

Registration number 1849768

Musicom Ltd
Abbreviated Accounts
for the year ended 31 August 2006

Glover Stanbury & Co
CHARTERED ACCOUNTANTS

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MUSICOM LTD

CONTENTS PAGE FOR THE YEAR ENDED 31 AUGUST 2006

Abbreviated balance sheet	1 to 2
Notes to the abbreviated accounts	3 to 6

MUSICOM LTD

ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 2006

		2006		2005 <i>as restated</i>
	Note	£	£	£
Fixed assets				
Intangible assets	3		26,109	38,538
Tangible assets	3		17,027	19,986
Investments	3		98	98
			<u>43,234</u>	<u>58,622</u>
Current assets				
Stocks		80,888		68,997
Debtors		29,763		20,676
Cash at bank and in hand		<u>26,686</u>		<u>4,611</u>
		<u>137,337</u>		<u>94,284</u>
Creditors: Amounts falling due within one year		<u>(83,276)</u>		<u>(66,187)</u>
Net current assets			<u>54,061</u>	<u>28,097</u>
Total assets less current liabilities			97,295	86,719
Creditors: Amounts falling due after more than one year			<u>(272,416)</u>	<u>(265,230)</u>
Net liabilities			<u>(175,121)</u>	<u>(178,511)</u>
CAPITAL AND RESERVES				
Called up share capital	4		229,200	229,200
Share premium reserve			228,352	228,352
Profit and loss reserve			<u>(632,673)</u>	<u>(636,063)</u>
Equity shareholders' deficit			<u>(175,121)</u>	<u>(178,511)</u>

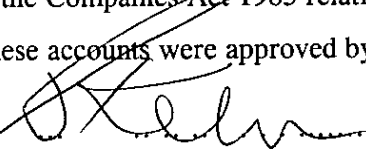
MUSICOM LTD

ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 2006 (CONTINUED)

For the financial year ended 31 August 2006, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985, and no notice has been deposited under section 249B(2) requesting an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the 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 Companies Act 1985, so far as applicable to the company.

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the Director on 13th JUNE 2007


A S Koorlander
Director

MUSICOM LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2006

1 ACCOUNTING POLICIES

FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept because the directors have agreed to provide continuing financial support to the company as necessary

Debenture loans from the directors amounting to £80,000 were issued in December 1998 in order to repay the Bank Loan and overdraft. The debentures held against the company were restructured 14 April 1999 to pay interest at 12% with capital repayments to commence 31 December 2004 payable in 5 equal instalments. From October 2001 both Mr Blyth and Mr Deakin waived their entitlement to the 12% interest in order to improve the working capital of the company. In April 2003 the company recommenced the payment of interest on the debentures at a new agreed rate of 8%. Mr Blyth and Mr Deakin both waived their entitlement to receive loan interest during the 2006 year, the interest payments will recommence April 2007.

Mr Deakin also agreed to a reduction in the rent payable to him during the 2006 year, full rental payments are to recommence in April 2007.

During the year an interest bearing loan of £7,500 was made to the company by Mr Blyth.

BASIS OF PREPARATION

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

CASH FLOW STATEMENT

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

TURNOVER

Turnover represents the invoiced value of sales of goods, net of value added tax.

AMORTISATION

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

Research and development	Over life of project
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MUSICOM LTD**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2006**

DEPRECIATION

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Property improvements	25% pa reducing balance
Plant and machinery	25% pa reducing balance
Fixtures and fittings	25% pa reducing balance
Research and development equipment	25% pa reducing balance

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at historical cost less provision for any diminution in value

STOCK

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

WORK IN PROGRESS

Work in progress is valued at net realisable value. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Provision is made for any foreseeable losses where appropriate

PENSIONS

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

2 PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the correction of an overstated trade creditor balance prior to 31 August 2004

MUSICOM LTD**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2006****3 FIXED ASSETS**

	Intangible assets £	Tangible assets £	Investments £	Total £
COST				
As at 1 September 2005	367,046	262,055	98	629,199
Additions	-	2,718	-	2,718
As at 31 August 2006	<u>367,046</u>	<u>264,773</u>	<u>98</u>	<u>631,917</u>
DEPRECIATION				
As at 1 September 2005	328,507	242,069	-	570,576
Charge for the year	12,430	5,677	-	18,107
As at 31 August 2006	<u>340,937</u>	<u>247,746</u>	<u>-</u>	<u>588,683</u>
NET BOOK VALUE				
As at 31 August 2006	<u>26,109</u>	<u>17,027</u>	<u>98</u>	<u>43,234</u>
As at 31 August 2005	<u>38,539</u>	<u>19,986</u>	<u>98</u>	<u>58,623</u>

4 SHARE CAPITAL

	2006 £	2005 £
AUTHORISED		
Equity		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
Equity		
229,200 Ordinary shares of £1 each	<u>229,200</u>	<u>229,200</u>

MUSICOM LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2006

5 RELATED PARTIES

CONTROLLING ENTITY

The company is controlled by the directors who own 98.75% of the called up share capital

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

RELATED PARTY TRANSACTIONS

The former Chairman owns the building which Musicom Ltd occupies. For the year ended 31 August 2006 Mr Deakin received £10,400 in rental income. He also owns 8% debentures to the value of £163,810 on which he received interest of £3,276 during the year.

Mr Blyth also holds £82,000 8% debentures on which he received interest of £1,640 during the year.

During the year an interest bearing loan of £7,500 was made to the company by Mr Blyth.

DIRECTOR'S LOAN ACCOUNT

The following balance owed by the director was outstanding at the year end

	Maximum Balance £	2006 £	2005 £
A S Koorlander	28	28	-