

REGISTERED NUMBER. 06729155 (England and Wales)

**AUDIO T HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

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**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER 06729155)**

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FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

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**AUDIO T HOLDINGS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

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**DIRECTORS:**

G L Brown  
J H Lewin  
A Revelle

**REGISTERED OFFICE:**

19 Old High Street  
Headington  
Oxfordshire  
OX3 9HS

**REGISTERED NUMBER:**

06729155 (England and Wales)

**AUDITORS:**

Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HN

**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER 06729155)**

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

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The directors present their report with the financial statements of the company and the group for the period 1 May 2012 to 31 January 2013

**PRINCIPAL ACTIVITY**

The principal activity of the group in the period under review was that of retail and installation of electronic equipment

**REVIEW OF BUSINESS**

During the period to January 2013 the company traded for the first month partly as Audio T and partly as Sevenoaks Sound & Vision, under license, and then solely as Audio T for the rest of the period. The result of this change was an initial reduction in sales followed by a change in the product mix which led to a considerable improvement in margins. The directors continued to cut costs back aggressively and closed four more non performing stores.

As a result of these changes the losses reduced substantially and the directors continue to expect the company to break even in 2013/14 and to move into profit the following year by growing sales, maintaining margins and closing further non performing stores.

Outside of the stores, the Bristol Show and the Sound & Vision at Home brochure performed well and the directors expect this performance to continue in 2013/14.

The key measures used by the board at a store, individual subsidiary and group level are turnover and gross margin. Group turnover for the period under review was £4,761,918 (2012 - £8,913,487) and gross margin achieved was 30% (2012 - 26%) which is considered more acceptable compared to last year. However measures are being put in place to bring this performance up to the level of previous years.

Inevitably performance varies on a store by store basis and the board continue to work to identify and address issues affecting the performance of individual stores.

This set of consolidated results are showing a pre-tax loss of £830,629 (2012 - £1,232,084), and the board is confident that the measures put in place will enable it to trade profitably in the future.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 January 2013.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2012 to the date of this report.

G L Brown  
J H Lewin  
A Revelle

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

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**FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES**

The group's financial instruments at the balance sheet date comprised short term and long term loans. The main purpose of these financial instruments is to raise finance for the group's operations. The group has various other financial instruments such as trade debtors and trade creditors that arise from its operations.

The group is exposed to a variety of financial risks which result from its operating activities. The board is responsible for coordinating the group's risk management and focuses on securing the group's short to medium term cash flows.

The group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant financial risks to which the group is exposed are described below.

**Cash flow risks**

The group seeks to manage risks to ensure sufficient liquidity is available to meet its foreseeable needs. Regular contact is maintained with the group's bankers to ensure that sufficient funding is available for the group's needs.

**Interest rate risks**

The group's interest rate risk is attributable to its bank borrowings. Interest is paid on borrowing at a variable rate above the bank's base rate.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

**ON BEHALF OF THE BOARD**



J H Lewin - Director

Date

29/10/13

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AUDIO T HOLDINGS LIMITED**

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We have audited the financial statements of Audio T Holdings Limited for the period ended 31 January 2013 on pages seven to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2013 and of the group's loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern.

The matters explained in note 1 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustment that would result if the company was unable to continue as a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AUDIO T HOLDINGS LIMITED**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Wilkins Kennedy LLP*

Michaela Izquierdo (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HN

4 November 2013



**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER 06729155)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

	Notes	PERIOD 1 5 12 TO 31.1 13 £	YEAR ENDED 30 4 12 £
<b>TURNOVER</b>		<b>4,761,918</b>	<b>8,913,487</b>
Cost of sales		<u>(3,351,806)</u>	<u>(6,596,622)</u>
<b>GROSS PROFIT</b>		<b>1,410,112</b>	<b>2,316,865</b>
Administrative expenses		<u>(2,188,232)</u>	<u>(3,490,976)</u>
		<b>(778,120)</b>	<b>(1,174,111)</b>
Other operating income		<u>427</u>	<u>2,762</u>
<b>OPERATING LOSS</b>	<b>3</b>	<b>(777,693)</b>	<b>(1,171,349)</b>
Interest receivable and similar income		<u>-</u>	<u>672</u>
		<b>(777,693)</b>	<b>(1,170,677)</b>
Interest payable and similar charges	<b>4</b>	<u>(52,936)</u>	<u>(61,407)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(830,629)</b>	<b>(1,232,084)</b>
Tax on loss on ordinary activities	<b>5</b>	<u>-</u>	<u>12,555</u>
<b>LOSS FOR THE FINANCIAL PERIOD FOR THE GROUP</b>		<b><u>(830,629)</u></b>	<b><u>(1,219,529)</u></b>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current period or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the losses for the current period or previous year

The notes form part of these financial statements

**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER: 06729155)**

**CONSOLIDATED BALANCE SHEET  
31 JANUARY 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	7	457,793	508,120
Tangible assets	8	409,095	465,029
Investments	9	1	1
		<u>866,889</u>	<u>973,150</u>
<b>CURRENT ASSETS</b>			
Stocks	10	2,252,830	2,219,914
Debtors	11	292,214	129,622
Cash at bank and in hand		185,241	2,066
		<u>2,730,285</u>	<u>2,351,602</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(3,980,152)	(3,127,762)
<b>NET CURRENT LIABILITIES</b>		<u>(1,249,867)</u>	<u>(776,160)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(382,978)</u>	<u>196,990</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(421,260)	(170,599)
<b>NET (LIABILITIES)/ASSETS</b>		<u><u>(804,238)</u></u>	<u><u>26,391</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	51,000	51,000
Share premium	18	609,301	609,301
Profit and loss account	18	(1,464,539)	(633,910)
<b>SHAREHOLDERS' FUNDS</b>	20	<u><u>(804,238)</u></u>	<u><u>26,391</u></u>

The notes form part of these financial statements

AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER: 06729155)

CONSOLIDATED BALANCE SHEET - continued  
31 JANUARY 2013

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The financial statements were approved by the Board of Directors on 29/10/13 and were signed on its behalf by

A handwritten signature in black ink, appearing to read 'J H Lewin', with a stylized flourish at the end.

J H Lewin - Director

The notes form part of these financial statements

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AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER 06729155)

COMPANY BALANCE SHEET  
31 JANUARY 2013

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	7	-	-
Tangible assets	8	-	-
Investments	9	464,301	660,301
		<u>464,301</u>	<u>660,301</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>464,301</u>	<u>660,301</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	51,000	51,000
Share premium	18	609,301	609,301
Profit and loss account	18	(196,000)	-
<b>SHAREHOLDERS' FUNDS</b>	20	<u>464,301</u>	<u>660,301</u>

The financial statements were approved by the Board of Directors on  
signed on its behalf by

29/10/13

and were



J H Lewin - Director

The notes form part of these financial statements

**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER 06729155)**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

		<b>PERIOD 1.5.12 TO 31.1.13 £</b>	<b>YEAR ENDED 30 4 12 £</b>
<b>Net cash outflow from operating activities</b>	Notes 1	(973,695)	(283,069)
<b>Returns on investments and servicing of finance</b>	2	(25,324)	(60,735)
<b>Taxation</b>		-	1
<b>Capital expenditure</b>	2	(45,659)	(30,733)
		<u>(1,044,678)</u>	<u>(374,536)</u>
<b>Financing</b>	2	<u>1,633,194</u>	<u>377,807</u>
<b>Increase in cash in the period</b>		<u>588,516</u>	<u>3,271</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase in cash in the period		588,516	3,271
Cash inflow from increase in debt and lease financing		<u>(333,749)</u>	<u>(84,890)</u>
Change in net debt resulting from cash flows		<u>254,767</u>	<u>(81,619)</u>
<b>Movement in net debt in the period</b>		<u>254,767</u>	<u>(81,619)</u>
<b>Net debt at 1 May</b>		<u>(622,218)</u>	<u>(530,175)</u>
<b>Net debt at 31 January</b>		<u>(367,451)</u>	<u>(611,794)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	<b>PERIOD 1 5 12 TO 31.1 13 £</b>	<b>YEAR ENDED 30 4 12 £</b>
Operating loss	(777,693)	(1,171,349)
Depreciation charges	68,262	90,120
Loss on disposal of fixed assets	33,331	36,158
Amortisation of goodwill	50,327	(7,604)
(Increase)/decrease in stocks	(32,916)	1,040,209
(Increase)/decrease in debtors	(162,592)	65,054
Decrease in creditors	(152,414)	(335,657)
<b>Net cash outflow from operating activities</b>	<b>(973,695)</b>	<b>(283,069)</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<b>PERIOD 1.5.12 TO 31 1.13 £</b>	<b>YEAR ENDED 30 4 12 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	-	672
Interest paid	(24,843)	(57,045)
Interest element of hire purchase payments	(481)	(4,362)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(25,324)</b>	<b>(60,735)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(48,459)	(32,007)
Sale of tangible fixed assets	2,800	1,274
<b>Net cash outflow for capital expenditure</b>	<b>(45,659)</b>	<b>(30,733)</b>
<b>Financing</b>		
New loans in year	682,014	200,000
Loan repayments in year	(343,959)	(109,582)
Capital repayments in year	(4,306)	(5,528)
Amount introduced by directors	1,361,144	403,624
Amount withdrawn by directors	(61,699)	(110,707)
<b>Net cash inflow from financing</b>	<b>1,633,194</b>	<b>377,807</b>

**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER. 06729155)**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 5 12</b>	<b>Cash flow</b>	<b>At</b>
	<b>£</b>	<b>£</b>	<b>31.1 13</b>
			<b>£</b>
Net cash			
Cash at bank and in hand	2,066	183,175	185,241
Bank overdraft	(405,341)	405,341	-
	<u>(403,275)</u>	<u>588,516</u>	<u>185,241</u>
 Debt			
Hire purchase	(13,838)	4,306	(9,532)
Debts falling due within one year	(42,614)	(83,297)	(125,911)
Debts falling due after one year	(162,491)	(254,758)	(417,249)
	<u>(218,943)</u>	<u>(333,749)</u>	<u>(552,692)</u>
 Total	<u>(622,218)</u>	<u>254,767</u>	<u>(367,451)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013

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1 ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Going concern**

The group has net liabilities and net current liabilities and has made an overall loss before tax in the current financial year

The group's funding consists of bank loans. The bank loans are secured on the assets of the group. Whilst there is no indication that the bank will not continue to support the business, conditions within the hi-fi retail sector have remained difficult in the period since January 2013 and the prospects for the industry as a whole remain difficult to predict with any degree of confidence. The on-going losses in some of the companies within the group have been a drain on reserves and it is these losses that indicate the existence of a material uncertainty.

The group has undertaken a number of initiatives in order to improve its performance and it is hoped that through these initiatives sales can be increased and its financial performance improved significantly. The directors have prepared forecasts which demonstrates how the group will meet its liabilities as they fall due.

These financial statements are therefore prepared on a going concern basis.

**Basis of consolidation**

The consolidated accounts include the results of the parent company and all of its subsidiary undertakings made up to 31 January 2013 (previously 30 April). The group profit and loss account includes the results of all subsidiary undertakings for the period from their date of acquisition and up to the date of disposal. Turnover and profits arising on trading between group companies are excluded.

**Turnover**

Turnover represents net invoiced sales of goods, excluding Value Added Tax.

Turnover of product sales is recognised at the point of sale when goods are received by the customer. Payments in advance are deferred until the title of goods or services supplied has been passed to the customer.

Turnover for custom installs is recognised on completion of specified milestones in accordance with the signed customer contracts, which represents the work done at a point in time.

**Goodwill**

Where the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill. This is capitalised and amortised evenly over its estimated useful life of five years.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking, the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss account over the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated and in the case of current assets, the period over which they are sold or otherwise realised.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013

1 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

Short leasehold	- Straight line over period of the lease
Long leasehold	- Straight line over period of the lease
Improvements to property	- Straight line over period of the lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

**Stocks**

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

**Taxation**

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years

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

**Pension costs and other post-retirement benefits**

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

**Hire purchase and leasing commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent an equal charge in each period over the term of the agreement

Rentals under operating leases are charged on a straight line basis over the lease term

**Investments**

Investments are shown at cost less any provision for impairment

2 STAFF COSTS

	PERIOD 1.5.12 TO 31.1.13 £	YEAR ENDED 30.4.12 £
Wages and salaries	1,036,695	1,630,800
Social security costs	72,899	128,384
Other pension costs	832	1,329
	<u>1,110,426</u>	<u>1,760,513</u>

**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER 06729155)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**2 STAFF COSTS - continued**

The average monthly number of employees during the period was as follows

	<b>PERIOD 1 5 12 TO 31.1.13</b>	<b>YEAR ENDED 30 4 12</b>
Sales	<b>51</b>	73
Administration	<b>4</b>	10
	<u><b>55</b></u>	<u>83</u>

**3 OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	<b>PERIOD 1.5.12 TO 31 1 13</b>	<b>YEAR ENDED 30 4 12</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	<b>68,262</b>	90,122
Loss on disposal of fixed assets	<b>33,611</b>	36,158
Positive goodwill amortisation	<b>50,327</b>	28,408
Negative goodwill amortisation	<b>-</b>	(36,013)
Auditors' remuneration	<b>21,627</b>	27,246
	<u><b>-</b></u>	<u>23,800</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u><b>1</b></u>	<u>1</u>
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**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>PERIOD 1.5.12 TO 31 1 13</b>	<b>YEAR ENDED 30 4 12</b>
	<b>£</b>	<b>£</b>
Bank interest	<b>19,306</b>	27,270
Bank loan interest	<b>33,149</b>	29,775
Hire purchase	<b>481</b>	4,362
	<u><b>52,936</b></u>	<u>61,407</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**5 TAXATION****Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the period was as follows

	<b>PERIOD</b> <b>1 5 12</b> <b>TO</b> <b>31.1 13</b> <b>£</b>	<b>YEAR ENDED</b> <b>30 4 12</b> <b>£</b>
Current tax		
UK corporation tax prior year	-	(12,555)
Tax on loss on ordinary activities	-	(12,555)

**6 LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(196,000) (2012 - £0 profit)

**7 INTANGIBLE FIXED ASSETS****Group**

	<b>Positive goodwill £</b>	<b>Negative goodwill £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 May 2012			
and 31 January 2013	<u>564,766</u>	<u>(1,212,285)</u>	<u>(647,519)</u>
<b>AMORTISATION</b>			
At 1 May 2012	56,646	(1,212,285)	(1,155,639)
Amortisation for period	<u>50,327</u>	<u>-</u>	<u>50,327</u>
At 31 January 2013	<u>106,973</u>	<u>(1,212,285)</u>	<u>(1,105,312)</u>
<b>NET BOOK VALUE</b>			
At 31 January 2013	<u>457,793</u>	<u>-</u>	<u>457,793</u>
At 30 April 2012	<u>508,120</u>	<u>-</u>	<u>508,120</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**8 TANGIBLE FIXED ASSETS****Group**

	Short leasehold £	Long leasehold £	Improvements to property £	Plant and machinery £
<b>COST</b>				
At 1 May 2012	17,275	233,897	26,771	807
Additions	29,137	3,680	115	-
Disposals	(6,296)	(70,166)	-	(807)
At 31 January 2013	40,116	167,411	26,886	-
<b>DEPRECIATION</b>				
At 1 May 2012	3,000	116,579	25,033	807
Charge for period	3,069	32,817	267	-
Eliminated on disposal	(1,770)	(54,151)	-	(807)
At 31 January 2013	4,299	95,245	25,300	-
<b>NET BOOK VALUE</b>				
At 31 January 2013	35,817	72,166	1,586	-
At 30 April 2012	14,275	117,318	1,738	-
	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 May 2012	368,822	25,468	50,156	723,196
Additions	14,827	-	700	48,459
Disposals	(14,330)	(4,603)	-	(96,202)
At 31 January 2013	369,319	20,865	50,856	675,453
<b>DEPRECIATION</b>				
At 1 May 2012	84,461	1,202	27,085	258,167
Charge for period	21,732	3,655	6,722	68,262
Eliminated on disposal	(1,770)	(1,573)	-	(60,071)
At 31 January 2013	104,423	3,284	33,807	266,358
<b>NET BOOK VALUE</b>				
At 31 January 2013	264,896	17,581	17,049	409,095
At 30 April 2012	284,361	24,266	23,071	465,029

Included in motor vehicles are assets held on hire purchase contracts and finance leases at a cost of £18,887 (2012 - £18,887) and accumulated depreciation of £8,297 (2012 - £7,290)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013

## 9 FIXED ASSET INVESTMENTS

## Group

Unlisted  
investments  
£

## COST

At 1 May 2012  
and 31 January 20131

## NET BOOK VALUE

At 31 January 2013

1

At 30 April 2012

1

## Company

Shares in  
group  
undertakings  
£

## COST

At 1 May 2012  
Impairments660,301  
(196,000)

At 31 January 2013

464,301

## NET BOOK VALUE

At 31 January 2013

464,301

At 30 April 2012

660,301

The group or the company's investments at the balance sheet date in the share capital of companies include the following

## Subsidiaries

## Audio T Limited

Nature of business Retail of electronic equipment

Class of shares	% holding
Ordinary "A" shares of £1 each	100 00
Ordinary "B" shares of £1 each	100 00

## Audio T Custom Limited

Nature of business Installation of electronic equipment

Class of shares	% holding
Ordinary shares of £1 each	100 00

## Audio Excellence Limited

Nature of business Retail of electronic equipment

Class of shares	% holding
Ordinary shares of £1 each	100 00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013

9 FIXED ASSET INVESTMENTS - continued

**Practical Hi Fi Limited**

Nature of business Retail of electronic equipment

Class of shares	% holding
Ordinary shares of £1 each	100.00

**Audio T (UK) Limited**

Nature of business Retail of electronic equipment

Class of shares	% holding
Ordinary shares of £1 each	100.00

The unlisted investment is a trade investment in Top Ten Buys Limited

As at 31 January 2013 the group held 100% of the share capital of Jeffries Radiovision Limited. The company was dormant throughout the year and had share capital and reserves totalling £1,000. This company is not included in the consolidated accounts on the grounds of materiality.

10 STOCKS

	Group	
	2013	2012
	£	£
Stocks	<u>2,252,830</u>	<u>2,219,914</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2013	2012
	£	£
Trade debtors	138,008	53,361
Other debtors	50,100	100
Prepayments and accrued income	104,106	76,161
	<u>292,214</u>	<u>129,622</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 14)	<b>125,911</b>	447,955
Hire purchase contracts (see note 15)	<b>5,521</b>	5,730
Trade creditors	<b>707,050</b>	1,003,643
Other taxes and social security	<b>205,280</b>	250,107
Other creditors	<b>45,770</b>	60,207
Directors' current accounts	<b>2,479,394</b>	1,179,949
Accruals and deferred income	<b>411,226</b>	180,171
	<u><b>3,980,152</b></u>	<u><b>3,127,762</b></u>

**13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 14)	<b>417,249</b>	162,491
Hire purchase contracts (see note 15)	<b>4,011</b>	8,108
	<u><b>421,260</b></u>	<u><b>170,599</b></u>

**14 LOANS**

An analysis of the maturity of loans is given below

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand		
Bank overdrafts	-	405,341
Bank loans	<b>125,911</b>	42,614
	<u><b>125,911</b></u>	<u><b>447,955</b></u>
Amounts falling due between one and two years		
Bank loans	<b>123,632</b>	42,613
	<u><b>123,632</b></u>	<u><b>42,613</b></u>
Amounts falling due between two and five years		
Bank loans	<b>293,617</b>	119,878
	<u><b>293,617</b></u>	<u><b>119,878</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES****Group**

	<b>Hire purchase contracts</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Net obligations repayable		
Within one year	<b>5,521</b>	5,730
Between one and five years	<b>4,011</b>	8,108
	<u><b>9,532</b></u>	<u>13,838</u>

The following operating lease payments are committed to be paid within one year

**Group**

	<b>Land and buildings</b>		<b>Other operating leases</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring				
Within one year	<b>43,110</b>	113,843	<b>5,696</b>	-
Between one and five years	<b>165,750</b>	165,750	<b>4,163</b>	2,632
In more than five years	<b>110,250</b>	85,250	-	-
	<u><b>319,110</b></u>	<u>364,843</u>	<u><b>9,859</b></u>	<u>2,632</u>

**16 SECURED DEBTS**

The following secured debts are included within creditors

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank overdraft	-	405,341
Bank loans	<b>543,160</b>	205,105
	<u><b>543,160</b></u>	<u>610,446</u>

The bank loans are secured by a debenture, incorporating a fixed and floating charge, over the company's current and future assets and a first legal mortgage over freehold property known as 19 Old High Street, Headington, Oxford. In addition to this, the director, Mr J H Lewin has provided personal guarantees to the bank.

The bank also holds security in the form of unlimited intercompany guarantees between Audio T Limited and Audio T Custom Limited.

Assets under hire purchase are secured on the assets to which they relate.



**AUDIO T HOLDINGS LIMITED (REGISTERED NUMBER 06729155)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**17 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value £1	2013 £	2012 £
51,000	Ordinary		<u>51,000</u>	<u>51,000</u>

**18 RESERVES**

**Group**

	Profit and loss account £	Share premium £	Totals £
At 1 May 2012	(633,910)	609,301	(24,609)
Deficit for the period	<u>(830,629)</u>		<u>(830,629)</u>
At 31 January 2013	<u>(1,464,539)</u>	<u>609,301</u>	<u>(855,238)</u>

**Company**

	Profit and loss account £	Share premium £	Totals £
At 1 May 2012	-	609,301	609,301
Deficit for the period	<u>(196,000)</u>		<u>(196,000)</u>
At 31 January 2013	<u>(196,000)</u>	<u>609,301</u>	<u>413,301</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 MAY 2012 TO 31 JANUARY 2013**

**19 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in Financial Reporting Standard 8 not to disclose transactions entered into by two or more members of a group where the subsidiary undertaking that is party to the transaction is a wholly owned member of that group

During the period the group made payments to a director, G L Brown, amounting to £12,750 (2012 - £14,500) in respect of premises rented by the company

During the period the group made payments to a director, A Revelle, amounting to £35,250 (2012 - £47,000) in respect of premises rented by the company

During the period the group made payments to a director, J H Lewin, amounting to £84,000 (2012 - £112,000) in respect of premises rented by the company. The group also made payments to Mrs M Lewin, the wife of J H Lewin, amounting to £16,875 (2012 - £22,500) in respect of premises rented by the company

At 31 January 2013, the group owed the directors £2,481,356 (2012 - £1,181,891). This was split accordingly between J H Lewin £2,188,630 (2012 - £830,818), G L Brown £108,436 (2012 - £111,540), and A Revelle £184,290 (2012 - £239,533)

During the period, interest was paid to the directors in relation to these loans of £30,995 (2012 - £19,748). This was split accordingly between Mr J H Lewin £25,091 (2012 - £12,602), Mrs G L Brown £1,568 (2012 - £1,394), and Mr A Revelle £4,336 (2012 - £5,752). Included within creditors falling due within one year is unpaid directors loan interest of £40,248 (2012 - £12,636). This was split accordingly between Mr J H Lewin £30,334 (2012 - £7,502), Mrs G L Brown £2,931 (2012 - £1,363), and Mr A Revelle £6,983 (2012 - £3,771)

All of the above transactions were conducted on an arms length basis

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****Group**

	2013 £	2012 £
Loss for the financial period	<u>(830,629)</u>	<u>(1,219,529)</u>
<b>Net reduction of shareholders' funds</b>	<b>(830,629)</b>	<b>(1,219,529)</b>
Opening shareholders' funds	<u>26,391</u>	<u>1,245,920</u>
<b>Closing shareholders' funds</b>	<u><u>(804,238)</u></u>	<u><u>26,391</u></u>

**Company**

	2013 £	2012 £
Loss for the financial period	<u>(196,000)</u>	<u>-</u>
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(196,000)</b>	<b>-</b>
Opening shareholders' funds	<u>660,301</u>	<u>660,301</u>
<b>Closing shareholders' funds</b>	<u><u>464,301</u></u>	<u><u>660,301</u></u>