

**REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2022  
FOR  
AUDIO NOTE (UK) LIMITED**

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FOR THE YEAR ENDED 31ST AUGUST 2022**

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**AUDIO NOTE (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST AUGUST 2022**

<b>DIRECTORS:</b>	P H Qvortrup Miss E L Qvortrup D Qvortrup
<b>SECRETARY:</b>	Ms L M Fennell
<b>REGISTERED OFFICE:</b>	Viscount House Units C, D And E Star Road Partridge Green Horsham West Sussex RH13 8RA
<b>REGISTERED NUMBER:</b>	04877151 (England and Wales)
<b>ACCOUNTANTS:</b>	Parkers Cornelius House 178-180 Church Road Hove East Sussex BN3 2DJ

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST AUGUST 2022**

The directors present their report with the financial statements of the company for the year ended 31st August 2022.

**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 2021 to the date of this report.

P H Qvortrup  
Miss E L Qvortrup

Other changes in directors holding office are as follows:

D Qvortrup was appointed as a director after 31st August 2022 but prior to the date of this report.

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

11th April 2023

**INCOME STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>		<b>5,063,010</b>	5,801,186
Cost of sales		<b>3,555,968</b>	4,034,326
<b>GROSS PROFIT</b>		<b>1,507,042</b>	1,766,860
Administrative expenses		<b>691,074</b>	448,544
		<b>815,968</b>	1,318,316
Other operating income		<b>11,281</b>	74,611
<b>OPERATING PROFIT</b>	4	<b>827,249</b>	1,392,927
Interest receivable and similar income		<b>2</b>	150
		<b>827,251</b>	1,393,077
Gain/loss on revaluation of assets		<b>-</b>	69,105
		<b>827,251</b>	1,462,182
Interest payable and similar expenses		<b>23,865</b>	15,116
<b>PROFIT BEFORE TAXATION</b>		<b>803,386</b>	1,447,066
Tax on profit	5	<b>72,963</b>	217,726
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>730,423</b>	1,229,340

The notes form part of these financial statements

**BALANCE SHEET**  
**31ST AUGUST 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		1,557,409		1,559,913
<b>CURRENT ASSETS</b>					
Stocks	8	5,314,399		4,227,202	
Debtors	9	1,873,590		2,234,775	
Cash at bank and in hand		<u>1,068,635</u>		<u>1,153,998</u>	
		8,256,624		7,615,975	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>1,298,614</u>		<u>1,186,059</u>	
<b>NET CURRENT ASSETS</b>			<u>6,958,010</u>		<u>6,429,916</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			8,515,419		7,989,829
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		(531,962)		(594,475)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(122,674)</u>		<u>(122,994)</u>
<b>NET ASSETS</b>			<u>7,860,783</u>		<u>7,272,360</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		100		100
Fair value reserve	14		427,096		427,096
Retained earnings			<u>7,433,587</u>		<u>6,845,164</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>7,860,783</u>		<u>7,272,360</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st August 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2022 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
- (b) 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.

**BALANCE SHEET - continued**  
**31ST AUGUST 2022**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 11th April 2023 and were signed on its behalf by:

P H Qvortrup - Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST AUGUST 2022

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
<b>Balance at 1st September 2020</b>	100	5,893,449	243,471	6,137,020
<b>Changes in equity</b>				
Dividends	-	(94,000)	-	(94,000)
Total comprehensive income	-	1,045,715	183,625	1,229,340
<b>Balance at 31st August 2021</b>	100	6,845,164	427,096	7,272,360
<b>Changes in equity</b>				
Dividends	-	(142,000)	-	(142,000)
Total comprehensive income	-	730,423	-	730,423
<b>Balance at 31st August 2022</b>	100	7,433,587	427,096	7,860,783



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2022**

**1. STATUTORY INFORMATION**

Audio Note (UK) Limited 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 2022**

**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 43 (2021 - 45) .

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2022</b>	2021
	£	£
Depreciation - owned assets	<u><b>24,575</b></u>	<u>26,446</u>

**5. TAXATION****Analysis of the tax charge**

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

	<b>2022</b>	2021
	£	£
Current tax:		
UK corporation tax	<b>72,791</b>	157,908
Interest on late payment	<u><b>492</b></u>	-
Total current tax	<u><b>73,283</b></u>	<u>157,908</u>
Deferred tax	<u><b>(320)</b></u>	<u>59,818</u>
Tax on profit	<u><b>72,963</b></u>	<u>217,726</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2022

## 6. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	<u>142,000</u>	<u>94,000</u>

## 7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1st September 2021	1,350,000	329,864	30,622	32,995	1,743,481
Additions	-	6,712	15,359	-	22,071
At 31st August 2022	<u>1,350,000</u>	<u>336,576</u>	<u>45,981</u>	<u>32,995</u>	<u>1,765,552</u>
<b>DEPRECIATION</b>					
At 1st September 2021	-	154,617	13,556	15,395	183,568
Charge for year	-	18,979	2,996	2,600	24,575
At 31st August 2022	<u>-</u>	<u>173,596</u>	<u>16,552</u>	<u>17,995</u>	<u>208,143</u>
<b>NET BOOK VALUE</b>					
At 31st August 2022	<u>1,350,000</u>	<u>162,980</u>	<u>29,429</u>	<u>15,000</u>	<u>1,557,409</u>
At 31st August 2021	<u>1,350,000</u>	<u>175,247</u>	<u>17,066</u>	<u>17,600</u>	<u>1,559,913</u>

Cost or valuation at 31st August 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2021	511,536	-	-	-	511,536
Cost	<u>838,464</u>	<u>336,576</u>	<u>45,981</u>	<u>32,995</u>	<u>1,254,016</u>
	<u>1,350,000</u>	<u>336,576</u>	<u>45,981</u>	<u>32,995</u>	<u>1,765,552</u>

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

	2022 £	2021 £
Cost	<u>838,464</u>	<u>838,464</u>

Freehold land and buildings were valued on an open market basis on 31st August 2022 by the directors. .

## 8. STOCKS

	2022 £	2021 £
Stocks	<u>5,314,399</u>	<u>4,227,202</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2022**

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

	<b>2022</b>	2021
	£	£
Trade debtors	<b>1,589,354</b>	1,916,431
Other debtors	<b>284,236</b>	318,344
	<u><b>1,873,590</b></u>	<u>2,234,775</u>

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

	<b>2022</b>	2021
	£	£
Bank loans and overdrafts (see note 12)	<b>95,038</b>	95,038
Trade creditors	<b>293,848</b>	142,795
Taxation and social security	<b>102,560</b>	180,315
Other creditors	<b>807,168</b>	767,911
	<u><b>1,298,614</b></u>	<u>1,186,059</u>

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

	<b>2022</b>	2021
	£	£
Bank loans (see note 12)	<u><b>531,962</b></u>	<u>594,475</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u><b>124,204</b></u>	<u>186,717</u>

**12. LOANS**

An analysis of the maturity of loans is given below:

	<b>2022</b>	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u><b>95,038</b></u>	<u>95,038</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u><b>96,038</b></u>	<u>96,038</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u><b>311,720</b></u>	<u>311,720</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u><b>124,204</b></u>	<u>186,717</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2022

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

14. **RESERVES**

At 1st September 2021  
and 31st August 2022

Fair  
value  
reserve  
£

427,096

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