

REGISTRAR'S COPY

COMPANY

NUMBER: 1716114

AudicomPendax Limited

Report and Financial Statements

Year Ended

31 December 2010

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AudicomPendax Limited

Report and financial statements for the year ended 31 December 2010

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Directors

R B Baldwin
T E V Frisell

Secretary and registered office

R B Baldwin, 57 Suttons Park Avenue, Earley, Reading, RG6 1AZ

Company number

1716114

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

AudicomPendax Limited

Report of the directors for the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Results

The profit and loss account is set out on page 5 and shows the loss for the year

Principal activities

The principal activity of the company continued to be that of manufacture and distribution of audio-visual training and presentation equipment

Directors

The directors of the company during the year were

R B Baldwin

T E V Frisell

G Wilson (resigned 30 September 2010)

Directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent,
- 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.

AudicomPendax Limited

Report of the directors for the year ended 31 December 2010 (*continued*)

Auditors


All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board

R B Baldwin



Director

Date

15TH JULY 2011

AudicomPendax Limited

Independent auditor's report

TO THE MEMBERS OF AUDICOMPENDAX LIMITED

We have audited the financial statements of AudicomPendax Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2010 and of its loss 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is in a net liabilities position at the year end and post year end results to date indicate this is likely to continue. A letter of support has been obtained from the company's parent. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our 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.

AudicomPendax Limited

Independent auditor's report (*continued*)

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

BDO LLP

*Andrea Porter (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom*

Date *15 July 2011*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

AudicomPendax Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover		1,120,599	1,041,342
Cost of sales		<u>576,113</u>	<u>424,719</u>
Gross profit		544,486	616,623
Administrative expenses		<u>809,308</u>	<u>1,197,571</u>
		(264,822)	(580,948)
Other operating income	2	<u>150,000</u>	<u>250,000</u>
Operating loss	2	(114,822)	(330,948)
Other interest receivable and similar income		-	75
Interest payable and similar charges	5	<u>(7,614)</u>	<u>(5,563)</u>
Loss on ordinary activities before taxation		(122,436)	(336,436)
Taxation on loss on ordinary activities	6	<u>(128)</u>	<u>18,025</u>
Loss on ordinary activities after taxation		(122,564)	(318,411)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 7 to 15 form part of these financial statements

AudicomPendax Limited

Balance sheet at 31 December 2010

<i>Company number 1716114</i>	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	7		21,363		74,558
Current assets					
Stocks	8	335,820		363,183	
Debtors	9	193,013		185,086	
Cash at bank and in hand		33,429		-	
		<u>562,262</u>		<u>548,269</u>	
Creditors: amounts falling due within one year	10	<u>616,603</u>		<u>533,241</u>	
Net current (liabilities)/assets			<u>(54,341)</u>		<u>15,028</u>
Total assets less current liabilities			<u>(32,978)</u>		<u>89,586</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		(42,978)		79,586
Shareholders' (deficit)/funds	14		<u>(32,978)</u>		<u>89,586</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on **19th July 2011**



Director

The notes on pages 7 to 15 form part of these financial statements

AudicomPendax Limited

Notes forming part of the financial statements for the year ended 31 December 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Going concern

The company is in a net liabilities position at the year end and post year end results to date indicate this is likely to continue. A letter of support has been obtained from the company's parent. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Revenue relating to maintenance contracts is spread over the length of the contract.

The proportion of turnover that is attributable to markets outside the United Kingdom is 5% (2009 - 2%).

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property	- Straight line over the period of the lease
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Financial instruments

Financial instruments are measured initially and subsequently at cost.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

AudicomPendax Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

Deferred taxation (continued)

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Operating loss

	2010 £	2009 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	37,635	58,279
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	8,850	8,850
Auditors' remuneration - other fees payable	6,150	6,150
Exchange differences	-	7
Reimbursement of marketing costs by parent company	(150,000)	(250,000)

Depreciation includes £5,568 (2009 - £19,728) charged on assets held under finance leases and hire purchase contracts.

The reimbursement of marketing costs by the parent company were as a result of a change of strategy implemented within the UK and have been disclosed as "other income" in the profit and loss account.

AudicomPendax Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

3 Employees

Staff costs (including directors) consist of

	2010 £	2009 £
Wages and salaries	404,074	603,491
Social security costs	47,211	68,046
Other pension costs	7,899	7,899
	<u>459,184</u>	<u>679,436</u>

The average number of employees (including directors) during the year was as follows

	2010 Number	2009 Number
Sales and Distribution	8	12
Administration	4	7
	<u>12</u>	<u>19</u>

AudicomPendax Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (*continued*)

4 Directors' remuneration

	2010 £	2009 £
Aggregate emoluments and amounts receivable under long term incentive schemes	128,448	135,211
Company contributions to money purchase pension schemes	4,200	4,200
	<u>132,648</u>	<u>139,411</u>

There was 1 (2009 - 1) director accruing benefits under the company pension scheme in the year

5 Interest payable and similar charges

	2010 £	2009 £
Intercompany loans	6,215	2,661
Finance leases and hire purchase contracts	1,399	2,902
	<u>7,614</u>	<u>5,563</u>

6 Taxation on loss on ordinary activities

	2010 £	2009 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	(23,659)
Adjustment in respect of previous periods	128	(169)
	<u>128</u>	<u>(23,828)</u>
Total current tax	128	(23,828)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	5,803
	<u>-</u>	<u>5,803</u>
Taxation on loss on ordinary activities	<u>128</u>	<u>(18,025)</u>

AudicomPendax Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (*continued*)

6 Taxation on loss on ordinary activities (*continued*)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below.

	2010 £	2009 £
Loss on ordinary activities before tax	(122,436)	(336,436)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21.00% (2009 - 21.00%)	(25,712)	(70,652)
Effect of		
Expenses not deductible for tax purposes	55	30
Depreciation for period in excess of capital allowances	6,881	1,739
Adjustment to tax charge in respect of previous periods	128	(169)
Expenses not deductible for tax purposes - fixed assets	-	4,563
Rate adjustment on losses carried back	-	(4,397)
Unrelieved tax losses and other deductions arising in the period	18,776	45,058
Current tax charge/(credit) for the year	128	(23,828)

AudicomPendax Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

7 Tangible fixed assets

	Leasehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2010	20,000	129,549	479,732	629,281
Additions	-	-	219	219
Disposals	-	(89,854)	-	(89,854)
	<u>20,000</u>	<u>39,695</u>	<u>479,951</u>	<u>539,646</u>
At 31 December 2010	<u>20,000</u>	<u>39,695</u>	<u>479,951</u>	<u>539,646</u>
<i>Depreciation</i>				
At 1 January 2010	20,000	103,656	431,067	554,723
Provided for the year	-	9,207	28,428	37,635
Disposals	-	(74,075)	-	(74,075)
	<u>20,000</u>	<u>38,788</u>	<u>459,495</u>	<u>518,283</u>
At 31 December 2010	<u>20,000</u>	<u>38,788</u>	<u>459,495</u>	<u>518,283</u>
<i>Net book value</i>				
At 31 December 2010	-	907	20,456	21,363
	<u>-</u>	<u>907</u>	<u>20,456</u>	<u>21,363</u>
At 31 December 2009	-	25,893	48,665	74,558
	<u>-</u>	<u>25,893</u>	<u>48,665</u>	<u>74,558</u>

The net book value of tangible fixed assets includes an amount of £929 (2009 - £25,722) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £5,568 (2009 - £19,728).

8 Stocks

	2010 £	2009 £
Stocks	<u>335,820</u>	<u>363,183</u>

AudicomPendax Limited

**Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)**

9 Debtors

	2010 £	2009 £
Trade debtors	122,825	107,500
Other debtors	70,188	77,586
	<u>193,013</u>	<u>185,086</u>

All amounts shown under debtors fall due for payment within one year

10 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	-	6,838
Trade creditors	95,120	127,273
Amounts owed to group undertakings	381,175	249,996
Taxation and social security	10,459	28,272
Obligations under finance lease and hire purchase contracts	1,513	22,907
Other creditors	128,336	97,955
	<u>616,603</u>	<u>533,241</u>

11 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £7,899 (2009 - £7,899). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

12 Share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

AudicomPendax Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

13 Reserves

	Profit and loss account £
At 1 January 2010	79,586
Loss for the year	(122,564)
	<hr/>
At 31 December 2010	(42,978)
	<hr/>

14 Reconciliation of movements in shareholders' (deficit)/funds

	2010 £	2009 £
Loss for the year	(122,564)	(318,411)
Opening shareholders' funds	89,586	407,997
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	(32,978)	89,586
	<hr/>	<hr/>

15 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2010 £	Land and buildings 2009 £
Operating leases which expire		
After five years	64,750	63,208
	<hr/>	<hr/>

AudicomPendax Limited

**Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)**

16 Related party disclosures

The company is a wholly owned subsidiary of EFAB, Erik Frisell AB and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with EFAB, Erik Frisell AB or other wholly owned subsidiaries within the group

17 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of EFAB, Erik Frisell AB, a company incorporated in Sweden

The largest group in which the results of the company are consolidated is that headed by EFAB, Erik Frisell AB, incorporated in Sweden. The smallest group in which they are consolidated is that headed by AudicomPendax AB, incorporated in Sweden. The consolidated accounts are available to the public and may be obtained from its registered office