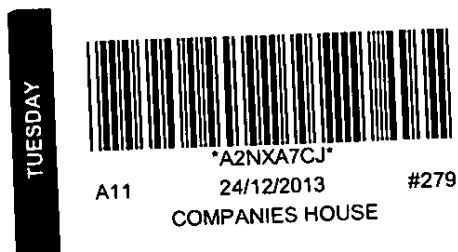

financial statements

Beta Distribution Plc

For the year ended 31 March 2013

Company registration number 3512997



MHA MacIntyre Hudson
GLOBAL EXPERTISE NATIONAL EXPERIENCE LOCAL EXCELLENCE®

BETA SERVICES (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

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BETA SERVICES (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	G Wilson I M Wilson S Soper
Company secretary	G Wilson
Registered office	Unit 2 Quebec Wharf 14 Thomas Road London E14 7AF
Auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor Pennant House 1-2 Napier Court Napier Road Reading Berkshire RG1 8BW
Bankers	Lloyds Bank Plc PO Box 72 Bailey Drive Gillingham Business Park Kent ME8 0LS
Solicitors	Gough Clinton & Broom 104 Bellegrove Road Welling Kent DE16 3QD

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company

The principal activity of the group during the year was the supply and maintenance of office equipment. The whole of the turnover of the group during the year was attributable to this activity.

This year has been a very encouraging one for the business. Sales increased at a rate of nearly 10.5% with Gross Margin being sustained at close to a double digit return. Our cash flows were improved by some £1.7m leaving the company in an exceptionally strong position to report further growth as we enter 2013/14.

Our number of traded accounts continues to grow in line with our sales line and with new and exciting product groups to be added to the portfolio over the next 12 months we are well set to take advantage of some uncertainty within our competitors. The reseller channel needs an alternative over and above the wholesalers and I believe with some of the announcements we are set to make we can take further market share from them and consolidate our position as one of the fastest growing companies in our sector.

Finally I would like to say a warm thank you to my Board of Directors and all members of staff who have contributed so significantly this year and have helped deliver the results that you will see in the below accounts.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £430,788. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Margin Erosion

In a highly competitive environment and with the ever increasing influence of the internet, prices are coming under increasing scrutiny, we recognise that we need to continue to buy aggressively and minimise overheads in order to report a continued growth in profitability.

Customer base

In an industry where more and more of our competitors are setting up a direct side to their business we remain confident that by keeping by our principals of selling only to trade customers we will be seen as a welcome alternative. However we must continue to add diversity to our business in order to maximise opportunities in a shrinking market.

Credit Risk

Beta minimises its exposure to bad debts by enforcing a strict credit control procedure backed up by a credit insurance policy.

Working Capital

We recognise that liquidity is key in the distribution sector, by managing key ratios such as stock turn and debtors days we will ensure that the necessary working capital is available to meet our future expansion plans.

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

DIRECTORS

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

G Wilson
I M Wilson
S Soper

FIXED ASSETS

The movements in tangible fixed assets during the year are set out in the notes to the accounts

EMPLOYEES

The policy of the group is to offer the same opportunities to disabled people as to all others in respect of recruitment and career advancement provided their disability does not prevent them from carrying out their duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and retrained.

POLICY ON THE PAYMENT OF CREDITORS

It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the group and its suppliers, provided that all trading terms and conditions have been complied with.

At the year end, the group had an average of 36 (2012: 59) days purchases outstanding in trade creditors.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 the group and of the profit or loss of the group for that year.

In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

BETA SERVICES (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DONATIONS

During the year the company made the following contributions

	2013	2012
	£	£
Charitable	<u>3,000</u>	<u>2,166</u>

AUDITOR

From 1 January 2013, our auditor adopted the name MHA MacIntyre Hudson MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Unit 2 Quebec Wharf
14 Thomas Road
London
E14 7AF

Signed by order of the directors



G WILSON
Company Secretary

Approved by the directors on

20/12/13

BETA SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BETA SERVICES (UK) LIMITED

YEAR ENDED 31 MARCH 2013

We have audited the group and parent company financial statements ("the financial statements") of Beta Services (UK) Limited for the year ended 31 March 2013. 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 shareholders, 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 shareholders 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 shareholders 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 pages 3 to 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 March 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 MATTERS 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.

BETA SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BETA SERVICES (UK) LIMITED *(continued)*

YEAR ENDED 31 MARCH 2013

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

MHA MacIntyre Hudson

JASON MITCHELL (Senior Statutory Auditor)

For and on behalf of

MHA MACINTYRE HUDSON

Chartered Accountants

& Statutory Auditor

Pennant House
1-2 Napier Court
Napier Road
Reading
Berkshire
RG1 8BW

23 December 2013

BETA SERVICES (UK) LIMITED

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
GROUP TURNOVER	2	126,930,885	114,869,268
Cost of sales		115,003,442	102,785,540
GROSS PROFIT		11,927,443	12,083,728
Distribution costs		3,656,586	2,991,383
Administrative expenses		7,210,815	6,904,134
OPERATING PROFIT	3	1,060,042	2,188,211
Profit on disposal of discontinued operations	6	–	329,844
Interest payable and similar charges	7	(463,085)	(442,459)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		596,957	2,075,596
Tax on profit on ordinary activities	8	166,169	395,991
PROFIT FOR THE FINANCIAL YEAR	9	430,788	1,679,605

All of the activities of the group are classed as continuing. Amounts relating to activities which were discontinued in 2012 are disclosed in note 11.

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

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 21 form part of these financial statements

BETA SERVICES (UK) LIMITED

GROUP BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	10	<u>265,731</u>	<u>249,325</u>
CURRENT ASSETS			
Stocks	12	14,302,062	12,918,791
Debtors	13	27,024,300	24,198,074
Cash at bank and in hand		<u>1,526,538</u>	<u>33</u>
		<u>42,852,900</u>	<u>37,116,898</u>
CREDITORS Amounts falling due within one year	14	<u>35,539,323</u>	<u>30,233,811</u>
NET CURRENT ASSETS		<u>7,313,577</u>	<u>6,883,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,579,308</u>	<u>7,132,412</u>
CREDITORS: Amounts falling due after more than one year	15	-	9,500
PROVISIONS FOR LIABILITIES			
Deferred taxation	18	<u>29,870</u>	<u>19,862</u>
		<u>7,549,438</u>	<u>7,103,050</u>
MINORITY INTERESTS		<u>25,600</u>	<u>10,000</u>
		<u>7,523,838</u>	<u>7,093,050</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	133	133
Profit and loss account	22	<u>7,523,705</u>	<u>7,092,917</u>
SHAREHOLDERS' FUNDS	24	<u>7,523,838</u>	<u>7,093,050</u>

These financial statements were approved by the directors and authorised for issue on 20/12/13, and are signed on their behalf by

G Wilson

I Wilson

The notes on pages 12 to 21 form part of these financial statements

BETA SERVICES (UK) LIMITED

BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	11	<u>225,000</u>	<u>225,000</u>
CURRENT ASSETS			
Debtors	13	<u>235,119</u>	<u>642,075</u>
Cash in hand		<u>33</u>	<u>33</u>
		<u>235,152</u>	<u>642,108</u>
CREDITORS: Amounts falling due within one year	14	<u>413,523</u>	<u>820,479</u>
NET CURRENT LIABILITIES		<u>(178,371)</u>	<u>(178,371)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>46,629</u>	<u>46,629</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	<u>133</u>	<u>133</u>
Profit and loss account	22	<u>46,496</u>	<u>46,496</u>
SHAREHOLDERS' FUNDS		<u>46,629</u>	<u>46,629</u>

These financial statements were approved by the directors and authorised for issue on 20/12/13, and are signed on their behalf by


G Wilson

Company Registration Number 3512997


I Wilson

The notes on pages 12 to 21 form part of these financial statements.

BETA SERVICES (UK) LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	636,953	177,171
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(462,267)	(441,982)
Interest element of hire purchase	(818)	(477)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(463,085)	(442,459)
TAXATION	(476,976)	(307,844)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(124,063)	(61,783)
Receipts from sale of fixed assets	25,000	7,000
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(99,063)	(54,783)
ACQUISITIONS AND DISPOSALS		
Cash disposed with sale of subsidiary	-	12,009
NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS	-	12,009
CASH OUTFLOW BEFORE FINANCING	(402,171)	(615,906)
FINANCING		
Issue of equity share capital	-	33
Increase in invoice discounting	2,150,692	837,429
Capital element of hire purchase	(6,706)	16,206
NET CASH INFLOW FROM FINANCING	2,143,986	853,668
INCREASE IN CASH	1,741,815	237,762
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		
	2013 £	2012 £
Operating profit	1,060,042	2,188,211
Amortisation	-	62,372
Depreciation	91,241	69,130
Profit on disposal of fixed assets	(8,584)	(820)
(Increase)/decrease in stocks	(1,383,271)	897,104
(Increase)/decrease in debtors	(2,826,226)	1,935,406
Increase/(decrease) in creditors	3,703,751	(4,974,232)
Net cash inflow/(outflow) from operating activities	<u>636,953</u>	<u>177,171</u>

The notes on pages 12 to 21 form part of these financial statements.

BETA SERVICES (UK) LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2013

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013 £	2012 £
Increase in cash in the period	1,741,815	237,762
Net cash (inflow) from invoice discounting	(2,150,692)	(837,429)
Cash outflow in respect of hire purchase	6,706	(16,206)
	<u>(402,171)</u>	<u>(615,873)</u>
Change in net debt	(402,171)	(615,873)
Net debt at 1 April 2012	(14,355,708)	(13,739,835)
Net debt at 31 March 2013	<u>(14,757,879)</u>	<u>(14,355,708)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2012 £	Cash flows £	At 31 Mar 2013 £
Net cash			
Cash in hand and at bank	33	1,526,505	1,526,538
Bank overdrafts	(215,310)	215,310	–
	<u>(215,277)</u>	<u>1,741,815</u>	<u>1,526,538</u>
Debt			
Debt due within 1 year	(14,124,225)	(2,150,692)	(16,274,917)
Hire purchase agreements	(16,206)	6,706	(9,500)
	<u>(14,140,431)</u>	<u>(2,143,986)</u>	<u>(16,284,417)</u>
Net debt	<u>(14,355,708)</u>	<u>(402,171)</u>	<u>(14,757,879)</u>

The notes on pages 12 to 21 form part of these financial statements.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the group profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Leasehold Property	-	10% Straight line
Equipment	-	25% Straight line
Fixtures & Fittings	-	15% Straight line
Motor Vehicles	-	25% Straight Line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the group profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the group profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account, as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

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

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

In the opinion of the directors, the disclosure of the turnover attributable to each geographical market would be seriously prejudicial to the interests of the company. They have therefore taken exemption under SI2008/410 Schedule 1, paragraph 68 under the Companies Act 2006.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Amortisation of intangible assets	–	62,372
Depreciation of owned fixed assets	85,212	69,130
Depreciation of assets held under hire purchase agreements	6,029	–
Profit on disposal of fixed assets	(8,584)	(820)
Operating lease costs		
- Other	116,175	130,183
Auditor's remuneration - audit of the financial statements	20,500	20,500
Auditor's remuneration - other fees	8,000	8,000

The audit fees for Beta Services (UK) Limited have been paid by another group company for both the current and the preceding year.

4. PARTICULARS OF EMPLOYEES

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

	2013	2012
	No	No
Sales staff	41	38
Administrative staff	29	37
Management staff	6	6
	<u>76</u>	<u>81</u>

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	5,313,006	5,048,702
Social security costs	449,650	475,530
Staff pension costs	29,787	30,152
Other pension costs	20,250	52,385
	<u>5,812,693</u>	<u>5,606,769</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Remuneration receivable	2,374,014	1,859,461
Value of company pension contributions to money purchase schemes	20,250	52,386
	<u>2,394,264</u>	<u>1,911,847</u>

Remuneration of highest paid director:

	2013 £	2012 £
Total remuneration (excluding pension contributions)	1,189,789	1,040,000
Value of company pension contributions to money purchase schemes	—	35,000
	<u>1,189,789</u>	<u>1,075,000</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2013 No	2012 No
Money purchase schemes	<u>3</u>	<u>4</u>

Included in the above total figure for directors is an amount of £1,560,000 paid to the directors in consideration for the directors agreeing to subscribe for 1,560,000 Class E shares in group subsidiary Beta Distribution Plc (see note 20)

6. PROFIT ON DISPOSAL OF DISCONTINUED OPERATIONS

	2013 £	2012 £
Disposal of discontinued operations		
Profit on sale of operation	<u>—</u>	<u>329,844</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable on bank borrowing	41,484	38,175
Finance charges	818	477
Other similar charges payable	420,783	403,807
	<u>463,085</u>	<u>442,459</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	154,438	477,876
(Over)/under provision in prior year	1,723	(56,321)
Total current tax	156,161	421,555
Deferred tax		
Origination and reversal of timing differences	10,008	(25,564)
Tax on profit on ordinary activities	166,169	395,991

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

	2013 £	2012 £
Profit on ordinary activities before taxation	596,957	2,075,596
Profit on ordinary activities by rate of tax	143,270	539,655
Expenses disallowed	13,781	11,773
Prior year tax adjustments	1,723	(56,321)
Profits not chargeable to corporation tax	-	(85,759)
Depreciation in excess of capital allowances	5,240	113
Other reconciling items	(6,830)	9,170
Marginal rate relief	(1,023)	-
Profits chargeable at lower than standard rate	-	(848)
Amortisation of goodwill	-	3,772
Total current tax (note 8(a))	156,161	421,555

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £Nil (2012 - £46,496)

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

10. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 April 2012	344,819	113,555	458,374
Additions	34,363	89,700	124,063
Disposals	—	(49,264)	(49,264)
At 31 March 2013	379,182	153,991	533,173
DEPRECIATION			
At 1 April 2012	172,131	36,918	209,049
Charge for the year	64,608	26,633	91,241
On disposals	—	(32,848)	(32,848)
At 31 March 2013	236,739	30,703	267,442
NET BOOK VALUE			
At 31 March 2013	142,443	123,288	265,731
At 31 March 2012	172,688	76,637	249,325

Hire purchase agreements

Included within the net book value of £265,731 is £18,088 (2012 - £24,118) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,029 (2012 - £Nil).

11. INVESTMENTS

Company	Group companies £
COST	
At 1 April 2012 and 31 March 2013	225,000
NET BOOK VALUE	
At 31 March 2013 and 31 March 2012	225,000

The company owns 100% of the issued share capital of Beta Distribution Plc. The company are involved in the supply and maintenance of office equipment. The results of the company are included in the consolidated financial statements.

On 31 March 2012, the company disposed of its 100% shareholding in Digital Office Supplies Limited. The results of the discontinued operation as disclosed in the 2012 financial statements were Turnover of £1,661,883 and Cost of Sales of £557,773, generating a gross profit of £1,104,110. After deducting Net Operating Expenses of £659,272, Operating Profit amounted to £444,838.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

12. STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Finished goods	<u>14,302,062</u>	<u>12,918,791</u>	<u>-</u>	<u>-</u>

13. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	23,154,795	19,755,833	-	-
Beta Export Loan Account	62,400	566,123	-	-
Other debtors	459,384	830,253	235,119	642,075
Directors current accounts	262,141	178,962	-	-
Prepayments and accrued income	3,085,580	2,866,903	-	-
	<u>27,024,300</u>	<u>24,198,074</u>	<u>235,119</u>	<u>642,075</u>

Included within debtors is an outstanding directors loan due from S Soper. The directors loan is repayable on demand and no interest is charged.

The maximum amount outstanding during the year was £262,141. The balance outstanding at 31 March 2013 was £262,141 (2012: 178,962).

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Invoice discounting	16,274,917	14,124,225	-	-
Bank overdrafts	-	215,310	-	-
Trade creditors	17,341,210	13,222,693	-	-
Amounts owed to group undertakings	-	-	188,623	595,579
Hire purchase agreements	9,500	6,706	-	-
Directors' loan accounts	568,000	687,702	224,900	224,900
Corporation tax	150,211	471,026	-	-
Other taxation and social security	561,556	703,183	-	-
Accruals and deferred income	633,929	802,966	-	-
	<u>35,539,323</u>	<u>30,233,811</u>	<u>413,523</u>	<u>820,479</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Invoice discounting	16,274,917	14,124,225	-	-
Bank overdrafts	-	215,310	-	-
	<u>16,274,917</u>	<u>14,339,535</u>	<u>-</u>	<u>-</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

15 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Hire purchase agreements	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>-</u>

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts payable within 1 year	<u>9,500</u>	<u>7,524</u>	-	-
Amounts payable between 2 to 5 years	-	<u>10,590</u>	-	-
	<u>9,500</u>	<u>18,114</u>	-	-
Less interest and finance charges relating to future periods	<u>-</u>	<u>(1,908)</u>	-	-
	<u>9,500</u>	<u>16,206</u>	-	-

17. PENSIONS

The group has operated a defined contribution scheme during the year. There were no outstanding or prepaid contributions at 31 March 2013 (2012: £Nil).

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Provision brought forward	<u>19,862</u>	<u>45,426</u>	-	-
Increase/(Decrease) in provision	<u>10,008</u>	<u>(25,564)</u>	-	-
Provision carried forward	<u>29,870</u>	<u>19,862</u>	-	-

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>29,870</u>	-	<u>28,806</u>	-
Other timing differences	<u>-</u>	<u>-</u>	<u>(8,944)</u>	-
	<u>29,870</u>	<u>-</u>	<u>19,862</u>	<u>-</u>

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group	2013		2012	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	-	-	29,246	-
Within 2 to 5 years	<u>87,737</u>	<u>4,733</u>	<u>-</u>	<u>6,269</u>
	<u>87,737</u>	<u>4,733</u>	<u>29,246</u>	<u>6,269</u>

20. RELATED PARTY TRANSACTIONS

The company, which was incorporated in England and Wales, was under the control of G Wilson throughout the current and previous year

During the year, the group was charged £Nil (2012 £Nil) for services provided by Beta Export Partnership, a partnership operated by the directors of Beta Distribution plc. Included in debtors at 31 March 2013 the group was owed by the partnership £62,400 (2012 £566,123)

The group entered into an agreement with directors G Wilson and S Soper, in connection with the issue during the year of 1,130,000 and 430,000 £1 Class E shares in its subsidiary Beta Distribution Plc. They agreed immediately to subscribe for shares with initial called up amount of 1p per share in consideration for a payment of £1,560,000 (of which £1,118,700 and £425,700 was settled by credit to his account with Beta Distribution Plc). The shares were issued on 24th August 2012.

21. SHARE CAPITAL

Allotted, called up and fully paid.

	2013		2012	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
33 A Ordinary shares of £1 each	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>
	<u>133</u>	<u>133</u>	<u>133</u>	<u>133</u>

The ordinary shares and A ordinary shares are irredeemable and in aggregate constitutes 75% and 25% of the total voting rights of the company respectively

Dividends, which are not guaranteed, are distributed on a pro rata basis according to the number of shares held as if both the ordinary shares and A ordinary shares constituted one class of share

On a return of capital, the assets of the company remaining after payment of its liabilities shall be applied to the ordinary shares and A ordinary shares on a pro rata basis based on the voting rights listed above

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

22. RESERVES

Group	Profit and loss account £
Balance brought forward	7,092,917
Profit for the year	<u>430,788</u>
Balance carried forward	<u>7,523,705</u>
Company	Profit and loss account £
Balance brought forward	46,496
Balance carried forward	<u>46,496</u>

23. MINORITY INTEREST

As set out in note 20 above, during the year an amount of £15,600 (2012 £10,000) was called and paid up on 1,560,000 (2012 1,000,000) Class 'E' Shares issued by Beta Distribution Plc. This amount is repayable to the holders of these shares in the event of a winding up. Accordingly, an amount of £25,600 (2012 £10,000) is reflected in these financial statements as a Minority Interest.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	430,788	1,679,605
New ordinary share capital subscribed	—	33
Net addition to shareholders' funds	<u>430,788</u>	<u>1,679,638</u>
Opening shareholders' funds	7,093,050	5,413,412
Closing shareholders' funds	<u>7,523,838</u>	<u>7,093,050</u>