

Absolute Music Solutions Ltd
Annual Report and Unaudited Financial Statements
Year Ended 30 September 2017

Registration number: 04827522

Absolute Music Solutions Ltd

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Absolute Music Solutions Ltd

Balance Sheet

30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	<u>4</u>	30,833	40,697
Tangible assets	<u>5</u>	327,652	371,894
Investments	<u>6</u>	100	100
		<u>358,585</u>	<u>412,691</u>
Current assets			
Stocks	<u>7</u>	1,420,626	1,260,440
Debtors	<u>8</u>	291,756	286,540
Cash at bank and in hand		<u>1,243</u>	<u>626</u>
		1,713,625	1,547,606
Creditors: Amounts falling due within one year	<u>9</u>	<u>(1,710,502)</u>	<u>(1,534,089)</u>
Net current assets		<u>3,123</u>	<u>13,517</u>
Total assets less current liabilities		361,708	426,208
Creditors: Amounts falling due after more than one year	<u>9</u>	<u>(41,905)</u>	<u>(111,052)</u>
Net assets		<u>319,803</u>	<u>315,156</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>319,703</u>	<u>315,056</u>
Total equity		<u>319,803</u>	<u>315,156</u>

The notes on pages 3 to 12 form an integral part of these financial statements.

Absolute Music Solutions Ltd

Balance Sheet

30 September 2017

For the financial year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 5 February 2018 and signed on its behalf by:

A D Barclay

Director

Company Registration Number: 04827522

The notes on pages 3 to 12 form an integral part of these financial statements.

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Notes to the Financial Statements

Year Ended 30 September 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Units 3-5
Knighton Heath Industrial Estate
855 Ringwood Road
Bournemouth
Dorset
BH11 8NE

These financial statements were authorised for issue by the Board on 5 February 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Change in basis of accounting

The company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS102 as at 1 October 2015. Comparatives have been restated and an explanation of how transition to FRS102 has affected the reported financial performance is given in Note 12.

Group accounts not prepared

The company is part of a small group. The company has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared group accounts..

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold costs and alterations	Straight line over lease term
Equipment	20% straight line
Computer equipment	33.33% straight line
Motor vehicles	25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Amortisation

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

Asset class	Amortisation method and rate
Website	Over 3 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Financial Statements

Year Ended 30 September 2017

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 50 (2016 - 40).

Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

4 Intangible assets

	Website £	Total £
Cost or valuation		
At 1 October 2016	157,689	157,689
Additions acquired separately	13,664	13,664
At 30 September 2017	171,353	171,353
Amortisation		
At 1 October 2016	116,992	116,992
Amortisation charge	23,528	23,528
At 30 September 2017	140,520	140,520
Carrying amount		
At 30 September 2017	30,833	30,833
At 30 September 2016	40,697	40,697

Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 October 2016	548,805	79,513	17,165	80,465
Additions	5,544	4,061	15,789	1,176
At 30 September 2017	554,349	83,574	32,954	81,641
Depreciation				
At 1 October 2016	202,806	60,287	15,554	75,407
Charge for the year	57,283	9,018	611	3,900
At 30 September 2017	260,089	69,305	16,165	79,307
Carrying amount				
At 30 September 2017	294,260	14,269	16,789	2,334
At 30 September 2016	345,999	19,226	1,611	5,058
				Total £
Cost or valuation				
At 1 October 2016				725,948
Additions				26,570
At 30 September 2017				752,518
Depreciation				
At 1 October 2016				354,054
Charge for the year				70,812
At 30 September 2017				424,866
Carrying amount				
At 30 September 2017				327,652
At 30 September 2016				371,894

Included within the net book value of land and buildings above is £294,260 (2016 - £346,000) in respect of short

leasehold land and buildings.

Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

6 Investments

	2017 £	2016 £
Investments in subsidiaries	100	100
Subsidiaries		£
Cost or valuation		
At 1 October 2016		100
Provision		
Carrying amount		
At 30 September 2017		100
At 30 September 2016		100

7 Stocks

	2017 £	2016 £
Other inventories	1,420,626	1,260,440

8 Debtors

	2017 £	2016 £
Note		
Trade debtors	191,838	188,487
Amounts due from group undertakings	32,500	29,900
Other debtors	10,908	10,908
Prepayments	56,510	57,245
	291,756	286,540

Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

9 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	<u>10</u>	250,873	228,370
Trade creditors		1,076,819	906,512
Social security and other taxes		86,952	109,286
Outstanding defined contribution pension costs		1,650	1,650
Other creditors		215,998	209,193
Accrued expenses		12,440	-
Corporation tax		4,108	30,585
Other creditors		61,662	48,493
		<u>1,710,502</u>	<u>1,534,089</u>

Due after one year

Loans and borrowings	<u>10</u>	<u>41,905</u>	<u>111,052</u>
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10 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	41,905	110,476
Finance lease liabilities	-	576
	<u>41,905</u>	<u>111,052</u>

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	68,572	68,572
Bank overdrafts	180,848	157,307
Finance lease liabilities	1,453	2,491
	<u>250,873</u>	<u>228,370</u>

Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

11 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £775,125 (2016 - £950,625).

The total amount of guarantees not included in the balance sheet is £50,000 (2016 - £50,000). A limited guarantee exists given by the director A D Barclay in favour of HSBC Plc to secure all liabilities.

12 Transition to FRS 102

Under FRS102 website costs have been reclassified as an intangible asset from the date of transition 1 October 2015. The useful life of the website was reviewed, but is unchanged from previous years. There is no difference between the amount of annual amortisation and previous depreciation charges, therefore there is no impact on the reported profit or net assets.

Balance Sheet at 1 October 2015

	Note	As originally reported £	Reclassification £	As restated £
Fixed assets				
Intangible assets		-	38,530	38,530
Tangible assets		433,150	(38,530)	394,620
		433,150	-	433,150
Current assets				
Stocks		1,200,565	-	1,200,565
Debtors		301,734	-	301,734
Cash at bank and in hand		1,031	-	1,031
		1,503,330	-	1,503,330
Creditors: Amounts falling due within one year		(1,489,576)	-	(1,489,576)
Net current assets		13,754	-	13,754
Total assets less current liabilities		446,904	-	446,904
Creditors: Amounts falling due after more than one year		(182,992)	-	(182,992)
Net assets		263,912	-	263,912
Capital and reserves				
Called up share capital		100	-	100
Profit and loss account		263,812	-	263,812

Total equity	263,912	-	263,912
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Absolute Music Solutions Ltd

Notes to the Financial Statements

Year Ended 30 September 2017

Balance Sheet at 30 September 2016

	Note	As originally reported £	Reclassification £	As restated £
Fixed assets				
Intangible assets		-	40,697	40,697
Tangible assets		412,592	(40,697)	371,895
Investments		100	-	100
		<u>412,692</u>	<u>-</u>	<u>412,692</u>
Current assets				
Stocks		1,260,440	-	1,260,440
Debtors		286,538	-	286,538
Cash at bank and in hand		626	-	626
		<u>1,547,604</u>	<u>-</u>	<u>1,547,604</u>
Creditors: Amounts falling due within one year		<u>(1,534,088)</u>	<u>-</u>	<u>(1,534,088)</u>
Net current assets		<u>13,516</u>	<u>-</u>	<u>13,516</u>
Total assets less current liabilities		426,208	-	426,208
Creditors: Amounts falling due after more than one year		<u>(111,052)</u>	<u>-</u>	<u>(111,052)</u>
Net assets		<u>315,156</u>	<u>-</u>	<u>315,156</u>
Capital and reserves				
Called up share capital		100	-	100
Profit and loss account		<u>315,056</u>	<u>-</u>	<u>315,056</u>
Total equity		<u>315,156</u>	<u>-</u>	<u>315,156</u>

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.