

PEERLESS AV LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018
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PEERLESS AV LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Directors' 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

PEERLESS AV LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	4		3,424		6,491
Tangible assets	5		96,702		95,108
			<u>100,126</u>		<u>101,599</u>
Current assets					
Stocks		1,239,791		787,000	
Debtors	6	1,624,424		1,696,880	
Cash at bank and in hand		645,754		268,623	
		<u>3,509,969</u>		<u>2,752,503</u>	
Creditors: amounts falling due within one year	7	<u>(2,624,334)</u>		<u>(2,386,397)</u>	
Net current assets			<u>885,635</u>		<u>366,106</u>
Total assets less current liabilities			<u>985,761</u>		<u>467,705</u>
Provisions for liabilities	8		<u>(50,000)</u>		<u>(50,000)</u>
Net assets			<u><u>935,761</u></u>		<u><u>417,705</u></u>
Capital and reserves					
Called up share capital	9		1,820		1,820
Profit and loss reserves			933,941		415,885
Total equity			<u><u>935,761</u></u>		<u><u>417,705</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 19/02/19 and are signed on its behalf by:



K Dutch
Director

PEERLESS AV LIMITED

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

1 Accounting policies

Company information

Peerless AV Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 3 Watford Interchange, Colonial Way, Watford, WD24 4WP.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied.

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 £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The company is dependent upon continued finance being made available by its holding company Peerless Industries Inc. who have confirmed that sufficient funds will continue to be made available to allow the company to meet its liabilities as they fall due for at least 12 months from the date the financial statements are signed.

Turnover

The turnover shown in the income statement represents the value of all goods supplied during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

In the opinion of the directors the company is acting as principal in respect of sales of goods made on behalf of third parties. Turnover and related cost of sales in respect of such sales are shown gross within the income statement.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software	1-3 years straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold Improvements	in accordance with the remaining life of lease
Fixtures, fittings and equipment	2-8 years straight line
Motor vehicles	5 years straight line

PEERLESS AV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

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 credited or charged to profit or loss.

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, those overheads that have been incurred in bringing the stocks to their present location and condition.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade debtors and other debtors are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being transaction price less any amounts settled and impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Impairment losses are recognised in profit or loss.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, other creditors, accruals and amounts due to group undertakings are initially recognised at transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

PEERLESS AV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

Provisions

The company is contractually committed to reconstitute the land and buildings utilised under an operating lease to its original condition at the end of lease term. The company accrues these costs over the lease period on a straight line basis.

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.

Retirement benefits

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the lease.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All translation differences are taken to profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 33 (2017 - 36).

PEERLESS AV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3 Directors' remuneration

	2018	2017
	£	£
Remuneration paid to directors	520,209	490,772

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2017 - 4).

4 Intangible fixed assets

	Computer software
	£
Cost	
At 1 January 2018	28,062
Additions	537
At 31 December 2018	28,599
Amortisation and impairment	
At 1 January 2018	21,571
Amortisation charged for the year	3,604
At 31 December 2018	25,175
Carrying amount	
At 31 December 2018	3,424
At 31 December 2017	6,491

PEERLESS AV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2018	97,589	362,354	459,943
Additions	9,808	26,492	36,300
Disposals	-	(998)	(998)
At 31 December 2018	107,397	387,848	495,245
Depreciation and impairment			
At 1 January 2018	97,589	267,246	364,835
Depreciation charged in the year	537	33,199	33,736
Eliminated in respect of disposals	-	(28)	(28)
At 31 December 2018	98,126	300,417	398,543
Carrying amount			
At 31 December 2018	9,271	87,431	96,702
At 31 December 2017	-	95,108	95,108

6 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	1,347,084	1,442,300
Other debtors	217,340	229,580
Deferred tax asset	1,564,424	1,671,880
	60,000	25,000
	1,624,424	1,696,880

The deferred tax asset above relates to tax losses carried forward.

PEERLESS AV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,209,046	892,242
Amounts due to group undertakings	562,433	737,370
Other taxation and social security	136,975	181,050
Other creditors	715,880	575,735
	<u>2,624,334</u>	<u>2,386,397</u>

Included within other creditors is £424 (2017: £5,504) relating to hire purchase obligations. This is secured on the assets under the hire purchase agreements.

8 Provisions for liabilities

	2018 £	2017 £
Dilapidations	<u>50,000</u>	<u>50,000</u>

9 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
1,820 Ordinary shares of £1 each	<u>1,820</u>	<u>1,820</u>
	<u>1,820</u>	<u>1,820</u>

10 Operating lease commitments

Lessee

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

	2018 £	2017 £
Within one year	172,589	175,976
Between one and five years	295,559	459,507
	<u>468,148</u>	<u>635,483</u>

PEERLESS AV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Parent company

The ultimate parent company and ultimate controlling party is Peerless Industries Inc, a company incorporated in the United States of America. The address of their registered office is: 2300 White Oak Circle, Aurora, IL 60502.

Peerless Industries Inc prepares group financial statements and is the smallest group for which consolidated accounts are prepared.

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was David Olsson.
The auditor was RSM UK Audit LLP.