

COMPANY REGISTRATION NUMBER: 04446292

SWOT MUSIC LTD

Filleted Unaudited Financial Statements

For the year ended

30 September 2021

SWOT MUSIC LTD

Statement of Financial Position

30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	32,979	37,378
Current assets			
Debtors	6	91,835	63,684
Cash at bank and in hand		28,934	41,928
		120,769	105,612
Creditors: amounts falling due within one year	7	101,483	97,494
Net current assets		19,286	8,118
Total assets less current liabilities		52,265	45,496
Creditors: amounts falling due after more than one year	8	46,716	39,502
Provisions			
Taxation including deferred tax		5,018	5,631
Net assets		531	363
Capital and reserves			
Called up share capital	9	101	101
Profit and loss account		430	262
Shareholders funds		531	363

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the financial year ended 30 September 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

SWOT MUSIC LTD

Statement of Financial Position *(continued)*

30 September 2021

These financial statements were approved by the board of directors and authorised for issue on 23 June 2022 , and are signed on behalf of the board by:

Mr J Sweet

Director

Company registration number: 04446292

SWOT MUSIC LTD

Notes to the Financial Statements

Year ended 30 September 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Old Emporium, Bow Street, Langport, Somerset, TA10 9PQ.

2. Statement of compliance

These financial statements have been prepared in accordance with FRS 102 taking advantage of the disclosure exemptions of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company is dependent on the continuing financial support of the bank to continue trading. There has been no indication from the bank that this support will not continue for the foreseeable future and the company is meeting its day to day liabilities as they fall due. The director has reviewed the company's current trading position and believes that it has sufficient resources and is well placed to manage its business risks successfully despite the current economic outlook. The director has considered the impact of the COVID-19 pandemic on its operations and has taken several steps to mitigate the effects on profitability and cashflow. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the director continues to adopt the going concern basis in preparing the accounts.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax. Revenue from the supply of services is recognised when the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	10% straight line
Fixtures and fittings	-	15% reducing balance
Equipment	-	20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants received relate to COVID-19 government assistance and are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 2 (2020: 2).

5. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 October 2020	8,752	24,515	195,988	229,255
Additions	—	—	3,290	3,290
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At 30 September 2021	8,752	24,515	199,278	232,545
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Depreciation				
At 1 October 2020	2,650	22,504	166,723	191,877
Charge for the year	875	302	6,512	7,689
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At 30 September 2021	3,525	22,806	173,235	199,566
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Carrying amount				
At 30 September 2021	5,227	1,709	26,043	32,979
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At 30 September 2020	6,102	2,011	29,265	37,378
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Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 30 September 2021	4,026

At 30 September 2020	5,032

6. Debtors

	2021 £	2020 £
Trade debtors	29,937	23,552
Other debtors	61,898	40,132
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	91,835	63,684
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7. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	8,048	4,672
Trade creditors	46,844	54,674
Corporation tax	32,170	23,350
Social security and other taxes	9,128	9,475
Other creditors	5,293	5,323
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	101,483	97,494
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8. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	43,592	34,295

Other creditors	3,124	5,207
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	46,716	39,502
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The original bank loan is secured by a debenture over the assets of the company. Repayments are £409 per month and interest is charged at 4.35%.

A further bounce back loan of £17,500 was taken in the year which, together with the original £20,000 is repayable over 102 payments. Repayments have been deferred and will commence in December 2021. Interest is charged at 2.5% with the first years interest being paid by the UK Government.

9. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
Ordinary Class 2 shares of £ 1 each	1	1	1	1
	101	101	101	101

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	731	—
Later than 1 year and not later than 5 years	1,519	3,636
	2,250	3,636

11. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

	2021			
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr J Sweet	34,373	24,983	(11,336)	48,020
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	2020			
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr J Sweet	40,717	—	(6,344)	34,373
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Amounts advanced to directors are repayable on demand. No interest is charged on the amounts advanced.

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