

AVATU LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018**

Company Registration Number: 02762085

AVATU LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

CONTENTS	PAGES
Company information	1
Balance sheet	2 to 3
Notes to the financial statements	4 to 10

AVATU LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

DIRECTOR

Mr H S Jouhal

SECRETARY

The company does not have an appointed secretary

REGISTERED OFFICE

Unit E2 Regent Park
Summerleys Road
Princes Risborough
Buckinghamshire
HP27 9LE

COMPANY REGISTRATION NUMBER

02762085 England and Wales

AVATU LIMITED**BALANCE SHEET****AS AT 31 March 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	5	13,793	38,659
CURRENT ASSETS			
Stock		39,909	32,334
Debtors	6	2,352,167	2,488,490
Cash at bank and in hand		9,788	67,916
		<u>2,401,864</u>	<u>2,588,740</u>
CREDITORS: Amounts falling due within one year	7	1,465,241	1,583,940
		<u></u>	<u></u>
NET CURRENT ASSETS		936,623	1,004,800
		<u></u>	<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		950,416	1,043,459
Provisions for liabilities and charges		-	452
		<u></u>	<u></u>
NET ASSETS		950,416	1,043,007
		<u><u></u></u>	<u><u></u></u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Distributable profit and loss account		950,316	1,042,907
		<u></u>	<u></u>
SHAREHOLDER'S FUNDS		950,416	1,043,007
		<u><u></u></u>	<u><u></u></u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - small entities.

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

As permitted by S444 (5A) of the Companies Act 2006 the directors have not delivered to the Registrar a copy of the company's Profit and Loss Account or Directors Report.

Signed on behalf of the board

Mr H S Jouhal

Director

Date approved by the board: 20 December 2018

AVATU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 GENERAL INFORMATION

Avatu Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is:

Unit E2 Regent Park
Summerleys Road
Princes Risborough
Buckinghamshire
HP27 9LE

The financial statements are presented in Sterling, which is the functional currency of the company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 Section 1A smaller entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Revenue recognition

Turnover is measured at the fair value of consideration received or receivable and represents the sale of disk duplication services, software and hardware, stated net of trade discounts and value added tax.

The company recognises revenue when the amount of revenue can be measured reliably and when it is probable that future economic benefits will flow to the entity.

Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation has been provided at the following rate so as to write off the cost or valuation of assets less residual value of the assets over their estimated useful lives.

Plant and equipment	Reducing balance basis at 20% per annum
Office and computer equipment, website and fixtures and fittings	Straight line basis at 20%, straight line basis at 33% and reducing balance basis at 20% per annum
Motor vehicles	Reducing balance basis at 25% per annum
Leasehold improvements	Straight line basis at 10% per annum

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the profit and loss account, and included within administrative expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets are measured at cost and are assessed at the end of each reporting period for objective evidence of impairment. Where objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

The impairment loss for financial assets measured at cost is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting 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 amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets (which is the higher of value in use and the fair value less cost to sell) is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit and loss account.

Stocks are also assessed for impairment at each reporting date. The carrying amount of each item of stock, or group of similar items, is compared with its selling price less cost to complete and sell. If an item of stock, or group of similar items, is impaired its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset, or group of related assets, is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset, or group of related assets, in prior periods. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Stock

Stock has been valued at the lower of cost and estimated selling price less cost to complete and sell, after making due allowance for obsolete and slow-moving items. Cost comprises the cost of goods purchased valued on a first in first out basis.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

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 subsequently at amortised cost less any impairment.

Creditors

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

Leases

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets to the company. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the company are classified as operating leases.

Assets held under finance leases are recognised in accordance with the company's policy for tangible fixed assets. The corresponding obligations to lessors under finance leases are treated in the balance sheet as a liability. The assets and liabilities under finance leases are recognised at amounts equal to the fair value of the assets, or if lower, the present value of minimum lease payments, determined at the inception of the lease.

Minimum lease payments are apportioned between finance charges and the reduction in the outstanding liabilities using the effective interest method. The finance charge is allocated to each period during the lease so as to produce a constant rate of interest on the remaining balance of the liabilities. Finance charges are recognised in the profit and loss account.

Payments applicable to operating leases are charged against profit on a straight line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods based on current tax rates and laws. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other taxable profits.

Deferred tax is measured using 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.

Current and deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

Borrowing costs

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Provisions

A provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use is recognised. The provision is measured at the salary cost payable for the period of absence.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments in the balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Employee benefits

Short term employee benefits are recognised as an expense in the period in which they are incurred.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

No significant accounting estimates and judgements have had to be made by the director in preparing these financial statements.

4 EMPLOYEES

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

	2018	2017
Average number of employees	7	9

5 TANGIBLE ASSETS

	Plant and equipment £	Office and computer equipment, website and fixtures and fittings £	Motor vehicles £	Leasehold improvements £	Total £
Cost					
At 1 April 2017	13,601	83,194	40,800	4,474	142,069
Disposals	-	-	(40,800)	-	(40,800)
At 31 March 2018	13,601	83,194	-	4,474	101,269
Accumulated depreciation and impairments					
At 1 April 2017	13,154	63,711	26,098	447	103,410
Charge for year	89	9,628	1,225	447	11,389
Disposals	-	-	(27,323)	-	(27,323)
At 31 March 2018	13,243	73,339	-	894	87,476
Net book value					
At 1 April 2017	447	19,483	14,702	4,027	38,659
At 31 March 2018	358	9,855	-	3,580	13,793

6 DEBTORS

	2018 £	2017 £
Trade debtors	563,001	767,313
Amounts owed from group undertakings	1,640,997	1,642,891
Prepayments and accrued income	138,604	68,208
Other debtors	9,565	10,078
	2,352,167	2,488,490

7 CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	424,927	652,324
Trade creditors	657,733	530,136
Taxation and social security	150,001	143,862

Hire purchase contracts and finance leases	-	17,714
Accruals and deferred income	119,648	174,120
Other creditors	112,932	65,784
	<hr/>	<hr/>
	1,465,241	1,583,940
	<hr/>	<hr/>

8 SECURED DEBTS

The company has a Confidential Invoice Discounting facility and an Enterprise Finance Guarantee loan arrangement in place with ABN AMRO Commercial Finance plc. ABN AMRO Commercial Finance plc holds a fixed and floating charge over the assets of Avatu Limited and its holding company, Data Duplication (Holdings) Limited.

The secured debts of the company are also supported by a personal guarantee by H S Jouhal of £50,000, which is split equally between the Confidential Invoice Discounting facility and the Enterprise Finance Guarantee loan.

The hire purchase contracts and finance leases are secured on the assets concerned.

9 CONTINGENCIES AND COMMITMENTS

Other Commitments

Amounts falling due under operating leases:	2018	2017
	£	£
In less than one year	108,372	44,707
In more than one but less than five years	296,183	354,397
In more than five years	130,625	178,125
	<hr/>	<hr/>
	535,180	577,229
	<hr/>	<hr/>

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.