

REGISTERED NUMBER: 03748887 (England and Wales)

Unaudited Financial Statements

for the Year Ended 31 May 2017

for

A & D Sales Limited

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for the Year Ended 31 May 2017

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A & D Sales Limited

Company Information
for the Year Ended 31 May 2017

DIRECTORS:

D Ormrod
Mrs A J Wallwork

SECRETARY:

D Hindle

REGISTERED OFFICE:

Unit 4a Peel Industrial Estate
Peel House, Peel Road
Skelmersdale
Lancashire
WN8 9PT

REGISTERED NUMBER:

03748887 (England and Wales)

ACCOUNTANTS:

McEwan Wallace Limited
68 Argyle Street
Birkenhead
CH41 6AF

Balance Sheet
31 May 2017

	Notes	31.5.17 £	£	31.5.16 £	£
FIXED ASSETS					
Tangible assets	4		92,055		115,858
CURRENT ASSETS					
Stocks	5	1,177,902		1,332,668	
Debtors	6	569,283		565,092	
Cash at bank and in hand		<u>32,105</u>		<u>48,698</u>	
		1,779,290		1,946,458	
CREDITORS					
Amounts falling due within one year	7	<u>509,107</u>		<u>580,581</u>	
NET CURRENT ASSETS			<u>1,270,183</u>		<u>1,365,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,362,238		1,481,735
CREDITORS					
Amounts falling due after more than one year	8		(21,202)		(30,986)
PROVISIONS FOR LIABILITIES			<u>(16,483)</u>		<u>(20,821)</u>
NET ASSETS			<u>1,324,553</u>		<u>1,429,928</u>
CAPITAL AND RESERVES					
Called up share capital			2		2
Retained earnings			<u>1,324,551</u>		<u>1,429,926</u>
SHAREHOLDERS' FUNDS			<u>1,324,553</u>		<u>1,429,928</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 12 December 2017 and were signed on its behalf by:

Mrs A J Wallwork - Director

D Ommrod - Director

Notes to the Financial Statements
for the Year Ended 31 May 2017

1. **STATUTORY INFORMATION**

A & D Sales Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

When an asset is purchased it is categorised into an asset class, the depreciation policy of each class estimates the economic life of all assets within the class.

The depreciation policy of each asset class is determined by management and reviewed regularly for appropriateness. The depreciation policy adopted is based on historical experience as well as considering the future events which may impact the useful economic life of all assets within each class, such as changes in market demands.

In addition FRS 102 requires an entity to assess at each reporting date whether there is any indication that assets within a class may be impaired i.e. the recoverable amount of the asset is less than the carrying amount. If any such indication exists, management are required to estimate the recoverable amount of the individual assets concerned.

Management judgement is applied to determine if revenue and costs should be recognised in the current period.

Changes in accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS102 Section 1A for small entities. The date of transition is 1 January 2015.

The transition to FRS 102 Section 1A for small entities has resulted in a small number of changes in accounting policies to those used previously.

Turnover

Income is recognised on an accruals basis according to delivery of the services supplied.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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 future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2017

2. **ACCOUNTING POLICIES - continued**

Basic financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors, and directors' loans.

Directors' loans (being repayable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 23 .

4. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 June 2016 and 31 May 2017	<u>63,004</u>	<u>220,232</u>	<u>30,413</u>
DEPRECIATION			
At 1 June 2016	54,735	128,396	23,391
Charge for year	<u>2,200</u>	<u>18,367</u>	<u>1,053</u>
At 31 May 2017	<u>56,935</u>	<u>146,763</u>	<u>24,444</u>
NET BOOK VALUE			
At 31 May 2017	<u>6,069</u>	<u>73,469</u>	<u>5,969</u>
At 31 May 2016	<u>8,269</u>	<u>91,836</u>	<u>7,022</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 June 2016 and 31 May 2017	<u>9,750</u>	<u>24,404</u>	<u>347,803</u>
DEPRECIATION			
At 1 June 2016	4,266	21,157	231,945
Charge for year	<u>1,371</u>	<u>812</u>	<u>23,803</u>
At 31 May 2017	<u>5,637</u>	<u>21,969</u>	<u>255,748</u>
NET BOOK VALUE			
At 31 May 2017	<u>4,113</u>	<u>2,435</u>	<u>92,055</u>
At 31 May 2016	<u>5,484</u>	<u>3,247</u>	<u>115,858</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2017

4. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 June 2016 and 31 May 2017	<u>70,938</u>
DEPRECIATION	
At 1 June 2016	14,188
Charge for year	<u>11,350</u>
At 31 May 2017	<u>25,538</u>
NET BOOK VALUE	
At 31 May 2017	<u>45,400</u>
At 31 May 2016	<u>56,750</u>

5. **STOCKS**

	31.5.17 £	31.5.16 £
Stocks	<u>1,177,902</u>	<u>1,332,668</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.17 £	31.5.16 £
Trade debtors	339,332	410,548
Other debtors	32,294	-
Directors' current accounts	190,534	137,308
VAT	7,123	14,506
Prepayments	-	2,730
	<u>569,283</u>	<u>565,092</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.17 £	31.5.16 £
Bank loans and overdrafts	171,051	54,068
Hire purchase contracts (see note 9)	9,786	9,786
Trade creditors	219,223	342,752
Tax	62,629	66,705
Social security and other taxes	14,094	19,047
Other creditors	841	778
Accrued expenses	31,483	87,445
	<u>509,107</u>	<u>580,581</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2017

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.5.17	31.5.16
	£	£
Hire purchase contracts (see note 9)	<u>21,202</u>	<u>30,986</u>

9. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	31.5.17	31.5.16
	£	£
Gross obligations repayable:		
Within one year	11,283	11,283
Between one and five years	<u>24,446</u>	<u>35,728</u>
	<u>35,729</u>	<u>47,011</u>
Finance charges repayable:		
Within one year	1,497	1,497
Between one and five years	<u>3,244</u>	<u>4,742</u>
	<u>4,741</u>	<u>6,239</u>
Net obligations repayable:		
Within one year	9,786	9,786
Between one and five years	<u>21,202</u>	<u>30,986</u>
	<u>30,988</u>	<u>40,772</u>

The company committed to a lease agreement on 1 March 2017 for a Ford Mondeo. The term of the agreement is 36 months, leaving £5,712 to be paid within 1 year and the remaining £9,996 to be paid within 2-5 years.

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.5.17	31.5.16
	£	£
Bank overdrafts	171,051	54,068
Hire purchase contracts	<u>30,988</u>	<u>40,772</u>
	<u>202,039</u>	<u>94,840</u>

The bank overdrafts are secured by a mortgage debenture over the assets of the company and by personal guarantees from the directors, D Ormrod and Mrs A J Wallwork, for £88,000.

Hire purchase contracts are secured on the assets concerned.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2017

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 May 2017 and 31 May 2016:

	31.5.17 £	31.5.16 £
D Ormrod		
Balance outstanding at start of year	72,955	(9,614)
Amounts advanced	44,225	87,646
Amounts repaid	(11,995)	(5,077)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>105,185</u>	<u>72,955</u>
Mrs A J Wallwork		
Balance outstanding at start of year	64,353	(7,223)
Amounts advanced	28,730	74,742
Amounts repaid	(7,734)	(3,166)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>85,349</u>	<u>64,353</u>

At 31 May 2017, D Ormrod, director, owed the company £105,185 (2016 - £72,955). No interest has been charged on the directors loan account balance (2016 - £478).

At 31 May 2017, Mrs A J Wallwork, director, owed the company £85,349 (2016 - £64,353). No interest has been charged on the directors loan account balance (2016 - £362).

These advances are unsecured and have no formal repayment schedule.

12. RELATED PARTY DISCLOSURES

During the year, total dividends of £340,760 (2016 - £336,110) were paid to the directors .

The company operates from a property owned by the directors' father. Rent of £60 per annum is paid.

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.