
Registered number: 03561478

Balance sheet
As at 30 September 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Intangible assets	3	12,000	18,000
Tangible assets	4	157,598	165,344
		169,598	183,344
Current assets			
Stocks		225,000	288,874
Debtors: amounts falling due within one year	5	153,985	136,390
Cash at bank and in hand		1,142	30,702
		380,127	455,966
Creditors: amounts falling due within one year	6	(470,511)	(460,640)
Net current liabilities		(90,384)	(4,674)
Total assets less current liabilities		79,214	178,670
Creditors: amounts falling due after more than one year	7	(70,328)	(84,268)
Net assets		8,886	94,402
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		8,786	94,302
		8,886	94,402

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2019.

J G P Hill
Director

Active Audio Visual Limited
Registered number: 03561478

Balance sheet (continued)
As at 30 September 2018

The notes on pages 4 to 11 form part of these financial statements.

Active Audio Visual Limited

Notes to the financial statements
For the Year Ended 30 September 2018

1. General information

Active Audio Visual Limited is a private company, limited by shares, domiciled in England and Wales, registration number 03561478. The registered office is 37 St Margarets Street, Canterbury, Kent, CT1 2TU. The place of business is 1 Beer Cart Lane, Canterbury, Kent, CT1 2NY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements have been prepared in Sterling (£) and rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Finance costs

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Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

Active Audio Visual Limited

Notes to the financial statements For the Year Ended 30 September 2018

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

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 payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income 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.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Active Audio Visual Limited

Notes to the financial statements For the Year Ended 30 September 2018

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Leasehold improvements	-	Period remaining on lease
Motor vehicles	- 25%	Reducing balance
Fixtures & fittings	- 20%	Reducing balance
Office equipment	- 20%	Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and

Active Audio Visual Limited

Notes to the financial statements For the Year Ended 30 September 2018

2. Accounting policies (continued)

2.12 Financial instruments (continued)

subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the financial statements
For the Year Ended 30 September 2018

3. Intangible assets

	Goodwill
	£
Cost	
At 1 October 2017	30,000
At 30 September 2018	30,000
Amortisation	
At 1 October 2017	12,000
Charge for the year	6,000
At 30 September 2018	18,000
Net book value	
At 30 September 2018	12,000
At 30 September 2017	18,000

4. Tangible fixed assets

	Leasehold property	Motor vehicles	Fixtures & fittings	Office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 October 2017	127,827	13,729	2,925	48,864	193,345
At 30 September 2018	127,827	13,729	2,925	48,864	193,345
Depreciation					
At 1 October 2017	-	8,902	1,138	17,961	28,001
Charge for the year on owned assets	-	1,207	357	6,182	7,746
At 30 September 2018	-	10,109	1,495	24,143	35,747
Net book value					
At 30 September 2018	127,827	3,620	1,430	24,721	157,598
At 30 September 2017	127,827	4,827	1,787	30,903	165,344

5. Debtors

	2018	As restated
	£	2017
		£
Trade debtors	92,987	65,325
Other debtors	53,797	63,797
Prepayments and accrued income	7,201	7,268
	<u>153,985</u>	<u>136,390</u>

6. Creditors: Amounts falling due within one year

	2018	As restated
	£	2017
		£
Bank overdrafts	11,905	-
Bank loans	13,993	14,045
Trade creditors	193,378	208,239
Amounts owed to group undertakings	70,988	92,746
Corporation tax	-	12,577
Other taxation and social security	32,884	17,261
Other creditors	141,873	110,282
Accruals and deferred income	5,490	5,490
	<u>470,511</u>	<u>460,640</u>

7. Creditors: Amounts falling due after more than one year

	2018	As restated
	£	2017
		£
Bank loans	70,328	84,268
	<u>70,328</u>	<u>84,268</u>

Active Audio Visual Limited**Notes to the financial statements
For the Year Ended 30 September 2018****8. Loans**

Analysis of the maturity of loans is given below:

	2018 £	As restated 2017 £
Amounts falling due within one year		
Bank loans	13,993	14,045
	13,993	14,045
Amounts falling due 1-2 years		
Bank loans	13,993	14,045
	13,993	14,045
Amounts falling due 2-5 years		
Bank loans	14,354	28,090
	14,354	28,090
Amounts falling due after more than 5 years		
Bank loans	41,980	42,135
	41,980	42,135
	84,320	98,315

9. Share capital

	2018 £	As restated 2017 £
Allotted, called up and fully paid		
100 (2017 - 100) Ordinary shares of £1.00 each	100	100

Notes to the financial statements
For the Year Ended 30 September 2018

10. Commitments under operating leases

At 30 September 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	As restated
	£	2017
		£
Not later than 1 year	34,000	30,000
Later than 1 year and not later than 5 years	34,000	60,000
	<u>68,000</u>	<u>90,000</u>

11. Controlling party

The company is a wholly owned subsidiary undertaking of Active Audio Visual (Holdings) Limited.
In turn that company is controlled by Mr and Mrs Hill, by virtue of their 100% holding in the share capital of Active Audio Visual (Holdings) Limited.