

DAWKES MUSIC & WINDCRAFT LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

DAWKES MUSIC & WINDCRAFT LIMITED
REGISTERED NUMBER: 02710334

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	1	1
Tangible assets	5	219,395	208,786
		<u>219,396</u>	<u>208,787</u>
Current assets			
Stocks	6	666,033	563,073
Debtors: amounts falling due within one year	7	164,335	181,897
Cash at bank and in hand	8	19,090	24,492
		<u>849,458</u>	<u>769,462</u>
Creditors: amounts falling due within one year	9	(720,640)	(652,786)
Net current assets		<u>128,818</u>	<u>116,676</u>
Total assets less current liabilities		<u>348,214</u>	<u>325,463</u>
Provisions for liabilities			
Deferred tax	10	(31,624)	(16,096)
		<u>(31,624)</u>	<u>(16,096)</u>
Net assets		<u><u>316,590</u></u>	<u><u>309,367</u></u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		315,590	308,367
		<u><u>316,590</u></u>	<u><u>309,367</u></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 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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

DAWKES MUSIC & WINDCRAFT LIMITED
REGISTERED NUMBER: 02710334

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2019

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....
J Dawkes
Director

Date: 18 November 2019

The notes on pages 3 to 11 form part of these financial statements.

DAWKES MUSIC & WINDCRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. General information

Dawkes Music & Windcraft Limited is a private company, limited by share capital and incorporated in England and Wales. The Company's registered office and principal place of business is The Woodwind & Brass Warehouse, Unit C, Reform Road, Maidenhead, Berkshire, SL6 8BT. The Company's principal activity is the sale, repair and distribution of musical instruments.

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 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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DAWKES MUSIC & WINDCRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover 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 turnover 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.

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

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DAWKES MUSIC & WINDCRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.7 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 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 balance sheet 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 Balance Sheet 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 balance sheet date.

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

DAWKES MUSIC & WINDCRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	- straight line over the life of the lease
Plant & machinery	- 25%
Motor vehicles	- 25%
Fixtures & fittings	- 25%
Office equipment	- 25%
Rental instruments	- at carrying rates on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

DAWKES MUSIC & WINDCRAFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 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, loans to related parties and investments in non-puttable ordinary shares.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 26 (2018 - 30).

4. Intangible assets

	Goodwill
	£
Cost	
At 1 July 2018	1
At 30 June 2019	1
Net book value	
At 30 June 2019	1
At 30 June 2018	1

DAWKES MUSIC & WINDCRAFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

5. Tangible fixed assets

	Improvements to property	Plant & machinery	Motor vehicles	Fixtures & fittings	Office equipment
	£	£	£	£	£
Cost or valuation					
At 1 July 2018	30,002	21,378	8,905	18,484	158,471
Additions	-	-	-	1,300	717
Disposals	-	-	-	-	-
At 30 June 2019	<u>30,002</u>	<u>21,378</u>	<u>8,905</u>	<u>19,784</u>	<u>159,188</u>
Depreciation					
At 1 July 2018	26,089	21,013	8,905	14,962	131,615
Charge for the year	3,913	365	-	1,275	10,514
Disposals	-	-	-	-	-
At 30 June 2019	<u>30,002</u>	<u>21,378</u>	<u>8,905</u>	<u>16,237</u>	<u>142,129</u>
Net book value					
At 30 June 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,547</u>	<u>17,059</u>
At 30 June 2018	<u>3,913</u>	<u>365</u>	<u>-</u>	<u>3,522</u>	<u>26,856</u>

DAWKES MUSIC & WINDCRAFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets (continued)

	Rental instruments	Total
	£	£
Cost or valuation		
At 1 July 2018	587,976	825,216
Additions	71,397	73,414
Disposals	(6,231)	(6,231)
At 30 June 2019	<u>653,142</u>	<u>892,399</u>
Depreciation		
At 1 July 2018	413,846	616,430
Charge for the year	43,073	59,140
Disposals	(2,566)	(2,566)
At 30 June 2019	<u>454,353</u>	<u>673,004</u>
Net book value		
At 30 June 2019	<u>198,789</u>	<u>219,395</u>
At 30 June 2018	<u>174,130</u>	<u>208,786</u>

6. Stocks

	2019	2018
	£	£
Finished goods and goods for resale	666,033	563,073
	<u>666,033</u>	<u>563,073</u>

7. Debtors

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	2019	2018
	£	£
Trade debtors	55,797	79,003
Other debtors	78,328	70,537
Prepayments and accrued income	27,961	30,108
Tax recoverable	2,249	2,249
	<u>164,335</u>	<u>181,897</u>

DAWKES MUSIC & WINDCRAFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	19,090	24,492
Less: bank overdrafts	(68,768)	(73,899)
	<u>(49,678)</u>	<u>(49,407)</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	68,768	73,899
Other loans	-	5,686
Trade creditors	512,255	421,131
Amounts owed to group undertakings	529	527
Corporation tax	1,549	-
Other taxation and social security	42,589	52,393
Other creditors	11,872	10,261
Accruals and deferred income	83,078	88,889
	<u>720,640</u>	<u>652,786</u>

10. Deferred taxation

	2019 £	2018 £
At beginning of year	(16,096)	2,045
Charged to profit or loss	(15,528)	(18,141)
At end of year	<u>(31,624)</u>	<u>(16,096)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(31,739)	(28,853)
Tax losses carried forward	-	12,757
Short term timing differences	115	-
	<u>(31,624)</u>	<u>(16,096)</u>

DAWKES MUSIC & WINDCRAFT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
1,000 (2018 - 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £9,402 (2018 - £9,589). Contributions totalling £1,576 (2018 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

13. Related party transactions

During the period, dividends totalling £73,752 (2018 £74,935) were paid to JDN Holdings Limited, the immediate parent company. As at 30 June 2019 the company was owed £nil (2018: £8,994) from the director, J Dawkes and £nil (2018: £nil) from the director, D Dawkes.

14. Controlling party

The immediate parent company is JDN Holdings Limited.
The ultimate controlling party is the directors by virtue of their shareholding in the immediate parent company.

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