

REGISTERED NUMBER: SC365971 (Scotland)

**STRATEGIC REPORT, DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
FOR  
WESTSIDE DISTRIBUTION LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2018

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**WESTSIDE DISTRIBUTION LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**DIRECTORS:**

Mrs A M Grant  
P E Hay  
J F Van Der Schoot

**SECRETARY:**

Mrs A M Grant

**REGISTERED OFFICE:**

100 Fifty Pitches Road  
Glasgow  
G51 4EB

**REGISTERED NUMBER:**

SC365971 (Scotland)

**AUDITORS:**

Consilium Audit Limited (Statutory Auditor)  
169 West George Street  
Glasgow  
G2 2LB

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their strategic report for the year ended 31 March 2018.

**REVIEW OF BUSINESS**

There has been a slight decrease in turnover compared to the prior year from £12,019k to £11,794k.

At the year end the Company had shareholders funds and distributable profits of £7,909k. The directors therefore believe the Company's position to be satisfactory.

**KEY PERFORMANCE INDICATORS**

The gross margin for the year has increased from 18.3% to 27.6%.

The operating profit margin for the year increased from 4.7% to 14.4%.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors have assessed the main risk facing the Company as being the competition from other companies within the industry. The directors believe that the reputation of the Company and the quality of the products and services provided will mitigate this risk.

**FINANCIAL RISK MANAGEMENT AND OBJECTIVES AND POLICIES**

The Company finances its operations through a mixture of retained profits and operational bank accounts, and where necessary bank borrowings and hire purchase to fund the Company's expansion or capital expenditure programmes. The management's objectives are to:

- retain sufficient liquid funds to enable the Company to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the Company's exposure to fluctuating interest and exchange rates; and
- match the repayment schedule of any external borrowings with the future cash flows expected to arise from the Company's trading activities.

The Company is exposed to the normal credit risk associated with dealing with customers on commercial credit terms.

**ON BEHALF OF THE BOARD:**

P E Hay - Director

21 December 2018

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their report with the financial statements of the Company for the year ended 31 March 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the Company during the year was the wholesale of musical instruments.

**DIVIDENDS**

During the year dividends of £8,333 (2017: £21,666) were paid to the shareholders.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

Mrs A M Grant  
P E Hay  
J F Van Der Schoot

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Directors' Report 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

**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 Company'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 Company's auditors are aware of that information.

**AUDITORS**

The auditors, Consilium Audit Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P E Hay - Director

21 December 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WESTSIDE DISTRIBUTION LIMITED**

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**Opinion**

We have audited the financial statements of Westside Distribution Limited (the 'Company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WESTSIDE DISTRIBUTION LIMITED**

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**Responsibilities of directors**

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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.

David Holt (Senior Statutory Auditor)  
for and on behalf of Consilium Audit Limited (Statutory Auditor)  
169 West George Street  
Glasgow  
G2 2LB

21 December 2018

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>TURNOVER</b>			11,793,530		12,019,242
Cost of sales			8,534,378		9,817,543
<b>GROSS PROFIT</b>			3,259,152		2,201,699
Administrative expenses			1,556,290		1,633,952
<b>OPERATING PROFIT</b>	4		1,702,862		567,747
Income from shares in group undertakings		3,098,340		-	
Interest receivable and similar income		1,929		2,980	
Amounts provided against investments	5	(200)		-	
Interest payable and similar expenses	6	(80)		(1,656)	
			3,099,989		1,324
<b>PROFIT BEFORE TAXATION</b>			4,802,851		569,071
Tax on profit	7		322,795		117,842
<b>PROFIT FOR THE FINANCIAL YEAR</b>			4,480,056		451,229
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			4,480,056		451,229

The notes form part of these financial statements



**BALANCE SHEET**  
**31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		82,075		101,890
Investments	10		-		-
			<u>82,075</u>		<u>101,890</u>
<b>CURRENT ASSETS</b>					
Stocks	11	4,816,195		375,138	
Debtors	12	1,346,810		1,200,618	
Cash at bank and in hand		<u>3,889,352</u>		<u>3,783,066</u>	
		10,052,357		5,358,822	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>2,212,849</u>		<u>2,006,302</u>	
<b>NET CURRENT ASSETS</b>			<u>7,839,508</u>		<u>3,352,520</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,921,583</u>		<u>3,454,410</u>
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>12,367</u>		<u>17,117</u>
<b>NET ASSETS</b>			<u><u>7,909,216</u></u>		<u><u>3,437,293</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		300		100
Retained earnings	18		<u>7,908,916</u>		<u>3,437,193</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>7,909,216</u></u>		<u><u>3,437,293</u></u>

The financial statements were approved by the Board of Directors on 21 December 2018 and were signed on its behalf by:

P E Hay - Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2016</b>	100	3,007,630	3,007,730
<b>Changes in equity</b>			
Dividends	-	(21,666)	(21,666)
Total comprehensive income	-	451,229	451,229
<b>Balance at 31 March 2017</b>	100	3,437,193	3,437,293
<b>Changes in equity</b>			
Issue of share capital	200	-	200
Dividends	-	(8,333)	(8,333)
Total comprehensive income	-	4,480,056	4,480,056
<b>Balance at 31 March 2018</b>	300	7,908,916	7,909,216

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	918,141	183,829
Interest element of hire purchase payments paid		(80)	(1,656)
Tax paid		<u>(122,481)</u>	<u>(109,617)</u>
Net cash from operating activities		<u>795,580</u>	<u>72,556</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,313)	(2,359)
Interest received		<u>1,929</u>	<u>2,980</u>
Net cash from investing activities		<u>616</u>	<u>621</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(14,204)	(11,420)
Amounts (paid) to directors		(591,080)	830,512
Amounts (paid) to related parties		(76,293)	885,893
Equity dividends paid		<u>(8,333)</u>	<u>(21,666)</u>
Net cash from financing activities		<u>(689,910)</u>	<u>1,683,319</u>
<b>Increase in cash and cash equivalents</b>		<u>106,286</u>	<u>1,756,496</u>
<b>Cash and cash equivalents at beginning of year</b>	22	3,783,066	2,026,570
<b>Cash and cash equivalents at end of year</b>	22	<u><u>3,889,352</u></u>	<u><u>3,783,066</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**1. STATUTORY INFORMATION**

Westside Distribution Limited is a private company, limited by shares, registered in Scotland. 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 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**

Preparation of the financial statements requires management to make significant judgements and estimates. In preparing the financial statements the directors have made the following judgements:

- Determine whether leases entered into by the Company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine whether any bad debt provision is required via review of trade debtors, with debts provided for on a specific basis. Factors considered include customer payment history and agreed credit terms.
- Determine whether any stock provision is required via comparison of cost and net realisable value of stock on an item by item basis. Factors considered include stock obsolescence, stock turnover and stock condition.

**Turnover**

The turnover shown in the Statement of Comprehensive Income represents the value of all goods sold during the year, less returns received and services delivered at a selling price exclusive of Value Added Tax. Sales are recognised at the point at which the Company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

**Tangible fixed assets**

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

Fixtures and fittings	- 5% reducing balance/20% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 5% reducing balance/20% reducing balance

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

**Investments in subsidiaries**

Investments in subsidiaries are recognised at cost less any provision for impairment.

**Stocks**

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

Cost consists of purchase price and the normal cost of transporting stock to its present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**2. ACCOUNTING POLICIES - continued****Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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**

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.

**Hire purchase and leasing commitments**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the Statement of Comprehensive Income on a straight line basis.

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

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year. The assets of the scheme are held separately from those of the Company in an independently administered fund.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 2. ACCOUNTING POLICIES - continued

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the Statement of Comprehensive Income.

## 3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	835,834	861,201
Social security costs	88,644	87,056
Other pension costs	5,660	7,528
	<u>930,138</u>	<u>955,785</u>

The average number of employees during the year was as follows:

	2018	2017
Management staff	3	3
Distribution staff	<u>31</u>	<u>31</u>
	<u>34</u>	<u>34</u>

	2018	2017
	£	£
Directors' remuneration	<u>47,283</u>	<u>42,158</u>

The Company considers key management to be the directors of the Company. The key management remuneration for the year is as disclosed above.

## 4. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Other operating leases	130,497	145,423
Depreciation - owned assets	21,128	16,365
Depreciation - assets on hire purchase contracts	-	9,792
Auditors' remuneration	<u>10,000</u>	<u>10,000</u>

## 5. AMOUNTS PROVIDED AGAINST INVESTMENTS

	2018	2017
	£	£
Provision against fixed asset investments	<u>200</u>	<u>-</u>

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Hire purchase interest	<u>80</u>	<u>1,656</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 7. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	327,652	122,588
Over provision in prior year	(107)	(702)
Total current tax	<u>327,545</u>	<u>121,886</u>
Deferred tax	(4,750)	(4,044)
Tax on profit	<u>322,795</u>	<u>117,842</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>4,802,851</u>	<u>569,071</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	912,542	113,814
Effects of:		
Expenses not deductible for tax purposes	587	4,730
Income not taxable for tax purposes	(588,685)	-
Adjustments to tax charge in respect of previous periods	(107)	(702)
Deferred tax at lower rate	(1,542)	-
Total tax charge	<u>322,795</u>	<u>117,842</u>

## 8. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each		
Paid in year	<u>8,333</u>	<u>21,666</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2017	156,910	29,500	73,319	259,729
Additions	1,313	-	-	1,313
At 31 March 2018	<u>158,223</u>	<u>29,500</u>	<u>73,319</u>	<u>261,042</u>
<b>DEPRECIATION</b>				
At 1 April 2017	96,287	17,313	44,239	157,839
Charge for year	12,265	3,047	5,816	21,128
At 31 March 2018	<u>108,552</u>	<u>20,360</u>	<u>50,055</u>	<u>178,967</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>49,671</u>	<u>9,140</u>	<u>23,264</u>	<u>82,075</u>
At 31 March 2017	<u>60,623</u>	<u>12,187</u>	<u>29,080</u>	<u>101,890</u>

Included within the net book value is £nil (2017: £35,105) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2017: £9,792).

## 10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
Additions	200
At 31 March 2018	<u>200</u>
<b>PROVISIONS</b>	
Provision for year	200
At 31 March 2018	<u>200</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>-</u>

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

**Southlands Music Limited**

Registered office: 100 Fifty Pitches Road, Glasgow, G51 4EB

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 201810. **FIXED ASSET INVESTMENTS - continued****Eastlands Music Limited**

Registered office: 100 Fifty Pitches Road, Glasgow, G51 4EB

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

The Company's investments in its wholly owned subsidiaries have been written down to £nil as it is the plan of the directors to dissolve these companies.

11. **STOCKS**

	2018	2017
	£	£
Stocks	<u>4,816,195</u>	<u>375,138</u>

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

	2018	2017
	£	£
Trade debtors	1,235,094	1,035,404
Amounts owed by related parties	-	100,975
Prepayments and accrued income	<u>111,716</u>	<u>64,239</u>
	<u>1,346,810</u>	<u>1,200,618</u>

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

	2018	2017
	£	£
Hire purchase contracts (see note 14)	-	14,204
Trade creditors	1,210,769	478,216
Amounts owed to related parties	-	177,268
Tax	327,652	122,588
Social security and other taxes	24,229	20,317
VAT	182,789	139,121
Other creditors	14,570	14,108
Directors' current accounts	421,322	1,012,402
Accruals	<u>31,518</u>	<u>28,078</u>
	<u>2,212,849</u>	<u>2,006,302</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	-	14,274
Finance charges repayable:		
Within one year	-	70
Net obligations repayable:		
Within one year	-	14,204
	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	126,214	126,496
Between one and five years	17,832	11,026
	<u>144,046</u>	<u>137,522</u>

## 15. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Hire purchase contracts	-	14,204

Hire purchase creditor balances were secured over the assets to which they relate.

## 16. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	<u>12,367</u>	<u>17,117</u>
		Deferred tax
		£
Balance at 1 April 2017		17,117
Credit to Statement of Comprehensive Income during year		(4,750)
Balance at 31 March 2018		<u>12,367</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 17. CALLED UP SHARE CAPITAL

## Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
300	Ordinary	£1	<u>300</u>	<u>100</u>

200 Ordinary shares of £1 each were allotted and issues in exchange for shares in the Company's new subsidiary undertakings (see note 10). Subsequent to this the retained earnings of these subsidiaries were distributed to the Company via a dividend in specie.

## 18. RESERVES

	Retained earnings £
At 1 April 2017	3,437,193
Profit for the year	4,480,056
Dividends	(8,333)
At 31 March 2018	<u>7,908,916</u>

## 19. RELATED PARTY DISCLOSURES

During the year, the Company purchased goods totalling £3,290,808 (2017: £8,950,867) and incurred rental costs amounting to £68,000 (2017: £68,000) from related parties with common ownership.

The balance owed to these parties at the year end totalled £nil (2017: £76,293). Of this balance, £nil (2017: £100,975) is included within amounts owed by related parties falling due within one year and £nil (2017: £177,268) is included within amounts owed to related parties falling due within one year.

## Directors

The directors' current accounts are unsecured, interest free and repayable on demand. Total amounts outstanding at 31 March 2018 were £421,322 (2017: £1,012,402) and are included within other creditors falling due within one year.

No further transactions with related parties were undertaken such as are required to be disclosed under the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

## 20. ULTIMATE CONTROLLING PARTY

The Company was under the control of P E Hay throughout the current and previous year by virtue of his majority interest in the issued share capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 21. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	4,802,851	569,071
Depreciation charges	21,128	26,157
Impairment of investment	200	-
Finance costs	80	1,656
Finance income	(3,100,269)	(2,980)
	<u>1,723,990</u>	<u>593,904</u>
Increase in stocks	(1,342,717)	(53,256)
(Increase)/decrease in trade and other debtors	(247,167)	316,772
Increase/(decrease) in trade and other creditors	<u>784,035</u>	<u>(673,591)</u>
<b>Cash generated from operations</b>	<u><b>918,141</b></u>	<u><b>183,829</b></u>

## 22. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2018**

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	<u>3,889,352</u>	<u>3,783,066</u>

**Year ended 31 March 2017**

	31/3/17	1/4/16
	£	£
Cash and cash equivalents	<u>3,783,066</u>	<u>2,026,570</u>

## 23. MAJOR NON-CASH TRANSACTIONS

During the year under review, the Company received a dividend in specie from its subsidiaries as detailed in notes 10 and 17. The dividend and stock received by the Company had no cash impact.

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