

Report of the Directors and  
Financial Statements for the Year Ended 31 December 2017  
for  
Artcoustic (U.K.) Limited



Contents of the Financial Statements  
for the Year Ended 31 December 2017

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	7
Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Artcoustic (U.K.) Limited

Company Information  
for the Year Ended 31 December 2017

**DIRECTORS:**

K Donvig-Ehlers  
P Ljungberg

**REGISTERED OFFICE:**

823 Salisbury House  
29 Finsbury Circus  
London  
EC2M 5QQ

**REGISTERED NUMBER:**

04595098 (England and Wales)

**AUDITORS:**

Krogh & Partners Limited, (Statutory Auditor)  
823 Salisbury House  
29 Finsbury Circus  
London  
EC2M 5QQ

Report of the Directors  
for the Year Ended 31 December 2017

The directors present their report and financial statements for the year ended 31 December 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the company during the year has been that of sale of loudspeakers.

**REVIEW OF BUSINESS**

The result for the year is considered as expected by the directors.

The directors have positive expectations for the future and expect a positive result for 2018.

**DIRECTORS**

The directors who served the company throughout the year were as follows:

K Donvig-Ehlers

P Ljungberg

**RESULTS**

The Company's loss for the year amounted to GBP 20,065.

**POST BALANCE SHEET EVENTS**

No post balance sheet events have occurred since 31 December 2017 which requires reporting or disclosing in the accounts.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The directors of the company who held office at the date of approval of this Annual Report as set out beneath confirm that:

- So far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Artcoustic (U.K.) Limited (Registered number: 04595098)

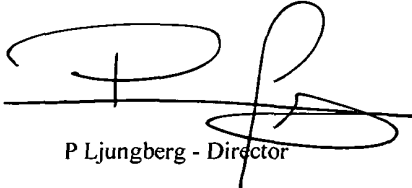
Report of the Directors  
for the Year Ended 31 December 2017

**AUDITORS**

Krogh & Partners Limited, Chartered Accountants & Registered Auditors have signified their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a series of loops and a horizontal line extending to the right.

P Ljungberg - Director

14 May 2018

### **Opinion**

We have audited the financial statements of Artcoustic (U.K.) Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

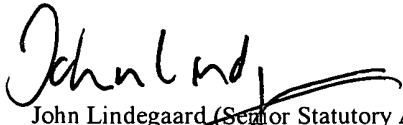
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report of the Independent Auditors to the Members of  
Artcoustic (U.K.) Limited (Registered number: 04595098)



John Lindegaard (Senior Statutory Auditor)  
for and on behalf of Krogh & Partners Limited, (Statutory Auditor)  
823 Salisbury House  
29 Finsbury Circus  
London  
EC2M 5QQ

Date: ..... 14/5 - 2018 .....



Income Statement  
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
<b>TURNOVER</b>	2	1,409,338	1,515,323
Cost of sales		809,901	905,429
<b>GROSS PROFIT</b>		599,437	609,894
Administrative expenses		619,257	569,900
<b>OPERATING (LOSS)/PROFIT</b>	4	(19,820)	39,994
Interest payable and similar expenses		2,892	3,028
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(22,712)	36,966
Tax on (loss)/profit	5	(2,647)	3,268
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(20,065)	33,698

The notes form part of these financial statements

Artcoustic (U.K.) Limited (Registered number: 04595098)

Other Comprehensive Income  
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		(20,065)	33,698
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(20,065)</u>	<u>33,698</u>

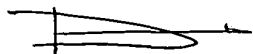
The notes form part of these financial statements

Balance Sheet  
31 December 2017

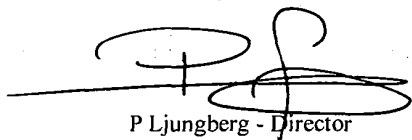
	Notes	2017 £	2016 £
<b>CURRENT ASSETS</b>			
Stocks	7	27,042	20,957
Debtors	8	68,999	59,124
Cash at bank		87,917	191,455
		<u>183,958</u>	<u>271,536</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	259,302	326,815
		<u>(75,344)</u>	<u>(55,279)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(75,344)</u>	<u>(55,279)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>(75,344)</u>	<u>(55,279)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Retained earnings	11	(75,346)	(55,281)
		<u>(75,344)</u>	<u>(55,279)</u>
<b>SHAREHOLDERS' FUNDS</b>			
		<u>(75,344)</u>	<u>(55,279)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 14 May 2018 and were signed on its behalf by:



K Donvig-Ehlers - Director



P Ljungberg - Director

The notes form part of these financial statements

Statement of Changes in Equity  
for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2016</b>	2	(88,979)	(88,977)
<b>Changes in equity</b>			
Total comprehensive income	-	33,698	33,698
<b>Balance at 31 December 2016</b>	2	(55,281)	(55,279)
<b>Changes in equity</b>			
Total comprehensive income	-	(20,065)	(20,065)
<b>Balance at 31 December 2017</b>	2	(75,346)	(75,344)

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 December 2017

1. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

A Summary of the more important accounting policies, which have been applied consistently, is set out below:

**Turnover**

Turnover derives from the principal activity of the Company and is represented by invoiced sales excluding Value Added Tax.

**Interest and similar income and charges**

Interest and similar income and charges are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

**Foreign currencies**

Transactions in foreign currencies are recorded using the exchange rate ruling at the date of the using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss.

**Tangible assets**

Tangible assets are stated at cost.

Depreciation is provided at the following annual rates estimated over the expected useful lives of the assets:

Fixtures and fittings 25%

**Stocks**

Stock has been valued at the lower cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Debtors**

Debtors are valued individually and there are made provision according to this valuation.

**Creditors**

Creditors are carried at payment or settlement amounts. Where the time value of money is material, creditors are carried at amortized cost.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

**Taxation**

Current tax and deferred taxation, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised where it is considered more likely than not that future profits will be available for offset.

**2. TURNOVER**

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

**3. DIRECTORS' EMOLUMENTS**

	2017 £	2016 £
Directors' remuneration	-	-

There were no other employees than the director.

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2016 - operating profit) is stated after charging:

	2017 £	2016 £
Auditor's remuneration	5,000	5,000

**5. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	(2,647)	3,268
Tax on (loss)/profit	(2,647)	3,268

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

6. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>COST</b>	
At 1 January 2017	
and 31 December 2017	67,591
<b>DEPRECIATION</b>	
At 1 January 2017	
and 31 December 2017	67,591
<b>NET BOOK VALUE</b>	
At 31 December 2017	-
At 31 December 2016	-

7. **STOCKS**

	2017 £	2016 £
Finished goods and goods for resale	27,042	20,957

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade debtors	76,608	68,264
Amounts owed by group undertakings	12,894	-
Factoring	(45,219)	(29,668)
Tax	2,647	-
Prepayments	22,069	20,528
	68,999	59,124

All monies due or to become due from the company to the factoring provider on any account whatsoever under the terms of the aforementioned instrument creating or evidencing the charge are secured by a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery etc.

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	41,844	93,170
Tax	-	3,268
VAT	47,429	37,121
Amounts owed to group undertakings	127,324	139,649
Accruals	42,705	53,607
	259,302	326,815

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2017 £	2016 £
2	Ordinary	1	2	2
			<u>2</u>	<u>2</u>

**11. RESERVES**

	Retained earnings £
At 1 January 2017	(55,281)
Deficit for the year	(20,065)
	<u>(75,346)</u>
At 31 December 2017	<u>(75,346)</u>

**12. CAPITAL COMMITMENTS**

At 31 December 2017 the company had annual commitments under operating leases as set out below:

	2017 £	2016 £
Net amount payable:		
Within one year	0	0
In the second to fifth year	29,808	29,808
After five years	0	0
	<u>29,808</u>	<u>29,808</u>

**13. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**14. PARENT UNDERTAKINGS AND RELATED PARTIES**

The company's ultimate parent undertaking is Artcoustic International Limited, a company incorporated in England, copies of whose accounts may be obtained from the Companies House.

In the opinion of the directors there is no single ultimate controlling party