Financial Statements
Quartix Limited

For the year ended 31 December 2012

Registered number: 04159907

Company Information

Directors	A J Walters K V Giles A M Kirk D S Bridge W A Hibbert
Company secretary	D S Bridge
Company number	04159907
Registered office	Chapel Offices Park Street Newtown Powys SY16 1EE
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Kettering Parkway Kettering Venture Park Kettering Northamptonshire NN15 6XR
Bankers	The Royal Bank of Scotland plc Barclays Bank Plc HSBC France

Contents

Directors' Report
For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

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

Principal activities

The principal activity of the company during the year was the manufacture, fitting and operation of vehicle tracking devices and systems

Business review

During 2012 Quartix continued to invest in insurance telematics and in its operations in France This investment is reflected in the increase in operating costs compared to last year

Pre-tax profit was £2 9m (2011 £1 8m) - a return of 35% on sales of £8 3m (2011 £6 7m) Quartix made over 12,000 (2011 10,000) new fleet installations in 2012 and gained several important insurance customers through its insurance partner Wunelli including the AA and the Co-op

Some of the highlights of 2012 are outlined below

Financial Results
Once again the company achieved excellent sales, profitability, cash flow and management of working capital

- Sales increased by 24% to £8 3m
- Pre-tax profit increased by 61% to £2 9m
- Operating cash flow before group loans of £3 9m
- Gross margins of 76%

Directors' Report
For the year ended 31 December 2012

Product Development
Much development work was devoted to the new user interface of our vehicle tracking system which was released to general acclaim in early 2013

The award-winning system now boasts a new look and optimised usability which enables customers to navigate easily between the different features Users can access Google Maps (with its Map, Satellite, Street View options and full zoom levels) directly from any online log along with the live tracking The revamped features include Daily Vehicle Logs, Daily Route Maps and Real-Time Live Tracking

As well as the new design, some features have been entirely reviewed and released in new, easier to use formats, such as the interactive Daily and Weekly Route Charts which are now fully available online and no longer require to be downloaded

2012 also saw further development of Quartix's 5th generation of telematics system the TCSV10 This included the development of advanced driver behaviour monitoring which was developed initially for the insurance telematics market It is one of the most integrated tracking systems available currently, incorporating a comprehensive range of features in a package which is slightly larger than a matchbox, and which weighs less than 80gm

During 2012 Quartix invested in infrastructure, database design and additional staff to be sure it was in a position to satisfy the planned demand for its telematic devices and service for the insurance sector The road speed database which has been three years in development is now ready to be released in both the insurance and fleet markets

Production and Logistics
There was excellent build quality and delivery performance from both our manufacturing company in China and the final assembly and test house in Cambridge which helped enormously in controlling our operating expenses

Sales and Marketing
The company continued its spending on its direct marketing strategy, its magazine advertising and its PR presence In addition Quartix continued to invest in its distribution network with strong results

In July 2012 Quartix was chosen to supply 650 units to the London 2012 Olympic Games

During the year Quartix invested in considerable market research to find out what our customers wanted and bring it to them This culminated early in 2013 with the release of the new user interface and will be followed by a number of further improvements

Short videos demonstrating Quartix vehicle tracking's cost-saving and efficiency benefits are now on YouTube

Business Awards
In October 2012 Quartix has become a finalist in the 2012 Sustainability Leaders Awards

In June 2012 Quartix won the Internet Award in Van Fleet World Honours

In March 2012 Quartix won the Barclays Corporate prize in Cambridge News Business Excellence Awards The company met all Barclays' criteria, including showing market strength in the economic climate, adaptability, good turnover growth, strong market share – and the ability to diversify into new markets

In the same month Quartix retained its Fleet News "reader recommended" status for the fourth year in succession

Organisation and Staffing
There was significant investment in engineering and software development during the year Management of the supply chain was strengthened with the appointment of additional resource The year also saw additional investment in the sales, customer support and the accounting teams

Directors' Report
For the year ended 31 December 2012

Quartix has invested in additional office space and staff The company moved into the second floor of Chapel Offices now occupying the whole building with improved security The premises in Southampton were also enlarged and new premises opened in Leatherhead

Sales, service and technical support continue to be based in the company's offices in Newtown Product development is carried out in Leatherhead, Cambridge and Southampton

Dividend
The company paid a dividend of 4p (2011 2p) a share in October 2012

Results

The profit for the year, after taxation, amounted to £2,417,523 (2011 - £1,522,724)

Directors

The directors who served during the year were

A J Walters
K V Giles
A M Kirk
D S Bridge
W A Hibbert

Principal risks and uncertainties

The Directors are accountable for risk and are responsible for oversight of the risk management process The Directors have considered the key risks facing the Company and the exposure in relation to each of those risks

The company's principal financial instruments comprise cash and various items such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The existence of these financial instruments exposes the company to a number of financial risks The main risks are summarised below

Credit risk
The company seeks to manage its credit risk by establishing clear contractual relationships with customers and by identifying and addressing any credit issues on a timely manner

Interest rate risk
The company currently finances its operations through retained profits, generally the company is not subject to interest rate risk

Future developments

Quartix plans to continue work arising out of its 2004 patent on data compression in order to further condense the communications protocol such that entire data transmissions can be completed in less than a few seconds This will be tied in with the road speed database and other hardware and software improvement to greatly enhance our product offering

Directors' Report
For the year ended 31 December 2012

Provision 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 28 February 2013 and signed on its behalf

A J Walters
Director

Grant Thornton

Independent Auditor's Report to the Members of Quartix Limited

We have audited the financial statements of Quartix Limited for the year ended 31 December 2012, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement 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, 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 Auditing Practices Board'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 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

Grant Thornton

Independent Auditor's Report to the Members of Quartix Limited

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

Andrew Dixon (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Kettering

28 February 2013

Profit and Loss Account

For the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	1	**8,289,546**	6,697,880
Cost of sales		**(1,962,120)**	(2,285,121)
Gross profit		**6,327,426**	4,412,759
Administrative expenses		**(3,434,869)**	(2,615,784)
Operating profit	3	**2,892,557**	1,796,975
Interest receivable and similar income		**2,021**	219
Interest payable and similar charges	6	**(2)**	-
Profit on ordinary activities before taxation		**2,894,576**	1,797,194
Tax on profit on ordinary activities	7	**(477,053)**	(274,470)
Profit for the financial year	17	**2,417,523**	1,522,724

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 10 to 19 form part of these financial statements

Quartix Limited
Registered number. 04159907

Balance Sheet
As at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	9		**139,237**		51,428
Current assets					
Stocks	10	**347,734**		187,975	
Debtors	11	**5,702,146**		4,301,878	
Cash at bank and in hand		**989,074**		501,289	
		7,038,954		4,991,142	
Creditors: amounts falling due within one year	12	**(2,310,257)**		(1,739,845)	
Net current assets			**4,728,697**		3,251,297
Total assets less current liabilities			**4,867,934**		3,302,725
Creditors amounts falling due after more than one year	13		**(5,000)**		(62,000)
Provisions for liabilities					
Deferred tax	14		**(12,686)**		-
Net assets			**4,850,248**		3,240,725
Capital and reserves					
Called up share capital	15		**202,000**		202,000
Share premium account	17		**24,000**		24,000
Profit and loss account	17		**4,624,248**		3,014,725
Shareholders' funds	16		**4,850,248**		3,240,725

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2013

A J Walters
Director

The notes on pages 10 to 19 form part of these financial statements

Cash Flow Statement

For the year ended 31 December 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	24	**1,846,106**	797,390
Returns on investments and servicing of finance	25	**2,019**	219
Taxation		**(425,008)**	(128,488)
Capital expenditure and financial investment	25	**(127,332)**	(81,055)
Equity dividends paid		**(808,000)**	(404,000)
Increase in cash in the year		**487,785**	184,066

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 December 2012

	2012 £	2011 £
Increase in cash in the year	**487,785**	184,066
Movement in net funds in the year	**487,785**	184,066
Net funds at 1 January 2012	**501,289**	317,223
Net funds at 31 December 2012	**989,074**	501,289

The notes on pages 10 to 19 form part of these financial statements

Notes to the Financial Statements
For the year ended 31 December 2012

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 Revenue

Revenue is the amount receivable for goods and services, excluding VAT Revenue comprises the provision of telematics-based fleet and vehicle management solutions, and is recognised in line with the provision and installation of hardware, and the maintenance of software over the period of the customer contract Additional airtime revenue is recognised as incurred by the customer Amounts received in advance of the provision of services are included within deferred income

In the case of twelve month contracts the cost of provision and installation of hardware is recognised as incurred and not spread over the life of the contract likewise distributors commissions are accounted for when invoiced and neither spread over the life of the contract nor accrued for Distributors are only allowed to invoice for their initial commission once Quartix has charged for the second quarter's revenue and this policy is considered by the board as a practical way of spreading the cost of commissions over the life of a contract

In the case of long-term contracts, revenue reflects the contract activity during the period and represents the proportion of total contract value delivered Revenue and profit is recognised in accordance with UK GAAP and is measured at the fair value of the consideration received or receivable

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the Profit and Loss Account over its estimated economic life

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 bases

Plant & machinery	-	25% straight line
Equipment	-	25% straight line

1 5 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

Notes to the Financial Statements
For the year ended 31 December 2012

1. Accounting Policies (continued)

1.6 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

1.7 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

1.8 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

1.9 Research and development

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

1 10 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Notes to the Financial Statements
For the year ended 31 December 2012

1. Accounting Policies (continued)

1.11 Warranties

The company sells vehicle tracking systems, some of which are sold with warranty periods extending beyond 12 months The cost of providing warranty cover within the first 12 months is charged to the profit and loss account as it occurs The future anticipated cost of providing warranty cover for that portion of the warranty period over 12 months is charged through a provision based on the known likelihood of product unit failures

1.12 Rental tracker units

Rental tracker units are written off at the point of installation

2. Turnover

4 4% of the company's turnover (2011 - 1 9%) is attributable to sales in France There is no other significant turnover attributable to geographical markets outside the United Kingdom

The whole of the turnover is attributable to vehicle tracking systems

3. Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Amortisation - intangible fixed assets	-	31,527
Depreciation of tangible fixed assets		
- owned by the company	39,523	35,900
Auditor's remuneration	13,400	13,000
Difference on foreign exchange	6,058	10,808
Development costs	461,566	207,149

Notes to the Financial Statements

For the year ended 31 December 2012

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	**1,467,147**	1,070,331
Social security costs	**142,380**	108,158
	1,609,527	1,178,489

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

	2012	2011
	No	No
	45	35

5. Directors' remuneration

	2012	2011
	£	£
Emoluments	**325,055**	329,622

The highest paid director received remuneration of £73,377 (2011 - £70,555)

6. Interest payable

	2012	2011
	£	£
Bank interest	2	-

Notes to the Financial Statements

For the year ended 31 December 2012

7. Taxation

	2012	2011
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**464,367**	275,008
Adjustments in respect of prior periods	**-**	(538)
Total current tax	**464,367**	274,470
Deferred tax (see note 14)		
Origination and reversal of timing differences	**12,686**	-
Tax on profit on ordinary activities	**477,053**	274,470

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24 497% (2011 - 26 493%) The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	**2,894,576**	1,797,194
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24 497% (2011 - 26 493%)	**709,084**	476,131
Effects of.		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**730**	1,374
Adjustments to tax charge in respect of prior periods	**-**	(538)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(211,676)**	(113,348)
FRS 19 items	**(7,402)**	58
Other differences leading to an increase (decrease) in the tax charge	**4**	1
Group relief	**(26,373)**	(89,208)
Current tax charge for the year (see note above)	**464,367**	274,470

8. Dividends

	2012	2011
	£	£
Equity dividends on ordinary shares	**808,000**	404,000

Notes to the Financial Statements

For the year ended 31 December 2012

9. Tangible fixed assets

	Plant & machinery £	Office equipment £	Total £
Cost			
At 1 January 2012	**12,435**	**102,981**	**115,416**
Additions	**-**	**127,332**	**127,332**
Disposals	**-**	**(7,288)**	**(7,288)**
At 31 December 2012	**12,435**	**223,025**	**235,460**
Depreciation			
At 1 January 2012	**11,586**	**52,402**	**63,988**
Charge for the year	**421**	**39,102**	**39,523**
On disposals	**-**	**(7,288)**	**(7,288)**
At 31 December 2012	**12,007**	**84,216**	**96,223**
Net book value			
At 31 December 2012	**428**	**138,809**	**139,237**
At 31 December 2011	849	50,579	51,428

10. Stocks

	2012 £	2011 £
Raw materials	**115,324**	120,695
Work in progress	**90,520**	16,003
Finished goods	**141,890**	51,277
	347,734	187,975

11. Debtors

	2012 £	2011 £
Due after more than one year		
Trade debtors	**-**	365,580
Due within one year		
Trade debtors	**936,533**	1,208,548
Amounts owed by group undertakings	**4,719,562**	2,684,630
Other debtors	**1,774**	7,909
Prepayments and accrued income	**44,277**	35,211
	5,702,146	4,301,878

Notes to the Financial Statements

For the year ended 31 December 2012

12. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	**551,858**	369,354
Corporation tax	**314,367**	275,008
Social security and other taxes	**359,540**	268,460
Other creditors	**51,112**	8,389
Accruals and deferred income	**1,033,380**	818,634
	2,310,257	1,739,845

13. Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Other creditors	**5,000**	62,000

14. Deferred taxation

	2012	2011
	£	£
At beginning of year	-	-
Charge for year	**12,686**	-
At end of year	**12,686**	-

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	**13,366**	-
Short term timing differences	**(680)**	-
	12,686	-

Notes to the Financial Statements

For the year ended 31 December 2012

15. Share capital

	2012	2011
	£	£
Authorised		
21,000,000 Ordinary shares of £0 01 each	**210,000**	210,000
Allotted, called up and fully paid		
20,200,000 Ordinary shares of £0 01 each	**202,000**	202,000

16. Reconciliation of movement in shareholders' funds

	2012	2011
	£	£
Opening shareholders' funds	**3,240,725**	2,122,001
Profit for the year	**2,417,523**	1,522,724
Dividends (Note 8)	**(808,000)**	(404,000)
Closing shareholders' funds	**4,850,248**	3,240,725

17. Reserves

	Share premium account	Profit and loss account
	£	£
At 1 January 2012	**24,000**	**3,014,725**
Profit for the year	-	**2,417,523**
Equity dividends	-	**(808,000)**
At 31 December 2012	**24,000**	**4,624,248**

18. Capital commitments

The company had no capital commitments at 31 December 2012 or 31 December 2011

Notes to the Financial Statements
For the year ended 31 December 2012

19. Operating lease commitments

At 31 December 2012 the company had annual commıtments under non-cancellable operatıng leases as follows

	Land and buıldıngs			Other
	2012	2011	**2012**	2011
	£	£	**£**	£
Expıry date:				
Wıthın 1 year	**8,812**	8,566	**2,302**	-
Between 2 and 5 years	**29,200**	34,726	**-**	-

20. Contingent liabilities

Quartıx Lımıted has sıgned an agreement wıth a supplıer whıch commıts ıt to purchase stock to the value of €12,080 ıf ever the agreement ıs termınated There were no other contıngent lıabılıtıes as at 31 December 2012 or 31 December 2011

21. Related party transactions

The company has taken advantage of the FRS 8 exemptıon not to dısclosure transactıons wıth ıts parent company, Quartıx Holdıngs Lımıted There were no other related party transactıons durıng the year ended 31 December 2012 or 31 December 2011

22. Security

The assets of the company have been pledged as securıty for the bank loans entered ınto by the parent company, Quartıx Holdıngs Lımıted The bank loans are secured by a fixed and floatıng charge over all the assets of the company Bank loans ın the parent company totalled £2,979,080 at 31 December 2012 (2011 £5,252,814)

23. Ultimate controlling party

The dırectors consıder that the ultımate parent undertakıng of thıs company ıs Quartıx Holdıngs Lımıted

Notes to the Financial Statements

For the year ended 31 December 2012

24. Net cash flow from operating activities

	2012	2011
	£	£
Operating profit	**2,892,557**	1,796,975
Amortisation of intangible fixed assets	**-**	31,527
Depreciation of tangible fixed assets	**39,523**	35,900
Loss on disposal of tangible fixed assets	**-**	33,637
Increase in stocks	**(159,759)**	(20,117)
Decrease/(increase) in debtors	**634,664**	(878,459)
Increase in amounts owed by group undertakings	**(2,034,932)**	(566,060)
Increase in creditors	**474,053**	363,987
Net cash inflow from operating activities	**1,846,106**	797,390

25. Analysis of cash flows for headings netted in cash flow statement

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	**2,021**	219
Interest paid	**(2)**	-
Net cash inflow from returns on investments and servicing of finance	**2,019**	219

	2012	2011
	£	£
Capital expenditure and financial investment		
Purchase of intangible fixed assets	**-**	(31,527)
Purchase of tangible fixed assets	**(127,332)**	(49,528)
Net cash outflow from capital expenditure	**(127,332)**	(81,055)

26. Analysis of changes in net funds

	1 January 2012	Cash flow	31 December 2012
	£	£	£
Cash at bank and in hand	501,289	487,785	989,074
Net funds	501,289	487,785	989,074

Detailed Trading and Profit and Loss Account

For the year ended 31 December 2012

	Page	2012 £	2011 £
Turnover	21	**8,289,546**	6,697,880
Cost of sales	21	**(1,962,120)**	(2,285,121)
Gross profit		**6,327,426**	4,412,759
Gross profit %		**76 3 %**	65 9 %
Less: Overheads			
Administration expenses	21	**(3,434,869)**	(2,615,784)
Operating profit		**2,892,557**	1,796,975
Interest receivable	22	**2,021**	219
Interest payable	22	**(2)**	-
Profit for the year		**2,894,576**	1,797,194

Schedule to the Detailed Accounts

For the year ended 31 December 2012

	2012	2011
	£	£
Turnover		
Sales	**8,289,546**	6,697,880

	2012	2011
	£	£
Cost of sales		
Opening stocks	**187,975**	167,858
Purchases	**2,121,879**	2,305,238
Closing stocks	**(347,734)**	(187,975)
	1,962,120	2,285,121

	2012	2011
	£	£
Administration expenses		
Advertising	**491,847**	525,297
Directors salaries	**325,055**	328,290
Directors national insurance	**39,758**	39,871
Staff salaries	**1,142,092**	742,041
Staff national insurance	**102,622**	68,287
Rent and rates	**98,248**	60,120
Insurances	**13,355**	10,910
Travel expenses	**64,188**	55,354
Telephone	**53,659**	35,605
Office expenses	**31,351**	22,580
Postage and stationery	**62,636**	101,362
Sales commissions	**336,413**	185,798
Sundry expenses	**1,847**	23,503
Computer consumables	**60,511**	32,523
Entertainment	**21,052**	14,778
Development costs	**461,566**	207,149
Other professional fees	**13,057**	5,386
Accountancy fees	**26,787**	19,373
Auditor's remuneration	**13,400**	13,000
Depreciation - rental equipment	**-**	25,314
Depreciation - plant and machinery	**421**	1,704
Depreciation - office equipment	**39,102**	8,882
Bad debts written off	**10,437**	2,008
Bank charges	**19,407**	10,677
Difference on foreign exchange	**6,058**	10,808
Amortisation - intangible fixed assets	**-**	31,527
Loss on sale of tangible assets	**-**	33,637
	3,434,869	2,615,784

Schedule to the Detailed Accounts

For the year ended 31 December 2012

	2012	2011
	£	£
Interest receivable		
Bank interest receivable	**2,021**	219

	2012	2011
	£	£
Interest payable		
Bank interest payable	**2**	-