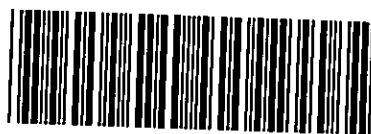


Novatech Holdings Limited
Directors' report and financial
statements
Registered number 7033534
30 April 2013

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Directors' report

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

Results and dividends

The profit for the year, after taxation, amounted to £741,468 (2012 £426,349) Ordinary dividends of £906,670 (2012 £nil) were payable during the year

Principal activities

The principal activity of the Group during the year was the assembly, supply and support of personal computers and every aspect of IT infrastructure Our main routes to market are our Business Sales Team, our website, our retail stores and our retail stores

The principal activity of the Company is that of a holding company

During the year, as part of a capital restructure, the group repurchased 1,000 of its own £1 Class D ordinary shares for market value consideration of £1,000

Business Review

The Group has seen turnover fall to £38,704,555 from £39,191,808 prior year This is as a result of our continuing move of focus away from the increasingly difficult consumer sector to concentrate on the business sector where the Board feels our future lies and where we are enjoying continued growth We will continue to make further investment going forward where we see the greatest opportunities

The Directors' see the company's key strengths as having a focussed strategy, an effective Management Team and a skilled, loyal staff to deliver it The Directors look forward to a year of growth in 2013/14

Financial risk management

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and foreign exchange risk Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board The policies set by the board of directors are implemented by the company's finance department

Foreign exchange risk

The main financial risk to which the group is exposed to is fluctuations in the US dollar and Euro exchange rates, with a high proportion of the business' product cost being denominated in these currencies

The Group policy is to manage any exchange risk by monitoring rates closely and purchasing currency when trends present benefit to the group in order to ensure funds are available for settlement of liabilities due The Group has no exposure to equity securities price risk as it holds no other equity investments

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made Debt finance is not utilised In addition the Group manages any potential risk by insuring its credit sales against non-payment

Liquidity risk

The Group retains sufficient cash to ensure it has sufficient funds available for operations

Directors' report (*continued*)

Interest rate cash flow risk

The Group hold no interest bearing assets or trade liabilities. The long term loan from the Group's bankers is subject to interest at LIBOR plus a margin of 1% per annum.

Going Concern

The financial statements have been prepared on a going concern basis. No material uncertainties that cause significant doubt about the ability of the company to continue as a going concern have been identified by the Directors.

The Group has considerable financial resources. The £1m revolving facility adds additional headroom to the Group's cash flow forecasts. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Key performance indicators

The key financial performance indicators in the business, predominately dealing with sales, margin, stock, customers and overheads, have been identified and are monitored and reported to staff on a monthly basis.

Directors

The current directors who served the group during the year and subsequent to the year end were as follows:

DRM Furby

J Furby

DA Payne-Shelley

Enterprise management incentive scheme

The Group has an Enterprise Management Incentive (EMI) scheme for the directors of the group and one senior manager within the Group. The EMI option is a right to acquire shares in the Company. The 83,000 options are exercisable for £9 per share in the future subject to particular terms and conditions being satisfied. As the options are only exercisable in the event of the sale of the Company or its listing on a recognised stock exchange, no further disclosure has been provided in accordance with the accounting policy.

Research and development

The group is committed to research and development activities in order to maintain and to improve upon its commitment to quality and innovation.

Research and development expenses in the year amounted to £300,000 (2012 £226,000).

Employees

The group's policy is to consult and discuss with employees, through the employee forum and at meetings, matters likely to affect employees' interests. Information on matters of concern to employees is given through regular meetings, formal consultations and information bulletins which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled employees

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given once employed. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Directors' report *(continued)*

Political and charitable contributions

The group made charitable donations during the year of £3,010 (2012 £4,707)

Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings is not materially different from their book value

Post balance sheet events

After the balance sheet date, the Group took the decision to exit one of its leased stores at the next contractual break. Plant and equipment which cannot be redeployed elsewhere in the Group will have their remaining useful economic lives shortened, resulting in accelerated depreciation charges next year. The Group is assessing redeployment options for staff where required.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the group's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the appointment of KPMG LLP as auditor of the group is to be proposed at the forthcoming Annual General Meeting.

By order of the board



D Payne-Shelley
Secretary

Harbour House
Hamilton Road
Castle Trading Estate
Cosham
Hampshire
PO6 4PU

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 parent company and of their profit or loss for that period. In preparing each of the group and parent company 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,
- 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 will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

Dukes Keep
Marsh Lane
Southampton
SO14 3EX
United Kingdom

Independent Auditor's Report to the Members of Novatech Holdings Limited

We have audited the financial statements of Novatech Holdings Limited for the year ended 30 April 2013 set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Financial Reporting Council's web-site 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 April 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK 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.

Independent auditor's report to the members of Novatech Holdings Limited

(continued)

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

W. Smith

William Smith (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Dukes Keep,
Marsh Lane,
Southampton
SO14 3EX

30th July 2013

Consolidated Profit and Loss Account for the period ended 30 April 2013

	Note	2013 £	2012 £
Turnover	2	38,704,555	39,191,808
Cost of sales	3	(31,882,830)	(32,262,964)
Gross profit		6,821,725	6,928,844
Administrative expenses	3	(6,022,090)	(6,478,540)
Other operating income		75,083	74,796
Group operating profit		874,718	525,100
Other interest receivable and similar income	6	-	195
Interest payable and similar charges	7	(22,031)	(13,141)
Profit on ordinary activities before taxation		852,687	512,154
Tax on profit on ordinary activities	8	(111,219)	(85,805)
Profit for the financial year	18	741,468	426,349

The above results relate entirely to the continuing activities of the Group

Consolidated Statement of Total Recognised Gains and Losses for the year ended 30 April 2013

	2013 £	2012 £
Profit for the financial year	741,468	426,349
Unrealised loss on revaluation of properties	-	(281,040)
Total recognised gains and losses	741,468	145,309

Note of consolidated historical cost profits and losses for the year ended 30 April 2013

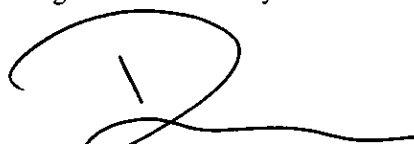
	2013 £	2012 £
Reported profit on ordinary activities before taxation	852,687	512,154
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	8,787	14,407
Historical cost profit on ordinary activities before taxation	861,474	526,561
Historical cost profit for the year retained after taxation and dividends	(156,415)	440,756

Consolidated Balance Sheet

At 30 April 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	10		4,199,381		4,277,657
			<u>4,199,381</u>		<u>4,277,657</u>
Current assets					
Stocks	12	2,356,893		2,551,694	
Debtors	13	1,852,645		2,183,324	
Cash at bank and in hand		3,038,359		3,049,835	
		<u>7,247,897</u>		<u>7,784,853</u>	
Creditors: amounts falling due within one year	14	(6,342,587)		(6,528,590)	
Net current assets			<u>905,310</u>		<u>1,256,263</u>
			5,104,691		5,533,920
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	15		(611,389)		(874,416)
Provisions for liabilities	16		(64,642)		(64,642)
Net Assets			<u>4,428,660</u>		<u>4,594,862</u>
Capital and reserves					
Called up share capital	17		535,501		536,501
Revaluation reserve	18		436,840		445,627
Other reserves	18		165,485		164,485
Profit and loss account	18		3,290,834		3,448,249
Equity			<u>4,428,660</u>		<u>4,594,862</u>

These financial statements were approved by the board of directors on 30th July 2013 and were signed on its behalf by



D Payne-Shelley
 Director

Consolidated Cash Flow Statement
for the year ended 30 April 2013

	<i>Note</i>	2013 £	2012 £
Cash flow from operating activities	21	1,277,824	1,397,143
Returns on investments and servicing of finance	22	(22,031)	(12,946)
Taxation		(30,500)	(205,233)
Capital expenditure	22	(86,946)	(589,047)
Dividends paid on shares classified in shareholders' funds	9	(830,550)	-
Financing	22	(319,273)	(318,276)
		<hr/>	<hr/>
(Decrease)/Increase in cash in the year		(11,476)	271,641
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt			
(Decrease)/Increase in cash in the year		(11,476)	271,641
Decrease in bank loans		318,276	318,276
		<hr/>	<hr/>
Movement in net debt in the year		306,800	589,917
Net debt at the start of the year		1,988,915	1,398,998
		<hr/>	<hr/>
Net debt at the end of the year		2,295,715	1,988,915
		<hr/>	<hr/>

Reconciliations of Movements in Shareholders' Funds
for the year ended 30 April 2013

	Group 2013 £	2012 £	Company 2013 £	2012 £
Profit for the financial year	741,468	426,349	-	-
Dividend income from subsidiaries	-	-	907,673	-
Dividends on shares classified in shareholders' funds	(906,670)	-	(906,670)	-
Retained profit	(165,202)	426,349	1,003	-
Revaluation of properties	-	(281,040)	-	-
Consideration payable for the purchase of own shares	(1,000)	-	(1,000)	-
Net (decrease)/increase in shareholders' funds	(166,202)	145,309	3	-
Opening shareholders' funds	4,594,862	4,449,553	536,498	536,498
Closing shareholders' funds	4,428,660	4,594,862	536,501	536,498

Company Balance Sheet
at 30 April 2013

	<i>Note</i>	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Investments	11		535,500		535 500
Current assets					
Debtors		77,123		-	
Cash at bank and at hand		1		998	
		<u>77,124</u>		<u>998</u>	
Creditors: amounts falling due within one year			(76,123)		-
Net current assets			<u>1,001</u>		<u>998</u>
Total assets less current liabilities			<u>536,501</u>		<u>536,498</u>
Net Assets			<u>536,501</u>		<u>536,498</u>
Capital and reserves					
Called up share capital	17		535,501		536 501
Other reserves	18		1,000		-
Profit and Loss account	18		-		(3)
Equity			<u>536,501</u>		<u>536,498</u>

These financial statements were approved by the board of directors on 30th July 2013 and were signed on its behalf by


D Payne-Shelley
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The financial statements have been prepared on a going concern basis. The company has considerable financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 April 2013.

On the 22 March 2010, the company was incorporated and acquired the entire issued share capital of Novatech Limited in a share exchange. The transaction has been accounted for under merger method of accounting in order to reflect properly the substance of the transaction. Under the merger method, subsidiaries acquired are included as if they had always been members of the group.

Under S408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years on a straight line basis
Leasehold land and buildings	-	Over the term of the lease
Plant and machinery	-	20% on a straight line basis
Fixtures and fittings	-	20% on a straight line basis
Motor vehicles	-	20% on reducing balance
Computer equipment	-	20% on a straight line basis
Website	-	20% on a straight line basis

No depreciation is provided on freehold land.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investment properties

Investment properties are accounted for in accordance with SSAP 19. Investment properties are revalued triennially. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Turnover

Revenue comprises of sales of goods and services excluding value added tax. Revenue from sales of goods is recognised at the point of sale, or where later, upon delivery to the customer and is stated net of returns. Revenue earned from customer support agreements is recognised as such over the life of the agreement by reference to the stage of completion of the transaction at the balance sheet date.

Other operating income received is in respect of sub-let property and is recognised on a straight line basis over the life of the agreement.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

Notes (continued)

(forming part of the financial statements)

1 Accounting policies (continued)

Share based payments

FRS 20 requires the fair value of options and share awards relating to the company, which ultimately vest to be charged to the company's profit and loss account over the vesting or performance period. For equity-settled transactions the fair value is determined at the date of grant using an appropriate pricing model. For cash-settled transactions fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. If an award fails to vest as a result of certain types of performance condition not being satisfied, the charge to the profit and loss account will be adjusted to reflect this.

As the number of unexercised share options in existence at the balance sheet date was minimal, further disclosure has not been included within the financial statements as the related FRS 20 fair value is considered not to be material.

Pensions

Contributions to employees' personal pension schemes are charged to the profit and loss account in the year to which they relate.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do meet this criteria are disclosed in the notes to the financial statements.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2 Turnover

	2013 £	2012 £
United Kingdom	38,704,555	39,191,808

Notes (continued)

3 Notes to the profit and loss account

	2013 £	2012 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation	158,142	178,966
Amortisation	-	3,393
Loss on disposal of fixed assets	7,080	5,179
Opening lease rentals -		
Land and building	121,530	121,530
Other	31,244	14,302
Rental Income	(75,000)	(75,000)
Net profit on foreign currency transaction	(297,045)	(311,278)

Amounts paid to the Company's auditor and their associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis

Auditor's remuneration

	2013 £	2012 £
Audit of the financial statements current auditors		
- Audit of financial statements	24,500	22,948
Amounts receivable by auditors and their associates in respect of		
- Other services relating to taxation	5,000	4,750
- Other	750	700

4 Remuneration of directors

	2013 £	2012 £
Directors' emoluments	652,288	639,483
Company contributions to money purchase pension schemes	3,222	3,361

	Number of directors	
	2013	2012
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	1	1
	2013 £	2012 £
The amounts in respect of highest paid directors are as follows		
Emoluments	173,551	171,158

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2013	2012
Administration and sales	88	90
Marketing	5	4
Production and distribution	111	122
	<u>204</u>	<u>216</u>

The aggregate payroll costs of these persons were as follows

	2013	2012
	£	£
Wages and salaries	4,315,539	4,523,220
Social security costs	422,395	444,672
Other pension costs	62,387	62,357
	<u>4,800,321</u>	<u>5,030,249</u>

Notes (continued)

6 Other interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	-	60
Other interest payable	-	135
	<u>-</u>	<u>195</u>

7 Interest payable and similar charges

	2013 £	2012 £
Bank interest payable	22,031	13,141
Other interest payable	-	-
	<u>22,031</u>	<u>13,141</u>

8 Taxation

Analysis of charge in period

	2013 £	2013 £
<i>UK corporation tax</i>		
Current tax on income for the period	140,751	60,032
Adjustments in respect of prior periods	(29,532)	-
	<u>111,219</u>	<u>60,032</u>
Total current tax	111,219	60,032
<i>Deferred tax (see note 16)</i>		
Origin/reversal of timing differences and effect of rate changes	-	25,773
	<u>-</u>	<u>25,773</u>
Tax on profit on ordinary activities	<u>111,219</u>	<u>85,805</u>

Notes (continued)

8 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2012 lower) than the standard rate of corporation tax for the year of 23.92% (2012 25.83%). The differences are reconciled below

	2013 £	2012 £
Profit on ordinary activities before tax	852,687	512,154
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.92% (2012 25.83%)	203,934	132,306
<i>Effects of</i>		
Depreciation and disposal of fixed assets exceeding capital allowances	10,309	5,320
Expenses not deductible for tax purposes	2,582	2,497
Qualifying R&D expenditure	(67,494)	(59,536)
Other differences	(3)	(3,049)
Marginal rate relief	(8,577)	(17,506)
Adjustments to tax charge in respect of previous periods	(29,532)	-
Total current tax charge (see above)	111,219	60,032

9 Dividends

The aggregate amount of dividends comprises

	2013 £	2012 £
Interim dividends payable in respect of the current year	906,670	-

£830,550 of the interim dividend has been paid during the year, the remaining £76,120 is shown within other creditors as it is appropriately authorised and no longer at the discretion of the company

Notes (continued)

10 Tangible fixed assets

Group

	Freehold land £	Freehold & leasehold buildings £	Investment property £	Plant and machinery £	Fixtures, fittings, equipment, website & motor vehicles £	Total £
<i>Cost or valuation</i>						
At beginning of year	750,000	2,530,810	814,664	12,407	640,503	4,748,384
Additions	-	41,805	-	-	60,141	101,946
Revaluations	-	-	-	-	-	-
Disposals	-	-	-	-	(34,500)	(34,500)
At end of year	750,000	2,572,615	814,664	12,407	666,144	4,815,830
<i>Depreciation</i>						
At beginning of year	-	129,123	-	4,572	337,032	470,727
Charge for year	-	65,025	-	2,482	90,635	158,142
Revaluations	-	-	-	-	-	-
On disposals	-	-	-	-	(12,420)	(12,420)
At end of year	-	194,148	-	7,054	415,247	616,449
<i>Net book value</i>						
At 30 April 2013	750,000	2,378,467	814,664	5,353	250,897	4,199,381
At 30 April 2012	750,000	2,401,687	814,664	7,835	303,471	4,277,657

Notes (continued)

10 Tangible fixed assets (continued)

Cost or valuation is represented by

	Freehold land £	Freehold & leasehold buildings £	Investment property £	Plant and machinery £	Fixtures, fittings, equipment, website & motor vehicles £	Total £
<i>Cost or valuation</i>						
Valuation	750,000	1,700,000	814,664	-	-	3,264,664
Cost	-	872,615	-	12,407	666,144	1,551,166
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	750,000	2,572,615	814,664	12,407	666,144	4,815,830
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of freehold & leasehold buildings comprises

	2013 £	2012 £
Freehold property at valuation	1,666,000	1,700,000
<i>Other properties at cost</i>		
Freehold additions	40,969	-
Long leasehold	491,300	502,255
Short leasehold	180,198	199,432
	<hr/>	<hr/>
Total	2,378,467	2,401,687
	<hr/>	<hr/>

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	2013 £	2012 £
Cost	1,432,070	1,432,070
Aggregate depreciation	(364,028)	(335,387)
	<hr/>	<hr/>
Net book value of freehold land and buildings	1,068,042	1,096,683
	<hr/>	<hr/>

Freehold land and buildings were valued on an open market basis on 6 January 2012 by Hellier Langston, Chartered Surveyors. Hellier Langston, Chartered Surveyors confirm the valuation report has been made in accordance with RICS Appraisal and Valuation Manual.

The directors have performed a valuation of investment property and confirmed there has been no change in the market value of these properties.

The company holds no fixed assets.

Notes (continued)

11 Fixed asset investments

Company	Shares in group undertaking £	Total £
<i>Cost and net book value</i>		
At 30 April 2012 and at 30 April 2013	535 500	535 500

The undertakings in which the Company's interest at the year end is more than 20% are as follows

<i>Subsidiary undertakings</i>	Country of incorporation	Principal activity	Class and percentage of shares held
Novatech Limited	UK	Computer assembly, supply and support	Ordinary 100%

The group has no investments (2012 none)

12 Stocks

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Finished goods and goods for resale	2,356,893	2,551,694	-	-

13 Debtors

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	1,422,112	1,875,991	-	-
Other debtors	32,261	224,100	77,123	-
Prepayments and accrued income	398,272	83,233	-	-
	<u>1,852,645</u>	<u>2 183,324</u>	<u>77,123</u>	<u>-</u>

Notes (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Current instalment due on bank loan (note 15)	318,276	318,276	-	-
Trade creditors	4,251,826	4,688,037	-	-
Corporation tax	140,751	60,032	-	-
Taxation and social security	660,231	618,404	-	-
Other creditors	281,627	169,769	76,123	-
Accruals and deferred income	689,876	674,072	-	-
	<u>6,342,587</u>	<u>6,528,590</u>	<u>76,123</u>	<u>-</u>

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Loans	424,368	742,644	-	-
Accruals and deferred income	187,021	131,772	-	-
	<u>611,389</u>	<u>874,416</u>	<u>-</u>	<u>-</u>

The bank loan is secured by a charge over the company freehold land and building at the Castle Trading Company Estate, Portchester. The rate of interest payable on the loans is 1% above the base rate. During the year the Group secured a Sterling Revolving Loan Facility of up to £1,000,000 for working capital purposes. This facility is secured over the company's freehold land and buildings, and investment property. The facility was not in use at 30 April 2013.

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts repayable -				
In less than one year	318,276	318,276	-	-
In more than one year but not more than two years	318,276	318,276	-	-
In more than two years but not more than 5 years	106,092	424,368	-	-
	<u>742,644</u>	<u>1,060,920</u>	<u>-</u>	<u>-</u>
In more than five years	-	-	-	-
	<u>742,644</u>	<u>1,060,920</u>	<u>-</u>	<u>-</u>
Less included in creditors amounts falling due within 1 year	(318,276)	(318,276)	-	-
	<u>424,368</u>	<u>742,644</u>	<u>-</u>	<u>-</u>

Notes (continued)

16 Provisions for liabilities

	Deferred taxation £	Total £
Group		
At beginning of year	64,642	64,642
Charge to the profit and loss for the year	-	-
	<hr/>	<hr/>
At end of year	64,642	64,642
	<hr/>	<hr/>

The elements of deferred taxation are as follows

	2013 £	2012 £
Difference between accumulated depreciation and amortisation and capital allowances	64,642	64,642
	<hr/>	<hr/>
		£
At 1 May 2012		(64,642)
Origination and reversal of timing differences in the year		(2,697)
Effect of rate changes		2,697
		<hr/>
At 30 April 2013		(64,642)
		<hr/>

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or where capital gains arising on the sale of properties have been rolled over into replacement assets

Such tax would become payable only if the property were sold without it being possible to claim further rollover relief. The total amount unprovided is estimated at £200,000, which would be reduced by available indexation allowance. At present, it is not envisaged that any such tax will become payable in the foreseeable future.

A reduction in the UK corporation tax rate to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This reduced the company's current tax charge accordingly. The deferred tax liability at 30 April 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the group's future current tax charge and reduce the company's deferred tax liability accordingly.

Notes (continued)

17 Called up share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
535,500 Class A Ordinary shares of £1 each	535,500	535,500
<i>Allotted and called up</i>		
1 Class C Ordinary shares of £1 each	1	1
Nil (2012 1,000) Class D Ordinary shares of £1 each	-	1,000
At 30 April	535,501	536,501

During the year, as part of a capital restructure, the group repurchased 1,000 of its own £1 Class D ordinary shares for market value consideration of £1,000 from its shareholders £997 of this was settled in cash, and a creditor of £3 remains outstanding at 30 April 2013

18 Reserves

Group	Other reserves £	Revaluation reserve £	Profit and loss account £
At beginning of year	164,485	445,627	3,448,249
Profit for the year	-	-	741,468
Dividends	-	-	(906,670)
Consideration payable for the purchase of own shares	1,000	-	(1,000)
Transfer to/from revaluation reserve	-	(8,787)	8,787
At 30 April 2013	165,485	436,840	3,290,834

Company	Other reserves £	Profit and loss account £
At beginning of year	-	(3)
Dividend income from subsidiaries	-	907,673
Dividends payable	-	(906,670)
Consideration payable for the purchase of own shares	1,000	(1,000)
At 30 April 2013	1,000	-

19 Pension scheme

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £62,387 (2012 £62,357).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes (continued)

20 Employee share schemes

At the 30 April the company had in issue the following share options through which holders of such options may acquire shares

Class of shares	No's of options	Exercise Price	Period options exercisable
A Ordinary shares	25,000	£9 00	27 March 2013 – 26 March 2023
B Ordinary shares	58,000	£9 00	27 March 2013 – 26 March 2023

The Directors consider the share options will be settled through issue of the relevant equity. As the options are only exercisable in the event of the sale of the company or its listing on a recognised stock exchange, no further disclosure has been provided in accordance with the accounting policy.

21 Reconciliation of operating profit to operating cash flows

	2013 Total £	2012 Total £
Operating profit	874,718	525,100
Depreciation, amortisation and impairment charges	158,142	182,359
Loss on sale of fixed assets	7,080	(5,179)
(Increase)/decrease in stocks	194,801	(329,404)
(Increase)/decrease in debtors	330,679	(35,617)
Increase/(decrease) in creditors	(287,596)	1,059,884
Net cash inflow/outflow from operating activities	1,277,824	1,397,143

Notes (continued)

22 Analysis of cash flows

	2013 £	2013 £	2012 £	2012 £
Returns on investment and servicing of finance				
Interest received	-		195	
Interest paid	(22,031)		(13,141)	
	<u></u>	(22,031)	<u></u>	(12,946)
		<u></u>		<u></u>
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(101,946)		(601,282)	
Sale of tangible fixed assets	15,000		12,235	
	<u></u>	(86,946)	<u></u>	(589,047)
		<u></u>		<u></u>
Financing				
Repayment of borrowings	(318,276)		(318,276)	
Consideration paid for the purchase of own shares	(997)		-	
	<u></u>	(319,273)	<u></u>	(318,276)
		<u></u>		<u></u>

23 Analysis of net debt

	At beginning of year £	Cash flow £	Transfers £	At end of year £
Cash in hand, at bank	3,049,835	(11,476)	-	3,038,359
Debt due within one year	(318,276)	318,276	(318,276)	(318,276)
Debt due after one year	(742,644)	-	318,276	(424,368)
	<u></u>	<u></u>	<u></u>	<u></u>
Total	1,988,915	306,800	-	2,295,715
	<u></u>	<u></u>	<u></u>	<u></u>

Notes (continued)

24 Related party disclosures

The Company is controlled by Mr & Mrs DRM Furby, who are the majority shareholders

Group

During the year the following purchases were made by the directors

	2013 £	2012 £
DRM Furby	-	-
J Furby	-	-
S Longmore	-	54
DA Payne-Shelley	652	1,291
J Wilson	1,726	113
J Davies	353	-

During the year the group made a loan to DRM Furby, the maximum amount outstanding during the year was £167,623 (2012 £41,378). Included in creditors at the year end is £nil (2012 £nil) owed to DRM Furby. During the year, the group also made a loan to Isabella Morgan LLP, an entity of which David and Joanne Furby are two of the three partners. The maximum amount outstanding during the year was £662,573 (2012 £nil) and the balance outstanding at year end was £353 (2012 £nil). The loans exceed £10,000 and therefore contravene section 197 of the Companies Act 2006.

25 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2013 Land and Buildings £	2013 Other £	2012 Land and Buildings £	2012 Other £
Operating leases which expire				
Less than 1 year	-	-	-	-
2 – 5 years	121,530	31,244	121,530	27,371
Over five years	-	-	-	-
	<u>121,530</u>	<u>31,244</u>	<u>121,530</u>	<u>27,371</u>

At year end, the group had in place a forward exchange contract to buy \$500,000 for £336,927 (at an exchange rate of 1.484) for the purpose of managing foreign currency risk. The fair value of these derivative financial instrument liabilities held at 30 April 2013 but not recognised on the balance sheet is £50,539 (2012 £nil).

26 Post balance sheet events

After the balance sheet date, the Group took the decision to exit one of its leased stores at the next contractual break. Plant and equipment which cannot be redeployed elsewhere in the Group will have their remaining useful economic lives shortened, resulting in accelerated depreciation charges next year. The Group is assessing redeployment options for staff where required.