

Company Registration No. 02958481 (England and Wales)

**DISCOVERY RECORDS LIMITED**  
**UNAUDITED ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2015**

# DISCOVERY RECORDS LIMITED

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# **DISCOVERY RECORDS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MAY 2015***

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The directors present their report and financial statements for the year ended 31 May 2015.

### **Principal activities**

The principal activity of the company continued to be that of the distribution of compact discs to record retailers.

### **Directors**

The following directors have held office since 1 June 2014:

M S Cox	(Resigned 15 April 2015)
M T Cobb	
Ms J A Hanks	(Resigned 15 April 2015)
H J Cooper	(Appointed 15 April 2015)

### **Business review**

The decline of sales of physical music slowed during this financial year, with fewer outlets closing and more encouraging business from the ones which remained. The inference to draw from this is that physical music, represented by CD and LP formats, is here to stay.

Profitability was enhanced by the relative strength of the Sterling against the Euro and USD.

Outlook for the future is good, with the pool of competition diminishing.

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

On behalf of the board

M T Cobb

**Director**

23 February 2016

## **DISCOVERY RECORDS LIMITED**

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF DISCOVERY RECORDS LIMITED FOR THE YEAR ENDED 31 MAY 2015**

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*The following reproduces the text of the Accountants' Report prepared in respect of the company's annual unaudited financial statements, from which the unaudited abbreviated financial statements set out on pages 3 to 5 have been prepared.*

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Discovery Records Limited for the year ended 31 May 2015 set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulations](http://icaew.com/regulations).

This report is made solely to the Board of Directors of Discovery Records Limited, as a body, in accordance with the terms of our engagement letter dated 3 November 2011. Our work has been undertaken solely to prepare for your approval the financial statements of Discovery Records Limited and state those matters that we have agreed to state to the Board of Directors of Discovery Records Limited, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Discovery Records Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Discovery Records Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Discovery Records Limited. You consider that Discovery Records Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Discovery Records Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Pearson May**

25 February 2016

**Chartered Accountants**

5 Wicker Hill  
Trowbridge  
Wiltshire  
BA14 8JS

# DISCOVERY RECORDS LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31 MAY 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	2		20,850		21,519
<b>Current assets</b>					
Stocks		246,643		291,000	
Debtors		601,701		262,216	
Cash at bank and in hand		87,449		294,353	
		<u>935,793</u>		<u>847,569</u>	
<b>Creditors: amounts falling due within one year</b>	3	<u>(521,304)</u>		<u>(441,688)</u>	
<b>Net current assets</b>			414,489		405,881
<b>Total assets less current liabilities</b>			435,339		427,400
<b>Provisions for liabilities</b>			(3,374)		(3,217)
			<u>431,965</u>		<u>424,183</u>
<b>Capital and reserves</b>					
Called up share capital	4	166,668		166,668	
Other reserves		50,000		50,000	
Profit and loss account		215,297		207,515	
<b>Shareholder's funds</b>		<u>431,965</u>		<u>424,183</u>	

For the financial year ended 31 May 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

Approved by the Board and authorised for issue on 23 February 2016

M T Cobb  
Director

H J Cooper  
Director

Company Registration No. 02958481

# DISCOVERY RECORDS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2015

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	10 year straight line
Fixtures, fittings & equipment	15% reducing balance/3 year straight line
Motor vehicles	25% reducing balance

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.8 Factored debts

The company factors a large proportion of its trade debtors on a recourse basis. The company adopts a "Separate Presentation" of this financing under the provisions of Financial Reporting Standard No. 5 "Reporting the Substance of Transactions". The administration and interest costs arising from factoring are charged to expenditure in the year in which they are incurred.

# DISCOVERY RECORDS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

### 2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
<b>Cost</b>			
At 1 June 2014	95,247	2,376	97,623
Additions	4,499	-	4,499
At 31 May 2015	99,746	2,376	102,122
<b>Depreciation</b>			
At 1 June 2014	73,728	2,376	76,104
Charge for the year	5,168	-	5,168
At 31 May 2015	78,896	2,376	81,272
<b>Net book value</b>			
At 31 May 2015	20,850	-	20,850
At 31 May 2014	21,519	-	21,519

### 3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £152,458 (2014 - £0).

### 4 Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
166,668 ordinary shares of £1 each	166,668	166,668

### 5 Related party relationships and transactions

#### Loans to directors

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
M S Cox	-	201	9,624	-	9,825	-
		201	9,624	-	9,825	-

The maximum overdrawn balance during the year for M S Cox amounted to £9,825 (2014 - £30,406).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.