

**GLOBAL HI-FI CENTRE LIMITED**  
**COMPANY NO: 3667724**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 NOVEMBER 2002**



**RAZAK & CO**  
**CHARTERED CERTIFIED ACCOUNTANTS**  
**6 HUTTON TERRACE**  
**JESMOND**  
**NEWCASTLE UPON TYNE**  
**NE2 1QT**

**GLOBAL HI-FI CENTRE LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2002**

**DIRECTORS**

K Rashid  
A Rashid

**SECRETARY**

K Rashid

**REGISTERED ADDRESS**

87 Clayton Street  
Newcastle upon Tyne

**BUSINESS ADDRESS**

87 Clayton Street  
Newcastle upon Tyne

90-92 Clayton Street  
Newcastle upon Tyne

**GLOBAL HI-FI CENTRE LIMITED**  
**INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 NOVEMBER 2002**

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**GLOBAL HI-FI CENTRE LIMITED**  
**REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their report and financial statements for the year ended 30 November 2002.

**Principal Activities**

The principal activity of the company throughout the period was that of retailing electrical household entertainment items.

**Directors and their interests**

The directors who served the company during the period together with their interests (including family interests) in the shares of the company at the beginning and end of the period, were as follows: -

**Ordinary Shares of £1 Each**

**30/11/02**

K Rashid	1
A Rashid	1

**Auditors**

Razak & Co have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

**Small Company Rules**

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

By Order of the Board



**K RASHID**  
**DIRECTOR**

**Dated: 10 April 2003**

**GLOBAL HI-FI-CENTRE LIMITED**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002**

**Statement of directors' responsibilities**

Company law requires the directors 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 period.

In preparing those financial statement, the directors are required to select suitable accounting policies and then apply them consistently' make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

**Auditors' Report to the Members of Global Hi-Fi Centre Limited**

We have audited the financial statements on pages 4 to 9 in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000) under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described above, the company's directors are responsible for the preparation of the financial statements. It is out responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

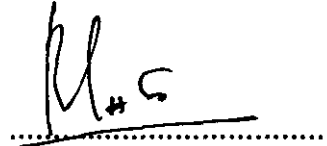
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence, relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the company's affairs as at 30 November 2002 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to smaller companies.

A handwritten signature in black ink, appearing to be 'Razak & Co', is written over a horizontal dotted line.

**6 Hutton Terrace**  
**Jesmond**  
**Newcastle upon Tyne**  
**NE2 1QT**

**RAZAK & CO**  
**CHARTERED CERTIFIED**  
**ACCOUNTANTS**  
**& REGISTERED AUDITORS**

**Dated: 11 April 2003**

**GLOBAL HI-FI CENTRE LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED**  
**30 NOVEMBER 2002**

		2002	2001
	NOTES	£	£
<b><u>TURNOVER</u></b>	(1)	1,606,752	1,471,683
<b><u>COST OF SALES</u></b>		1,213,124	1,119,862
<b><u>GROSS PROFIT</u></b>		393,628	351,821
<b><u>ADMINISTRATIVE EXPENSES</u></b>		312,671	285,111
<b><u>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u></b>	(2)	80,957	66,710
Interest Chargeable		10,430	7,208
<b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>		70,527	59,502
<b><u>TAXATION</u></b>	(3)	12,809	11,516
<b><u>PROFIT FOR THE FINANCIAL PERIOD</u></b>		57,718	47,986
<b><u>DIVIDENDS ON EQUITY SHARES</u></b>		6,400	10,000
		51,318	37,986
<b><u>RETAINED PROFITS BROUGHT FORWARD</u></b>		88,918	50,932
<b><u>RETAINED PROFITS</u></b>		140,236	88,918

**GLOBAL HI-FI CENTRE LIMITED**  
**BALANCE SHEET AS AT 30 NOVEMBER 2002**

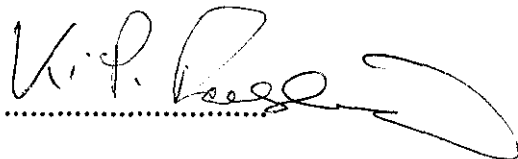
		2002	2001
	NOTES	£	£
<b><u>FIXED ASSETS</u></b>	(10)	69,607	70,758
		-----	-----
<b><u>CURRENT ASSETS</u></b>			
Stocks	(5)	514,393	479,483
Debtors	(6)	42,049	54,403
Cash in Hand		8,246	12,052
		-----	-----
		564,688	545,938
<b><u>CREDITORS: AMOUNTS DUE WITHIN 12 MONTHS</u></b>	(7)	434,988	447,398
		-----	-----
<b><u>NET CURRENT ASSETS</u></b>		129,700	98,540
		-----	-----
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		199,307	169,298
<b><u>CREDITORS: AMOUNTS DUE BEYOND 1 YEAR</u></b>	(8)	59,069	80,378
		-----	-----
<b><u>NET ASSETS</u></b>		140,238	88,920
		=====	=====
<b><u>CAPITAL AND RESERVES</u></b>			
Called up share capital	(9)	2	2
Profit and loss account		140,236	88,918
		-----	-----
		140,238	88,920
		=====	=====



**GLOBAL HI-FI- CENTRE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002**

These accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities. (Effective March 2000).

Approved By the Board on 10 April 2003

A handwritten signature in black ink, appearing to read 'K. Rashid', is written over a horizontal dotted line.

**K RASHID**  
**DIRECTOR**

**GLOBAL HI-FI CENTRE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 NOVEMBER 2002**

**1. ACCOUNTING POLICIES**

**1.1 ACCOUNTING BASIS & STANDARDS**

The financial statements are prepared under the historical cost convention.

**1.2 TURNOVER**

Turnover represents the total of goods sold excluding value added tax.

**1.3 STOCK**

Stock is valued at the lower of cost and estimated net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

**1.4 DEFERRED TAXATION**

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future calculated at the rate which it is estimated that tax will be payable.

**1.5 DEPRECIATION**

Depreciation on fixed assets is provided at rates estimated to write off the cost or re-valued amounts, less estimated residual value of each asset over its expected useful life as follows: -

Fixtures, Fittings - 15% reducing balance.  
 Motor Vehicles - 25% reducing balance.

**2. OPERATING PROFIT**

	2002	2001
The operating profit is stated after charging:		
	£	£
Depreciation - Owned Tangible Fixed Assets	12,613	14,467
Directors Remuneration	21,578	-
	<u>=====</u>	<u>=====</u>

**3. TAXATION**

	2002	2001
	£	£
Corporation Tax at the rate of 20% & 19% with Marginal Fraction Relief if appropriate	12,809	11,516
	<u>=====</u>	<u>=====</u>

**4. RESERVES**

All movements in reserves are reflected on face of the profit and loss account.

**5. STOCKS**

	2002	2001
	£	£
Stocks at 30 November	514,393	479,483
	<u>=====</u>	<u>=====</u>

**GLOBAL HI-FI CENTRE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 NOVEMBER 2002 CONT...**

	2002 £	2001 £
<b>6. <u>DEBTORS</u></b>		
Trade Debtors	40,618	43,710
HM Customs – VAT	-	10,271
Prepayments	1,431	422
	<u>42,049</u>	<u>54,403</u>
<b>7. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR</u></b>		
Bank Loan	17,100	17,340
Bank Overdraft – Allied Irish Bank Plc	111,481	106,433
Trade Creditors	237,317	226,639
Corporation Tax	24,022	18,975
Others – Sundry Creditors & Accruals	28,366	25,914
Business Credit Card – Allied Irish Bank Visa	2,520	2,930
Hire Purchase	8,417	9,167
HM Customs – VAT	5,765	-
	<u>434,988</u>	<u>447,398</u>
<b>8. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN 1 YEAR</u></b>		
Bank Loan	48,703	65,238
Hire Purchase	4,896	9,645
Directors Loan Account	5,470	5,495
	<u>59,069</u>	<u>80,378</u>

The director's loan is interest free and is not repayable over a determined period of time.

<b>9. <u>SHARE CAPITAL</u></b>	£
<b><u>AUTHORISED</u></b>	
100 Ordinary shares of £1 each	100
	<u>-----</u>
<b><u>Allotted, Called up and fully paid</u></b>	
2 Ordinary shares of £1 each	2
	<u>-----</u>

**GLOBAL HI-FI CENTRE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002**  
**CONT...**

**10. TANGIBLE ASSETS**

	<b>BUILDING IMPROVEMENTS</b>	<b>FIXTURES &amp; FITTINGS</b>	<b>MOTOR VEHICLES</b>	<b>TOTAL</b>
	£	£	£	£
<b><u>Cost</u></b>				
As at 1/12/01	12,850	41,706	36,108	90,664
Additions During Period	-	7,750	12,750	20,500
Less: Disposals	-	-	(10,500)	(10,500)
	12,850	49,456	38,358	100,664
<b><u>Depreciation</u></b>				
As at 1/12/01	-	10,879	9,027	19,906
Charge For Year	-	5,787	7,989	13,776
Less: Disposals	-	-	(2,625)	(2,625)
	-	16,666	14,391	31,057
<b><u>NET BOOK VALUE</u></b>				
<b><u>AT 30/11/02</u></b>	12,850	32,790	23,967	69,607
<b><u>NET BOOK VALUE</u></b>				
<b><u>AT 30/11/01</u></b>	12,850	30,827	27,081	70,758

**11. PROVISION FOR LIABILITIES & CHARGES**

Provision for deferred taxation has been made in these financial statements in accordance with the accounting policy described in Note 1.4.

The amounts provided and the full potential liability is as follows: -

	<b>2002</b>		<b>2001</b>	
	<b><u>Amount Provided</u></b>	<b><u>Potential Liability</u></b>	<b><u>Amount Provided</u></b>	<b><u>Potential Liability</u></b>
			£	£
Accelerated Capital Allowances	-	2,107	-	1,342

**THE INFORMATION WHICH APPEARS ON THE FOLLOWING PAGES HAS BEEN  
PREPARED FOR MANAGEMENT PURPOSES ONLY AND IS SUBMITTED TO THE  
INLAND REVENUE AND TO OTHER THIRD PARTIES AS INSTRUCTED BY THE  
DIRECTORS.**

**GLOBAL HI-FI CENTRE LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED**  
**30 NOVEMBER 2002**

	2002	2001
	£	£
<b><u>SALES</u></b>	1,606,752	1,471,683
<b><u>COST OF SALES</u></b>	1,213,124	1,119,862
	-----	-----
<b><u>GROSS PROFIT</u></b>	393,628	351,821
 <b><u>LESS: EXPENSES</u></b>		
Directors Remuneration	21,578	-
Audit & Accountancy	2,500	2,000
Bank & Credit Card Charges	20,921	16,072
Cleaning	444	467
Heat & Light	4,287	3,812
Insurance	7,130	7,071
Travel Expenses	5,440	6,390
Motor Expenses	9,894	10,123
Subscriptions	646	646
Advertising	34,108	25,930
Postage & Stationery	1,528	1,244
Rent & Rates	43,887	48,910
Repairs & Renewals (Including Security)	3,354	3,428
Uniforms	982	732
Sundry Expenses	542	298
Staff Subsistence (Coffee Etc)	968	849
Telephone	5,264	5,391
Wages & NI	137,638	135,868
Legal & Professional	803	1,413
Depreciation	13,776	14,467
Profit on Sale of Vehicle	(3,019)	-
	-----	-----
	312,671	285,111
	-----	-----
	80,957	66,710
 <b><u>FINANCE CHARGES:</u></b>		
Bank Interest	4,273	6,631
Loan Interest	5,489	302
HP Interest & Charges	668	275
	-----	-----
	70,527	59,502
	=====	=====
 <b><u>DIVIDENDS PAID</u></b>	6,400	-
	-----	-----
	64,127	59,502
	=====	=====