SC 237189

CELTIC CHORDS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
28TH FEBRUARY 2005



Lesley MacDonald
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CELTIC CHORDS LIMITED

DIRECTORS REPORT

The director presents his report and financial statements for the year ended 28th February 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which 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 year. In preparing these financial statements the director is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. He is 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.

PRINCIPAL ACTIVITY

The principal activity of the company is music shop sales.

DIRECTORS

The interests of the director holding office on 28th February 2005 in the shares of the company were as follows:-

	At 28th February 2005	At 29th February 2004
Peter Murray	2	2

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

Approved by the Board on

Peter Murray, Director

CELTIC CHORDS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28th FEBRUARY 2005

	Note	2005 £	2004 £
TURNOVER	1	56,264	53,629
Cost of Sales		40,506	43,707
GROSS PROFIT		15,758	9,922
Administrative Expenses		11,280	13,716
OPERATING PROFIT/ (LOSS)	2	4,478	(3,794)
Interest Received		108	45
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,586	(3,749)
Tax on Profit on Ordinary Activities		-	-
RETAINED PROFIT/ (LOSS) FOR YEAR		4,586	(3,749)
Retained (Loss) Brought Forward		(3,749)	-
RETAINED PROFIT/ (LOSS) CARRIED FORWARD		£ 837	£ (3,749)

CELTIC CHORDS LIMITED

BALANCE SHEET AS AT 28th FEBRUARY 2005

	Notes	2005 £	2005 £	2004 £	2004 £
FIXED ASSETS					
Tangible Assets	3		45,232		45,775
CURRENT ASSETS					
Stocks		25,619		23,435	
Bank		2,843		-	
Cash in Hand		-		124	
		28,462		23,559	
CREDITORS: Amounts Falling Due Within One Year	4	53,361		51,888	
NET CURRENT (LABILITIES)			(24,899)		(28,329)
			20,333		17,446
CREDITORS: Amounts Falling Due After One Year	5		19,494		21,193
			£ 839		£ (3,747)
CAPITAL AND RESERVES					
Share Capital	6		2		2
Profit and Loss Account			837		(3,749)
			£ 839		£ (3,747)

AUDIT EXEMPTION STATEMENT

The company is entitled to exemption from audit under Section 249A (1) of the Companies Act 1985 for the year ended 28th February 2005.

No notice has been deposited with the company under section 249B(2) of that Act requiring an audit to be carried out.

The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records in accordance with section 221 of the Companies Act 1985: and
- Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its accounting year and of its loss for that financial period in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to financial statements so far as they are applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities relating to small companies.

Approved on:

Peter Murray, Director

CELTIC CHORDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28th FEBRUARY 2005

1. ACCOUNTING POLICIES

a) Accounting Convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

b) Turnover
Turnover represents net sales to customers during the year.

c) Depreciation
Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the reducing balance method.

d) Segmental Information
The company operates in the UK and the whole of its turnover is in the UK market.

2. OPERATING PROFIT

Operating profit was stated after charging:	2005	2004
Depreciation	£ 739	£ 914

3. FIXED ASSETS

Cost:	Property £	Fixtures & Fittings £	Equipment £	Total £
At 1st March 2004	43,015	544	3,130	46,689
Added in Year	-	-	196	196
At 28th February 2005	£ 43,015	£ 544	£ 3,326	£ 46,885
Depreciation:				
At 1st March 2004	-	134	780	914
Charge for Year	-	102	637	739
At 28th February 2005	£ -	£ 236	£ 1,417	£ 1,653
Net Book Value:				
At 28th February 2005	£ 43,015	£ 308	£ 1,909	£ 45,232
At 29th February 2004	£ 43,015	£ 410	£ 2,350	£ 45,775

CELTIC CHORDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28th FEBRUARY 2005

4. CREDITORS: Amounts Falling Due Within One Year

	2005 £	2004 £
Bank Overdraft	-	391
Trade Creditors	2,577	3,009
Accruals	325	325
VAT	573	739
Directors loan Account	49,886	47,424
	£ 53,361	£ 51,888

5. CREDITORS: Amounts Falling Due After One Year

	2005	2004
Shop Mortgage	£ 19,494	£ 21,193

6. SHARE CAPITAL

Authorised:	2005	2004
100 Ordinary Shares of £1 Each	£ 100	£ 100
Allotted, Issued and Fully Paid:		
2 Ordinary Shares of £1 Each	£ 2	£ 2

CELTIC CHORDS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28th FEBRUARY 2005

	2005		2004	
TURNOVER	£	£	£	£
Sales		56,264		53,629
COST OF SALES				
Purchases	40,286		43,415	
Wages and Subcontract Labour	220		292	
		40,506		43,707
GROSS PROFIT		15,758		9,922
ADMINISTRATIVE EXPENSES				
Heat and Light	349		315	
Telephone	838		1,381	
Postage and Stationery	547		751	
Internet Costs and Advertising	916		2,926	
Motor and Travel	1,000		693	
Maintenance	1,178		230	
Subscriptions	210		170	
Meals and Entertainment	299		157	
General Expenses	246		109	
Computer	-		318	
Accountancy	325		325	
Legal and Professional Fees	-		118	
Rates	1,421		1,960	
Insurance	518		1,484	
Term Loan Interest	1,323		1,257	
Bank Charges	206		-	
Credit Card Charges	1,165		608	
Depreciation	739		914	
		11,280		13,716
NET PROFIT/ (LOSS) FOR YEAR		£ 4,478		£ (3,794)