
BANNERBRIDGE PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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BANNERBRIDGE PLC

COMPANY INFORMATION

DIRECTORS	D P Holyfield P A Wheeler P Buttress
COMPANY SECRETARY	P Buttress
REGISTERED NUMBER	01554709
REGISTERED OFFICE	22 - 24 Hornsby Square Southfields Industrial Park Basildon Essex SS15 6SD
INDEPENDENT AUDITOR	Barnes Roffe LLP Chartered Accountants Leytonstone House Leytonstone London E11 1GA

BANNERBRIDGE PLC

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BANNERBRIDGE PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 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.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was the sale of computer products and peripherals and the provision of related services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £93,065 (2012 - £80,427).

The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

D P Holyfield
P A Wheeler
P Buttress

BANNERBRIDGE PLC

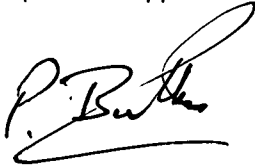
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on *4th June 2014* and signed on its behalf.



P Buttress
Director

BANNERBRIDGE PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

BUSINESS REVIEW

Throughout 2013 the company improved the efficiency of operations by streamlining and deploying new processes. The policy of focusing on niche products and added value services has enabled the company to maintain respectable profitability, despite the loss of confidence and poor economic outlook in most sectors.

The directors feel the results for the year are satisfactory, given the very difficult trading conditions throughout the period.

Although the outlook for 2014 remains challenging, it is felt that the company's efficient operation and focus on supplying niche products, puts it in a good position to benefit when trading conditions become more favourable.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

It is company policy to ensure that it is aware of the terms of payment to suppliers and to abide by these terms. The number of days purchases outstanding was 48.

This report was approved by the board on *4th June 2014* and signed on its behalf.



P Buttress
Director

BANNERBRIDGE PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANNERBRIDGE PLC

We have audited the financial statements of Bannerbridge Plc for the year ended 31 December 2013, set out on pages 6 to 16. 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. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

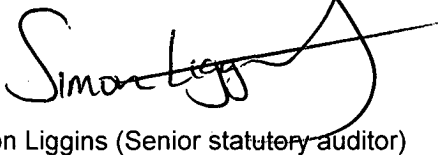
BANNERBRIDGE PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANNERBRIDGE PLC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Simon Liggins (Senior statutory auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Statutory Auditor
Leytonstone House
Leytonstone
London
E11 1GA
Date: 6.6.14

BANNERBRIDGE PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	4,003,256	3,824,304
Cost of sales		(3,095,973)	(2,900,825)
GROSS PROFIT		907,283	923,479
Distribution costs		(582,706)	(564,948)
Administrative expenses		(242,963)	(273,668)
Other operating income	3	41,736	37,026
OPERATING PROFIT	4	123,350	121,889
Interest receivable and similar income		8,556	80
Interest payable and similar charges	8	(9,435)	(10,072)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		122,471	111,897
Tax on profit on ordinary activities	9	(29,406)	(31,470)
PROFIT FOR THE FINANCIAL YEAR	17	£ 93,065	£ 80,427

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

BANNERBRIDGE PLC
REGISTERED NUMBER: 01554709

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013	2012
		£	£
FIXED ASSETS			
Tangible assets	10	88,819	99,239
CURRENT ASSETS			
Stocks	11	302,916	335,107
Debtors	12	884,119	721,094
Cash at bank and in hand		41,785	38,224
		<u>1,228,820</u>	<u>1,094,425</u>
CREDITORS: amounts falling due within one year	13	<u>(638,410)</u>	<u>(431,250)</u>
NET CURRENT ASSETS		<u>590,410</u>	<u>663,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>679,229</u>	<u>762,414</u>
CREDITORS: amounts falling due after more than one year	14	-	(16,250)
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	<u>(4,727)</u>	<u>(4,727)</u>
NET ASSETS		<u>£ 674,502</u>	<u>£ 741,437</u>
CAPITAL AND RESERVES			
Called up share capital	16	81,000	81,000
Capital redemption reserve	17	20,000	20,000
Profit and loss account	17	573,502	640,437
SHAREHOLDERS' FUNDS	18	<u>£ 674,502</u>	<u>£ 741,437</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



P Buttress
Director

4.6.14



P A Wheeler
Director

The notes on pages 8 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases:

Office equipment	-	25% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance
Computer equipment	-	33.3% straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.10 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.11 Pensions

The company makes contributions to money purchase contribution schemes for certain employees, the assets of the scheme being held separately from the assets of the company. The pension charge represents the amounts payable by the company to the funds in respect of the year.

2. TURNOVER

In the year 40% (2012 - 32%) of the company's turnover was attributable to sales to markets outside of the United Kingdom.

3. OTHER OPERATING INCOME

	2013 £	2012 £
Net rents receivable	41,736	37,026

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	16,793	18,508
Operating lease rentals:		
- other operating leases	97,730	79,936
Difference on foreign exchange	(7,577)	(5,610)
	<u> </u>	<u> </u>

5. AUDITOR'S REMUNERATION

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	11,000	11,000
Fees payable to the company's auditor in respect of:		
All other services	8,650	11,645
	<u> </u>	<u> </u>

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	-	96,431
Social security costs	-	11,148
Other pension costs	36,398	36,473
	<u> </u>	<u> </u>
	£ 36,398	£ 144,052
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Administration	0	1
Technicians	0	1
Selling and distribution	0	3
	<u> </u>	<u> </u>
	0	5
	<u> </u>	<u> </u>

On 6 April 2012 the employees of the company were transferred to Bannerbridge Management Services LLP, a fellow subsidiary of Bannerbridge Holdings Limited.

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

7. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	£ 5,430	£ 27,103
Company pension contributions to defined contribution pension schemes	£ 36,398	£ 36,473

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes.

Amounts were paid to Bannerbridge Management Services LLP. It is not possible to quantify the amount paid to Bannerbridge Management Services LLP which relates specifically to making available the services of the LLP members who are also directors of the company.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Other interest and charges	£ 9,435	£ 10,072

9. TAXATION

	2013 £	2012 £
UK corporation tax charge on profit for the year	£ 29,406	£ 31,470

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - *higher than*) the standard rate of corporation tax in the UK of 23.5% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	£ 122,471	£ 111,897
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2012 - 24.5%)	28,781	27,415
Effects of:		
Expenses not deductible for tax purposes	1,163	5,418
Depreciation for the year in excess of capital allowances	762	1,438
Marginal relief and changes in tax rates	(1,300)	(2,801)
Current tax charge for the year (see note above)	£ 29,406	£ 31,470

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. TAXATION (continued)

Factors that may affect future tax charges

The tax charge for the year ended 31 December 2005 was calculated on the basis that a contribution to a funded unapproved retirement benefit scheme was deductible for tax purposes; this is in accordance with counsel's opinion on the matter.

10. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2013	198,692	675,585	874,277
Additions	-	6,373	6,373
At 31 December 2013	<u>198,692</u>	<u>681,958</u>	<u>880,650</u>
Depreciation			
At 1 January 2013	192,495	582,543	775,038
Charge for the year	1,557	15,236	16,793
At 31 December 2013	<u>194,052</u>	<u>597,779</u>	<u>791,831</u>
Net book value			
At 31 December 2013	£ 4,640	£ 84,179	£ 88,819
At 31 December 2012	<u>£ 6,197</u>	<u>£ 93,042</u>	<u>£ 99,239</u>

11. STOCKS

	2013 £	2012 £
Finished goods and goods for resale	£ 302,916	£ 335,107

12. DEBTORS

	2013 £	2012 £
Trade debtors	471,474	361,793
Other debtors	395,000	352,633
Prepayments and accrued income	17,645	6,668
	<u>£ 884,119</u>	<u>£ 721,094</u>

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

13. CREDITORS:**Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	403,579	320,090
Corporation tax	29,410	31,470
Other taxation and social security	21,494	-
Dividend payable	16,000	32,000
Other creditors	154,744	32,836
Accruals and deferred income	13,183	14,854
	<u>£ 638,410</u>	<u>£ 431,250</u>

Included within accruals is an amount for deferred VAT of £2,183 (2012 - £716). This item is secured by fixed and floating charges over all assets of the company.

Included within other creditors is an amount due to Lloyds Bank Commercial Finance Limited (*previously Lloyds TSB Commercial Finance Limited*) of £118,439 (2012 - £15,380 in other debtors). This item is secured by fixed and floating charges over all assets of the company.

14. CREDITORS:**Amounts falling due after more than one year**

	2013 £	2012 £
Other creditors	<u>£ -</u>	<u>£ 16,250</u>

15. DEFERRED TAXATION

	2013 £	2012 £
At beginning and end of year	<u>£ 4,727</u>	<u>£ 4,727</u>

The provision for deferred taxation is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>£ 4,727</u>	<u>£ 4,727</u>

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

16. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
1,000 Ordinary A shares of £1 each	1,000	1,000
40,000 Ordinary B shares of £1 each	40,000	40,000
40,000 Ordinary C shares of £1 each	40,000	40,000
	<u>£ 81,000</u>	<u>£ 81,000</u>

All Ordinary shares rank *pari passu*.

17. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 January 2013	20,000	640,437
Profit for the financial year	-	93,065
Dividends (Note 19)	-	(160,000)
At 31 December 2013	<u>£ 20,000</u>	<u>£ 573,502</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	741,437	1,191,580
Profit for the financial year	93,065	80,427
Dividends (Note 19)	(160,000)	(430,570)
Purchase of own shares	-	(100,000)
Closing shareholders' funds	<u>£ 674,502</u>	<u>£ 741,437</u>

BANNERBRIDGE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

19. DIVIDENDS

	2013	2012
	£	£
Equity dividends	£ 160,000	£ 430,570

20. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
	£	£
Expiry date:		
Between 2 and 5 years	79,660	79,660

21. ULTIMATE PARENT UNDERTAKING

The company is a 100% subsidiary of Bannerbridge Holdings Limited, its ultimate parent undertaking.

BANNERBRIDGE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22. RELATED PARTY TRANSACTIONS

During the year rent charges were paid to D P Holyfield, M P Summers (a former shareholder), and P A Wheeler, directors of this company. These directors own part of the property from which the company operates.

During the prior year commission was paid to Charmideal, an entity whose sole owner is the wife of D P Holyfield, a director of this company.

During the year rental charges were paid to the company's pension scheme. The company's pension scheme owns part of the property from which the company operates.

During the year, Sky Blue Telecom Limited, a company in which D P Holyfield and P A Wheeler are also directors, invoiced Bannerbridge Plc for telephone charges. During the year Bannerbridge Plc invoiced Sky Blue Telecom Limited for management, service and rental charges.

During the prior year management charges were paid to WHS Associates, a business in which D P Holyfield and P A Wheeler, both directors of this company, were partners.

During the year, Nupro Europe Limited, a company in which D P Holyfield and P A Wheeler are also directors, invoiced Bannerbridge Plc for goods and services. During the year Bannerbridge Plc invoiced Nupro Europe Limited for management and service charges.

The company has taken advantage of the exemption conferred by FRS 8 from disclosing transactions and balances with its group companies because group accounts consolidating these entities are prepared by the parent undertaking and are publically available from Companies House.

The above transactions and year end balances are summarised below:-

	2013 £	2012 £
Rent paid to the directors and a former shareholder	60,072	48,554
Rent paid to the company's pension scheme	40,796	31,382
Management charges paid to WHS Associates	-	18,767
Commission paid to Charmideal	-	24,659
Sales to Sky Blue Telecom Limited	96,255	90,675
Sales to Nupro Europe Limited	2,190	2,033
Purchases from Sky Blue Telecom Limited	17,438	16,976
Purchases from Nupro Europe Limited	46,550	59,587
Amounts owed to Sky Blue Telecom Limited	3,438	5,120
Intercompany trading amounts owed to Nupro Europe Limited	8,835	9,528
Dividend paid to D P Holyfield	-	3,000
Dividend paid to P A Wheeler	-	3,000
Dividend paid to P Buttress	-	4,570
Amounts owed to D P Holyfield	10,000	-
Amounts owed to P A Wheeler	10,000	-
Bannerbridge Management Services LLP (fellow subsidiary)		
outsourced personnel costs	534,000	402,000
Dividend paid to Bannerbridge Management Services LLP	160,000	420,000