



**Nortec Solutions Limited
Financial Statements
For the year ended 31 March 2011**



Company no. 3659305

Company registration Number	3659305
Registered Office	8 Farmbrough Close Stocklake Park Industrial Estate Aylesbury Buckinghamshire HP20 1DQ
Directors	P I Robinson MBA FCMA FRSA R R Clements D B Scott BSc ACMA
Secretary	S Gibson FRSA
Bankers	Bank of Scotland 38 Threadneedle Street London EC2P SHE
Solicitors	Dechert 160 Queen Victoria Street London EC4V 4QQ
Auditor	Grant Thornton UK LLP Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

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Report of the Directors

The directors present their report and the financial statements of the company for year ended 31 March 2011

Principal activities

The principal activities of the company are the design and manufacture of electronic and electrical equipment

Results and Dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements. The results for the period ended 31 March 2010 are for the period 9 October 2009 to 31 March 2010. The directors have not recommended a dividend.

Business review

The company has continued to build a solid business by working closely with its customer base and suppliers throughout the year. With the financial support of its sister company Possum Limited the Company has been able to continue on a steady growth pattern with an annualised growth in turnover of just over 14%.

The company has continued to invest in its infrastructure and technical capabilities to ensure that it retains the ability to provide the level of product quality and service which customers have come to expect from the Company.

Financial risk management policies and objectives

The company uses various financial instruments including cash, trade creditors and trade debtors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The principle credit risk arises from debtors which consist of a number of diverse customers from a range of industry sectors. No single customer represents a significant proportion of the debt. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Principal risks and uncertainties

Technological change will always present the company with a challenge to ensure that they retain the ability to manufacture the customers products to the standards and within the timescales required. As a result of this and as part of the ongoing development of the business the company considers the investment in plant and equipment to be key and is committed to continued investment in this area to address the needs of its customers.

Directors

The directors who served the company during the year were as follows

P I Robinson MBA FCMA FRSA
R R Clements
D B Scott BSc ACMA
S Gibson FRSA (Resigned 21 April 2010)
R Stepniewski (Resigned 21 April 2010)

Statement of 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and 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 estimates that are reasonable and prudent, and
- 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.

In so far as each director is 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

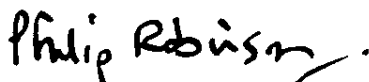
Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor

Small Companies Provisions

This report has been prepared in accordance with the special provisions for small companies under section 415A of the Companies Act 2006

ON BEHALF OF THE BOARD



P I Robinson
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTEC SOLUTIONS LIMITED

We have audited the financial statements of Nortec Solutions Limited for the year ended 31 March 2011 which comprise the principal accounting policies, 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 March 2011 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 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

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

Grant Thornton UK LLP

Simon Jones
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes

17 November 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The principal accounting policies are set out below and remain unchanged from the prior period.

Going Concern

The Company's fellow group undertaking Possum Limited has confirmed its continued financial support to the Company for a period of at least one year from the date of approval of these financial statements.

On the basis of this financial support the directors have applied the going concern basis in preparing the financial statements.

Turnover

Turnover from the provision of goods is recognised when the risks and rewards of ownership of goods have been transferred to the customer. The risk and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to, or picked up by the customer.

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- Over the period of the lease
Plant & Machinery	- 25% - 33% straight line
Motor Vehicles	- 25% straight line

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

Leased assets

The payments made under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Investments

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are reported below operating profit.

Contributions to pension funds

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Cash flow statement

The directors have taken advantage of the exemption from preparing a cash flow statement, which is available to a wholly owned subsidiary undertaking where the parent publishes full consolidated accounts.

Profit and loss account

	Note	2011 £	2010 £
Turnover	1	2,018,194	882,384
Cost of Sales		1,251,275	566,901
Gross Profit		766,919	315,483
Other operating charges	2	715,466	346,700
Operating profit/(loss)	3	51,453	(31,217)
Interest receivable		0	0
Interest payable		0	0
Profit/(loss) on ordinary activities before taxation		51,453	(31,217)
Tax charge/(credit) on profit/(loss) on ordinary activities	5	5,756	(5,756)
Retained profit/(loss) for the financial year	16	45,697	(25,461)

All of the activities of the company are classed as acquired and continuing

The company has no recognised gains or losses other than the results for the period as set out above


The accompanying notes form part of these financial statements

Balance sheet

		2011	2010
	Note	£	£
Fixed assets			
Tangible assets	6	66,345	68,304
		<u>66,345</u>	<u>68,304</u>
Current assets			
Stocks	8	281,951	194,938
Debtors	9	394,625	486,359
Cash in hand		1,654	25,787
		<u>678,230</u>	<u>707,084</u>
Creditors amounts falling due within one year	11	719,339	795,849
Net current liabilities		<u>(41,109)</u>	<u>(88,765)</u>
Net assets/(liabilities)		<u>25,236</u>	<u>(20,461)</u>
Capital and reserves			
Called-up equity share capital	15	5,000	5,000
Profit and loss account	16	20,236	(25,461)
Shareholders' funds/(deficit)	16	<u>25,236</u>	<u>(20,461)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and were approved by the Board on 17th November 2011 and are signed on their behalf by


R Clements
Director


D B Scott
Director

The accompanying notes form part of these financial statements

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the principal activities of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	1,933,147	877,548
Overseas	85,047	4,836
	<u>2,018,194</u>	<u>882,384</u>

2 Other operating charges

	2011 £	2010 £
Distribution costs	29,478	10,347
Administrative expenses	685,988	344,483
Write back of negative goodwill	0	(8,130)
	<u>715,466</u>	<u>346,700</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2011 £	2010 £
Depreciation	36,898	3,507
Write back of negative goodwill	0	(8,130)
Auditor's remuneration		
Audit of the financial statements	5,150	5,000
Taxation Fees	2,050	2,000
Operating lease costs		
Land and buildings	<u>47,430</u>	<u>28,075</u>

Liability Limitation Agreement with the auditor

The company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 March 2011. The proportionate liability agreement followed the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the directors on 4 November 2011 after shareholders waived the need for approval of the agreement on 4 November 2011.

4 Directors and employees

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Administration	9	3
Production	24	12
Sales and marketing	1	1
	<u>34</u>	<u>16</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	550,734	245,441
Social security costs	47,222	20,629
Other pension costs	3,443	1,721
	<u>601,399</u>	<u>267,791</u>

Remuneration in respect of directors was as follows

	2011 £	2010 £
Directors remuneration	71,158	36,840
Pension costs	3,443	1,721
	<u>74,601</u>	<u>38,561</u>

During the year 1 director (2010 1) participated in money purchase pension schemes

5 Tax charge/(credit) on profit/(loss) on ordinary activities

(a) Taxation

	2011 £	2010 £
Current tax		
Corporation tax	0	0
Total current tax	<u>0</u>	<u>0</u>
Deferred tax		
Change in deferred tax asset (note 10)	5,756	(5,756)
Profit and loss account movement arising during the year	<u>5,756</u>	<u>(5,756)</u>

5 Tax on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28% (2010 28%)

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	<u>51,453</u>	<u>(31,217)</u>
Profit/(loss) on ordinary activities multiplied by rate of tax	14,407	(8,741)
Expenses not deductible for tax purposes	3,352	2,985
Capital allowances in excess of depreciation	(4,029)	(8,197)
Utilisation of tax losses	(13,730)	0
Unrelieved tax losses and other deductions	0	13,953
Total current tax (note 5(a))	<u>0</u>	<u>0</u>

6 Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 31 March 2010	19,308	41,104	20,912	81,324
Reclassification	(730)	730	0	0
Additions	0	34,939	0	34,939
Transfer	(18,578)	18,578	0	0
At 31 March 2011	<u>0</u>	<u>95,351</u>	<u>20,912</u>	<u>116,263</u>
Depreciation				
At 31 March 2010	6,208	5,505	1,307	13,020
Reclassification	(15)	15	0	0
Charge for the year	12,385	19,285	5,228	36,898
Transfer	(18,578)	18,578	0	0
At 31 March 2011	<u>0</u>	<u>43,383</u>	<u>6,535</u>	<u>49,918</u>
Net book value				
At 31 March 2011	<u>0</u>	<u>51,968</u>	<u>14,377</u>	<u>66,345</u>
At 31 March 2010	<u>13,100</u>	<u>35,599</u>	<u>19,605</u>	<u>68,304</u>

7 Intangible fixed assets

	Negative goodwill £
Cost	
At 31 March 2010 and 31 March 2011	<u>8,130</u>
Amortisation	
At 31 March 2010 and 31 March 2011	<u>8,130</u>
Net book value	
At 31 March 2010 and 31 March 2011	<u>0</u>

8 Stocks

	2011 £	2010 £
Raw Materials	23,394	22,557
Work in progress	<u>258,557</u>	<u>172,381</u>
	<u>281,951</u>	<u>194,938</u>

9 Debtors

	2011 £	2010 £
Trade debtors	368,691	450,820
Prepayments and accrued income	25,934	29,783
Deferred taxation (note 10)	0	5,756
	<u>394,625</u>	<u>486,359</u>

10 Deferred taxation asset

	2011 £	2010 £
The movement in the deferred taxation account during the year was		
Balance brought forward	5,756	0
Profit and loss account movement arising during the year	<u>(5,756)</u>	<u>5,756</u>
Balance carried forward	<u>0</u>	<u>5,756</u>

The balance of the deferred taxation account calculated using a rate of 26% (2010 28%) consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Accelerated capital allowances	0	(8,197)
Losses utilised within one year	<u>0</u>	<u>13,953</u>
Deferred taxation due within one year (note 9)	<u>0</u>	<u>5,756</u>

11 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	206,681	73,512
Amounts owed to group undertakings	469,404	654,422
Social security and other taxes	26,798	29,925
Accruals and deferred income	16,456	37,990
	<u>719,339</u>	<u>795,849</u>

12 Leasing commitments

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Land & Buildings	
	2011	2010
	£	£
Operating leases which expire Between 2 & 5 years	46,492	46,492

13 Contingent liabilities

There were no contingent liabilities at 31 March 2011 or 31 March 2010

14 Related party transactions

The company has taken advantage of the exemption not to disclose transactions with related parties with other wholly owned members of the group under FRS8 Related Party Transactions as the company is a wholly owned subsidiary of Eamont Holdings Limited

15 Share capital

Allotted, called up and fully paid

	2011	2010
	£	£
Ordinary share capital	<u>5,000</u>	<u>5,000</u>

16 Reconciliation of shareholders' funds/(deficit) and movement on reserves

	Share capital £	Profit and loss account £	Total share holders' funds/ (deficit) £
As at 31 March 2010	5,000	(25,461)	(20,461)
Profit for the year	0	45,697	45,697
At 31 March 2011	<u>5,000</u>	<u>20,236</u>	<u>25,236</u>

17 Ultimate parent undertaking/controlling related party

The directors consider that the ultimate parent undertaking of this company is Eamont Holdings Limited, a company registered in England & Wales

P I Robinson is the company's controlling related party by virtue of his majority shareholding in Eamont Holdings Limited

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Eamont Holdings Limited These are available from the Registered office