SELECTADISC (LONDON) LIMITED
COMPANY NO. 02661221
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2002



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21/05/03

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SELECTADISC (LONDON) LIMITED PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1085

We have examined the abbreviated accounts of Selectadisc (London) Limited, which comprise a balance sheet and the related notes, together with the full financial statements of Selectadisc (London) Limited under section 226 of the Companies Act 1985 for the year ended 31 October 2002.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts comprising a balance sheet and the related notes are in accordance with those provisions.

26 Wilford Lane
West Bridgford
Nottingham
31 December 2002

J.H. TREASE & CO
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

SELECTADISC (LONDON) LIMITED
BALANCE SHEET AS AT 31 OCTOBER 2002

	Notes		2002		2001
FIXED ASSETS					
Tangible Assets	8		76902		82990
Investment Property	15		370000		370000
			446902		452990
CURRENT ASSETS					
Stock	1	258900		253643	
Debtors	9	49791		61271	
Cash at Bank & in Hand		171103		165939	
		479794		480853	
CREDITORS: Amounts falling due within one year	10	229772		292198	
NET CURRENT ASSETS			250022		188655
TOTAL ASSETS LESS CURRENT LIABILITIES			696924		641645
CREDITORS: Amounts falling due after more than one year	11	108365		127538	
Provisions for Liabilities and Charges	16	9017	117382	-	127538
NET ASSETS			£579542		£514107
CAPITAL AND RESERVES					
Called Up Share Capital	12		2		2
Revaluation Reserve	12		7253		7253
Profit & Loss Account	12		572287		506852
			£579542		£514107

These accounts have 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 31 December 2002

B. SELBY (Director)

SELECTADISC (LONDON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

1. **ACCOUNTING POLICIES**

a) Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards the Financial Reporting Standard for Smaller Entities.

b) Depreciation

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

Leasehold Property	Equally over the term of the lease.
Fixtures & Fittings	10% per annum on reducing balance basis
Motor Vehicles	25% per annum on reducing balance basis

No depreciation has been charged on the investment property, as the Directors consider it not to be applicable. Had depreciation been charged it would have amounted to approximately £7400.

c) Turnover

Turnover represents net invoiced sales excluding Value Added Tax.

d) Stock

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

2. **TURNOVER**

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

3. **INCOME FROM OTHER FIXED ASSET INVESTMENTS**

	2002	2001
	£	£
Rent Income	26000	38983

4. **OPERATING PROFIT**

The operating profit is stated after charging	2002	2001
	£	£
Directors Emoluments	5200	5200
Auditors Remuneration	36200	3450
Depreciation	12614	14400
Loss on Sale of Fixed Assets	3800	-

5. **INTEREST RECEIVABLE**

	2002	2001
	£	£
Bank Interest	2218	7781

6. **INTEREST PAYABLE**

	2002	2001
	£	£
Bank Loan	7597	11466

7. TAXATION

	2002 £	2001 £
The charge consists of the following:-		
Corporation Tax at 19%/20% (2001 20%) on the profit for the year	18396	40737
Deferred Taxation (Note 16)	9017	-
	£27413	£40737

If the investment property was sold at its £370,000 valuation there would be Corporation Tax of £1378 payable. No provision has been made for this potential liability as a sale is not expected in the foreseeable future.

8. TANGIBLE ASSETS

	Motor Vehicle	Fixtures & Fittings	Leasehold Property	Total
COST				
As at 1 November 2001	36918	117979	83677	238574
Additions During the Year	16326	-	-	16326
Disposals During the Year	(18373)	-	-	(18373)
At 31 October 2002	34871	117979	83677	236527
DEPRECIATION				
As at 1 November 2001	13538	58369	83677	155584
Charge for the Year	6654	5960	-	12614
Eliminated on Disposals	(8573)	-	-	(8573)
At 31 October 2002	11619	64329	83677	159625
NET BOOK VALUE				
At 31 October 2002	£23252	£53650	£ -	£76902
At 31 October 2001	£23380	£59610	£ -	£82990

9. DEBTORS

	2002	2001
Prepayments	£49791	£61271

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
Trade Creditors	149972	141395
Taxes & Social Security	21647	16606
Accrued Charges	10942	5970
Directors Current Account	11815	4223
Corporation Tax	18396	36737
Bank Loan	17000	13000
Bank Overdraft	-	74267
	£229772	£292198

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
Bank Loan	£108365	£127538

12. RECONCILIATION OF RESERVES

	Revaluation Reserve	Profit & Loss Account	Share Capital	Total
Balance at 1 November 2001	7253	506852	2	514107
Profit for the financial year	-	65435	-	65435
Balance at 31 October 2002	£7253	£572287	£2	£579542

The authorised share capital comprises:

Authorised	2002	2001
100 Ordinary Shares of £1 each	100	100
Called Up, Allotted and Fully Paid		
2 Ordinary Shares of £1 each	2	2

13. CAPITAL COMMITMENTS AND CONTINGENCIES

There are no capital commitments and contingencies at the year end. (2001 £Nil).

14. OPERATING LEASE COMMITMENTS

The company has the following operating lease commitments payable during the next year in respect of leases which expire:

	Land & Buildings	Other
Within one year	-	-
In two to five years	-	-
Over five years	70,000	-
	£70,000	£-

15. INVESTMENT PROPERTY

The investment property is shown at its open market valuation.
The difference between open market valuation and cost is shown as a revaluation reserve.

16. PROVISIONS FOR LIABILITIES AND CHARGES

Balance brought forward	-
Charge for the year	(844)
Charge in respect of prior years	9861
Balance carried forward	£9017

The charge relates to accelerated capital allowances.

17. TRANSACTIONS WITH DIRECTORS

Mr. B. Selby, Director of Selectadisc (London) Limited is also the sole proprietor of Selectadisc. During the year the company paid management charges of £30000 (2001 £30000) and purchased stock at a cost of £567222 (2001 £604264) from Selectadisc.

18. CONTROLLING PARTY

The company is controlled by the two directors, Mr. B. Selby and Mrs. D.M. Selby who each own 50% of the issued share capital.