

[REDACTED]

MUSICOM LTD

ABBREVIATED FINANCIAL STATEMENTS

31 AUGUST 2000

[REDACTED]

Company Registration Number 1849768



Glover Stanbury & Co
CHARTERED ACCOUNTANTS

MUSICOM LTD

ABBREVIATED FINANCIAL STATEMENTS

Year ended 31 August 2000

CONTENTS

PAGE

Abbreviated balance sheet

3

Notes to the abbreviated financial statements

4

MUSICOM LTD

ABBREVIATED BALANCE SHEET 31 August 2000

	Note	2000 £	1999 £
FIXED ASSETS	2		
Intangible assets		147,702	154,479
Tangible assets		54,648	57,995
Investments		98	7,098
		<u>202,448</u>	<u>219,572</u>
CURRENT ASSETS			
Stocks		60,209	65,868
Debtors		46,167	60,970
Cash at bank and in hand		165	5,106
		<u>106,541</u>	<u>131,944</u>
CREDITORS: Amounts falling Due within one year		<u>(25,899)</u>	<u>(52,670)</u>
NET CURRENT ASSETS		<u>80,642</u>	<u>79,274</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>283,090</u>	<u>298,846</u>
CREDITORS: Amounts falling due After more than one year	3	<u>(261,730)</u>	<u>(261,730)</u>
GOVERNMENT GRANTS	4	<u>(13,750)</u>	<u>(17,500)</u>
		<u>7,610</u>	<u>19,616</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	186,915	176,915
Share premium account		122,637	97,637
Profit and Loss Account		(301,942)	(254,936)
SHAREHOLDERS' FUNDS		<u>7,610</u>	<u>19,616</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 27th June 2001, and are signed on their behalf by:


A S KOORLANDER

The notes on pages 3 to 6 form part of these financial statements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

Year ended 31 August 2000

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 March 2000).

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Research and development

Where all of the following criteria is valid, development expenditure is deferred to periods expected to benefit from revenues generated when :

- a) There is a clearly defined project.
- b) The related expenditure is separately identifiable.
- c) The outcome of each project can be assessed with reasonable certainty to be technically feasible and commercially viable.
- d) The aggregate costs of development, production, selling and administration are reasonably expected to be more than covered by future revenues.
- e) Adequate resources exist and are reasonably expected to be available to enable the project to be completed and to provide any consequential increase in working capital.

In such cases development costs are amortised on a systematic basis over the period commencing with the commercial production of the product. Any expenditure carried forward is amortised in line with the expected sales from the related project.

If any of the foregoing criteria do not apply the development expenditure is written off in the year it is incurred.

Amortisation

Amortisation 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:

Evenly over life of project

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:

Property Improvements	- 25% pa reducing balance
Plant and machinery	- 25% pa reducing balance
Fixtures and fittings	- 25% pa reducing balance
Motor vehicles	- 25% pa reducing balance
Research and development equipment	- 25% pa reducing balance

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
Year ended 31 August 2000

1. ACCOUNTING POLICIES *(continued)*

Stocks

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

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.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

Deferred government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

Year ended 31 August 2000

2. FIXED ASSETS

	Intangible Assets £	Tangible Fixed Assets £	Investments £	Total £
COST				
At 1 September 1999	321,598	228,946	7,098	557,642
Additions	31,298	16,723	-	48,021
Disposals	-	(2,770)	(7,000)	(9,770)
At 31 August 2000	352,896	242,899	98	595,893
DEPRECIATION				
At 1 September 1999	167,119	170,951	-	338,070
Charge for year	38,075	17,987	-	56,062
On disposals	-	(687)	-	(687)
At 31 August 2000	205,194	188,251	-	393,445
NET BOOK VALUE				
At 31 August 2000	147,702	54,648	98	202,448
At 31 August 1999	154,479	57,995	7,098	219,572

3. 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:

	2000 £	1999 £
Debenture loans	245,810	245,810

Included within creditors falling due after more than one year is an amount of £5,920 (1999 - £5,920) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

Year ended 31 August 2000

4. GOVERNMENT GRANTS

	2000 £	1999 £
Received and receivable	25,000	25,000
Amortisation	<u>(11,250)</u>	<u>(7,500)</u>
	<u>13,750</u>	<u>17,500</u>

5. RELATED PARTY TRANSACTIONS

The company was under the control of Mr G Blyth throughout the current and previous year.

The Chairman owns the building which Musicom Ltd occupies. For the year ended 31 August 2000 Mr Deakin received £12,800 in rental income. He also owns debentures to the value of £163,810 on which he received 12% interest.

Mr Blyth also holds £82,000 12% debentures. The two debentures are repayable in five equal instalments before 31 December in each year beginning 31 December 2004 and ending 31 December 2008.

6. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
250,000 Ordinary shares of £1.00 each	<u>250,000</u>	<u>250,000</u>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital brought forward	176,915	165,487
Issue of ordinary shares	<u>10,000</u>	<u>11,428</u>
	<u>186,915</u>	<u>176,915</u>

During the year 10,000 £1 shares were issued at £3.50 per share to G H Blyth.