

The Sound Company Limited

Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 31 August 2017

Mitchell Meredith Limited

The Exchange

Fiveways

Temple Street

Llandrindod Wells

Powys

LD1 5HG

The Sound Company Limited

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The Sound Company Limited

Company Information

Directors Mr G J Oliver
 Mrs C H Oliver
 Miss A C Oliver

Company secretary Mr G J Oliver

Registered office The Exchange
 Fiveways
 Temple Street
 Llandrindod Wells
 Powys
 LD1 5HG

Accountants Mitchell Meredith Limited
 The Exchange
 Fiveways
 Temple Street
 Llandrindod Wells
 Powys
 LD1 5HG

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
The Sound Company Limited
for the Year Ended 31 August 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of The Sound Company Limited for the year ended 31 August 2017 as set out on pages 3 to 9 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/>.

This report is made solely to the Board of Directors of The Sound Company Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of The Sound Company Limited and state those matters that we have agreed to state to the Board of Directors of The Sound Company Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sound Company Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that The Sound Company Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of The Sound Company Limited. You consider that The Sound Company 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 accounts of The Sound Company 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.

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Mitchell Meredith Limited

The Exchange

Fiveways

Temple Street

Llandrindod Wells

Powys

LD1 5HG

28 May 2018

The Sound Company Limited
(Registration number: 02847280)
Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>4</u>	4,094,319	4,165,312
Current assets			
Stocks	<u>5</u>	2,158	4,164
Debtors	<u>6</u>	195,286	154,772
Cash at bank and in hand		3,031	55,702
		200,475	214,638
Creditors: Amounts falling due within one year	<u>7</u>	(387,076)	(299,183)
Net current liabilities		(186,601)	(84,545)
Total assets less current liabilities		3,907,718	4,080,767
Creditors: Amounts falling due after more than one year	<u>7</u>	(1,005,727)	(1,089,243)
Provisions for liabilities		(12,680)	(17,764)
Net assets		<u>2,889,311</u>	<u>2,973,760</u>
Capital and reserves			
Called up share capital		50,000	50,000
Revaluation reserve		2,630,986	2,663,117
Profit and loss account		208,325	260,643
Total equity		<u>2,889,311</u>	<u>2,973,760</u>

The notes on pages 5 to 9 form an integral part of these financial statements.
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The Sound Company Limited
(Registration number: 02847280)
Balance Sheet as at 31 August 2017

For the financial year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28 May 2018 and signed on its behalf by:

Mr G J Oliver

Company secretary and director

The notes on pages 5 to 9 form an integral part of these financial statements.

The Sound Company Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG
UK

These financial statements were authorised for issue by the Board on 28 May 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

At the balance sheet date the company had net current liabilities of £186,601 (2016 - £84,545). However, included in creditors are directors loans of £37,114 which will not be withdrawn until sufficient funds are available to do so. Also, the directors believe the company will return to profit in the current year and that, with their continued support, it is appropriate to prepare the accounts on a going concern basis.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Freehold property
Plant and machinery
Fixtures and fittings

Depreciation method and rate

2% on cost
25% on reducing balance
25% on reducing balance and over 5 years.

The Sound Company Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

The Sound Company Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 21 (2016 - 19).

4 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2016	4,500,000	254,062	876,787	5,630,849
Additions	-	1,080	1,844	2,924
At 31 August 2017	4,500,000	255,142	878,631	5,633,773
Depreciation				
At 1 September 2016	450,000	209,846	805,691	1,465,537
Charge for the year	45,000	16,747	12,170	73,917
At 31 August 2017	495,000	226,593	817,861	1,539,454
Carrying amount				
At 31 August 2017	4,005,000	28,549	60,770	4,094,319
At 31 August 2016	4,050,000	44,216	71,096	4,165,312

Included within the net book value of land and buildings above is £4,005,000 (2016 - £4,050,000) in respect of freehold land and buildings.

Revaluation

The fair value of the company's Freehold property was revalued on 24 July 2007 by a firm of Independent Chartered Surveyors who are external to the company. The basis of this valuation was on an open market basis. Had this class of asset been measured on a historical cost basis, the carrying amount would have been £1,286,928 (2016 - £1,286,928).

The Sound Company Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

5 Stocks

	2017 £	2016 £
Stocks	2,158	4,164

6 Debtors

	2017 £	2016 £
Trade debtors	109,152	92,053
Prepayments	80,708	62,719
Corporation tax	5,426	-
	<u>195,286</u>	<u>154,772</u>

7 Creditors

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	<u>8</u>	209,506	82,031
Trade creditors		80,656	80,673
Directors' current accounts	<u>10</u>	37,114	73,172
Taxation and social security		41,109	48,942
Other creditors		6,092	3,681
Accruals		<u>12,599</u>	<u>10,684</u>
		<u>387,076</u>	<u>299,183</u>
Due after one year			
Loans and borrowings	<u>8</u>	<u>1,005,727</u>	<u>1,089,243</u>

8 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	958,503	1,027,785
Other borrowings	<u>47,224</u>	<u>61,458</u>
	<u>1,005,727</u>	<u>1,089,243</u>

The Sound Company Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	69,435	68,490
Bank overdrafts	20,836	-
Other borrowings	119,235	13,541
	<u>209,506</u>	<u>82,031</u>

Bank borrowings

Bank borrowings is denominated in pounds sterling. The carrying amount at year end is £1,027,938 (2016 - £1,096,274).

The mortgage is secured against the property owned by the company.

The bank overdraft is denominated in pounds sterling. The carrying amount at year end is £20,835 (2016 - £Nil).

The bank overdraft is secured against the assets of the company and guarantees given by the directors.

9 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £6,250 (2016 - £21,250).

10 Related party transactions

Summary of transactions with other related parties

The Sound Pension Scheme

(The Company's self administered pension scheme)

During the year the company borrowed £105,000 from the pension scheme. At the balance sheet date the amount due to The Sound Pension Scheme was £166,458.

11 Transition to FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit and loss.

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.