



Chartered Accountants
Local Matters, National Strength

Audited Financial Statements AudicomPendax Limited

For the Year Ended 31 December 2011
Company Registration No: 01716114

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AudicomPendax Limited

Company Information

Directors	R B Baldwin T E V Frisell
Company secretary	R B Baldwin
Company number	01716114
Registered office	57 Suttons Park Avenue Earley Reading Berkshire RG6 1AZ
Auditors	HW, Chartered Accountants 7 - 11 Station Road Reading Berkshire RG1 1LG

AudicomPendax Limited

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AudicomPendax Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activities

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

Directors

The directors who served during the year were

R B Baldwin
T E V Frisell

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 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.

Provision of information to auditors

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AudicomPendax Limited

**Directors' report
for the year ended 31 December 2011**

Auditors

Under section 487(2) of the Companies Act 2006, HW, Chartered Accountants will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 03/09/2012 and signed on its behalf



R B Baldwin
Director

AudicomPendax Limited

Independent auditors' report to the members of AudicomPendax Limited

We have audited the financial statements of AudicomPendax Limited for the year ended 31 December 2011, set out on pages 5 to 14. 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 shareholders, 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders 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 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

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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

With respect to stock having a carrying amount of £332,740 the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 December 2011, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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, further to the modification, we have considered the adequacy

AudicomPendax Limited

Independent auditors' report to the members of AudicomPendax Limited

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.

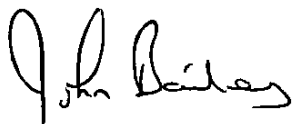
Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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.



John Bailey BSc FCA (Senior statutory auditor)

for and on behalf of

HW, Chartered Accountants

Statutory auditors

7 - 11 Station Road
Reading
Berkshire
RG1 1LG

5 September 2012

AudicomPendax Limited

**Profit and loss account
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Turnover	1,2	509,862	1,120,599
Cost of sales		(224,158)	(576,113)
Gross profit		285,704	544,486
Administrative expenses		(614,429)	(809,308)
Other operating income	3	-	150,000
Other operating charges		(13,843)	(3,188)
Operating loss	4	(342,568)	(118,010)
Interest receivable and similar income		136	-
Interest payable and similar charges	7	(240)	(4,426)
Loss on ordinary activities before taxation		(342,672)	(122,436)
Tax on loss on ordinary activities	8	19,008	(128)
Loss for the financial year	14	(323,664)	(122,564)

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 7 to 14 form part of these financial statements

AudicomPendax Limited
Registered number: 01716114

Balance sheet
as at 31 December 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	9		5,666		21,367
Current assets					
Stocks	10	332,740		335,821	
Debtors	11	132,757		193,013	
Cash at bank and in hand		7,375		33,430	
		<u>472,872</u>		<u>562,264</u>	
Creditors, amounts falling due within one year	12	<u>(835,180)</u>		<u>(616,609)</u>	
Net current liabilities			<u>(362,308)</u>		<u>(54,345)</u>
Net liabilities			<u>(356,642)</u>		<u>(32,978)</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account	14		<u>(366,642)</u>		<u>(42,978)</u>
Shareholders' deficit	15		<u>(356,642)</u>		<u>(32,978)</u>

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 03/09/2012



R B Baldwin
Director

The notes on pages 7 to 14 form part of these financial statements

AudicomPendax Limited

Notes to the financial statements for the year ended 31 December 2011

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 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 on as going concern. The financial statements do not include the adjustments that would result if the company was unable to continue on a going concern.

1.3 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.

1.4 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.

Revenue is recognised when goods are dispatched. Revenue relating to the provision of services is deferred and recognised over the period to which the service relates.

1.5 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 bases:

L/Term Leasehold Property	-	Straight line over the period of the lease
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% straight line

1.6 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.

AudicomPendax Limited

**Notes to the financial statements
for the year ended 31 December 2011**

1. Accounting policies (continued)

1.7 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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.9 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 discounted

1.10 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

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

AudicomPendax Limited

**Notes to the financial statements
for the year ended 31 December 2011**

1. Accounting policies (continued)

1 12 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

All turnover arose within the United Kingdom.

3. Other operating income

	2011 £	2010 £
Other operating income	-	150,000

4. Operating loss

The operating loss is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	16,542	37,635
Auditors' remuneration	10,000	15,000
Difference on foreign exchange	-	(36)
Other operating income	-	(150,000)

AudicomPendax Limited

**Notes to the financial statements
for the year ended 31 December 2011**

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	270,113	402,285
Social security costs	31,038	47,212
Other pension costs	4,700	7,900
	<u>305,851</u>	<u>457,397</u>

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

	2011 No.	2010 No
Sales and distribution	9	8
Administration	2	4
	<u>11</u>	<u>12</u>

6 Directors' remuneration

	2011 £	2010 £
Emoluments	<u>41,750</u>	<u>128,448</u>
Company pension contributions to defined contribution pension schemes	<u>2,100</u>	<u>4,200</u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

7. Interest payable

	2011 £	2010 £
On bank loans and overdrafts	1	3,027
On finance leases and hire purchase contracts	239	1,399
	<u>240</u>	<u>4,426</u>

AudicomPendax Limited

**Notes to the financial statements
for the year ended 31 December 2011**

8. Taxation

	2011 £	2010 £
Adjustments in respect of prior periods	(19,008)	128
Tax on loss on ordinary activities	<u>(19,008)</u>	<u>128</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - *higher than*) the standard rate of corporation tax in the UK of 20% (2010 - 21%) The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(342,672)</u>	<u>(122,436)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2010 - 21%)	(68,534)	(25,712)

Effects of

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	55
Capital allowances for year in excess of depreciation	-	6,881
Adjustments to tax charge in respect of prior periods	(19,008)	128
Unrelieved tax losses and other deductions arising in the period	68,534	18,776
Current tax (credit)/charge for the year (see note above)	<u>(19,008)</u>	<u>128</u>

AudicomPendax Limited

**Notes to the financial statements
for the year ended 31 December 2011**

9. Tangible fixed assets

	L/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost				
At 1 January 2011	20,000	39,697	479,951	539,648
Additions	-	-	938	938
Disposals	-	-	(337)	(337)
At 31 December 2011	<u>20,000</u>	<u>39,697</u>	<u>480,552</u>	<u>540,249</u>
Depreciation				
At 1 January 2011	20,000	38,786	459,495	518,281
Charge for the year	-	911	15,631	16,542
On disposals	-	-	(240)	(240)
At 31 December 2011	<u>20,000</u>	<u>39,697</u>	<u>474,886</u>	<u>534,583</u>
Net book value				
At 31 December 2011	<u>-</u>	<u>-</u>	<u>5,666</u>	<u>5,666</u>
At 31 December 2010	<u>-</u>	<u>911</u>	<u>20,456</u>	<u>21,367</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Motor vehicles	<u>-</u>	<u>929</u>

10. Stocks

	2011 £	2010 £
Finished goods and goods for resale	<u>332,740</u>	<u>335,821</u>

AudicomPendax Limited

**Notes to the financial statements
for the year ended 31 December 2011**

11. Debtors

	2011 £	2010 £
Trade debtors	69,464	122,825
Other debtors	14,331	27,831
Prepayments and accrued income	48,962	42,357
	<u>132,757</u>	<u>193,013</u>

**12. Creditors:
Amounts falling due within one year**

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	-	1,513
Trade creditors	53,594	95,120
Amounts owed to group undertakings	676,318	381,175
Social security and other taxes	7,799	10,459
Other creditors	1,374	1,211
Accruals and deferred income	96,095	127,131
	<u>835,180</u>	<u>616,609</u>

13 Share capital

	2011 £	2010 £
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14 Reserves

	Profit and loss account £
At 1 January 2011	(42,978)
Loss for the year	(323,664)
At 31 December 2011	<u>(366,642)</u>

AudicomPendax Limited

**Notes to the financial statements
for the year ended 31 December 2011**

15. Reconciliation of movement in shareholders' deficit

	2011 £	2010 £
Opening shareholders' (deficit)/funds	(32,978)	89,586
Loss for the year	(323,664)	(122,564)
Closing shareholders' deficit	<u>(356,642)</u>	<u>(32,978)</u>

16. Pension commitments

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 £4,700 (2010 - £7,899). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

17. Operating lease commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Expiry date				
After more than 5 years	<u>64,750</u>	<u>64,750</u>	<u>-</u>	<u>-</u>

18. Related party transactions

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.

19. Ultimate parent undertaking and controlling party

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.