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COMPANIES HOUSE

COUNTERPOINT SYSTEMS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2009

Company No. 02123605

COUNTERPOINT SYSTEMS LIMITED

COMPANY INFORMATION

For the year ended 31 December 2009

Company registration number

02123605

Registered office

The Forum
74-80 Camden Street
London
NW1 0EG

Directors

R B Katovsky (Chairman)
A Biegun
R Leiper

Secretary

L S Katovsky

Bankers

Barclays Bank plc
27 Soho Square
London
W1D 3QR

Solicitors

James Ware Baxter Schoenfeld LLP
6 Gray's Inn Square
London
WC1R 5AX

Auditors

Bevis & Co
Chartered Accountants
Apex House
6 West Street
Epsom
Surrey
KT18 7RG

COUNTERPOINT SYSTEMS LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 2009

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**INDEPENDENT AUDITORS' REPORT TO
COUNTERPOINT SYSTEMS LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts on pages 2 to 5 together with the full statutory accounts of Counterpoint Systems Limited for the year ended 31 December 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts to be delivered have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditors' report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. 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 statutory accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006 and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with the regulations made under that section.



22/9/10
Date

CHRISTOPHER J BEVIS (Senior Statutory Auditor)

For and on behalf of

**BEVIS & CO.
CHARTERED ACCOUNTANTS and STATUTORY AUDITORS
Apex House,
6 West Street,
Epsom,
Surrey,
KT18 7RG**

COUNTERPOINT SYSTEMS LIMITED

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company is a parent company subject to the small companies regime. The company and its subsidiary comprise a small group. The company has therefore taken advantage of the option provided by section 398 of the Companies Act 2006 not to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

CASH FLOW

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement.

TURNOVER

Turnover is the total amount receivable by the company for services provided and disbursements recharged, excluding value added tax having regard to the fulfilment of contractual obligation.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Computer equipment	25% straight line
Fixtures, fittings and equipment	10 - 25% straight line
Motor vehicles	25% straight line

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

DEFERRED TAX

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

CONTRIBUTIONS TO PENSION FUNDS

The company makes contributions into a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension costs charged against profits represent the amount of contributions payable to the scheme in respect of the accounting period.

COUNTERPOINT SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET

At 31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	1	70,445	95,558
Investments	2	<u>691,877</u>	<u>236,816</u>
		<u>762,322</u>	<u>332,374</u>
Current assets			
Debtors		2,691,558	2,653,784
Cash at bank and in hand		<u>336,241</u>	<u>293,116</u>
		<u>3,027,799</u>	<u>2,946,900</u>
Creditors. amounts falling due within one year			
	3	<u>(2,465,994)</u>	<u>(2,134,185)</u>
Net current assets		<u>561,805</u>	<u>812,715</u>
Total assets less current liabilities		1,324,127	1,145,089
Creditors: amounts falling due in more than one year			
		<u>-</u>	<u>-</u>
		<u>1,324,127</u>	<u>1,145,089</u>
Capital and reserves			
Called up share capital	4	10,000	10,000
Profit and loss account		<u>1,314,127</u>	<u>1,135,089</u>
Shareholders' funds		<u>1,324,127</u>	<u>1,145,089</u>

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

The abbreviated accounts were approved by the Board of Directors on - Date 21/9/10


A BIEGUN
Director


R KATOVSKY
Director

The accompanying accounting policies and notes form an integral part of these financial statements

COUNTERPOINT SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2009

1 TANGIBLE FIXED ASSETS

	Total £
Cost	
At 1 January 2009	489,270
Additions	22,899
Disposals	-
At 31 December 2009	<u>512,169</u>
Depreciation	
At 1 January 2009	393,712
Provided in the year	48,012
Disposals	-
At 31 December 2009	<u>441,724</u>
Net book amounts	
At 31 December 2009	<u><u>70,445</u></u>
At 31 December 2008	<u><u>95,588</u></u>

2 FIXED ASSET INVESTMENTS

The investments in subsidiary undertakings are disclosed at cost

	£	£
At 1 January 2009 and at 31 December 2009	<u>691,877</u>	<u>236,816</u>

At 31 December 2009 the subsidiary undertakings were

	Nature of business	Percentage of ordinary £1 shares owned	Country of incorporation
Lyric Systems Limited	Dormant	100%	England and Wales
Counterpoint Systems Inc	Software design and development	97.33%*	United States of America

* Held by Lyric Systems Limited

At 31 December 2009 the share capital and reserves of Counterpoint Systems Inc amounted to a deficit of £(1,067,081) and its profit for the year was £ 61,194. These figures have not been subject to independent audit. Following a major restructuring of the local internal management in the US during 2009 \$ 754,446 of the Counterpoint Systems Inc debt was converted to capital investment in return for additional equity for its subsidiary Lyric Systems Limited. Since the year end the position has continued to improve.

COUNTERPOINT SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2009

3 CREDITORS

The bank financing is secured by fixed and floating charges over the assets of the company. In addition, it is secured by a first legal charge over the copyright of the software products known as "Music Maestro", "Record Maestro" and "Movie Maestro"

4 SHARE CAPITAL

	2009 £	2008 £
Authorised 5,000,000 Ordinary shares of £ 0 002 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid 5,000,000 Ordinary shares of £ 0 002 each	<u>10,000</u>	<u>10,000</u>

5 ULTIMATE PARENT UNDERTAKING

The ultimate parent company is BZ Consultancy Limited, a company incorporated in Jersey. The shares of this company are themselves held by overseas trusts.

6 RELATED PARTY TRANSACTIONS

- a At the year end, an amount of £112,780 (2008 £129,999) was due to The Software Factory Limited, a company 100% owned by R B Katovsky a director of Counterpoint Systems Limited. Net fees of £32,872 (2008 £36,846) were charged to the profit and loss account for the year, being licences and commission due to The Software Factory Limited.
- b At the year end, Counterpoint Systems Inc, a subsidiary of Counterpoint Systems Limited was owed trading debts of £nil (2008 debtor - £ 47,509). During the year the company made sales, including recharges, of £171,457 (2008 £50,648) and bought consultancy services £324,469 (2008 £216,137) with Counterpoint Systems Inc. Loan debt of US\$750,000 was capitalised during the current year. The inter-company loan to Counterpoint Systems Inc, designated in sterling, on which daily compound interest is charged at the prevailing IRS rate balance was £1,133,977 (2008 £1,457,724) at the year end is repayable on demand.