

Company Registration No. 02958481 (England and Wales)

DISCOVERY RECORDS LIMITED
UNAUDITED ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

DISCOVERY RECORDS LIMITED

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DISCOVERY RECORDS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2016

The director presents his report and financial statements for the year ended 31 May 2016.

Principal activities

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

Business review

This has been a year of change at Discovery. We have invested heavily in infrastructure including further equipment to increase our CD print and manufacturing facility. In addition we are in the middle of bringing our back of house systems up to date. We will see the benefit of this investment in the coming year.

Director

The following director has held office since 1 June 2015:

M T Cobb

(Resigned 1 August 2016)

H J Cooper

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

H J Cooper

Director

28 February 2017

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 2016

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 6 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 2016 set out on pages 3 to 14 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 <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

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 ICAEW Technical Release 07/16 AAF. 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 loss 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

28 February 2017

Chartered Accountants

5 Wicker Hill
Trowbridge
Wiltshire
BA14 8JS

DISCOVERY RECORDS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 MAY 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	2		24,911		20,850
Current assets					
Stocks		238,435		246,643	
Debtors		657,848		601,701	
Cash at bank and in hand		24,053		87,449	
		<u>920,336</u>		<u>935,793</u>	
Creditors: amounts falling due within one year	3	<u>(651,889)</u>		<u>(521,304)</u>	
Net current assets			268,447		414,489
Total assets less current liabilities			<u>293,358</u>		<u>435,339</u>
Creditors: amounts falling due after more than one year	4		(4,921)		-
Provisions for liabilities			-		(3,374)
			<u>288,437</u>		<u>431,965</u>
Capital and reserves					
Called up share capital	5		166,668		166,668
Other reserves			50,000		50,000
Profit and loss account			71,769		215,297
Shareholder's funds			<u>288,437</u>		<u>431,965</u>

DISCOVERY RECORDS LIMITED

ABBREVIATED BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2016

For the financial year ended 31 May 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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 for issue on 28 February 2017

H J Cooper
Director

Company Registration No. 02958481

DISCOVERY RECORDS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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 2016

2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
Cost			
At 1 June 2015	99,746	2,376	102,122
Additions	12,025	-	12,025
Disposals	(4,000)	-	(4,000)
	<u>107,771</u>	<u>2,376</u>	<u>110,147</u>
At 31 May 2016	107,771	2,376	110,147
Depreciation			
At 1 June 2015	78,896	2,376	81,272
On disposals	(3,051)	-	(3,051)
Charge for the year	7,015	-	7,015
	<u>82,860</u>	<u>2,376</u>	<u>85,236</u>
At 31 May 2016	82,860	2,376	85,236
Net book value			
At 31 May 2016	24,911	-	24,911
	<u>24,911</u>	<u>-</u>	<u>24,911</u>
At 31 May 2015	20,850	-	20,850
	<u>20,850</u>	<u>-</u>	<u>20,850</u>

3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £205,388 (2015 - £152,458).

The factoring account is secured by way of a fixed charge over the debts specified by Easy Invoice Finance Ltd under the terms of the Debt Purchase Agreement.

The amount included in 'other loans' is secured by a standard debenture and a personal guarantee given by the director.

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned.

4 Creditors: amounts falling due after more than one year

The aggregate amount of creditors for which security has been given amounted to £4,921 (2015 - £0).

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned.

5 Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
166,668 ordinary shares of £1 each	166,668	166,668
	<u>166,668</u>	<u>166,668</u>

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.