

Company Registration No. 05480765 (England and Wales)

PAXTON ACCESS GROUP LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

PAXTON ACCESS GROUP LIMITED

DIRECTORS AND ADVISERS

Directors	A Brotherton-Ratcliffe A Stroud
Secretary	V Parekh
Company number	05480765
Registered office	Paxton House Home Farm Road Brighton East Sussex BN1 9HU
Registered auditors	Humphrey & Co 7 - 9 The Avenue Eastbourne East Sussex BN21 3YA
Business address	Paxton House, Home Farm Road Brighton East Sussex BN1 9HU
Bankers	HSBC Bank plc 153 North Street BRIGHTON East Sussex BN1 1SW

PAXTON ACCESS GROUP LIMITED

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PAXTON ACCESS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present the strategic report and financial statements for the year ended 31 December 2013.

Review of the business

2013 was a successful year for the group despite the global economic situation. The group has been able to increase its market share in all markets to which it has significant exposure.

In brief, the group grew substantially during the year, increasing turnover by 12.5% (2012: 20.4%) and gross profit by 14.5% (2012: 11.4%). At the same time administrative expenses were increased by 3.5% (2012: 12.2%), so that net profit for the year before tax ended up at £1430,011 (2012: £880,122). The group's net worth at the end of 2013 was £6,945,609 (2012: £5,254,773).

The group operates in a highly competitive market. In order to maintain and improve its position in this market, substantial investment has continued to be made by the group in research and development. Additional products and markets enable the group to spread the inherent risk of future trading more widely, and this will continue to be reflected in the future results of the group.

The group is defined as medium sized and therefore this business review does not contain information about environmental matters, the group's employees, or social and community issues. The group has no contractual or other arrangements, which are essential to the business, and therefore no such details are disclosed here.

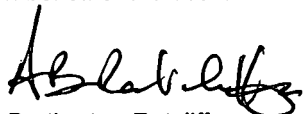
(i) The group's business is partly speculative, in that it is not known which new products will succeed, even though sales trends for existing products are known. The Directors cannot give any undertaking as to the success or otherwise of new products yielded by its research and development work. There is therefore a significant risk inherent with expenditure related to this.

(ii) The Directors are not privy to new products currently in development by the group's competitors; there is therefore a risk that sales of its own products may suffer in the future as a result of unknown improvements in competitors' products.

(iii) The group is typical of many companies of its type in that it is heavily reliant on its IT Systems. Whilst the Directors diligently review and improve measures for ensuring resilience of its systems and back up of its data, they cannot absolutely ensure that failures will not damage the group's business at some point. In order to mitigate this risk the company has heavily invested in its IT infrastructure during 2013.

(iv) Sales to the group's customers are made on a credit basis. Trade debtors amount to a substantial sum. Mindful of the current credit conditions affecting all companies, including our customers, there is an increased awareness regarding the importance of adherence to our credit terms. The board has satisfied itself that its customers are financially sound and will continue to be able to fund their debt for the foreseeable future. There is continued focus on strong credit management to ensure timely payment from customers and a healthy corporate liquidity position.

On behalf of the board



A Brotherton-Ratcliffe

Director

23 June 2014

PAXTON ACCESS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

Principal activities and review of the business

Paxton Access Group Limited is a holding company whose principal activity, carried on through subsidiary undertakings, is the manufacture and distribution of electronic goods.

Results and dividends

The consolidated profit and loss account for the year is set out on page 7.

The results for the year are set out on page 6. Particulars of dividends paid and proposed are detailed in the notes to the financial statements. The director does not recommend the payment of a final dividend.

Group research and development activities

The group is heavily committed to research and development activities. During the year the group concentrated its research and development activities on both continuous improvement on its current product portfolio as well as diversification into other market sectors.

Future developments

The group is continuing to develop its overseas marketing and sales strategy and the directors expect that this will contribute to an increase in profitability.

Directors

The following directors have held office since 1 January 2013:

A Brotherton-Ratcliffe

A Stroud

PAXTON ACCESS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Financial instruments

Treasury operations and financial instruments

The group operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

The group's principal financial instruments are cash balances. In addition, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Liquidity risk

The group manages its cash and borrowing requirements centrally in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

Interest rate risk arises from cash balances, bank overdrafts and loans. The directors continually review the group's exposure to interest rates and take action to ensure that the risk is appropriate in relation to the financial results of the group.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. Dollar and Euro bank accounts are maintained in order to try and mitigate foreign currency risk.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditors

Humphrey & Co are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

PAXTON ACCESS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



A Brotherton-Ratcliffe

Director

23 June 2014

PAXTON ACCESS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PAXTON ACCESS GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Paxton Access Group Limited for the year ended 31 December 2013 set out on pages 7 to 24. 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 auditors' 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 Directors' Responsibilities Statement set out on pages 2 - 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 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 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 Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PAXTON ACCESS GROUP LIMITED

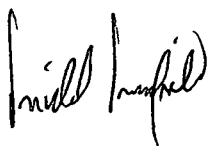
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PAXTON ACCESS 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.



Mr Michael Macefield (Senior Statutory Auditor)
for and on behalf of Humphrey & Co

10/7/14
.....

Chartered Accountants
Statutory Auditor

7 - 9 The Avenue
Eastbourne
East Sussex
BN21 3YA

PAXTON ACCESS GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	23,477,045	20,870,076
Cost of sales		(9,645,175)	(8,796,613)
Gross profit		13,831,870	12,073,463
Administrative expenses		(12,324,525)	(11,909,608)
Other operating income		-	800,000
Operating profit	3	1,507,345	963,855
Interest payable and similar charges	4	(77,332)	(83,733)
Profit on ordinary activities before taxation	3	1,430,013	880,122
Tax on profit on ordinary activities	5	103,823	-
Profit on ordinary activities after taxation		1,533,836	880,122

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

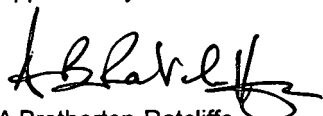
PAXTON ACCESS GROUP LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2013

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
Fixed assets					
Tangible assets	7	5,884,008	5,376,647	4,794,392	-
Investments	8	20,891	-	201,001	201,001
		<u>5,904,899</u>	<u>5,376,647</u>	<u>4,995,393</u>	<u>201,001</u>
Current assets					
Stocks	9	2,772,309	2,422,087	-	-
Debtors	10	4,325,942	4,037,513	-	-
Cash at bank and in hand		3,321,159	2,290,229	4,863	5,319
		<u>10,419,410</u>	<u>8,749,829</u>	<u>4,863</u>	<u>5,319</u>
Creditors: amounts falling due within one year	11	(5,046,967)	(5,101,149)	(3,103,646)	(29,650)
Net current assets		<u>5,372,443</u>	<u>3,648,680</u>	<u>(3,098,783)</u>	<u>(24,331)</u>
Total assets less current liabilities		<u>11,277,342</u>	<u>9,025,327</u>	<u>1,896,610</u>	<u>176,670</u>
Creditors: amounts falling due after more than one year	12	(4,348,733)	(3,665,554)	(1,648,733)	-
Provisions for liabilities	13	(140,000)	(105,000)	-	-
		<u>6,788,609</u>	<u>5,254,773</u>	<u>247,877</u>	<u>176,670</u>
Capital and reserves					
Called up share capital	15	201,002	201,002	201,002	201,002
Profit and loss account	16	6,587,607	5,053,771	46,875	(24,332)
Shareholders' funds	17	<u>6,788,609</u>	<u>5,254,773</u>	<u>247,877</u>	<u>176,670</u>

Approved by the Board and authorised for issue on 23 June 2014



A Brotherton-Ratcliffe
Director

Company Registration No. 05480765

PAXTON ACCESS GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	£	2013 £	£	2012 £
Net cash inflow from operating activities		1,904,265		302,475
Returns on investments and servicing of finance				
Interest paid	(77,332)		(83,733)	
Net cash outflow for returns on investments and servicing of finance		(77,332)		(83,733)
Taxation		103,823		-
Capital expenditure				
Payments to acquire tangible assets	(1,030,447)		(316,669)	
Receipts from sales of tangible assets	(7,195)		31,068	
Net cash outflow for capital expenditure		(1,037,642)		(285,601)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	(20,891)		-	
Net cash outflow for acquisitions and disposals		(20,891)		-
Net cash inflow/(outflow) before management of liquid resources and financing		872,223		(66,859)
Financing				
New long term bank loan	300,000		-	
Other new long term loans	100,000		250,000	
Other new short term loans	99,340		-	
Repayment of long term bank loan	(316,821)		(218,059)	
Capital element of finance lease contracts	(23,812)		(23,484)	
Net cash inflow from financing		158,707		8,457
Increase in cash in the year		1,030,930		(58,402)

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

1	Reconciliation of operating profit to net cash inflow from operating activities		2013	2012
			£	£
	Operating profit		1,507,345	963,855
	Depreciation of tangible assets		515,709	391,275
	Loss on disposal of tangible assets		181	4,217
	Increase in stocks		(350,222)	(844,680)
	Increase in debtors		(274,039)	(985,052)
	Increase in creditors within one year		470,291	667,860
	Other reserve movement		35,000	105,000
	Net cash inflow from operating activities		1,904,265	302,475
2	Analysis of net debt	1 January 2013	Cash flow	Other non- 31 December
		£	£	cash changes 2013
				£
	Net cash:			
	Cash at bank and in hand	2,290,229	1,030,930	- 3,321,159
	Finance leases	(23,813)	23,813	- -
	Debts falling due within one year	(946,026)	500,660	- (445,366)
	Debts falling due after one year	(3,665,554)	(683,179)	- (4,348,733)
		(4,635,393)	(158,706)	- (4,794,099)
	Net debt	(2,345,164)	872,224	- (1,472,940)
3	Reconciliation of net cash flow to movement in net debt		2013	2012
			£	£
	Increase/(decrease) in cash in the year		1,030,930	(58,402)
	Cash inflow from increase in debt		(158,706)	(100,338)
	Movement in net debt in the year		872,224	(158,740)
	Opening net debt		(2,345,164)	(2,186,424)
	Closing net debt		(1,472,940)	(2,345,164)

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2013. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Paxton Access GmbH has not been included in the consolidated financial statements due to immateriality.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

All goodwill on consolidation is written off in that year.

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold properties	1% straight line
Leasehold properties	Straight line over the life of the lease
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance and 20%/25%/33% straight line
Motor vehicles	25% reducing balance

1.8 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 in each period.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

(Continued)

1.10 Stock

Stock is valued at the lower of cost and net realisable value on a FIFO basis. Cost comprises the purchase cost of the cost of the goods excluding any costs relating to distribution. The cost of finished manufactured goods includes an element of labour cost based on the average completion time and average hourly labour rate.

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at a fixed rate that is used as an approximation for the actual rate. The fixed rates are reviewed periodically. All differences are taken to profit and loss account.

1.14 Provisions

Provision for the expected costs of warranty work are charged to the profit and loss account when revenue is recognised.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2013 £	2012 £
Geographical segment		
UK	16,036,218	15,473,472
Europe	4,317,324	3,728,232
Rest of World	3,123,503	1,668,372
	<u>23,477,045</u>	<u>20,870,076</u>

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

3	Operating profit	2013	2012
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	515,709	391,275
	Loss on disposal of tangible assets	181	4,217
	Loss on foreign exchange transactions	69,736	11,915
	Research and development	308,385	571,906
	Operating lease rentals		
	- Plant and machinery	255,329	206,422
	- Other assets	19,330	6,058
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the group's auditor for the audit of the group's annual accounts £1,500; 2012 £1,500)	13,000	12,750
		<u> </u>	<u> </u>
4	Interest payable	2013	2012
		£	£
	On bank loans and overdrafts	66,205	70,934
	On other loans wholly repayable within five years	11,127	12,799
		<u> </u>	<u> </u>
		<u>77,332</u>	<u>83,733</u>

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

5	Taxation	2013 £	2012 £
	Domestic current year tax		
	Adjustment for prior years	(103,823)	-
	Total current tax	<u>(103,823)</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,430,013</u>	<u>880,122</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.5%)	<u>332,478</u>	<u>215,630</u>
	Effects of:		
	Non deductible expenses	9,022	10,658
	Depreciation add back	119,903	92,018
	Capital allowances	(110,008)	(72,453)
	Research and development tax credit	(191,602)	(68,600)
	(Utilisation of tax losses)/unrelieved tax losses	(262,513)	(180,277)
	Other tax adjustments	(1,103)	3,024
		<u>(436,301)</u>	<u>(215,630)</u>
	Current tax charge for the year	<u>(103,823)</u>	<u>-</u>

The company has estimated losses of £ nil (2012 - £ 1,730,000) available for carry forward against future trading profits.

No deferred tax asset has been provided in respect of the group's tax losses as the directors do not consider it prudent to do so. A deferred tax asset will only be provided when the directors can foresee the utilisation of the group's tax losses with reasonable certainty.

6 Profit/(loss) for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows:

	2013 £	2012 £
Holding company's profit/(loss) for the financial year	<u>71,207</u>	<u>(18,704)</u>

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7 Tangible fixed assets

Group	Freehold properties	Leasehold properties	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2013	1,999,301	3,171,648	1,707,408	824,487	23,971	7,726,815
Additions	328,830	224,703	219,205	257,709	-	1,030,447
Disposals	-	-	-	(3,029)	(13,465)	(16,494)
At 31 December 2013	2,328,131	3,396,351	1,926,613	1,079,167	10,506	8,740,768
Depreciation						
At 1 January 2013	90,783	705,244	1,059,602	483,060	11,479	2,350,168
On disposals	-	-	-	(2,235)	(6,883)	(9,118)
Charge for the year	16,571	112,492	190,715	194,750	1,182	515,710
At 31 December 2013	107,354	817,736	1,250,317	675,575	5,778	2,856,760
Net book value						
At 31 December 2013	2,220,777	2,578,615	676,296	403,592	4,728	5,884,008
At 31 December 2012	1,908,518	2,466,404	647,806	341,427	12,492	5,376,647

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 December 2013	-	25,109	-	25,109
At 31 December 2012	-	40,801	-	40,801
Depreciation charge for the year				
31 December 2013	-	37,662	-	37,662
31 December 2012	-	21,970	-	21,970

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7 Tangible fixed assets

(Continued)

Tangible fixed assets

Company

	Freehold properties £	Leasehold properties £	Total £
Cost			
At 1 January 2013	-	-	-
Additions	2,225,443	2,650,347	4,875,790
At 31 December 2013	2,225,443	2,650,347	4,875,790
Depreciation			
At 1 January 2013	-	-	-
Charge for the year	9,666	71,732	81,398
At 31 December 2013	9,666	71,732	81,398
Net book value			
At 31 December 2013	2,215,777	2,578,615	4,794,392

8 Fixed asset investments Group

	Shares in group undertakings £
Cost	
At 1 January 2013	-
Additions	20,891
At 31 December 2013	20,891
Net book value	
At 31 December 2013	20,891

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

8 Fixed asset investments (Continued)

Company

	Shares in group undertakings £
Cost	
At 1 January 2013 & at 31 December 2013	201,001
Net book value	
At 31 December 2013	201,001
At 31 December 2012	201,001

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Paxton Access Limited	United Kingdom	Ordinary	100.00
General Distribution Limited	United Kingdom	Ordinary	100.00
Paxton Access GmbH	Germany	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Paxton Access Limited	Manufacture and distribution of electronic goods
General Distribution Limited	Manufacture and distribution of electronic goods
Paxton Access GmbH	Sale and distribution of electronic goods

The investment in Paxton Access GmbH is held by Paxton Access Limited.

Paxton Access GmbH made a profit for the year of £20,375 and its net assets at the year end were £40,870.

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 Stocks

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials and consumables	152,492	341,091	-	-
Finished goods and goods for resale	2,619,817	2,080,996	-	-
	<u>2,772,309</u>	<u>2,422,087</u>	<u>-</u>	<u>-</u>

10 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	3,921,108	3,794,115	-	-
Amounts owed by group undertakings	21,999	20,891	-	-
Other debtors	5,091	15,134	-	-
Prepayments and accrued income	377,744	207,373	-	-
	<u>4,325,942</u>	<u>4,037,513</u>	<u>-</u>	<u>-</u>

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

11 Creditors : amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	287,901	224,116	287,901	-
Net obligations under finance lease and hire purchase contracts	-	23,813	-	-
Trade creditors	2,776,678	2,022,517	-	-
Amounts owed to group undertakings	-	-	2,786,095	-
Taxes and social security costs	619,324	534,500	-	-
Directors current accounts	710,044	1,120,784	26,500	26,500
Other creditors	161,202	727,370	-	-
Accruals and deferred income	491,818	448,049	3,150	3,150
	<u>5,046,967</u>	<u>5,101,149</u>	<u>3,103,646</u>	<u>29,650</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	-	23,922	-	-
Finance charges and interest allocated to future accounting periods	-	(109)	-	-
	<u>-</u>	<u>23,813</u>	<u>-</u>	<u>-</u>

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

12 Creditors : amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	1,648,733	1,665,554	1,648,733	-
Other loans	2,700,000	2,000,000	-	-
	<u>4,348,733</u>	<u>3,665,554</u>	<u>1,648,733</u>	<u>-</u>
Analysis of loans				
Not wholly repayable within five years by instalments:				
Repayable in one year or less	445,366	946,026	287,901	-
Repayable between one and two years	2,995,918	467,129	295,918	-
Repayable between two and five years	905,758	1,750,621	905,758	-
Repayable in five years or more	447,057	1,447,804	447,057	-
	<u>4,794,099</u>	<u>4,611,580</u>	<u>1,936,634</u>	<u>-</u>
Included in current liabilities	(445,366)	(946,026)	(287,901)	-
	<u>4,348,733</u>	<u>3,665,554</u>	<u>1,648,733</u>	<u>-</u>

There is a first legal mortgage held by HSBC, over all the properties known as Paxton House, Home Farm Business Park, Brighton, Unit 3 Brampton Business Park, Brampton Road, Eastbourne and Unit 10, Harvington Business Park, Brampton Road, Eastbourne. There is also a debenture in favour of HSBC Bank comprising a fixed and floating charge over all the assets and undertakings of Paxton Access Limited.

There are three bank loans, two have a term of ten years and are repayable in 2020 and the other has a term of five years and is repayable in 2018. Repayments are made on a monthly basis and interest is charged at a rate of 2.25% per annum over the Bank's Sterling Base Rate.

13 Provisions for liabilities Group

	Other £
Balance at 1 January 2013	105,000
Profit and loss account	35,000
Balance at 31 December 2013	<u>140,000</u>

The provision for warranty claims is a provision for future product warranty costs arising in the normal course of business from prior year sales. The company provides a 5 year warranty on its products.

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

14 Pension and other post-retirement benefit commitments

Defined contribution

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 represents contributions payable by the group to the fund.

	2013 £	2012 £
Contributions payable by the group for the year	243,323	336,827
Contributions payable to the fund at the year end and included in creditors	(34,071)	(23,120)

15 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
201,002 Ordinary shares of £1 each	201,002	201,002

16 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 January 2013	5,053,771
Profit for the year	1,533,836
Balance at 31 December 2013	6,587,607

Company

	Profit and loss account £
Balance at 1 January 2013	(24,332)
Profit for the year	71,207
Balance at 31 December 2013	46,875

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

17 Reconciliation of movements in shareholders' funds	2013	2012
Group	£	£
Profit for the financial year	1,533,836	880,122
Opening shareholders' funds	5,254,773	4,374,651
	<u> </u>	<u> </u>
Closing shareholders' funds	6,788,609	5,254,773
	<u> </u>	<u> </u>
	2013	2012
Company	£	£
Profit/(Loss) for the financial year	71,207	(18,704)
Opening shareholders' funds	176,670	195,374
	<u> </u>	<u> </u>
Closing shareholders' funds	247,877	176,670
	<u> </u>	<u> </u>

18 Financial commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Other	
	2013	2012
	£	£
Expiry date:		
Within one year	84,560	103,504
Between two and five years	176,586	117,899
	<u> </u>	<u> </u>
	261,146	221,403
	<u> </u>	<u> </u>

19 Capital commitments

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Contracted for but not provided in the financial statements	198,625	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

20 Directors' remuneration	2013 £	2012 £
Remuneration for qualifying services	509,429	113,029
Company pension contributions to defined contribution schemes	12,000	1,150
	<u>521,429</u>	<u>114,179</u>

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Administration	125	111
Production	49	34
Cleaning	5	3
	<u>179</u>	<u>148</u>

Employment costs

	2013 £	2012 £
Wages and salaries	6,363,683	5,480,079
Social security costs	736,932	647,652
Other pension costs	243,323	336,827
	<u>7,343,938</u>	<u>6,464,558</u>

22 Control

The group is ultimately controlled by A Brotherton-Ratcliffe, a director of the company, by virtue of his 100% interest in the shares of Paxton Access Group Limited.

PAXTON ACCESS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2013**

23 Related party relationships and transactions

Group

During the year the group was invoiced £1,728,288 (2012: £1,523,090) in respect of administration charges, marketing and sales services by Paxton Access Inc., a US company owned by a director, A Brotherton-Ratcliffe. Included in creditors is an amount due to Paxton Access Inc. of £101,322 (2012: £196,407).

During the year the group was invoiced £420,851 (2012: £nil) in respect of administration charges by Paxton Access GmbH, a wholly owned German registered subsidiary. During the year the group recharged wages and expenses to Paxton Access GmbH and at the year end the group was owed £21,999 (2012: £20,891).

The group has three loans from a director, A Brotherton-Ratcliffe and his wife. The amounts outstanding at the year end were £2,810,044 (2012: £3,120,784) of which £710,044 (2012: £1,120,784) is included under creditors: amounts falling due within one year and £2,100,000 (2012: £2,000,000) is included under creditors: amounts falling due after more than one year. Interest was charged on one loan at a rate equal to the Bank of England's base rate and amounted to £7,751 (2012: £4,577) during the year.

The group has received loans from S Brotherton-Ratcliffe, H Brotherton-Ratcliffe and T Brotherton-Ratcliffe, close family members of a director, A Brotherton-Ratcliffe. The amount owing on these loans at the year end amounted to £757,465 (2012: £721,910) and £157,465 (2012: £721,910) is included under creditors: amounts falling due within one year and £600,000 (2012: £nil) is included under creditors: amounts falling due after more than one year. Interest was charged on these loans at a rate equal to the Bank of England's base rate and amounted to £3,266 (2012: £nil).

Company

The company has an interest free loan from a director, A Brotherton Ratcliffe, amounting to £26,500 (2012: £26,500). The amount outstanding at the year end is included within creditors due within one year. There is no set repayment date.