

COMPANY REGISTRATION NUMBER 02749258

ACCESS TO MUSIC LIMITED
ABBREVIATED ACCOUNTS
31 JULY 2013

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ACCESS TO MUSIC LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2013

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 4
Independent auditor's report to the company	5
Abbreviated profit and loss account	6
Abbreviated balance sheet	7
Cash flow statement	8
Notes to the abbreviated accounts	9 to 17

ACCESS TO MUSIC LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A Armstrong L Armstrong
Company secretary	L Armstrong
Registered office	Heath Mill Studios 68 Heath Mill Lane Digbeth Birmingham B9 4AR
Business address	26 Hulme Street Manchester M1 5BW
Auditor	DPC Accountants Limited Chartered Accountants & Statutory Auditor Vernon Road Stoke on Trent Staffs ST4 2QY
Bankers	Royal Bank of Scotland 38 Mosley Street Manchester M60 2BE

ACCESS TO MUSIC LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 JULY 2013

The directors present their report and the financial statements of the company for the year ended 31 July 2013.

Principal activities and business review

The principal activity of the company during the year was the provision of music training and consultancy services.

Access to Music performed well ahead of expectations, with significant further growth in 16-18 year old and Higher Education (degree level) student numbers, but also with considerable amounts being re-invested in developing new planned provision, upgrading resources and delivery centres. Key performance indicators by which the company's educational performance is measured showed further progress. Overall achievement rates went up from 85.9% in 2012 to 93.8% in 2013. Overall success rates went up from 75.4% in 2012 to 82% in 2013, which is very much market leading performance for this sector area. Our work based learning provision also grew significantly, with new apprentice pathways opening up in creative digital media across England.

A full Ofsted inspection took place in March 2013, resulting in a strong overall Grade 2 (Good). This was due to the continued focus on improving the effectiveness of teaching, learning and delivery quality.

A 2012 inspection by the Independent Schools Inspectorate yielded an Outstanding Grade 1 result. A recent QAA inspection of our Higher Education provision yielded the highest possible score.

The results for the year are set out in the Profit and Loss Account. The directors were very satisfied with the company's operating performance and profits generated from ordinary activities before taxation, given the financial environment.

Sales of £8,831,541 (2012 £7,879,018) were achieved with a gross profit of £3,305,134 (2012 £2,773,626) giving a gross profit margin of 37.4% (2012 35.2%).

Future developments

The Directors are pleased to report that 2013-14 has commenced with further improved student enrolments including the commencement of two new Degree programmes in partnership with Birmingham City University, in addition to our existing and highly prestigious Degree programme in Session musicianship delivered in partnership with the Royal Northern College of Music.

Significant opportunities remain to further grow the full time student base, particularly in the 16-18 fully funded further education market, and also for Apprenticeships.

We will continue to broaden the range and reach of services offered including Higher and Further education as well as privately funded courses.

The Directors would like to take this opportunity to thank and congratulate the senior management teams, the heads of centres and all the delivery and support staff who were instrumental in assisting the company to achieve their targets.

Results and dividends

The profit for the year, after taxation, amounted to £649,208. The directors have not recommended a dividend.

ACCESS TO MUSIC LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JULY 2013

Directors

The directors who served the company during the year were as follows:

A Armstrong
L Armstrong

Directors' responsibilities

The directors are responsible for preparing 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). 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 year.

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.

Post balance sheet event

There were no material events up to 7 April 2014, being the date of approval of the financial statements by the Board.

Auditor

DPC Accountants Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ACCESS TO MUSIC LIMITED
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 JULY 2013

Signed on behalf of the directors



A Armstrong

Director

Approved by the directors on 7 April 2014

ACCESS TO MUSIC LIMITED

INDEPENDENT AUDITOR'S REPORT TO ACCESS TO MUSIC LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of ACCESS TO MUSIC LIMITED for the year ended 31 July 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Vernon Road
Stoke on Trent
Staffs
ST4 2QY

8th April 2014

VALERIE WOOD (Senior Statutory
Auditor)

For and on behalf of
DPC ACCOUNTANTS LIMITED
Chartered Accountants
& Statutory Auditor

ACCESS TO MUSIC LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 2013

	Note	2013 £	2012 £
Turnover		8,831,541	7,879,018
Cost of Sales and Other operating income		(5,515,407)	(5,094,038)
Administrative expenses		(2,482,390)	(2,226,524)
Operating profit	2	833,744	558,456
Interest receivable		2,127	—
Profit on ordinary activities before taxation		835,871	558,456
Tax on profit on ordinary activities	5	(186,663)	(17,362)
Profit for the financial year		<u>649,208</u>	<u>541,094</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.


The notes on pages 9 to 17 form part of these abbreviated accounts.

ACCESS TO MUSIC LIMITED
ABBREVIATED BALANCE SHEET
31 JULY 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	6	676,128	796,406
Investments	7	2	—
		<u>676,130</u>	<u>796,406</u>
Current assets			
Debtors	8	5,209,261	3,475,865
Cash at bank and in hand		22,950	316,837
		<u>5,232,211</u>	<u>3,792,702</u>
Creditors: Amounts falling due within one year	9	<u>(1,394,454)</u>	<u>(706,419)</u>
Net current assets		<u>3,837,757</u>	<u>3,086,283</u>
Total assets less current liabilities		<u>4,513,887</u>	<u>3,882,689</u>
Provisions for liabilities			
Deferred taxation	10	(11,384)	(18,394)
Accruals and deferred income	11	(286,000)	(297,000)
		<u>4,216,503</u>	<u>3,567,295</u>
Capital and reserves			
Called-up equity share capital	14	2	2
Profit and loss account	15	4,216,501	3,567,293
Shareholders' funds	16	<u>4,216,503</u>	<u>3,567,295</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 7 April 2014, and are signed on their behalf by:



A ARMSTRONG
Director

Company Registration Number: 02749258

The notes on pages 9 to 17 form part of these abbreviated accounts.

ACCESS TO MUSIC LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2013

	Note	2013 £	2012 £
Net cash (outflow)/inflow from operating activities		(200,481)	450,764
Returns on investments and servicing of finance	17	2,127	—
Taxation	18	(77,364)	(195,537)
Capital expenditure and financial investment	19	(16,667)	(47,521)
Acquisitions and disposals	20	(2)	—
Cash (outflow)/inflow before financing		(292,387)	207,706
Financing	21	—	(9,350)
(Decrease)/increase in cash		<u>(292,387)</u>	<u>198,356</u>
Reconciliation of operating profit to net cash (outflow)/inflow from operating activities			
		2013 £	2012 £
Operating profit		833,744	558,456
Depreciation		136,945	151,931
Increase in debtors		(1,733,396)	(264,939)
Increase in creditors		573,226	16,316
Decrease in provisions		(11,000)	(11,000)
Net cash (outflow)/inflow from operating activities		<u>(200,481)</u>	<u>450,764</u>
Reconciliation of net cash flow to movement in net funds			
		2013 £	2012 £
(Decrease)/increase in cash in the period		(292,387)	198,356
Cash outflow in respect of hire purchase and finance lease		—	9,350
		<u>(292,387)</u>	<u>207,706</u>
Change in net funds	22	(292,387)	207,706
Net funds at 1 August 2012	22	315,337	107,631
Net funds at 31 July 2013	22	<u>22,950</u>	<u>315,337</u>

The notes on pages 9 to 17 form part of these abbreviated accounts.

ACCESS TO MUSIC LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents income receivable for goods and services provided in the period, exclusive of Value Added Tax and trade discounts. Turnover is recognised in the academic year to which it relates.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- over the period of the lease
Instruments	- 5 years straight line
Fixtures & Fittings	- 5 years straight line
Motor Vehicles	- 25% reducing balance

Expenditure on assets is capitalised if it exceeds £1,000.

Operating lease agreements

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.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

ACCESS TO MUSIC LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2013

1. Accounting policies *(continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Grants received

Grants relating to capital expenditure on tangible assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grants relate.

Dilapidation costs

Provision has been made at the year end for the cost of dilapidations which resulted from events prior to the Balance sheet date. Provision has also been made for one third of the dilapidation costs that will be due on leases which expire within three years of the Balance Sheet date. This will be reviewed annually by the directors.

2. Operating profit

Operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of owned fixed assets	136,945	151,931
Auditor's remuneration		
- as auditor	12,000	15,975
Operating lease costs:		
- Other	<u>—</u>	<u>83,597</u>

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2013	2012
	No	No
Tutors	134	135
Administrative staff	41	21
Management staff	28	40
	<u>203</u>	<u>196</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	4,095,541	3,872,741
Social security costs	329,287	326,984
Other pension costs	<u>—</u>	<u>10,512</u>
	<u>4,424,828</u>	<u>4,210,237</u>

ACCESS TO MUSIC LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2013

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2013 £	2012 £
Remuneration receivable	180,000	108,960
Value of company pension contributions to money purchase schemes	—	3,670
	<u>180,000</u>	<u>112,630</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2013 No	2012 No
Money purchase schemes	—	1

5. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax:		
UK Corporation tax based on the results for the year at 23% (2012 - 24%)	215,332	—
Over/under provision in prior year	(21,659)	20,331
Total current tax	<u>193,673</u>	<u>20,331</u>
Deferred tax:		
Origination and reversal of timing differences	(7,010)	(2,969)
Tax on profit on ordinary activities	<u>186,663</u>	<u>17,362</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2012 - 24%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>835,871</u>	<u>558,456</u>
Profit on ordinary activities by rate of tax	192,250	134,030
Expenses not deductible for tax purposes	1,720	(303)
Capital allowances for period in excess of depreciation	15,304	12,483
Utilisation of tax losses	—	(146,210)
Change in rate of corporation tax	6,058	—
Adjustments to tax charge in respect of previous periods	(21,659)	20,331
Total current tax (note 5(a))	<u>193,673</u>	<u>20,331</u>

ACCESS TO MUSIC LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2013

6. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 August 2012	1,792,977	321,165	943,235	5,840	3,063,217
Additions	16,667	—	—	—	16,667
Disposals	(114,571)	—	(6,212)	—	(120,783)
At 31 July 2013	<u>1,695,073</u>	<u>321,165</u>	<u>937,023</u>	<u>5,840</u>	<u>2,959,101</u>
Depreciation					
At 1 August 2012	1,028,462	305,080	927,429	5,840	2,266,811
Charge for the year	110,513	10,626	15,806	—	136,945
On disposals	(114,571)	—	(6,212)	—	(120,783)
At 31 July 2013	<u>1,024,404</u>	<u>315,706</u>	<u>937,023</u>	<u>5,840</u>	<u>2,282,973</u>
Net book value					
At 31 July 2013	<u>670,669</u>	<u>5,459</u>	<u>—</u>	<u>—</u>	<u>676,128</u>
At 31 July 2012	<u>764,515</u>	<u>16,085</u>	<u>15,806</u>	<u>—</u>	<u>796,406</u>

7. Investments

	Total Shares in group undertakings
	£
Cost	
Additions	2
At 31 July 2013	<u>2</u>
Net book value	
At 31 July 2013	<u>2</u>
At 31 July 2012	<u>—</u>

ACCESS TO MUSIC LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2013

7. Investments (continued)

	2013 £	2012 £
Aggregate capital and reserves		
Live Atom Limited	2	2
The British Academy of New Music Limited	—	—
Profit and (loss) for the year		
Live Atom Limited	—	—
The British Academy of New Music Limited	—	—

Live Atom Limited - Access To Music Limited holds 100% of the issued ordinary share capital. The company is dormant.

The British Academy of New Music Limited - The company is dormant and limited by guarantee with Access to Music Limited being the sole member. The capital and reserves were £nil in the current and previous year.

8. Debtors

	2013 £	2012 £
Trade debtors	40,850	5,399
Amounts owed by group undertakings	4,670,839	3,200,653
Prepayments and accrued income	497,572	269,813
	<u>5,209,261</u>	<u>3,475,865</u>

The debtors above include the following amounts falling due after more than one year:

	2013 £	2012 £
Amounts owed by group undertakings	<u>1,250,000</u>	<u>1,250,000</u>

ACCESS TO MUSIC LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2013

9. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Overdrafts	—	1,500
Trade creditors	234,755	268,538
Amounts owed to group undertakings	2	—
Other creditors including taxation and social security:		
Corporation tax	191,547	75,238
Other taxation and social security	101,451	121,666
Other creditors	8,345	3,853
	<u>301,343</u>	<u>200,757</u>
Accruals and deferred income	858,354	235,624
	<u>1,394,454</u>	<u>706,419</u>

A Debenture dated 6 February 2009 in favour of the Royal Bank of Scotland exists over the property and assets of the company.

10. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2013	2012
	£	£
Provision brought forward	18,394	21,363
Profit and loss account movement arising during the year	(7,010)	(2,969)
Provision carried forward	<u>11,384</u>	<u>18,394</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	11,384	18,394
	<u>11,384</u>	<u>18,394</u>

11. Accruals and deferred income

	2013
	£
Accruals and deferred income:	
Balance brought forward	297,000
Movement for year	(11,000)
	<u>286,000</u>

Deferred income relates to a government grant received that is being recognised over 30 years.

12. Capital commitments

There were none, either contracted, or authorised but not contracted.

ACCESS TO MUSIC LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2013

13. Commitments under operating leases

At 31 July 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2013		2012	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	30,000	18,285	10,250	16,081
Within 2 to 5 years	276,776	-	98,090	56,765
After more than 5 years	71,825	-	86,750	-
	<u>378,601</u>	<u>18,285</u>	<u>195,090</u>	<u>72,846</u>

14. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

15. Reserves

	Profit and loss account £
Balance brought forward	3,567,293
Profit for the year	649,208
Balance carried forward	<u>4,216,501</u>

16. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	649,208	541,094
Opening shareholders' funds	<u>3,567,295</u>	<u>3,026,201</u>
Closing shareholders' funds	<u>4,216,503</u>	<u>3,567,295</u>

17. Returns on investments and servicing of finance

	2013 £	2012 £
Interest received	2,127	-
Net cash inflow from returns on investments and servicing of finance	<u>2,127</u>	<u>-</u>

ACCESS TO MUSIC LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2013

18. Taxation

	2013 £	2012 £
Taxation	<u>(77,364)</u>	<u>(195,537)</u>

19. Capital expenditure

	2013 £	2012 £
Payments to acquire tangible fixed assets	<u>(16,667)</u>	<u>(47,521)</u>
Net cash outflow from capital expenditure	<u>(16,667)</u>	<u>(47,521)</u>

20. Acquisitions and disposals

	2013 £	2012 £
Acquisition of shares in group undertakings	<u>(2)</u>	<u>—</u>
Net cash outflow from acquisitions and disposals	<u>(2)</u>	<u>—</u>

21. Financing

	2013 £	2012 £
Capital element of hire purchase and finance lease	<u>—</u>	<u>(9,350)</u>
Net cash outflow from financing	<u>—</u>	<u>(9,350)</u>

22. Analysis of changes in net funds

	At 1 Aug 2012 £	Cash flows £	At 31 Jul 2013 £
Net cash:			
Cash in hand and at bank	316,837	(293,887)	22,950
Overdrafts	<u>(1,500)</u>	<u>1,500</u>	<u>—</u>
	<u>315,337</u>	<u>(292,387)</u>	<u>22,950</u>
Net funds	<u>315,337</u>	<u>(292,387)</u>	<u>22,950</u>

23. Ultimate parent company

The ultimate parent company is Armstrong Learning Limited, which owned all of the issued share capital of the company throughout the current and prior year. Armstrong Learning Limited was incorporated in England and Wales, and is the only group company that prepares consolidated financial statements, including the accounts of the company.

24. Capital commitments

There were none, either contracted, or authorised but not contracted.

ACCESS TO MUSIC LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2013

25. Contingent liabilities

The company guarantees bank borrowings of fellow group companies. The liabilities of the group covered by these guarantees totalled £339,390 (2012: £1,330,297).

26. Ultimate controlling party

The ultimate controlling party is A Armstrong by virtue of his majority shareholding in the parent company, Armstrong Learning Limited.

27. Post balance sheet events

There were no material events up to 7 April 2014, being the date of approval of the financial statements by the Board.