

COMPANY NUMBER: 2357989

**FOCUSRITE AUDIO ENGINEERING  
LIMITED**

**ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED  
31 AUGUST 2001**



**Report of the auditors to Focusrite Audio Engineering Limited pursuant to Section 247B of the Companies Act 1985.**

We have examined the abbreviated accounts set out on pages 3 to 7 together with the full financial statements of Focusrite Audio Engineering Limited for the period ended 31 August 2001 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The company's directors are responsible for the preparation of the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with these provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.

**KPMG**  
Chartered Accountants  
Registered Auditors  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

2 January 2002

## Abbreviated Balance Sheet at 31 August 2001

Note	2001 £	2000 £
	<b>Fixed assets</b>	
2	Tangible assets	
	145,489	103,641
	<b>Current assets</b>	
	Stock	77,315
	Debtors	495,834
	Cash at bank and in hand	175,408
	949,610	748,557
	<b>Creditors</b>	
3	Amounts falling due within one year	(442,681)
	<b>Net current assets</b>	305,876
	<b>Net assets</b>	409,517
	<b>Capital and reserves</b>	
4	Called up share capital	1,162,207
	Share Premium	88,750
6	Profit and loss account	(841,440)
	734,861	409,517
5	<b>Shareholders' funds</b>	
	Analysed as:	
	Equity Interests	(1,312,955)
	Non Equity Interests	1,722,472
	734,861	409,517

The directors have taken advantage of the exemptions conferred by Section A of part 111 of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

Approved by the board of directors on 7.12.01 and signed on its behalf by:

P.S.Dudderidge



**Notes to the Financial Statements for the year ending**

**31 August 2001**

**1 Accounting Policies**

**1.1 Basis of Accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**1.2 Cash Flow Statement**

The company qualifies as a small company as defined by sections 246 to 249 of the Companies Act 1985 and is accordingly exempt from preparing a cash flow statement as required by Financial Reporting Standard No. 1.

**1.3 Depreciation**

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost of each asset over its expected useful life as follows:-

Plant, equipment & tooling	Over 2-4 years
Computer equipment	Over 2-4 years
Motor vehicles	Over 4 years
Fixtures & fittings	Over 5 years
Leasehold improvements	Over 10 years

There are fixed assets in plant, equipment and tooling with a cost of £21,829 which are being depreciated in reference to units produced.

**1.4 Stocks and work in progress**

Stocks is stated at the lower of cost, replacement cost and net realisable value.

**1.5 Leases**

Assets used by the company which have been funded by finance leases are capitalised and the resulting lease obligations are included in creditors net of finance charges. Operating lease rentals are charged to the profit and loss account in the period in which they fall due.

**1.6 Deferred taxation**

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will arise.

**1.7 Foreign Currencies**

Transactions during the period are translated at the rates of exchange in effect on the dates of the transaction. Translation differences are included in the results for the year. Foreign currency assets and liabilities are translated at the rate of exchange ruling at the Balance Sheet date.

**1.8 Pensions**

The company operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

**1.9 Research and development expenditure**

Expenditure on research and development is written off against profits in the year in which it is incurred.

**2 Tangible Assets**

	Motor vehicles, plant & equipment £	Fixtures, fittings & leasehold £	Computer equipment £	Total £
<b>Cost</b>				
1 September 2000	213,313	78,599	123,330	415,242
Additions	106,449	3,800	6,149	116,398
Disposals	(10,196)	0	0	(10,196)
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2001	309,566	82,399	129,479	521,444
	=====	=====	=====	=====
<b>Depreciation</b>				
1 September 2000	165,021	40,297	106,283	311,601
Charge for the year	52,890	8,207	12,851	73,948
Disposals	(9,594)	0	0	(9,594)
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2001	208,317	48,504	119,134	375,955
	=====	=====	=====	=====
<b>Net Book Value</b>				
31 August 2001	101,249	33,895	10,345	145,489
31 August 2000	48,292	38,302	17,047	103,641

**3 Creditors: Amounts falling due within one year**

	2001 £	2000 £
Trade creditors	209,076	325,692
Corporation Tax	2,746	1,700
Other taxes and social security costs	17,503	16,617
Accruals and deferred income	130,913	98,672
	<hr/>	<hr/>
	360,238	442,681
	=====	=====

**4 Share Capital**

	2001 £	2000 £
<b>Authorised:</b>		
<b>Equity</b>		
Ordinary shares of £1 each 100,000	100,000	100,000
<b>Non equity share capital</b>		
0% Red. Pref. Shares of £1 each	705,000	705,000
10% Cum. Pref. Shares of £1 each	400,000	400,000
	<hr/> 1,205,000 <hr/>	<hr/> 1,205,000 <hr/>
	=====	=====
<b>Allotted, called-up and fully-paid:</b>		
<b>Equity</b>		
Ordinary shares of £1 each	57,207	57,207
<b>Non equity share capital</b>		
0% Red. Pref. Shares of £1 each	705,000	705,000
10% Cum. Pref. Shares of £1 each	400,000	400,000
	<hr/> 1,162,207 <hr/>	<hr/> 1,162,207 <hr/>
	=====	=====

**5 Reconciliation of movements in Shareholders' Funds**

	2001 £	2000 £
Profit for the financial year	325,344	340,051
Opening shareholders' funds	409,517	69,466
	<hr/> 734,861 <hr/>	<hr/> 409,517 <hr/>
	=====	=====

**6 Shareholders Funds**

	Called up share capital	Profit and loss account	Share Premium	Total
	£	£	£	£
At 1 September 2000	1,162,207	(841,440)	88,750	409,517
Retained profit for the year	0	325,344	0	325,344
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2001	1,162,207	(516,096)	88,750	734,861
	=====	=====	=====	=====

**7 Capital Commitments**

There were no capital commitments authorised or contracted for as at 31 August 2001.

**8 Redemption of Preference Shares**

The Company may at any time redeem for cash at par the whole or any multiple of 10,000 of both classes of preference share by serving notice upon the holders specifying a date upon which redemption is to take place being not less than 14 days nor more than 30 days from the date of such notice. The Company shall redeem the whole of the Preference Shares for cash at par, immediately prior to a listing or a sale.

**9 Preference Dividends**

Dividends have accrued on the Redeemable Preference Shares but have not been charged to the Profit and Loss Account as there are not sufficient distributable reserves.

10% Cumulative Redeemable Preference Shares of £1 each	£	£
Amount in issue	400,000	400,000
Dividend for period	99,944	90,858
Accrued Dividend at year end	717,417	617,473

**10 Directors' Transactions**

The business premises of the company at 19 Lincoln Road, Cressex, High Wycombe, Buckinghamshire, are owned by Mr. P S Dudderidge and M H Trustees Limited and leased to the company at an annual rent of £57,500 (2000: £50,000)

**11 Pension Scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £30,360 (2000: £14,196). Amounts outstanding at the year end totalled £ nil ( 2000: nil ).