Registration number 05131321

Blue Sonic Limited

Abbreviated Accounts

for the Year Ended 31 May 2012

Antrams
Registered Auditors
44-46 Old Steine
Brighton
East Sussex
BN1 1NH

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Blue Sonic Limited

Contents

Independent Auditor's Report ..... 1 to 2

Abbreviated Balance Sheet 3

Notes to the Abbreviated Accounts ..... 4 to 6

Independent Auditor's Report to Blue Sonic Limited

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 3 to 6 together with the financial statements of Blue Sonic Limited for the year ended 31 May 2012 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 audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's 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 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 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 are properly prepared

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 have been properly prepared in accordance with the regulations made under that section

Other information

On 13/02/2013 we reported as auditor to the members of the company on the financial statments prepared under section 396 of the companies Act 2006 and our report included the following paragraph

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern The company made a net loss of £112,547 during the year ended 31st May 2012 and, at that date the company's liabilities exceeded its total assets by £378,627 These conditions indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue to trade as a going concern The financial statements do not include any adjustments that would result if the company was unable to continue operating as a going concern

Alison Henton (Senior Statutory Auditor)
For and on behalf of Antrams, Statutory Auditor

44-46 Old Steine
Brighton
East Sussex
BN1 1NH

Independent Auditor's Report to Blue Sonic Limited
Under section 449 of the Companies Act 2006

..... continued

Date 13 February 2013

Blue Sonic Limited

(Registration number: 05131321)

Abbreviated Balance Sheet at 31 May 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets		727	1,063
Current assets			
Stocks		5,841,521	5,642,128
Debtors		42,802	31,338
Cash at bank and in hand		4,834	53,197
		5,889,157	5,726,663
Creditors Amounts falling due within one year	3	(6,268,511)	(5,993,806)
Net current liabilities		(379,354)	(267,143)
Net liabilities		(378,627)	(266,080)
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account		(378,629)	(266,082)
Shareholders' deficit		(378,627)	(266,080)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 13-2-13 and signed on its behalf by

A. J. Newton

Mr A J Newton
Director

The notes on pages 4 to 6 form an integral part of these financial statements

Blue Sonic Limited

Notes to the Abbreviated Accounts for the Year Ended 31 May 2012

1 Accounting policies

Basis of preparation
The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern
The financial statements have been prepared on a going concern basis The principal factor in this consideration is the continued support of the company's banker At the year end the company was in negotiations with its banker with regard to the continuation of its existing finance The previous loan facilities expired on 16 October 2011 After negoatiation the company's banker renewed these facilities on 28 November 2012

The company made an application to the Get Britain Building programme ("GBB") in April 2012 for a loan of £1 9 million GBB is part of the Homes and Communities Agency This application was successful The development facility loan agreement with GBB was also signed on 28 November 2012

Having duly considered the matters above the directors are of the opinion that the company will continue to operate for the foreseeable future and therefore the financial statements have been prepared on the assumption that the going concern basis of preparation is appropriate

Should this not prove to be appropriate adjustments would have to be made to reduce balance sheet assets to their recoverable value and to provide for any further liabilities that might arise

Turnover
Turnover represents amounts receivable for work certified as complete excluding VAT and trade discounts, or for the sale of a site/property

Depreciation
Tangible fixed assets are stated at cost less depreciation Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows

Asset class	Depreciation method and rate
Office equipment	33% straight line
Fixtures and fittings	33% straight line
Motor vehicles	25% straight line

Work in progress
Stocks and land held for development are valued at the lower of cost and net realisable value Work in progress is stated at cost plus, where the outcome can be assessed with reasonable certainty, estimated profits attributable to the state of completion, less provisoin for any known or anticipated losses and progress payments receivable on account Net realisable value is based on estimated selling price less the estimated cost of disposal

Deferred tax
Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

2 Fixed assets

	Tangible assets £	Total £
Cost		
At 1 June 2011	12,603	12,603
Additions	562	562
Disposals	(2,500)	(2,500)
At 31 May 2012	10,665	10,665
Depreciation		
At 1 June 2011	11,540	11,540
Charge for the year	453	453
Eliminated on disposals	(2,055)	(2,055)
At 31 May 2012	9,938	9,938
Net book value		
At 31 May 2012	727	727
At 31 May 2011	1,063	1,063

3 Creditors

Creditors includes the following liabilities, on which security has been given by the company

	2012 £	2011 £
Amounts falling due within one year	6,021,766	5,775,638

4 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No	£	No	£
Ordinary of £1 each	2	2	2	2

5 Related party transactions

Directors' advances and credits

	2012 Advance/ Credit £	2012 Repaid £	2011 Advance/ Credit £	2011 Repaid £
Mr A.J. Newton				
Interest free loan	11,500	-	18,239	-

6 APB Ethical Standards relevant circumstances

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and to assist with the preparation of the financial statements