

**SOUND ADVANTAGE LIMITED**  
**Report and financial statements**  
**Year ended**  
**31 March 1994**



# SOUND ADVANTAGE LIMITED

Annual report and financial statements for the year ended 31 March 1994

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## Directors

S.J. Etherington  
Miss C.F. Perkins  
J.F. Taylor

## Secretary

B.L. Hindson

## Registered office

105 Gower Street  
London

## Registered number

2437205

## Auditors

BDO Stoy Hayward,  
Garrick House,  
76-80 High Street,  
Old Fletton,  
Peterborough, PE2 8DR

# **SOUND ADVANTAGE LIMITED**

## **Report of the directors for the year ended 31 March 1994**

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The directors submit their report together with the audited financial statements for the year ended 31 March 1994.

### **Results and dividends**

The profit and loss account is set out on page 3 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

### **Principal activities, review of business and future developments**

The company was engaged in the marketing and distribution of assistive devices for deaf and hard of hearing people.

During the year the directors agreed that the company should cease trading on the 30th June 1993 and that all trading activities be transferred to the parent company - RNID. On 21st September 1993 the company changed from a public limited company to a private limited company.

### **Fixed assets**

The movement in fixed assets during the year are set out in the balance sheet and the attached notes.

### **Directors**

The directors of the company as at 31st March 1994 all of whom have been directors for the whole of the year, except where stated, were:-

Mrs. W.L. Tumim (resigned 4.5.93)  
M.P. Nicholls (resigned 4.5.93)  
R.C. North (resigned 4.5.93)  
Miss C.F. Perkins  
S.J. Etherington  
R. Jeffries (resigned 4.5.93)  
J.F. Taylor (appointed 4.5.93)

No director has any interest in the share capital of the company.

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act. 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.

### Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



B.L. Hindson  
Secretary

Date : 6<sup>th</sup> January 1995

# SOUND ADVANTAGE LIMITED

## Profit and loss account for the year ended 31 March 1994

	Note	1994 £	1993 £
Turnover	2	3,40,636	1,046,491
Cost of sales		(264,350)	(766,194)
Gross profit		76,286	282,297
Administrative expenses		(66,793)	(306,827)
Operating profit/(loss)		9,493	(24,530)
Interest receivable	3	686	2,618
Interest payable	4	(819)	(9,471)
Profit/(loss) on ordinary activities before taxation	5	9,360	(31,383)
Taxation on profit/(loss) on ordinary activities		-	-
Retained profit/(loss) for the financial year		9,360	(31,383)

All amounts relate to discontinued activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 5 - 13 form part of these financial statements

**SOUND ADVANTAGE LIMITED**

Balance sheet at 31 March 1994

	Note	£	1994	£	£	1993	£
<b>Fixed assets</b>							
Tangible assets	9		-			65,102	
<b>Current assets</b>							
Stocks	10	-			45,463		
Debtors -due within one year	11	-			187,858		
Cash at bank and in hand		-			91,457		
					324,778		
Creditors: amounts falling due within one year	12	-			146,122		
Net current assets				-		178,656	
Total assets less current liabilities				-		243,758	
Creditors: amounts falling due after more than one year	13			-		8,852	
Net assets				-		234,906	
<b>Capital and reserves</b>							
Called up share capital	14			1		670,000	
Profit and loss account	15			(1)		(435,094)	
				-		234,906	

The financial statements were approved by the board on

6<sup>th</sup> January 1995

  
Director

The notes on pages 5 - 13 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following accounting policies have been applied:

*Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land and some free hold buildings, over their expected useful lives. It is calculated at the following rates:

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Furniture, fixtures and fittings - 10/14.286% pa straight line  
Office equipment and motor vehicles - 10/20/33.33% pa straight line

Assets disposed of during the year have been depreciated by the relevant fraction of the rates.

*Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

*Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

*Leased assets*

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

## 1 Accounting policies (Continued)

*Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

## 2 Turnover and profits

The turnover and profit before taxation is wholly attributable to the sale and distribution of environmental aids and assistive devices for people who are deaf and hard of hearing.

Turnover is analysed by market below:

	1994 £	1993 £
United Kingdom	340,636	1,048,491

## 3 Interest receivable

	1994 £	1993 £
Bank interest received	686	2,618

## 4 Interest payable

	1994 £	1993 £
On bank loans, overdrafts and other loans wholly repayable: within five years	819	9,471
	819	9,471



## 5 Profit/(loss) on ordinary activities before taxation

	1994 £	1993 £
This is arrived at after charging :		
Auditors' remuneration	5,000	7,275
Depreciation and other amounts written off tangible fixed assets:		
Owned	7,084	24,888
Hire of plant and machinery - rentals payable under operating leases	168	1,450
Hire of other assets - operating leases	8,000	32,000
Directors emoluments	4,526	24,632
	<u>          </u>	<u>          </u>

## 6 Employees

The average weekly number of employees, excluding directors, during the year was as follows :

	1994 Number	1993 Number
Administration	1	1
Sales	1	5
Stock control	3	2
	<u>          </u>	<u>          </u>
	5	8
	<u>          </u>	<u>          </u>
Staff costs consist of :	£	£
Wages and salaries	15,975	119,758
Social security costs	1,639	10,181
Other pension costs	1,637	5,275
	<u>          </u>	<u>          </u>
	19,251	135,214
	<u>          </u>	<u>          </u>

## 7 Directors

	1994 £	1993 £
Directors emoluments consist of:		
Fees as directors	4,023	23,164
Other emoluments	503	1,468
	<u>4,526</u>	<u>24,632</u>

## 8 Taxation

In view of the trading losses there is no liability to corporation tax. There is an unrelieved loss on cessation of £426,176

9 Tangible fixed assets

	Plant machinery and motor vehicles £	Fixtures fittings and equipment £	Total £
<i>Cost or valuation</i>			
At 1 April, 1993	99,465	26,795	126,260
Additions	403	-	403
Disposals	(99,868)	(26,795)	(126,663)
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April, 1993	51,920	9,238	61,158
Provided for the year	6,538	546	7,084
Disposals	(58,458)	(9,784)	(68,242)
	<hr/>	<hr/>	<hr/>
At 31 March, 1994	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
31 March, 1994	-	-	-
	<hr/>	<hr/>	<hr/>
31 March, 1993	<u>47,545</u>	<u>17,557</u>	<u>65,102</u>

**SOUND ADVANTAGE LIMITED**

Notes forming part of the financial statements for the year ended 31 March 1994 (Continued)

**10 Stocks**

	1994 £	1993 £
Finished goods and goods for resale	-	45,463
	-	45,463

**11 Debtors**

	1994 £	1993 £
Amounts receivable within one year		
Trade debtors	-	171,038
Other debtors	-	13,030
Prepayments and accrued income	-	3,790
	-	187,858

**12 Creditors: amounts falling due within one year**

	1994 £	1993 £
Obligations under finance leases and hire purchase contracts	-	10,282
Trade creditors	-	75,839
Amounts owed to group undertakings	-	40,541
Other taxation and social security costs	-	9,292
Accruals and deferred income	-	10,168
	-	146,122

13 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Obligations under finance leases and hire purchase contracts	-	8,852
	<u>-</u>	<u>8,852</u>

The maturity of obligations under finance leases and hire purchase contracts are as follows:

	1994 £	1993 £
Within one year	-	10,282
Within two to five years	-	8,852
	<u>-</u>	<u>19,134</u>

14 Called up share capital

	1994 £	1993 £
<i>Authorised</i> Ordinary shares of £1.00 each	1,000,000	1,000,000
<i>Allotted, called up and fully paid</i> Ordinary shares of £1.00 each	1	670,000

During the year 669999 ordinary £1 shares were cancelled on the company's purchase of its own shares. The purchase was financed out of capital.

## 15 Reserves

	Profit and loss account £
At beginning of the year	(435,094)
Profit for the year	9,360
Credit on repurchase of own shares	425,733
	<hr/>
At end of the year	(1)
	<hr/>

## 16 Reconciliation of movements in shareholders funds

Profit for the financial year	9,360
Cancellation of shares	(669,999)
Discount on redemption of shares	425,733
	<hr/>
	(234906)
Opening shareholders funds	234906
	<hr/>
Net assets	nil
	<hr/>

## 17 Contingent liabilities

There were no contingent liabilities at the accounting date (1993 none)

- 16 Ultimate holding company and parent undertaking of larger group of which the company is a member

Sound Advantage Limited (previously Sound Advantage PLC) is a wholly owned subsidiary of the Royal National Institute for Deaf People, a company limited by guarantee which is a charity registered with the Charities Commission.

To the shareholders of SOUND ADVANTAGE LIMITED

We have audited the financial statements on pages 3 - 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on pages 1 and 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.


**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of information in the accounts.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March, 1994 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985.

  
BDO STOY HAYWARD  
Registered Auditor  
Peterborough

6th January 1995