

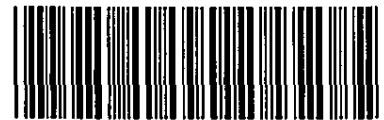
Company Registration No. 1392337

**DERBY MUSIC FINANCE LIMITED**

**Report and Financial Statements**

**31 January 2009**

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# **DERBY MUSIC FINANCE LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and financial statements for the year ended 31 January 2009.

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

## **ACTIVITIES**

The principal activity of the company is the hiring out of pianos.

## **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors consider the results for the year and future prospects to be satisfactory.

## **GOING CONCERN**

There has been a decline in the level of activity which is disappointing, however virtually all significant costs are variable and in the current year have fallen accordingly. The company has only negligible liabilities at the balance sheet date due to a strong level of shareholder funds relative to the capital requirements of the company. As a consequence, the directors are satisfied that at the time of approval of the financial statements, it is appropriate to prepare the financial statements on a going concern basis.

## **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were as follows:

J McK Foulds

S E Foulds

V M Foulds

## **DIRECTORS' STATEMENT OF RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# DERBY MUSIC FINANCE LIMITED

## DIRECTORS' REPORT

### DIRECTORS' STATEMENT OF RESPONSIBILITIES (Continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### ACCOUNTANTS

Deloitte LLP have expressed their willingness to continue as accountants and a resolution to reappoint Deloitte LLP as reporting accountants of the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



V M FOULDS

Secretary

28th November 2009

## INDEPENDENT ACCOUNTANTS' REPORT TO THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF DERBY MUSIC FINANCE LIMITED

In accordance with the engagement letter dated 2 April 2009 and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise of the profit and loss account, the balance sheet and the related notes 1 to 12, from the accounting records and information and explanations you have given to us.

This report is made to the Company's directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 January 2009 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

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

Debitte LLP

*Deloitte LLP*

Chartered Accountants

Nottingham, United Kingdom

26<sup>th</sup> November 2009

## DERBY MUSIC FINANCE LIMITED

### PROFIT AND LOSS ACCOUNT Year ended 31 January 2009

	Note	2009 £	2008 £
<b>TURNOVER</b>	1	55,053	80,976
Administrative expenses		(45,439)	(69,509)
<b>OPERATING PROFIT</b>	3	9,614	11,467
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		9,614	11,467
Tax on profit on ordinary activities	4	(2,907)	(3,199)
<b>RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		6,707	8,268
Retained profit for the year transferred to reserves	12	6,707	8,268

There are no recognised gains or losses, or movements on shareholders' funds for the current financial year and the preceding financial year other than as stated in the profit and loss account.

All the above results are derived from continuing operations.

# DERBY MUSIC FINANCE LIMITED

## BALANCE SHEET 31 January 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	5	81,569	92,110
<b>CURRENT ASSETS</b>			
Debtors	6	110,289	106,894
Cash at bank and in hand		28,272	14,504
		<u>138,561</u>	<u>121,398</u>
<b>CREDITORS: amounts falling due within one year</b>			
Trade creditors		2,157	2,801
Sundry creditors	7	4,200	2,348
		<u>6,357</u>	<u>5,149</u>
<b>NET CURRENT ASSETS</b>		<u>132,204</u>	<u>116,249</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		213,773	208,359
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	8	(17,129)	(18,422)
		<u>196,644</u>	<u>189,937</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	200	200
Profit and loss account	12	196,444	189,737
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>196,644</u>	<u>189,937</u>

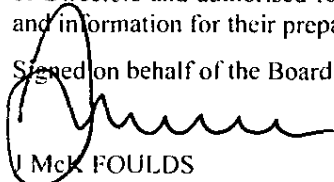
These accounts have not been audited because the company is entitled to an exemption provided by section 249A(1) of the Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with section 249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These accounts have been properly prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

The financial statements of Derby Music Finance Limited (registered number 1392337) were approved by the Board of Directors and authorised for issue on 25th November 2009 and we confirm that we have made available all relevant records and information for their preparation.

Signed on behalf of the Board of Directors

  
J McK FOULDS

Director

# DERBY MUSIC FINANCE LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 January 2009

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Going concern

There has been a decline in the level of activity which is disappointing, however virtually all significant costs are variable and in the current year have fallen accordingly. The company has only negligible liabilities at the balance sheet date due to a strong level of shareholder funds relative to the capital requirements of the company. As a consequence, the directors are satisfied that at the time of approval of the financial statements, it is appropriate to prepare the financial statements on a going concern basis.

#### Turnover

Turnover is the amount derived from the provision of goods and services falling entirely within the United Kingdom and within the company's ordinary activities after deduction of trade discounts and value added tax.

#### Tangible fixed assets and depreciation

Depreciation on pianos on hire is calculated to write down their cost to their estimated residual value. Depreciation is charged at an annual rate of between 10% and 30% of net book value.

#### Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Other than the directors there are no employees of the company. The directors received no remuneration from Derby Music Finance Limited.

### 3. OPERATING PROFIT

	2009	2008
	£	£
<b>Operating profit is after charging/(crediting):</b>		
Depreciation	8,393	10,070
Profit on disposal of fixed assets	(11,844)	(12,327)
	<u>          </u>	<u>          </u>

**DERBY MUSIC FINANCE LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 31 January 2009**

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

a) <b>Analysis of tax charge in the year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Taxation is based on the profit for the year and comprises:		
Corporation tax at 21 % (2008: 20%) based on the profit for the year (note 4b)	4,200	2,348
Deferred taxation	(1,293)	851
	<u>2,907</u>	<u>3,199</u>

**b) Factors affecting the tax charge for the year**

The standard rate of current tax for the year, based on the UK small companies' rate of corporation tax is 21% (2008: 20%). The current tax charge for the year is different to 21% for the reasons set out in the following reconciliation.

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>9,614</u>	<u>11,467</u>
Tax on profit on ordinary activities at small companies rate	2,019	2,293
<b>Effects of:</b>		
Depreciation for year in excess of capital allowances	2,196	75
Rate differences	(15)	(20)
<b>Total tax charge for the year (note 4a)</b>	<u>4,200</u>	<u>2,348</u>

**5. TANGIBLE FIXED ASSETS**

	<b>Pianos hired out £</b>
<b>Cost</b>	
At 1 February 2008	128,140
Additions	31,225
Disposals	(45,217)
At 31 January 2009	<u>114,148</u>
<b>Accumulated depreciation</b>	
At 1 February 2008	36,030
Charge for the year	8,393
Disposals	(11,844)
At 31 January 2009	<u>32,579</u>
<b>Net book value</b>	
At 31 January 2009	<u>81,569</u>
At 31 January 2008	<u>92,110</u>



## DERBY MUSIC FINANCE LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 January 2009

#### 6. DEBTORS - due within one year

	2009 £	2008 £
Amounts due from parent company	105,514	100,013
Other debtors	4,775	6,881
	<u>110,289</u>	<u>106,894</u>

#### 7. SUNDRY CREDITORS

	2009 £	2008 £
Corporation tax	<u>4,200</u>	<u>2,348</u>

#### 8. PROVISIONS FOR LIABILITIES AND CHARGES

	2009 £	2008 £
<b>Deferred taxation</b>		
Balance at 1 February	18,422	17,571
(Credit) / charge for the year	(1,293)	851
Balance at 31 January	<u>17,129</u>	<u>18,422</u>

#### 9. CALLED UP SHARE CAPITAL

	2009 £	2008 £
<b>Authorised, allotted and fully paid</b>		
100 'A' ordinary shares of £1 each	100	100
100 'B' ordinary shares of £1 each	100	100
	<u>200</u>	<u>200</u>

'A' and 'B' ordinary shares have the same rights to participate in the profits of the company, have equal rights on a winding up and carry the same voting rights.

#### 10. ULTIMATE PARENT COMPANY

The company is controlled and is a wholly owned subsidiary of Charles Foulds & Son (Derby) Limited, a company incorporated in Great Britain.

Copies of the financial statements of Charles Foulds & Sons (Derby) Limited are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

# DERBY MUSIC FINANCE LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 January 2009

### 11. RELATED PARTY TRANSACTIONS

During the year, the company was charged £15,000 (2008: £27,000) for administration services and £20,000 (2008: £30,000) for advertising, repairs and carriage costs by Charles Foulds & Son (Derby) Limited.

The company made purchases of £31,225 (2008: £45,773) from and sales of £45,217 (2008: £51,058) to Charles Foulds & Son (Derby) Limited. The net balance outstanding with Charles Foulds & Son (Derby) Limited at the year end was a debtor of £ 105,514 (2008: £100,013).

### 12. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £	Total £
At 1 February 2008	189,737	189,737
Retained profit for the year	6,707	6,707
	<hr/>	<hr/>
At 31 January 2009	196,444	196,444
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