

Ash Distribution Limited
Annual report and financial statements
for the year ended 31 October 2012

Registered number 3310383

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Ash Distribution Limited

Annual report and financial statements

for the year ended 31 October 2012

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Ash Distribution Limited

Directors and advisers

Executive directors

O K H Robson

I S Elliott

L J Friestad (resigned 3 August 2012)

Non-executive directors

H R V Morgan Williams OBE

J S Francis

Company secretaries and registered office

O K H Robson

J S Francis

Crowther Road

Washington

Tyne & Wear

NE38 0BW

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Solicitors

Ward Hadaway

Sandgate House

102 Quayside

Newcastle upon Tyne

NE1 3DX

Dickinson Dees LLP

St Ann's Wharf

112 Quayside

Newcastle upon Tyne

NE1 3DX

Principal bankers

Lloyds TSB Bank plc

102 Grey Street

Newcastle upon Tyne

NE1 6AG

Ash Distribution Limited

Directors' report for the year ended 31 October 2012

The directors present their report and audited financial statements of the company for the year ended 31 October 2012

Business review and principal activities

The principal activity of the company in the year continues to be that of the sale of computer accessories and components

The results for the company show turnover for the year ended 31 October 2012 of £1,001,867 (2011 £945,647) and profit on ordinary activities before taxation of £7,766 (2011 £56,872) The directors do not recommend payment of a dividend (2011 £nil)

Directors

The directors of the company for the year ended 31 October 2012 and up to the date of signing the financial statements unless otherwise stated, are listed on page 1

Directors liability insurance

The company has taken out insurance for directors liability as permitted by Section 236(2), (3) of the Companies Act 2006

Statement of directors' responsibilities

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 prepared 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

Ash Distribution Limited

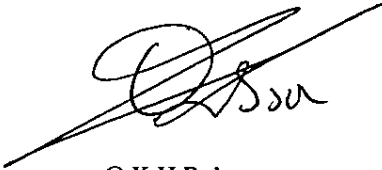
Directors' report for the year ended 31 October 2012 (continued)

Disclosure of information to auditors

Each director, as at the date of the approval of this report has confirmed that as far as they are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the small companies regime of the Companies Act 2006 relating to small companies

On behalf of the board

A handwritten signature in black ink, appearing to read 'O K H Robson', written over a horizontal line.

O K H Robson
Director

20 December 2012

Ash Distribution Limited

Independent auditors' report to the members of Ash Distribution Limited

We have audited the financial statements of Ash Distribution Limited for the year ended 31 October 2012 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Ash Distribution Limited

Independent auditors' report to the members of Ash Distribution Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Michael Jeffrey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
20 December 2012

Ash Distribution Limited

Profit and loss account for the year ended 31 October 2012

		2012	2011
	Note	£	£
Turnover	1	1,001,867	945,647
Cost of sales		(803,339)	(759,090)
Gross profit		198,528	186,557
Operating expenses	2	(190,724)	(129,680)
Operating profit		7,804	56,877
Interest payable and similar charges	5	(38)	(5)
Profit on ordinary activities before taxation	6	7,766	56,872
Tax on profit on ordinary activities	7	(116)	(12,181)
Profit for the financial year	14	7,650	44,691

All of the company's activities are continuing

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

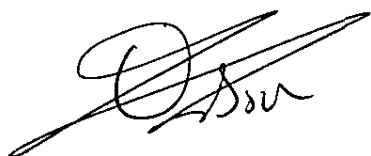
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Ash Distribution Limited

Balance sheet as at 31 October 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	8	1,042	2,012
Current assets			
Stocks	9	131,102	165,683
Debtors	10	62,936	59,541
Cash at bank and in hand		25,349	19,269
		219,387	244,493
Creditors: amounts falling due within one year	11	(180,838)	(214,564)
Net current assets		38,549	29,929
Total assets less current liabilities		39,591	31,941
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account	14	29,591	21,941
Total shareholders' funds	15	39,591	31,941

The financial statements on pages 6 to 17 were approved by the board of directors on 20 December 2012 and were signed on its behalf by



O K H Robson
Director

Registered number
3310383

Ash Distribution Limited

Statement of accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The principal accounting policies, which have been applied consistently throughout the year, are set out below

Cash flow statement

The company is a wholly owned subsidiary undertaking and the cash flows of the company are included in the consolidated cash flow statement of its ultimate parent undertaking. Consequently, the company is exempt under the terms of FRS 1 'Cash flow statements' (revised 1996), from the requirement to publish a cash flow statement

Turnover

Turnover, which excludes value added tax, represents the invoiced amount of goods despatched to customers

Pensions

The company participates in a group personal pension scheme which is a defined contribution scheme. Pension contributions are charged to the profit and loss account in the year in which the liability to pay arises. The assets of the scheme are held separately from those of the company in an independent fund

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental cost of acquisition required to bring the asset to working condition for its intended use. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over their expected useful economic lives using the following rates

Leasehold alterations	33% straight line
Fixtures and fittings	12.5% straight line
Computer equipment	25% straight line
Plant and machinery	33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks

Deferred tax

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

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Ash Distribution Limited

Statement of accounting policies (continued)

Foreign currencies

Revenues and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Differences arising on foreign exchange translation are taken to the profit and loss account in the year in which they arise.

Operating leases

Costs in respect of operating leases are charged on a straight line basis to the profit and loss account over the lease term.

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012

1 Turnover

Turnover consists entirely of sales made in the United Kingdom

2 Operating expenses

	2012	2011
	£	£
Distribution costs	26,087	24,678
Administrative expenses	164,637	105,002
	190,724	129,680

3 Directors' emoluments

The directors receive no emoluments in respect of their services to the company (2011 £nil)

4 Employee information

The average monthly number of persons (excluding executive directors) employed by the company during the year was

	2012	2011
By activity	Number	Number
Administration	4	4
	4	4

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012 (continued)

4 Employee information (continued)

	2012	2011
	£	£
Staff costs (for the above persons)		
Wages and salaries	63,148	60,256
Social security costs	4,922	4,377
Other pension costs (note 18)	613	448
	68,683	65,081

5 Interest payable and similar charges

	2012	2011
	£	£
On other loans	38	5

6 Profit on ordinary activities before taxation

	2012	2011
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation charge - tangible owned fixed assets	898	4,425
Operating leases - plant and equipment	249	249
- motor vehicles	-	680
Loss arising from exchange movements	197	136
Loss on disposal of tangible fixed assets	72	-

The auditor's fees are borne by fellow subsidiary undertaking, Canford Audio PLC in the current and prior year

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012 (continued)

7 Tax on profit on ordinary activities

(a) Analysis of the charge in the year

	2012	2011
	£	£
Current tax		
United Kingdom corporation tax on profit for the year	-	12,995
Total current tax	-	12,995
Deferred tax		
Origination and reversal of timing differences	116	(814)
Total deferred tax (note 12)	116	(814)
Tax on profit on ordinary activities	116	12,181

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard companies rate of corporation tax in the UK for the year ended 31 October 2012 of 24% (2011 26%) The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before taxation	7,766	56,872
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 26%)	1,864	14,787
Effects of		
Tax at marginal rate	(311)	(2,580)
(Capital allowances in excess of depreciation)/depreciation in excess of capital allowances	(30)	788
Other factors	(1,523)	-
Current tax charge for the year	-	12,995

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012 (continued)

(c) Factors that may affect future tax charges

In addition to the changes in rates of Corporation Tax disclosed above, a number of changes to the UK Corporation Tax system are proposed. A further reduction in the main rate is proposed to reduce the rate to 21% from 1 April 2014. This change has not been substantively enacted at the statement of financial position date and, therefore, is not included in these financial statements.

8 Tangible assets

	Leasehold alterations	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 November 2011	12,914	7,575	4,462	79,840	104,791
Disposals	-	-	(4,462)	(22,746)	(27,208)
At 31 October 2012	12,914	7,575	-	57,094	77,583
Accumulated depreciation					
At 1 November 2011	12,914	7,575	4,390	77,900	102,779
Charge for year	-	-	-	898	898
Disposals	-	-	(4,390)	(22,746)	(27,136)
At 31 October 2012	12,914	7,575	-	56,052	76,541
Net book amount					
At 31 October 2012	-	-	-	1,042	1,042
At 31 October 2011	-	-	72	1,940	2,012

9 Stocks

	2012	2011
	£	£
Finished goods and goods for resale	131,102	165,683

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012 (continued)

10 Debtors

	2012	2011
	£	£
Trade debtors	57,969	55,969
Amounts owed by fellow subsidiary undertakings	1,185	3
Other debtors	2,604	152
Prepayments and accrued income	268	2,391
Deferred tax asset (note 12)	910	1,026
	62,936	59,541

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and have no fixed terms of repayment

11 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	78,071	119,862
Amounts owed to fellow subsidiary undertakings	72,036	19,712
Corporation tax	-	12,995
Other taxation and social security	17,014	15,136
Other creditors	1,164	3,602
Accruals and deferred income	12,553	43,257
	180,838	214,564

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and have no fixed terms of repayment

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012 (continued)

12 Deferred taxation

The deferred tax asset is analysed as follows

	2012	2011
	£	£
Depreciation in excess of capital allowances	910	1,026
		£
Balance at 1 November 2011		1,026
Charged to the profit and loss account (note 7)		(116)
At 31 October 2012		910

The directors believe that it is more likely than not that there will be sufficient taxable profits in the future as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

13 Called up share capital

	2012	2011
	£	£
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

14 Reserves

	Profit and loss account £
At 1 November 2011	21,941
Profit for the financial year	7,650
At 31 October 2012	29,591

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012 (continued)

15 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	7,650	44,691
Opening shareholders' funds	31,941	(12,750)
Closing shareholders' funds	39,591	31,941

16 Financial commitments

At 31 October 2012 the company had annual commitments under non-cancellable operating leases as follows

	Plant and equipment		Motor vehicles	
	2012	2011	2012	2011
	£	£	£	£
Expiring within one year	249	249	-	-

17 Contingent liabilities

Canford Group PLC, Canford Audio PLC, NEAL Recording Systems Limited, Canford Manufacturing Limited, and Ash Distribution Limited have each entered into a cross-guarantee agreement to secure the bank overdrafts of these companies. The total net deficit position of these companies at 31 October 2012 amounted to £145,408 (2011 total net surplus £216,398)

18 Pensions and similar obligations

The company participates in a group personal pension scheme which is a defined contribution scheme. Contributions payable by the company amounted to £613 (2011 £448). There were contributions payable at 31 October 2012 of £133 (2011 £97).

19 Related party transactions

The company has taken advantage of the exemption available under FRS 8 'Related Party Disclosure' not to disclose details of intra-group transactions.

Ash Distribution Limited

Notes to the financial statements for the year ended 31 October 2012 (continued)

20 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Canford Group PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the parent's consolidated financial statements may be obtained from the Company Secretary, Canford Group PLC, Crowther Road, Washington, Tyne & Wear, NE38 0BW.