

NORTEC

electronic technology development

**Nortec Solutions Limited
Financial Statements
For the year ended 31 March 2012**



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	D B Scott BSc ACMA
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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Directors' Report

The directors present their report and the financial statements of the company for year ended 31 March 2012

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 directors have not recommended a dividend

Business review

The company has continued on a growth path with a steady increase in business whilst maintaining its focus on service and flexibility to deliver a 14% year on year growth in turnover

With the continued support of its sister company Possum Limited the Company has been able to invest significantly in plant and machinery which will ensure that it retains and enhances 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

Despite the general economic downturn the company has increased its sales by attracting new customers and receiving an increased volume of orders from existing customers. The company has many customers operating in a number of different markets and no single customer represents more than 22% of its total turnover

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

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 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.

The directors confirm that

- 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 as directors' in order 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

Philip Robinson

P I Robinson
Director

21/12/12.

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 2012 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 2012 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

21 December 2012

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 year.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual 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	- 10% - 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	2012 £	2011 £
Turnover	1	2,299,504	2,018,194
Cost of Sales		1,265,668	1,251,275
Gross Profit		1,033,836	766,919
Other operating charges	2	835,702	715,466
Operating profit	3	198,134	51,453
Interest payable		(23,905)	0
Profit on ordinary activities before taxation		174,229	51,453
Tax charge on profit on ordinary activities	5	29,681	5,756
Retained profit for the financial year	15	144,548	45,697

All of the activities of the company are classed as continuing


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

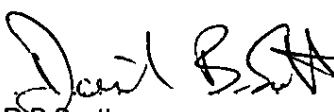
The accompanying notes form part of these financial statements

Balance sheet

		2012	2011
	Note	£	£
Fixed assets			
Tangible assets	6	141,533	66,345
Current assets			
Stocks	7	280,338	281,951
Debtors	8	557,605	394,625
Cash in hand		11,544	1,654
		<u>849,487</u>	<u>678,230</u>
Creditors' amounts falling due within one year	10	<u>821,236</u>	<u>719,339</u>
Net current assets/(liabilities)		28,251	(41,109)
Net assets		<u>169,784</u>	<u>25,236</u>
Capital and reserves			
Called-up equity share capital	14	5,000	5,000
Profit and loss account	15	164,784	20,236
Shareholders' funds	15	<u>169,784</u>	<u>25,236</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 21st December 2012 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

	2012	2011
	£	£
United Kingdom	2,236,312	1,933,147
Overseas	63,192	85,047
	<u>2,299,504</u>	<u>2,018,194</u>

2 Other operating charges

	2012	2011
	£	£
Distribution costs	38,477	29,478
Administrative expenses	797,225	685,988
	<u>835,702</u>	<u>715,466</u>

3 Operating profit

Operating profit is stated after charging

	2012	2011
	£	£
Depreciation	33,890	36,898
Auditor's remuneration		
Audit of the financial statements	5,350	5,150
Taxation Fees	1,600	2,050
Operating lease costs		
Land and buildings	<u>49,172</u>	<u>47,430</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 2012. 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 23 October 2012 after shareholders waived the need for approval of the agreement on 23 October 2012.

4 Directors and employees

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

	2012 No	2011 No
Administration	9	9
Production	24	24
Sales and marketing	1	1
	<u>34</u>	<u>34</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	596,024	550,734
Social security costs	47,976	47,222
Other pension costs	3,524	3,443
	<u>647,524</u>	<u>601,399</u>

Remuneration in respect of directors was as follows

	2012 £	2011 £
Directors remuneration	79,654	71,158
Pension costs	3,524	3,443
	<u>83,178</u>	<u>74,601</u>

During the year 1 director (2011 1) participated in money purchase pension schemes

5 Tax charge on profit on ordinary activities

(a) Taxation

	2012 £	2011 £
Current tax		
Corporation tax	4,404	0
Total current tax	<u>4,404</u>	<u>0</u>
Deferred tax		
Change in deferred tax (note 10)	25,277	5,756
Profit and loss account movement arising during the year	<u>29,681</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 26% (2011 28%)

	2012 £	2011 £
Profit on ordinary activities before tax	<u>174,229</u>	<u>51,453</u>
Profit on ordinary activities multiplied by rate of tax	45,300	14,407
Expenses not deductible for tax purposes	644	3,352
Capital allowances in excess of depreciation	(19,543)	(4,029)
Group relief claimed	(20,468)	0
Unrelieved tax losses and other deductions	(1,322)	0
Utilisation of tax losses	(207)	(13,730)
Total current tax (note 5(a))	<u>4,404</u>	<u>0</u>

6 Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Total £
Cost			
At 31 March 2011	95,351	20,912	116,263
Additions	109,078	0	109,078
At 31 March 2012	<u>204,429</u>	<u>20,912</u>	<u>225,341</u>
Depreciation			
At 31 March 2011	43,383	6,535	49,918
Charge for the year	28,662	5,228	33,890
At 31 March 2012	<u>72,045</u>	<u>11,763</u>	<u>83,808</u>
Net book value			
At 31 March 2012	<u>132,384</u>	<u>9,149</u>	<u>141,533</u>
At 31 March 2011	<u>51,968</u>	<u>14,377</u>	<u>66,345</u>

7 Stocks

	2012 £	2011 £
Raw Materials	25,072	23,394
Work in progress	255,266	258,557
	<u>280,338</u>	<u>281,951</u>

8 Debtors

	2012 £	2011 £
Trade debtors	553,146	368,691
Prepayments and accrued income	4,459	25,934
	<u>557,605</u>	<u>394,625</u>

9 Deferred taxation asset/(liability)

	2012 £	2011 £
The movement in the deferred taxation account during the year was		
Balance brought forward	0	5,756
Profit and loss account movement arising during the year	(25,277)	(5,756)
	<u>(25,277)</u>	<u>0</u>
Balance carried forward	(25,277)	0

The balance of the deferred taxation account calculated using a rate of 26% (2011 28%) consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Accelerated capital allowances	(25,277)	0
Losses utilised within one year	0	0
Deferred taxation due within one year (note 10)	<u>(25,277)</u>	<u>0</u>

10 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	137,726	206,681
Amounts owed to group undertakings	521,190	469,404
Social security and other taxes	74,064	26,798
Deferred taxation (note 9)	25,277	0
Accruals and deferred income	62,979	16,456
	<u>821,236</u>	<u>719,339</u>

11 Leasing commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land & Buildings	
	2012	2011
	£	£
Operating leases which expire Between 2 & 5 years	46,492	46,492

12 Contingent liabilities

There were no contingent liabilities at 31 March 2012 or 31 March 2011

13 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

14 Share capital

Allotted, called up and fully paid

	2012	2011
	£	£
Ordinary share capital	5,000	5,000

15 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share holders' funds £
As at 31 March 2011	5,000	20,236	25,236
Profit for the year	0	144,548	144,548
At 31 March 2012	5,000	164,784	169,784

16 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