

A.D.S. Automotive Diagnostic Solutions Limited

Annual Report and Unaudited Filleted Financial Statements
for the Year Ended 30 December 2020

A.D.S. Automotive Diagnostic Solutions Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3 to 10</u>

A.D.S. Automotive Diagnostic Solutions Limited

Company Information

Directors Mr D F Massey
Mr F Massey

Registered office 1st Floor
8-12 London Street
Southport
Merseyside
PR9 0UE

Accountants GMR Accountants Ltd
1st Floor
8-12 London Street
Southport
Merseyside
PR9 0UE

A.D.S. Automotive Diagnostic Solutions Limited

(Registration number: 03887717)
Balance Sheet as at 30 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	7,400	9,250
Tangible assets	<u>5</u>	68,526	42,973
		<u>75,926</u>	<u>52,223</u>
Current assets			
Stocks	<u>6</u>	8,000	2,000
Debtors	<u>7</u>	54,821	54,889
Cash at bank and in hand		<u>37,273</u>	<u>6,001</u>
		100,094	62,890
Creditors: Amounts falling due within one year	<u>8</u>	<u>(97,392)</u>	<u>(95,295)</u>
Net current assets/(liabilities)		<u>2,702</u>	<u>(32,405)</u>
Total assets less current liabilities		78,628	19,818
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(75,052)</u>	<u>(16,527)</u>
Net assets		<u>3,576</u>	<u>3,291</u>
Capital and reserves			
Called up share capital		3,000	3,000
Profit and loss account		<u>576</u>	<u>291</u>
Total equity		<u>3,576</u>	<u>3,291</u>

For the financial year ending 30 December 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.

Approved and authorised by the Board on 30 September 2021 and signed on its behalf by:

.....

Mr D F Massey
Director

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

1 General information

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

The address of its registered office is:

1st Floor
8-12 London Street
Southport
Merseyside
PR9 0UE
United Kingdom

These financial statements were authorised for issue by the Board on 30 September 2021.

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 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.

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:

Asset class	Depreciation method and rate
Motor vehicles	25% reducing balance basis
Plant and machinery	25% reducing balance basis

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

Furniture and fittings	25% reducing balance basis
Office equipment	25% reducing balance basis

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% 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.

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.

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

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.

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 7 (2019 - 5).

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 31 December 2019	18,500	18,500
At 30 December 2020	18,500	18,500
Amortisation		
Amortisation charge	11,100	11,100
At 30 December 2020	11,100	11,100
Carrying amount		
At 30 December 2020	7,400	7,400
At 30 December 2019	9,250	9,250

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2019 - £Nil).

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

5 Tangible assets

	Fixtures and fittings £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 31 December 2019	8,579	10,471	44,891	125,020	188,961
Additions	-	2,278	36,843	12,270	51,391
Disposals	-	-	(25,450)	-	(25,450)
At 30 December 2020	8,579	12,749	56,284	137,290	214,902
Depreciation					
At 31 December 2019	6,162	8,362	29,092	101,832	145,448
Charge for the year	470	891	6,204	8,076	15,641
Eliminated on disposal	-	-	(14,713)	-	(14,713)
At 30 December 2020	6,632	9,253	20,583	109,908	146,376
Carrying amount					
At 30 December 2020	1,947	3,496	35,701	27,382	68,526
At 30 December 2019	1,877	2,109	15,799	23,188	42,973

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

6 Stocks

	2020	2019
	£	£
Other inventories	<u>8,000</u>	<u>2,000</u>

7 Debtors

	2020	2019
	£	£
Trade debtors	3,044	5,808
Prepayments	3,836	3,982
Other debtors	<u>47,941</u>	<u>45,099</u>
	<u>54,821</u>	<u>54,889</u>

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and overdrafts	9	15,291	16,153
Trade creditors		37,155	30,979
Taxation and social security		40,724	41,430
Accruals and deferred income		2,580	2,580
Other creditors		1,642	4,153
		<u>97,392</u>	<u>95,295</u>

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	9	<u>75,052</u>	<u>16,527</u>

9 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	50,000	-
Finance lease liabilities	<u>25,052</u>	<u>16,527</u>
	<u>75,052</u>	<u>16,527</u>

	2020 £	2019 £
Current loans and borrowings		
Bank overdrafts	-	8,244
Finance lease liabilities	12,791	5,409
Other borrowings	<u>2,500</u>	<u>2,500</u>
	<u>15,291</u>	<u>16,153</u>

A.D.S. Automotive Diagnostic Solutions Limited

Notes to the Financial Statements for the Year Ended 30 December 2020

10 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	<u>43,031</u>	<u>30,000</u>

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.