

Blackstar Amplification Holdings Limited

Directors' Report and

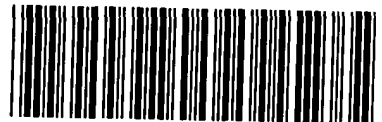
Unaudited Financial Statements

Year Ended

30 April 2020

Company Number 07966184

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Blackstar Amplification Holdings Limited

Contents

	Page
Company Information	
Directors' Report	1 - 2
Accountants' Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 14

Company Information

Directors	Mr I C Robinson Mr P J Hayhoe Mr A K Mathews
Company secretary	Mr A K Mathews
Registered number	07966184
Registered office	Beckett House 14 Billing Road Northampton Northamptonshire NN1 5AW
Accountants	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ

Blackstar Amplification Holdings Limited

Directors' Report For the Year Ended 30 April 2020

The Directors present their report and the financial statements for the year ended 30 April 2020.

Principal activity

The principal activity of the Company is that of a holding company for its direct subsidiary, Blackstar Amplification Limited.

Directors

The Directors who served during the year and up to the date of signing this report were:

Mr I C Robinson
Mr P J Hayhoe
Mr A K Mathews

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the period and remain in force at the date of this report.

Going concern

The Directors of the Company are continually assessing the impact of COVID-19. There is currently considered to be no material uncertainty over the Company's trading subsidiary, Blackstar Amplification Limited, ability to trade, as since the year end the Directors have confirmed strong trading results and cash-flow, as well as significant sales ahead of projected forecasts. The situation is still evolving and it is not possible to determine the full impact of COVID-19 on the Company and the wider Group. So, the Directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate. However, depending on the length and severity of the crisis, the risks to the Company will continue to be monitored and appropriate action taken should it be necessary in the longer term.

Post balance sheet events

On 11 September 2020, Blackstar Instrument Group Limited disposed of its interest in The Auden Musical Instrument Company Limited and its subsidiaries, Gordon Smith Guitars Limited and Tone World (UK) Limited to Mr D J Sparkes, a Director and shareholder of the Company. As a result stock and tangible fixed assets with a value of £350,142 and the brands and trademarks for Auden Guitars and Gordon Smith Guitars were transferred from Blackstar Amplification Limited to The Auden Musical Instrument Company Limited. The consideration was satisfied by the cancellation of Mr D J Sparkes' 700 ordinary shares of £0.01 each and related share premium of £427,811 held in Blackstar Instrument Group Limited. At the same time Mr D J Sparkes resigned as Director of Blackstar Instrument Group Limited. In addition, he is now the controlling party of The Auden Musical Instrument Company Limited following the transfer of the entire issued share capital to him.

Blackstar Amplification Holdings Limited

Directors' Report (continued) For the Year Ended 30 April 2020

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

Mr I C Robinson
Director



Date: 28.01.01

Blackstar Amplification Holdings Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Blackstar Amplification Holdings Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Blackstar Amplification Holdings Limited for the year ended 30 April 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

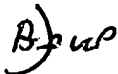
As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that Blackstar Amplification Holdings Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position of Blackstar Amplification Holdings Limited. You consider that Blackstar Amplification Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Blackstar Amplification Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of Directors of Blackstar Amplification Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 17 August 2020. Our work has been undertaken solely to prepare for your approval the accounts of Blackstar Amplification Holdings Limited and state those matters that we have agreed to state to the board of Directors of Blackstar Amplification Holdings Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Blackstar Amplification Holdings Limited and its board of Directors as a body for our work or for this report.



BDO LLP
Nottingham
United Kingdom

Date: 28 January 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Blackstar Amplification Holdings Limited

Statement of Comprehensive Income For the Year Ended 30 April 2020

	Note	2020 £	2019 £
Turnover		-	485,000
Gross profit		-	485,000
Administrative expenses		-	(395,196)
Exceptional administrative expenses	5	(2,712)	-
Operating (loss)/profit		(2,712)	89,804
Tax on (loss)/profit	6	126,843	(3,013)
Profit for the financial year		124,131	86,791

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 7 to 14 form part of these financial statements.

Blackstar Amplification Holdings Limited

Registered number:07966184

Statement of Financial Position As at 30 April 2020

	Note	2020 £	2020 £	As restated 2019 £	As restated 2019 £
Fixed assets					
Investments	7		2,520,833		2,520,833
Current assets					
Debtors: amounts falling due within one year	8	212,344		590,206	
		<u>212,344</u>		<u>590,206</u>	
Creditors: amounts falling due within one year	9	(2,330,135)		(2,832,128)	
Net current liabilities			<u>(2,117,791)</u>		<u>(2,241,922)</u>
Total assets less current liabilities			<u>403,042</u>		<u>278,911</u>
Net assets			<u>403,042</u>		<u>278,911</u>
Capital and reserves					
Called up share capital			48		48
Share premium account	11		349,952		349,952
Merger reserve	11		3,474,208		3,474,208
Profit and loss account	11		(3,421,166)		(3,545,297)
			<u>403,042</u>		<u>278,911</u>


The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr I C Robinson
Director


28.01.20

Date:

The notes on pages 7 to 14 form part of these financial statements.

Blackstar Amplification Holdings Limited

Statement of Changes in Equity For the Year Ended 30 April 2020

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 May 2019	48	349,952	3,474,208	(3,545,297)	278,911
Comprehensive income for the year					
Profit for the year	-	-	-	124,131	124,131
Total comprehensive income for the year	-	-	-	124,131	124,131
At 30 April 2020	48	349,952	3,474,208	(3,421,166)	403,042

Statement of Changes in Equity For the Year Ended 30 April 2019

	Called up share capital	Share premium account	Share option reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 May 2018	48	349,952	73,040	3,474,208	(3,705,128)	192,120
Comprehensive income for the year						
Profit for the year	-	-	-	-	86,791	86,791
Total comprehensive income for the year	-	-	-	-	86,791	86,791
Contributions by and distributions to owners						
Transfer to/from profit and loss account	-	-	(73,040)	-	73,040	-
Total transactions with owners	-	-	(73,040)	-	73,040	-
At 30 April 2019	48	349,952	-	3,474,208	(3,545,297)	278,911

The notes on pages 7 to 14 form part of these financial statements.

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

1. General information

Blackstar Amplification Holdings Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act with Company number 07966184, the registered office is Beckett House, 14 Billing Road, Northampton, Northamptonshire, NN1 5AW. The principal activity of the Company is that of a holding company for its direct subsidiary, Blackstar Amplification Limited.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

The Directors of the Company are continually assessing the impact of COVID-19. There is currently considered to be no material uncertainty over the Company's trading subsidiary, Blackstar Amplification Limited, ability to trade, as since the year end the Directors have confirmed strong trading results and cash-flow, as well as significant sales ahead of projected forecasts. The situation is still evolving and it is not possible to determine the full impact of COVID-19 on the Company and the wider Group. So, the Directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate. However, depending on the length and severity of the crisis, the risks to the Company will continue to be monitored and appropriate action taken should it be necessary in the longer term.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not at market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2019 - 3).

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

4. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	-	343,590
Company contributions to defined contribution pension schemes	-	4,612
	<u>-</u>	<u>348,202</u>

The Directors' emoluments were paid by Blackstar Amplification Limited, a direct subsidiary of the Company.

5. Exceptional items

	2020 £	2019 £
Exceptional item - write back of intercompany debtor no longer payable	<u>2,712</u>	<u>-</u>

6. Taxation

	2020 £	2019 £
Current tax on profits for the year	-	3,013
Adjustments in respect of previous periods	(3,013)	-
Total current tax	<u>(3,013)</u>	<u>3,013</u>
Deferred tax		
Origination and reversal of timing differences	(123,830)	-
Total deferred tax	<u>(123,830)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(126,843)</u>	<u>3,013</u>

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit before tax	(2,712)	89,804
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(515)	17,063
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	515	10,608
Adjustments to tax charge in respect of prior periods	(3,013)	-
Remeasurement of deferred tax for changes in tax rates	(13,035)	-
Deferred tax not recognised	(110,795)	-
Group relief	-	(24,658)
Total tax charge for the year	(126,843)	3,013

Factors that may affect future tax charges

The main rate of corporation tax in force at the Statement of Financial Position date was 19%. A resolution to retain the corporation tax rate from 1 April 2020 at 19% was passed on 17 March 2020, and is enacted from this date.

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2019	5,498,997
At 30 April 2020	5,498,997
Impairment	
At 1 May 2019	2,978,164
At 30 April 2020	2,978,164
Net book value	
At 30 April 2020	2,520,833
At 30 April 2019	2,520,833

8. Debtors

	2020 £	As restated 2019 £
Amounts owed by group undertakings	88,514	590,206
Deferred taxation	123,830	-
	<u>212,344</u>	<u>590,206</u>

9. Creditors: Amounts falling due within one year

	2020 £	As restated 2019 £
Amounts owed to group undertakings	2,330,135	2,771,973
Corporation tax	-	3,013
Accruals and deferred income	-	57,142
	<u>2,330,135</u>	<u>2,832,128</u>

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
4,814 A Ordinary shares of £0.01 each	48	48

11. Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.

Merger Reserve

The merger reserve arises as a result of taking merger relief (under section 612 of the Companies Act 2006) on the premium of the issue of shares.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

12. Prior year adjustment

The Directors have made the decision to net off the intercompany debtor/creditor with Blackstar Instrument Group Limited, the Company's controlling party to be consistent with the presentation in that company. There has been no impact on the Company's net assets for the current or prior periods, there is no impact on profit.

13. Related party transactions

The Company has taken advantage of the exemption offered by Financial Reporting Standard 102 (Section 33) from the requirement to disclose transactions with other group companies that are 100% owned.

14. Post balance sheet events

On 11 September 2020, Blackstar Instrument Group Limited disposed of its interest in The Auden Musical Instrument Company Limited and its subsidiaries, Gordon Smith Guitars Limited and Tone World (UK) Limited to Mr D J Sparkes, a Director and shareholder of the Company. As a result stock and tangible fixed assets with a value of £350,142 and the brands and trademarks for Auden Guitars and Gordon Smith Guitars were transferred from Blackstar Amplification Limited to The Auden Musical Instrument Company Limited. The consideration was satisfied by the cancellation of Mr D J Sparkes' 700 ordinary shares of £0.01 each and related share premium of £427,811 held in Blackstar Instrument Group Limited. At the same time Mr D J Sparkes resigned as Director of Blackstar Instrument Group Limited. In addition, he is now the controlling party of The Auden Musical Instrument Company Limited following the transfer of the entire issued share capital to him.

Blackstar Amplification Holdings Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

15. Controlling party

The Company is controlled by Blackstar Instrument Group Limited, a company incorporated in the United Kingdom.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Blackstar Instrument Group Limited. Copies of the group financial statements of Blackstar Instrument Group Limited are available from Beckett House, 14 Billing Road, Northampton, NN1 5AW.