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COMPANIES HOUSE

A & D SALES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2011

Company Registration Number 3748887

RSM Tenon Limited

Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

A & D SALES LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2011

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A & D SALES LIMITED
INDEPENDENT AUDITOR'S REPORT TO A & D SALES LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of A & D Sales Limited for the year ended 31 May 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Jean Lowe, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date *10/06/11*

A & D SALES LIMITED

Registered Number 3748887


ABBREVIATED BALANCE SHEET**31 MAY 2011**

	Note	2011 £	£	2010 £	£
Fixed assets	2				
Tangible assets			94,537		100,001
Current assets					
Stocks		1,451,113		1,800,655	
Debtors		899,402		664,265	
Cash at bank and in hand		214,740		60,210	
		<u>2,565,255</u>		<u>2,525,130</u>	
Creditors: Amounts falling due within one year	3	<u>(1,142,984)</u>		<u>(1,179,293)</u>	
Net current assets			1,422,271		1,345,837
Total assets less current liabilities			<u>1,516,808</u>		<u>1,445,838</u>
Creditors: Amounts falling due after more than one year	4		(99,583)		(163,212)
Provisions for liabilities			(7,980)		(7,050)
			<u>1,409,245</u>		<u>1,275,576</u>
Capital and reserves					
Called-up share capital	5		2		2
Profit and loss account			1,409,243		1,275,574
Shareholders' funds			<u>1,409,245</u>		<u>1,275,576</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

X These abbreviated accounts were approved by the directors and authorised for issue on and are signed on their behalf by

X



Mrs A Wallwork
Director

The notes on pages 3 to 5 form part of these abbreviated accounts

A & D SALES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Cash flow statement

The company has adopted the Financial Reporting Standard For Smaller Entities (effective April 2008) and is consequently exempt from the requirement to include a cash flow statement in the financial statements

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold 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 products, such as obsolescence, have been transferred to the customer

Fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property Improvements	- 10% straight line
Plant & Machinery	- 20% reducing balance
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance
Computer Equipment	- 25% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock. Cost represents expenditure incurred in bringing the product to its present location and condition at the year end

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

A & D SALES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2011

1. Accounting policies (continued)

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax is measured on an undiscounted basis at the 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 balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. Fixed assets

	Tangible Assets £
Cost	
At 1 June 2010	206,542
Additions	14,962
At 31 May 2011	<u>221,504</u>
Depreciation	
At 1 June 2010	106,541
Charge for year	20,426
At 31 May 2011	<u>126,967</u>
Net book value	
At 31 May 2011	<u>94,537</u>
At 31 May 2010	<u>100,001</u>

A & D SALES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2011

3. Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011 £	2010 £
Bank loan and overdraft	140,220	259,670
Hire purchase agreements	22,271	20,842
	<u>162,491</u>	<u>280,512</u>

The hire purchase agreements are secured on the assets concerned

The bank loan is secured by guarantees granted by the DTI for £150,000, and by personal guarantees from the directors, Mr D Ormrod and Mrs A Wallwork, for £50,000

The bank overdraft is secured by a mortgage debenture over the assets of the company and by personal guarantees from the directors, Mr D Ormrod and Mrs A Wallwork, for £88,000

4. Creditors. Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011 £	2010 £
Bank loan	81,942	123,300
Hire purchase agreements	17,641	39,912
	<u>99,583</u>	<u>163,212</u>

5. Share capital

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
2 Ordinary shares (2010 - 2) of £1 each	-	-	2	2
1 A Ordinary shares of £1 each	1	1	-	-
1 B Ordinary shares of £1 each	1	1	-	-
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

On 19 April 2011 the authorised share capital of 2 £1 Ordinary shares was divided into 1 'A' Ordinary shares and 1 'B' Ordinary shares. The issued share capital of 2 'A' Ordinary shares of £1 each was reclassified as 1 'A' Ordinary share of £1 each and 1 'B' Ordinary share of £1 each.