

Company Registration Number 1517630 (England and Wales)

BTS HOLDINGS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

SATURDAY



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COMPANIES HOUSE

BTS Holdings Plc

COMPANY INFORMATION

DIRECTORS

E A Davison
S Chopra
D K Fowler
A C Eddy
J G Kendall
C A R Lawrence
C P Martin
I M Wright

SECRETARY AND REGISTERED OFFICE

I M Wright
BTS House
69 - 73 Manor Road
Wallington
Surrey SM6 0DD

BANKERS

Barclays Bank Plc
1 North End
Croydon
Surrey CR9 1RN

SOLICITORS

Gowens
Bourne House
475 Godstone Road
Whyteleafe
Surrey CR3 0BL

INDEPENDENT AUDITOR

Richard H Snelling
9 West Hill
Sanderstead
South Croydon
Surrey CR2 0SB

BTS Holdings Plc

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The following pages do not form part of the statutory financial statements

Detailed trading and profit and loss account

BTS Holdings Plc

STRATEGIC REPORT for the year ended 31 March 2015

The directors present the strategic report for the year ended 31 March 2015.

Principal activities

The company is a leading UK supplier of enterprise electronic communications solutions, offered direct and through business partners, both as turnkey systems and managed services. It specialises in operator consoles, contact centres, electronic directories, database integration and call logging. Its main areas of expertise are in software development, databases, telecommunications, data manipulation and information presentation.

Business review

During the year, the markets in which the company operated remained relatively flat in line with expectations. The company is continuing to invest heavily in research and development to enhance its existing offerings and to develop new solutions to grow its business profitably in the forthcoming years.

The key performance indicators for the year were as follows:

	2015	2014
	£K	£K
Turnover	2,085	2,305
Profit before taxation	218	191
Profit after tax	197	176

The company's net funds reduced by £ 109K from £ 1,063K to £ 954K at the year end (2014: reduction £ 188K). This reduction includes an operating cash inflow of £ 190K (2014: £ 208K), a tax payment of £ 15K (2014: £ 56K), and capital expenditure of £ 38K (2014: £ 47K). The sale of fixed assets during the year generated receipts of £ 13K (2014: £ nil). Dividend payments were £ 250K (2014: £ 300K).

The company had no borrowings during the year or at the year end and maintains a strong cash position.

The company's performance is monitored closely. In addition to the universal performance indicators of sales, gross margins, operating profit and cash flow, indicators of a more activity specific nature are used within the company to assess performance, for example, debt collection, order taking and project completions.

Risk management

The directors have under continuous review the principal risks and uncertainties facing the company in order to deal with them effectively. The directors consider the key risks to be the general economic outlook for the UK, the degree of dependency by the company on major customers and the need to ensure the company's products and services are competitive in its market.

BTS Holdings Plc

STRATEGIC REPORT for the year ended 31 March 2015

Design and development

Expenditure on design and development amounted to £ 309,124 (2014: £ 382,157) in the year and at the year end the company employed 6 (2014: 6) people fully engaged on design and development.

Approved by the board of directors and signed on behalf of the board



S Chopra
Chairman

Date: 28 August 2015

BTS Holdings Plc

REPORT OF THE DIRECTORS for the year ended 31 March 2015

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

Results and dividends

The results for the period are set out in detail on page 7. A dividend of £ 250,000 was paid during the year.

Directors and their beneficial interests

The directors who served during the year and to the date of signing these accounts and their beneficial interest in shares in the company were as follows:

	Ordinary Shares of £1 each	
	31-Mar-15	31-Mar-14
E A Davison	28,700	28,700
S Chopra	18,900	18,900
D K Fowler	-	-
A C Eddy	-	-
J G Kendall	-	-
C A R Lawrence	-	-
C P Martin	-	-
I M Wright	-	-

The shareholdings comprise “B” ordinary shares apart from the 100 “A” ordinary shares held each by Messrs Davison and Chopra.

Supplier payment policy

The company’s policy is to make payment in line with terms agreed with individual suppliers, payment being effected on average within 30 days of invoice.

Share Option Scheme

Details of the Company’s share option scheme are given in note 14 to the accounts.

Independent auditor

A resolution to re-appoint Richard H Snelling as auditor will be proposed at the Annual General Meeting.

BTS Holdings Plc

REPORT OF THE DIRECTORS for the year ended 31 March 2015

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the accounts 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 accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Disclosure of information to the auditor

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

By order of the board



I M Wright
Director

Date: 28 August 2015

Registered Office
BTS House
69-73 Manor Road
Wallington
SM6 0DD

BTS Holdings Plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTS HOLDINGS PLC

I have audited the financial statements of BTS Holdings Plc for the year ended 31 March 2015 set out on pages 7 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BTS Holdings Plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTS HOLDINGS PLC

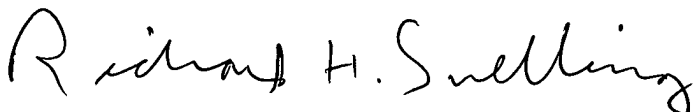
Opinion on other matters prescribed by the Companies Act 2006

In my opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.



Richard H Snelling

Statutory Auditor

Date: 28 August 2015

Richard H Snelling, Chartered Accountant, 9 West Hill, Sanderstead, South Croydon, Surrey, CR2 0SB

BTS Holdings Plc

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2015

	<i>Notes</i>	<i>2015</i> £	<i>2014</i> £
Turnover	2	2,084,664	2,305,455
Cost of sales		<u>(33,574)</u>	<u>(50,658)</u>
Gross profit		2,051,090	2,254,797
Administrative expenses		(1,849,146)	(2,083,233)
Other operating income		<u>12,752</u>	<u>12,752</u>
Operating profit		214,696	184,317
Net interest receivable	3	<u>3,953</u>	<u>7,080</u>
Profit on ordinary activities before taxation	4	218,649	191,397
Tax on profit on ordinary activities	7	<u>(21,126)</u>	<u>(15,302)</u>
Profit on ordinary activities after taxation		<u>197,522</u>	<u>176,095</u>

Continuing operations

Turnover and operating profit derive wholly from continuing operations.

Total recognised gains and losses

There were no recognised gains or losses either in the current or preceding year other than those recorded in the profit and loss account.

BTS Holdings Plc**Company Number 1517630****BALANCE SHEET**
as at 31 March 2015

	<i>Notes</i>	<i>2015</i> £	<i>2014</i> £
Fixed assets			
Tangible assets	9	787,782	795,355
Current assets			
Stocks	10	24,663	10,820
Debtors	11	546,591	805,463
Cash at bank and in hand		953,988	1,062,604
		1,525,241	1,878,886
Creditors: due within one year	12	(888,940)	(1,198,813)
Net current assets		636,301	680,073
Total assets less current liabilities		1,424,083	1,475,428
Creditors: due after one year	13	(9,708)	(8,576)
Net assets		1,414,375	1,466,852
Capital and reserves			
Called up share capital	14	74,200	74,200
Share premium account	15	124,862	124,862
Capital redemption reserve	15	38	38
Profit and loss account	15	1,215,275	1,267,752
Shareholders funds		1,414,375	1,466,852

The financial statements were approved by the board of directors on 28 August 2015 and signed on its behalf by :



S. Chopra
Director

BTS Holdings Plc

CASH FLOW STATEMENT for the year ended 31 March 2015

Reconciliation of operating profit to net cash inflow from operating activities

	<i>Notes</i>	<i>2015</i> £	<i>2014</i> £
Operating profit		214,696	184,317
Depreciation charges	9	53,509	65,979
Loss (Profit) on sale of tangible fixed assets		(8,422)	0
Increase in stocks		(13,843)	26,210
Decrease (Increase) in debtors		258,872	(12,898)
(Decrease) increase in creditors		(314,565)	(56,085)
Net cash inflow from operating activities		190,246	207,523

Cash flow statement

		£	£
Net cash inflow from operating activities		190,246	207,523
Cash inflow from servicing of finance	3	3,953	7,080
Taxation paid		(15,302)	(55,757)
Capital expenditure	16	(37,513)	(47,265)
		141,384	111,582
Equity dividends paid	8	(250,000)	(300,000)
Increase in cash at bank and in hand	16	(108,616)	(188,418)

Reconciliation of net cash movement to movement in net funds

		£	£
Increase in cash at bank and in hand	16	(108,616)	(188,418)
Opening net funds		1,062,604	1,251,022
Closing net funds		953,988	1,062,604

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation and presentation of financial statements

The financial statements have been prepared in accordance with International Financial reporting Standards (IFRS) as adopted by the European Union and under the historical cost convention.

(b) Turnover

Turnover consists of the net amounts invoiced to customers in respect of goods and services supplied during the financial year, excluding value added tax. The unexpired portion of warranties and service contracts are excluded from turnover and recognised in the periods to which they relate.

(c) Fixed assets

Depreciation and amortisation is provided to write off the cost less estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold and leasehold property	50 years
Computer equipment	3 years
Motor vehicles	4 years
Rental inventory	2 - 5 years

Freehold land is not depreciated.

Expenditure on capital items costing under £1,000 is written off as incurred.

(d) Stock and work in progress

Stocks and work in progress are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow moving items of stock. Stocks comprise computer hardware and software purchased for resale.

(e) Design and development

Design and development constitutes a significant part of the company's activities and all expenditure thereon is written off as incurred.

(f) Leased assets

Expenditure under operating leases is charged to the profit and loss account as it is incurred.

Assets acquired under finance leases or hire purchase contracts are included in tangible fixed assets at the outright purchase price equivalent and depreciated in the same manner as other tangible fixed assets. The interest element of finance leases is charged to the profit and loss account.

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued.)

(g) Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account for the year in which they are payable to the scheme.

(h) Deferred taxation

Deferred tax, where material, is provided in respect of all liabilities arising from timing differences between the recognition of gains and losses capable of reversal in the financial statements and their recognition for corporation tax purposes.

(i) Foreign currency translation

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of transaction. All differences are taken to the profit and loss account.

2. ANALYSIS OF TURNOVER BY ACTIVITY

	2015 £	2014 £
Systems	309,557	434,840
Services	1,775,107	1,870,615
	<u>2,084,664</u>	<u>2,305,455</u>

3. NET INTEREST (PAYABLE) RECEIVABLE

	2015 £	2014 £
Bank commission and charges	(1,039)	(1,605)
Interest receivable	4,992	8,685
	<u>3,953</u>	<u>7,080</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £	2014 £
This is stated after charging / (crediting)		
Auditor's remuneration (including expenses)	8,904	8,300
Depreciation of fixed assets	53,509	65,979
(Profit) loss on disposal of fixed assets	(8,422)	0
Rental income	(12,752)	(10,752)
Loss (surplus) on foreign currency translation	1,144	363
Design & Development	309,124	382,157

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

5 DIRECTORS' REMUNERATION

	2015	2014
	£	£

Directors' emoluments including benefits in kind	364,109	346,649
Pension contributions	59,253	53,671

Five directors have benefits accruing under a money purchase pension scheme (2014: five).

The emoluments of the highest paid director were	62,603	62,710
The pension contributions for the highest paid director were	13,563	13,563

6. STAFF NUMBERS AND COSTS

	2015	2014
	Number of employees	

The average number of persons (including directors) employed during the year analysed by category, were as follows:

Technical	25	29
Marketing	8	10
Administration	4	4
	<u>37</u>	<u>43</u>

	2015	2014
	£	£
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	1,155,639	1,344,266
Social security costs	126,509	140,565
Other pension costs	83,339	80,505
	<u>1,365,487</u>	<u>1,565,336</u>

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	2015	2014
	£	£
UK corporation tax @ 20%	21,126	15,302
Prior year adjustment	<u>-</u>	<u>-</u>
	<u>21,126</u>	<u>15,302</u>

No liability for deferred tax arises in respect of accelerated capital allowances as the tax written down value of applicable fixed assets exceeds their net book value.

Factors affecting tax charge for the year:

Profit on ordinary activities before tax	<u>218,649</u>	<u>191,397</u>
Tax @ 20%	43,730	38,279
Effects of :		
Expenses not deductible for tax purposes	315	145
Capital allowances in excess of depreciation	2,053	(1,566)
Design and development expenditure	<u>(24,971)</u>	<u>(21,557)</u>
Current tax charge for the year	<u>21,126</u>	<u>15,302</u>

8. DIVIDENDS	2015	2014
	£	£
Ordinary dividend on equity shares paid in year	<u>250,000</u>	<u>300,000</u>

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

9. TANGIBLE FIXED ASSETS

	<i>At 01-Apr-14</i>	<i>Additions</i>	<i>Disposals</i>	<i>At 31-Mar-15</i>
	£	£	£	£
Cost				
Freehold land	152,867	-	-	152,867
Freehold premises (see below)	800,000	-	-	800,000
Computer equipment	138,865	3,134	-	141,999
Motor vehicles	79,278	42,729	38,974	83,033
Rental inventory	396,440	4,550	42,800	358,190
	<u>1,567,450</u>	<u>50,413</u>	<u>81,774</u>	<u>1,536,089</u>
Depreciation & amortisation				
Freehold premises	224,000	16,000	-	240,000
Computer equipment	102,263	19,308	-	121,571
Motor vehicles	54,725	13,775	34,496	34,004
Rental inventory	391,106	4,426	42,800	352,732
	<u>772,095</u>	<u>53,509</u>	<u>77,296</u>	<u>748,307</u>
			<i>2014</i>	<i>2015</i>
Net book value			£	£
Freehold land			152,867	152,867
Freehold premises			576,000	560,000
Computer equipment			36,602	20,428
Motor vehicles			24,553	49,029
Rental inventory			<u>5,334</u>	<u>5,458</u>
			<u>795,355</u>	<u>787,782</u>

The freehold premises are subject to a standard Barclays Bank Plc mortgage and debenture. However, there is currently no debt outstanding with the Bank.

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

10. STOCK AND WORK IN PROGRESS	2015	2014
	£	£
Stocks	<u>24,663</u>	<u>10,820</u>
11. DEBTORS	2015	2014
	£	£
Trade debtors	504,826	759,844
Other debtors and prepayments	<u>41,765</u>	<u>45,619</u>
	<u>546,591</u>	<u>805,463</u>
12. CREDITORS - due within one year	2015	2014
	£	£
Trade creditors	10,737	13,800
Corporation tax	21,126	15,302
Other taxes and social security	100,088	157,468
Provision for warranties	19,979	32,039
Service income deferred	625,522	866,430
Accruals	40,035	49,142
Other creditors	<u>71,453</u>	<u>64,632</u>
	<u>888,940</u>	<u>1,198,813</u>
13. CREDITORS : due after one year	2015	2014
	£	£
Provision for warranties	1,459	2,436
Service income deferred	<u>8,249</u>	<u>6,140</u>
	<u>9,708</u>	<u>8,576</u>

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

14. CALLED UP SHARE CAPITAL	2015	2014
	£	£
Authorised:		
"A" ordinary shares of £1 each	200	200
"B" ordinary shares of £1 each	<u>199,800</u>	<u>199,800</u>
	<u>200,000</u>	<u>200,000</u>
Issued and fully paid :		
"A" ordinary shares	200	200
"B" ordinary shares	<u>74,000</u>	<u>74,000</u>
	<u>74,200</u>	<u>74,200</u>

Share Options

Following a resolution of the directors dated 2 April 2002, the company adopted the rules of the Inland Revenue qualifying Enterprise Management Incentive share option scheme (the "scheme") to facilitate the recruitment and retention of high calibre employees. Under the scheme such employees are rewarded with the grant of options to acquire shares in the company. The options are performance related and exercisable in accordance with the rules of the scheme. The options may not be exercised later than the tenth anniversary of the Date of Grant and lapse on termination of the option holder's employment.

The Inland Revenue agreed to options to a maximum of 24,400 "B" ordinary £1 shares of which 1,500 (2014: 1,500) had been granted in aggregate to 17 employees (2014: 17) at 31 March 2015.

15. RESERVES	Share premium account £	Capital redemption reserve £	Profit & loss account £
At 1 April 2014	124,862	38	1,267,752
Profit for the year	-	-	197,522
Dividends paid	-	-	<u>(250,000)</u>
At 31 March 2015	<u>124,862</u>	<u>38</u>	<u>1,215,275</u>

BTS Holdings Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

16. NOTES TO CASH FLOW STATEMENT

	2015	2014
	£	£
(a) Capital expenditure		
Payments to acquire tangible fixed assets	(50,413)	(47,265)
Receipts from sales of tangible fixed assets	12,900	0
Net cash outflow for capital expenditure	<u>(37,513)</u>	<u>(47,265)</u>

(b) Analysis of changes in net funds	At 1 April 2014	Cash flow	At 31 March 2015
	£	£	£
Net cash:			
Cash at bank and in hand	<u>1,062,604</u>	<u>(108,616)</u>	<u>953,988</u>

17. RELATED PARTY TRANSACTIONS

Controlling parties

The company is jointly controlled by Mr EA Davison and Mr S Chopra by virtue of their directorships and close family shareholdings. Dividends paid to each of them during the year amounted to £ 34,367 (2014: £ 41,240) and £ 32,008 (2014: £ 38,410) respectively.

18. CAPITAL COMMITMENTS

There was £ 1,500 of authorised and contracted capital commitments at the year end (2014: £ 0).

19. POST BALANCE SHEET EVENTS

There were no post balance sheet events requiring disclosure (2014: Nil).