

AWS ELECTRONICS GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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AWS ELECTRONICS GROUP LIMITED

COMPANY INFORMATION

Directors	P Deehan A S Keane
Company secretary	A S Keane
Registered number	05626347
Registered office	Unit 2 Offerton Barns Business Centre Offerton Lane Hindlip Worcestershire WR3 8SX
Auditor	BDO LLP 125 Colmore Row Birmingham B3 3SD

AWS ELECTRONICS GROUP LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 24

AWS ELECTRONICS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and the financial statements for the year ended 30 June 2013

Principal activity

The principal activity of the group for the period under review was that of the manufacture of electronic equipment

Business review

The result for the year and financial position of the company are shown in the annexed financial statements

Over the financial year end a significant level of customer relationships and production were transferred within the AWS group of companies resulting in the reorganisation costs as incurred

In assessing the ongoing performance of the operating business the directors consider a number of KPIs are key and monitor performance against them. These include turnover, prime and gross margin, EBITDA, working capital turn (debtors, stock and creditors), cash against facilities, order book and employment levels

Results and dividends

The profit for the year, before taxation and exceptional items, amounted to £1,697,886 (2012 - £1,027,284) and after exceptional items £1,005,386 (2012 - £872,438)

A dividend of £2,000,000 (2012 £nil) was paid during the year. No final dividend is proposed (2012 £nil)

Directors

The directors who served during the year were

P Deehan
A S Keane
D A Tucker (resigned 1 November 2012)

Principal risks and uncertainties

- Our success is dependant on the success of our customers. The group has a broad range of customers serving a wide range of market sectors
- Our ability to maintain and grow the customer base is closely linked to the quality of the manufacturing service provided. The group takes all reasonable steps to ensure quality standards are maintained

Financial instruments

The group's policy is to finance working capital through retained earnings and short term bank and other borrowings and parent company borrowings at fixed and prevailing market rates and to fix the sterling value of export sales and purchases when a contract is signed and forward purchase/sell currency, as necessary through the group's treasury function. The group does not use hedge accounting. Its policy is to finance fixed assets through its cash resources and lease finance

The group's exposure to the price risk of financial instruments is minimal in light of forward currency arrangements and prevailing market rate of interest being stable or fixed. As the counterparty to all financial instruments is its bankers, it is also exposed to minimal credit and liquidity risks in respect of these instruments. Its cash flow risk in respect of forward currency purchases is also minimal as it aims to pay suppliers in accordance with their stated terms, matching the maturity of the currency purchases. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit

AWS ELECTRONICS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

Research and development activities

The group undertakes product design and development activities when required for its customers. In such cases the intellectual property arising is generally the sole property of the customer. The group does not undertake product design and development for its own purposes. It does, however, in the normal course of its business and refinement of its manufacturing processes.

Employee involvement

The group recognises that a loyal and highly skilled workforce is essential to the future of the business. During the year, the policy of providing employees with information about the group has continued and employees are encouraged to present their suggestions. Regular meetings are held between management and employee representatives and committees to allow a free flow of information.

Disabled employees

The group recognises its obligations towards disabled people. Our policy is to give full and fair consideration to every employment application from disabled persons, having regard to their particular aptitudes and abilities and to give equal opportunities to disabled employees with other employees, for training, career development and promotion. Every practicable effort is made to continue the employment of or arrange appropriate training for employees who become disabled.

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

This report was approved by the board on *29 November 2013* and signed on its behalf



P Deehan
Director

AWS ELECTRONICS GROUP LIMITED

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 group and company and of the profit or loss of the group and the company for that period.

In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AWS ELECTRONICS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AWS ELECTRONICS GROUP LIMITED

We have audited the financial statements of AWS Electronics Group Limited for the year ended 30 June 2013 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated 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 auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2013 and of the group's 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.

AWS ELECTRONICS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AWS ELECTRONICS GROUP 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

BDO LLP

Tobias Stephenson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

29 November 2013

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

AWS ELECTRONICS GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 £	As Restated 2012 £
TURNOVER	1,2	35,660,808	37,478,992
Cost of sales		<u>(27,662,098)</u>	<u>(30,024,352)</u>
GROSS PROFIT		7,998,710	7,454,640
Administrative expenses		<u>(6,145,477)</u>	(6,257,902)
Exceptional administrative expenses		<u>(692,500)</u>	(154,846)
Total administrative expenses		<u>(6,837,977)</u>	<u>(6,412,748)</u>
OPERATING PROFIT	3	1,160,733	1,041,892
Interest payable and similar charges	7	<u>(155,347)</u>	<u>(169,454)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,005,386	872,438
Tax on profit on ordinary activities	9	<u>(254,020)</u>	<u>(143,675)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>751,366</u>	<u>728,763</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

The notes on pages 10 to 24 form part of these financial statements


AWS ELECTRONICS GROUP LIMITED
REGISTERED NUMBER: 05626347

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	10		4,901,210		5,303,256
Tangible assets	11		603,976		684,644
			<u>5,505,186</u>		<u>5,987,900</u>
CURRENT ASSETS					
Stocks	13	4,190,717		4,730,206	
Debtors	14	6,061,459		4,644,439	
Cash at bank and in hand		216,722		-	
		<u>10,468,898</u>		<u>9,374,645</u>	
CREDITORS: amounts falling due within one year	15	(10,822,148)		(10,624,830)	
NET CURRENT LIABILITIES			<u>(353,250)</u>		<u>(1,250,185)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,151,936</u>		<u>4,737,715</u>
CREDITORS: amounts falling due after more than one year	16		(34,253)		(82,056)
NET ASSETS			<u>5,117,683</u>		<u>4,655,659</u>
CAPITAL AND RESERVES					
Called up share capital	18		134,286		134,286
Capital redemption reserve	19		133,000		133,000
Profit and loss account	19		4,850,397		4,388,373
SHAREHOLDERS' FUNDS	20		<u>5,117,683</u>		<u>4,655,659</u>

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

29 November 2013


P Deehan
 Director

The notes on pages 10 to 24 form part of these financial statements

AWS ELECTRONICS GROUP LIMITED
REGISTERED NUMBER: 05626347

COMPANY BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	11		40,470		27,507
Investments	12		11,664,162		11,664,162
			<u>11,704,632</u>		<u>11,691,669</u>
CURRENT ASSETS					
Debtors	14	103,284		111,098	
Cash at bank		1,401		298	
		<u>104,685</u>		<u>111,396</u>	
CREDITORS amounts falling due within one year	15	(9,501,891)		(11,131,698)	
NET CURRENT LIABILITIES			<u>(9,397,206)</u>		<u>(11,020,302)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,307,426</u>		<u>671,367</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	17		(2,800)		-
NET ASSETS			<u>2,304,626</u>		<u>671,367</u>
CAPITAL AND RESERVES					
Called up share capital	18		134,286		134,286
Capital redemption reserve	19		133,000		133,000
Profit and loss account	19		2,037,340		404,081
SHAREHOLDERS' FUNDS	20		<u>2,304,626</u>		<u>671,367</u>

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

29 November 2013

..... Paul Deehan

P Deehan
Director

The notes on pages 10 to 24 form part of these financial statements

AWS ELECTRONICS GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	22	3,854,165	2,647,635
Returns on investments and servicing of finance	23	(155,347)	(169,454)
Taxation	23	(125,631)	(240,318)
Capital expenditure and financial investment	23	(1,149,350)	(330,867)
CASH INFLOW BEFORE FINANCING		2,423,837	1,906,996
Financing	23	(385,428)	(2,126,400)
INCREASE/(DECREASE) IN CASH IN THE YEAR		2,038,409	(219,404)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 £	2012 £
Increase/(Decrease) in cash in the year	2,038,409	(219,404)
Cash outflow from decrease in debt and lease financing	547,026	2,126,400
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	2,585,435	1,906,996
New finance lease	-	(38,565)
New loans	(161,598)	-
Other non-cash changes	1,710,658	-
MOVEMENT IN NET DEBT IN THE YEAR	4,134,495	1,868,431
Net debt at 1 July 2012	(4,684,391)	(6,552,822)
NET DEBT AT 30 JUNE 2013	(549,896)	(4,684,391)

The notes on pages 10 to 24 form part of these financial statements

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

At 30 June 2013 the parent company balance sheet reflected net current liabilities of £9,397,206 Included in creditors falling due within one year, in the parent company balance sheet are amounts due to group companies of £8,480,418 and redeemable preference shares amounting to £497,714 In practice none of these amounts will be repaid within 12 months The directors of the group and its ultimate parent company have prepared cash flow forecasts to 30 June 2014 and have considered the period of up to 12 months after the accounts are signed which indicate the ultimate parent company, the group and the company will have sufficient funding to meet their liabilities as they fall due, based on facilities agreed with the group's bankers On the basis of the above the directors have formed a judgement that is appropriate to prepare the financial statements on the going concern basis

1.2 Basis of consolidation

The financial statements consolidate the accounts of AWS Electronics Group Limited and all of its subsidiary undertakings ('subsidiaries')

The acquisition method of accounting has been adopted The difference between the fair value of consideration given for a subsidiary undertaking and the fair value of the asset and liabilities acquired is capitalised as goodwill and amortised over its expected useful life

1.3 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 Income is recognised on despatch of goods or provision of services

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between the fair value of 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 of 20 years

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

Leasehold property improvements-	Over term of lease
Plant & machinery -	25% straight Line
Fixtures, fittings and equipment -	25-33% straight Line
Office equipment -	33% Straight line

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 Stocks and work in progress

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

1.10 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 not discounted.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at those of related forward exchange contracts.

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.

1.12 Research and development

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

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 ACCOUNTING POLICIES (continued)

1.13 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

2. TURNOVER

An analysis of turnover by class of business is as follows

	2013 £	2012 £
United Kingdom	32,515,989	33,740,465
Rest of world	3,144,819	3,738,527
	<u>35,660,808</u>	<u>37,478,992</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2013 £	2012 £
Amortisation - intangible fixed assets	402,046	402,046
Depreciation of tangible fixed assets		
- owned by the group	183,206	190,040
- held under finance leases	74,966	45,106
Operating lease rentals		
- other operating leases	377,885	358,249
Difference on foreign exchange	(108,199)	(74,014)
	<u> </u>	<u> </u>

4. AUDITOR'S REMUNERATION

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	6,500	6,500
Fees payable to the company's auditor and its subsidiaries in respect of		
The auditing of accounts of associates of the company	43,000	43,000
Taxation compliance services	10,000	10,000
Other services	-	7,500
	<u> </u>	<u> </u>

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	7,772,945	8,043,003
Social security costs	327,621	606,881
Other pension costs	62,852	63,920
	<u>8,163,418</u>	<u>8,713,804</u>

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

	2013 No.	2012 No.
Direct operatives	257	276
Indirect operatives	120	125
	<u>377</u>	<u>401</u>

6. DIRECTORS' REMUNERATION

	2013 £	2012 £
Emoluments	<u>368,302</u>	<u>332,119</u>
Company pension contributions to defined contribution pension schemes	<u>37,780</u>	<u>34,753</u>

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £196,714 (2012 - £176,361)

7. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	136,816	125,039
On other loans	13,106	32,639
On finance leases and hire purchase contracts	5,425	11,776
	<u>155,347</u>	<u>169,454</u>

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

8. EXCEPTIONAL ITEMS

	2013 £	2012 £
Reorganisation costs	502,363	154,846
Bad debts	190,137	-
	<u>692,500</u>	<u>154,846</u>

Over the financial year end a significant level of customer relationships and production were transferred within the AWS group of companies. The costs associated with this exercise together with other rationalisation costs are included within reorganisation costs.

9. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	257,579	126,177
Adjustments in respect of prior periods	(394)	-
Total current tax	<u>257,185</u>	<u>126,177</u>
Deferred tax		
Origination and reversal of timing differences	(4,696)	13,136
Effect of increased tax rate on opening liability	1,531	4,362
Total deferred tax (see note 17)	<u>(3,165)</u>	<u>17,498</u>
Tax on profit on ordinary activities	<u>254,020</u>	<u>143,675</u>

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23% (2012 - 24%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>1,005,386</u>	<u>872,438</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012 - 24%)	231,239	209,385
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	77,097	84,566
Expenses not deductible for tax purposes	7,546	21,988
Capital allowances for year in excess of depreciation	(5,630)	(11,343)
Adjustments to tax charge in respect of prior periods	(394)	-
Other timing differences	59,858	(1,415)
Group relief not paid for	(112,531)	(177,004)
Current tax charge for the year (see note above)	<u>257,185</u>	<u>126,177</u>

Factors that may affect future tax charges

During the year, as a result of the changes in the UK main corporation tax rate to 23% which was substantively enacted on 3 July 2012 and was effective from 1 April 2013, the relevant deferred tax balances have been re-measured

A further reduction to the UK corporation tax rate has been announced. The change proposes to reduce the rate to 22% from 1 April 2014. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements. The impact of the change is not considered to be material.

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Purchased Goodwill £	Total £
Cost			
At 1 July 2012 and 30 June 2013	<u>6,708,229</u>	<u>1,336,795</u>	<u>8,045,024</u>
Amortisation			
At 1 July 2012	1,939,060	802,708	2,741,768
Charge for the year	335,206	66,840	402,046
At 30 June 2013	<u>2,274,266</u>	<u>869,548</u>	<u>3,143,814</u>
Net book value			
At 30 June 2013	<u>4,433,963</u>	<u>467,247</u>	<u>4,901,210</u>
At 30 June 2012	<u>4,769,169</u>	<u>534,087</u>	<u>5,303,256</u>

AWS ELECTRONICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

11. TANGIBLE FIXED ASSETS

Group	Leasehold property improv'ts £	Plant and machinery £	Fixtures, fittings and equipment £	Office equipment £	Total £
Cost					
At 1 July 2012	163,568	4,026,965	519,683	576,380	5,286,596
Additions	-	88,498	39,432	48,099	176,029
At 30 June 2013	163,568	4,115,463	559,115	624,479	5,462,625
Depreciation					
At 1 July 2012	160,151	3,470,453	474,462	496,886	4,601,952
Charge for the year	87	198,475	23,089	35,046	256,697
At 30 June 2013	160,238	3,668,928	497,551	531,932	4,858,649
Net book value					
At 30 June 2013	3,330	446,535	61,564	92,547	603,976
At 30 June 2012	3,417	556,512	45,221	79,494	684,644

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

Group	2013 £	2012 £
Plant and machinery	113,325	180,658
Office equipment	-	7,205
	113,325	187,863

Company	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 July 2012	46,305	194,570	240,875
Additions	-	31,567	31,567
At 30 June 2013	46,305	226,137	272,442
Depreciation			
At 1 July 2012	45,177	168,191	213,368
Charge for the year	673	17,931	18,604
At 30 June 2013	45,850	186,122	231,972
Net book value			
At 30 June 2013	455	40,015	40,470
At 30 June 2012	1,128	26,379	27,507

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

11 TANGIBLE FIXED ASSETS (continued)

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

Company	2013 £	2012 £
Computer equipment	-	7,205

12 FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost	
At 1 July 2012 and 30 June 2013	11,664,162
Net book value	
At 30 June 2013	11,664,162
At 30 June 2012	11,664,162

Details of the principal subsidiaries can be found under note number 30

13 STOCKS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Raw materials	2,195,927	2,885,151	-	-
Work in progress	1,994,790	1,845,055	-	-
	4,190,717	4,730,206	-	-

14. DEBTORS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	5,714,078	4,208,743	-	-
Other debtors	10,320	74,517	10,320	14,441
Prepayments and accrued income	294,696	321,979	92,964	92,757
Deferred tax asset (see note 17)	42,365	39,200	-	3,900
	6,061,459	4,644,439	103,284	111,098

AWS ELECTRONICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

**15. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Unsecured loan notes	30,000	380,000	30,000	380,000
Bank loans and overdrafts	161,598	1,821,687	-	-
Amounts owed to group undertakings	1,026,678	1,811,921	8,480,418	9,841,638
Net obligations under finance leases and hire purchase contracts	43,053	91,013	-	-
Trade creditors	5,895,170	4,087,409	100,995	121,956
Corporation tax	257,861	126,308	-	-
Social security and other taxes	890,403	658,425	-	-
Other creditors	404,251	332,730	151,798	106,200
Accruals and deferred income	1,615,420	817,623	240,966	184,190
Share capital treated as debt (Note 18)	497,714	497,714	497,714	497,714
	<u>10,822,148</u>	<u>10,624,830</u>	<u>9,501,891</u>	<u>11,131,698</u>

Finance leases are secured over the assets to which they relate

Bank loans and overdraft of the group amounting to £161,598 (2012 - £nil) are secured by fixed and floating charges over the assets of a subsidiary company and are guaranteed by the company

Bank loans and overdraft of the group and company amounting to £nil (2012 - £1,821,687) are secured by fixed and floating charges over all current and future assets of the group and cross guarantees between UK based group companies

**16. CREDITORS:
Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	34,253	82,056	-	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Between one and five years	34,253	82,056	-	-

Finance leases are secured over the assets to which they relate

AWS ELECTRONICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

17. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	39,200	56,698	3,900	2,464
Charge for the year	3,165	(17,498)	(6,700)	1,436
At end of year	<u>42,365</u>	<u>39,200</u>	<u>(2,800)</u>	<u>3,900</u>

The deferred taxation balance is made up as follows

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	28,400	36,760	(3,800)	(3,010)
Tax losses brought forward	3,500	2,440	1,000	(890)
Advance corporation tax	10,465	-	-	-
	<u>42,365</u>	<u>39,200</u>	<u>(2,800)</u>	<u>(3,900)</u>

18. SHARE CAPITAL

	2013	2012
	£	£
Shares classified as capital		
Allotted, called up and fully paid		
85,714 A ordinary Shares shares of £1 each	85,714	85,714
34,286 B Ordinary Shares shares of £1 each	34,286	34,286
14,286 C Ordinary Shares shares of £1 each	14,286	14,286
	<u>134,286</u>	<u>134,286</u>
Shares classified as debt		
Allotted, called up and fully paid		
497,714 Redeemable preference shares shares of £1 each	<u>497,714</u>	<u>497,714</u>

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

19 RESERVES

	Capital redempt'n reserve £	Profit and loss account £
Group		
At 1 July 2012	133,000	4,388,373
Profit for the year		751,366
Dividends Equity capital		(2,000,000)
Capital contribution		1,710,658
At 30 June 2013	<u>133,000</u>	<u>4,850,397</u>

The capital contribution was made by the company's former ultimate parent company, AWS Group Holdings Limited prior to its sale of the entire share capital of the company to DEKE Holdings Limited

	Capital redempt'n reserve £	Profit and loss account £
Company		
At 1 July 2012	133,000	404,081
Profit for the year		1,922,601
Dividends Equity capital		(2,000,000)
Capital contribution		1,710,658
At 30 June 2013	<u>133,000</u>	<u>2,037,340</u>

AWS ELECTRONICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Group		
Opening shareholders' funds	4,655,659	3,926,896
Profit for the year	751,366	728,763
Dividends (Note 21)	(2,000,000)	-
Capital contribution	1,710,658	-
	<u>5,117,683</u>	<u>4,655,659</u>
Closing shareholders' funds	<u>5,117,683</u>	<u>4,655,659</u>

	2013	2012
	£	£
Company		
Opening shareholders' funds	671,367	3,410
Profit for the year	1,922,601	667,957
Dividends (Note 21)	(2,000,000)	-
Capital contribution	1,710,658	-
	<u>2,304,626</u>	<u>671,367</u>
Closing shareholders' funds	<u>2,304,626</u>	<u>671,367</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £1,922,601 (2012 - £667,957)

The capital contribution was made by the company's former ultimate parent company, AWS Group Holdings Limited

21. DIVIDENDS

	2013	2012
	£	£
Dividends paid on equity capital	<u>2,000,000</u>	<u>-</u>

22 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	1,160,733	1,041,892
Amortisation of intangible fixed assets	402,046	402,046
Depreciation of tangible fixed assets	256,697	235,145
Decrease in stocks	539,489	1,246,891
(Increase)/decrease in debtors	(1,413,855)	3,839,769
Increase/(decrease) in creditors	2,909,055	(4,118,108)
	<u>3,854,165</u>	<u>2,647,635</u>
Net cash inflow from operating activities	<u>3,854,165</u>	<u>2,647,635</u>

AWS ELECTRONICS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest paid	(149,922)	(157,678)
Hire purchase interest	(5,425)	(11,776)
	<u>(155,347)</u>	<u>(169,454)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(155,347)</u>	<u>(169,454)</u>
	2013 £	2012 £
Taxation		
Corporation tax	(125,631)	(240,318)
	<u>(125,631)</u>	<u>(240,318)</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(176,029)	(330,867)
Advances to parent company	(973,321)	-
	<u>(1,149,350)</u>	<u>(330,867)</u>
Net cash outflow from capital expenditure	<u>(1,149,350)</u>	<u>(330,867)</u>
	2013 £	2012 £
Financing		
Repayment of other loans	(350,000)	(330,000)
Other new loans	161,598	-
Parent company loan	(101,263)	(1,739,090)
Repayment of finance leases	(95,763)	(57,310)
	<u>(385,428)</u>	<u>(2,126,400)</u>
Net cash outflow from financing	<u>(385,428)</u>	<u>(2,126,400)</u>

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

24 ANALYSIS OF CHANGES IN NET DEBT

	1 July 2012 £	Cash flow £	Other non-cash changes £	30 June 2013 £
Cash at bank and in hand	-	216,722	-	216,722
Bank overdraft	(1,821,687)	1,821,687	-	-
	<u>(1,821,687)</u>	<u>2,038,409</u>	<u>-</u>	<u>216,722</u>
Finance leases	(173,069)	95,763	-	(77,306)
Debts due within one year	(2,689,635)	289,665	1,710,658	(689,312)
	<u>(4,684,391)</u>	<u>2,423,837</u>	<u>1,710,658</u>	<u>(549,896)</u>
Net debt	(4,684,391)	2,423,837	1,710,658	(549,896)

Non cash changes represent the forgiving of group balances in the form of a capital contribution from the former parent operation, and other non cash movements in group balances

25 PENSION COMMITMENTS

Certain companies within the group operate defined contributions pension schemes. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £62,852 (2012 - £63,920). Contributions totalling £5,838 (2012 - £10,813) were payable to the fund at the year end and are included in creditors.

26. OPERATING LEASE COMMITMENTS

At 30 June 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2013	2012
Group	£	£
Expiry date:		
Within 1 year	26,595	28,198
Between 2 and 5 years	136,250	136,250
After more than 5 years	180,000	180,000
	<u>242,845</u>	<u>344,448</u>

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2013	2012
Company	£	£
Expiry date:		
Between 2 and 5 years	16,250	16,250
	<u>16,250</u>	<u>16,250</u>

AWS ELECTRONICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

27. OTHER FINANCIAL COMMITMENTS

The group and company has guaranteed the borrowings of its parent and subsidiary undertakings. At 30 June 2013 potential liabilities under this arrangement for the group amounted to £5,534,384 (2012 £5,851,430) and for the company £5,535,785 (2012 £7,496,923). The guarantee is secured by a debenture over the assets of the group and company.

As at the 30 June 2013 the group had forward foreign exchange contracts amounting to £626,135 (2012 £244,444). This was not significantly different from the fair value of the contracts.

28. RELATED PARTY TRANSACTIONS

Advantage has been taken not to disclose transactions with group companies included within these consolidated financial statements.

During the year balances with the previous parent entities of the group were forgiven in the form of a capital contribution totalling £1,710,658.

29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 30 June 2013 the directors consider DEKE Holdings Limited, a company registered in England and Wales, to be the company's ultimate parent undertaking and Mr P Deehan to be the ultimate controlling party. Copies of the consolidated financial statements of DEKE Holdings can be obtained from the registered office, Unit 2, Offerton Barns Business Centre, Offerton Farm, Offerton Lane, Hindlip, Worcestershire, WR3 8SX.

30. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding
AWS Electronics Limited	England and Wales	100%
Jantec Electronic Services Ltd	England and Wales	100%
Cemgraft Ltd	England and Wales	100%
AWS Slovakia s r o	Slovakia	100%

All subsidiary companies manufacture electronic equipment.

31. RESTATEMENT

A prior year restatement has been put through to reduce 2012 turnover and cost of sales equally by £1,212,530 relating to inter group sales erroneously not excluded on consolidation. There is no profit effect.