

REGISTERED NUMBER: 04877151 (England and Wales)

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018
FOR
AUDIO NOTE (UK) LTD**

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FOR THE YEAR ENDED 31ST AUGUST 2018**

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AUDIO NOTE (UK) LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2018

DIRECTORS: P H Qvortrup
Miss E L Qvortrup

SECRETARY: Ms L M Fennell

REGISTERED OFFICE: Viscount House
Units C, D And E Star Road
Partridge Green
Horsham
West Sussex
RH13 8RA

REGISTERED NUMBER: 04877151 (England and Wales)

ACCOUNTANTS: Parkers
Cornelius House
178-180 Church Road
Hove
East Sussex
BN3 2DJ

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST AUGUST 2018**

The directors present their report with the financial statements of the company for the year ended 31st August 2018.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be the business of design and development, manufacture and supply of specialised thermionic and electronic audio equipment and components and the provision of associated sales and services.

DIRECTORS

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

P H Qvortrup
Miss E L Qvortrup

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

P H Qvortrup - Director

13th March 2019

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2018**

	Notes	2018 £	2017 £
TURNOVER		5,115,716	4,475,753
Cost of sales		<u>3,440,451</u>	<u>2,770,983</u>
GROSS PROFIT		1,675,265	1,704,770
Administrative expenses		<u>854,392</u>	<u>708,074</u>
		820,873	996,696
Other operating income		<u>11,048</u>	<u>15,508</u>
OPERATING PROFIT	4	831,921	1,012,204
Interest receivable and similar income		<u>-</u>	<u>338</u>
		831,921	1,012,542
Gain/loss on revaluation of tangible assets		<u>-</u>	<u>281,606</u>
		831,921	1,294,148
Interest payable and similar expenses		<u>28,927</u>	<u>30,776</u>
PROFIT BEFORE TAXATION		802,994	1,263,372
Tax on profit	5	<u>66,238</u>	<u>160,113</u>
PROFIT FOR THE FINANCIAL YEAR		736,756	1,103,259

BALANCE SHEET
31ST AUGUST 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	7		1,786,509		1,789,114
CURRENT ASSETS					
Stocks	8	3,389,500		3,191,500	
Debtors	9	757,122		705,328	
Cash at bank and in hand		517,669		239,023	
		<u>4,664,291</u>		<u>4,135,851</u>	
CREDITORS					
Amounts falling due within one year	10	<u>711,816</u>		<u>696,607</u>	
NET CURRENT ASSETS			<u>3,952,475</u>		<u>3,439,244</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,738,984		5,228,358
CREDITORS					
Amounts falling due after more than one year	11		(937,096)		(1,069,421)
PROVISIONS FOR LIABILITIES	13		<u>(58,177)</u>		<u>(61,982)</u>
NET ASSETS			<u>4,743,711</u>		<u>4,096,955</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Fair value reserve	15		248,811		245,379
Retained earnings			<u>4,494,800</u>		<u>3,851,476</u>
SHAREHOLDERS' FUNDS			<u>4,743,711</u>		<u>4,096,955</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st August 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

**BALANCE SHEET - continued
31ST AUGUST 2018**

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 13th March 2019 and were signed on its behalf by:

P H Qvortrup - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST AUGUST 2018**

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Balance at 1st September 2016	100	3,083,596	-	3,083,696
Changes in equity				
Dividends	-	(90,000)	-	(90,000)
Total comprehensive income	-	857,880	245,379	1,103,259
Balance at 31st August 2017	100	3,851,476	245,379	4,096,955
Changes in equity				
Dividends	-	(90,000)	-	(90,000)
Total comprehensive income	-	733,324	3,432	736,756
Balance at 31st August 2018	100	4,494,800	248,811	4,743,711

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018**

1. STATUTORY INFORMATION

Audio Note (UK) Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Significant judgements and estimates

No significant judgements have had to be made by the directors in preparing these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on cost
Motor vehicles	- 10% 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.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Taxation

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

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

2. ACCOUNTING POLICIES - continued**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.

Pension costs and other post-retirement benefits

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

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

Stock is also assessed for impairment at each reporting date. The carrying amount of each item of stock, or group of similar items, is compared with its selling price less costs to complete and sell. If an item of stock or group of similar items is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 42 (2017 - 40) .

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	<u>18,605</u>	<u>20,749</u>

5. 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	69,592	98,131
Interest on late payment	451	-
Total current tax	<u>70,043</u>	<u>98,131</u>
Deferred tax	<u>(3,805)</u>	61,982
Tax on profit	<u>66,238</u>	<u>160,113</u>

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

6. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each		
Interim	<u>90,000</u>	<u>90,000</u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1st September 2017	1,650,000	215,195	21,086	11,995	1,898,276
Additions	-	-	-	16,000	16,000
At 31st August 2018	<u>1,650,000</u>	<u>215,195</u>	<u>21,086</u>	<u>27,995</u>	<u>1,914,276</u>
DEPRECIATION					
At 1st September 2017	-	91,473	5,694	11,995	109,162
Charge for year	-	14,896	2,109	1,600	18,605
At 31st August 2018	-	<u>106,369</u>	<u>7,803</u>	<u>13,595</u>	<u>127,767</u>
NET BOOK VALUE					
At 31st August 2018	<u>1,650,000</u>	<u>108,826</u>	<u>13,283</u>	<u>14,400</u>	<u>1,786,509</u>
At 31st August 2017	<u>1,650,000</u>	<u>123,722</u>	<u>15,392</u>	-	<u>1,789,114</u>

Cost or valuation at 31st August 2018 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2018	281,606	-	-	-	281,606
Cost	<u>1,368,394</u>	<u>215,195</u>	<u>21,086</u>	<u>27,995</u>	<u>1,632,670</u>
	<u>1,650,000</u>	<u>215,195</u>	<u>21,086</u>	<u>27,995</u>	<u>1,914,276</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>1,368,394</u>	<u>1,368,394</u>

Freehold land and buildings were valued on an open market basis on 31st August 2018 by the directors.

8. STOCKS

	2018 £	2017 £
Stocks	<u>3,389,500</u>	<u>3,191,500</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2018**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	484,041	485,768
Other debtors	273,081	219,560
	<u>757,122</u>	<u>705,328</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 12)	70,300	108,000
Payments on account	97,621	89,300
Trade creditors	312,063	346,722
Taxation and social security	91,702	117,631
Other creditors	140,130	34,954
	<u>711,816</u>	<u>696,607</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Bank loans (see note 12)	<u>937,096</u>	<u>1,069,421</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>567,096</u>	<u>629,421</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>70,300</u>	<u>108,000</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	<u>85,000</u>	<u>110,000</u>
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Amounts falling due between two and five years:

Bank loans - 2-5 years	<u>285,000</u>	<u>330,000</u>
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Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>567,096</u>	<u>629,421</u>

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

13. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	25,382	25,755
Deferred tax	32,795	36,227
	<u>58,177</u>	<u>61,982</u>
		Deferred tax
		£
Balance at 1st September 2017		61,982
Accelerated capital allowances		(373)
Property revaluation		(3,432)
Balance at 31st August 2018		<u>58,177</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2018	2017
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

15. RESERVES

	Fair value reserve
	£
At 1st September 2017	245,379
Deferred tax adjustment	<u>3,432</u>
At 31st August 2018	<u>248,811</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.