
DRIFT INNOVATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

THURSDAY



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27/12/2012

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COMPANIES HOUSE

DRIFT INNOVATION LIMITED

COMPANY INFORMATION

DIRECTORS

Mr R D Parker
Mr S S Jhooti

COMPANY SECRETARY

R D Parker

COMPANY NUMBER

05785546

REGISTERED OFFICE

The Light Box, PC 126
111 Power Road
London
W4 5PY

AUDITORS

Nexia Smith & Williamson
Statutory Auditor & Chartered Accountants
25 Moorgate
London
EC2R 6AY

BANKERS

HSBC Bank PLC
2 Love Lane
Pinner
HA5 3EG

DRIFT INNOVATION LIMITED

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DRIFT INNOVATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and 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.

PRINCIPAL ACTIVITIES

During the period under review, the company's principal activity was in sales of specialised sports cameras and accessories.

DIRECTORS

The directors who served during the year were

Mr R D Parker
Mr S S Jhooti

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

DRIFT INNOVATION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 21/12/12, and signed on its behalf



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Mr S S Jhooti
Director

DRIFT INNOVATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DRIFT INNOVATION LIMITED

We have audited the financial statements of Drift Innovation Limited for the year ended 31 March 2012, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 1, 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

The comparative financial information for the year ended 31 March 2011 is unaudited.

DRIFT INNOVATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DRIFT INNOVATION LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Nexia Smith & Williamson

Sancho Simmonds (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date *27 December 2012*

DRIFT INNOVATION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1	4,384,311	2,360,878
Cost of sales		(3,561,774)	(1,597,041)
GROSS PROFIT		822,537	763,837
Administrative expenses		(518,025)	(179,630)
OPERATING PROFIT	2	304,512	584,207
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		304,512	584,207
Tax on profit on ordinary activities	5	(83,221)	(162,061)
PROFIT FOR THE FINANCIAL YEAR	12	221,291	422,146

There were no recognised gains or losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 7 to 11 form part of these financial statements


DRIFT INNOVATION LIMITED
REGISTERED NUMBER: 05785546

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	6		19,121		-
CURRENT ASSETS					
Stocks		256,096		185,055	
Debtors	7	674,849		747,100	
Cash at bank		130,041		5,665	
		<u>1,060,986</u>		<u>937,820</u>	
CREDITORS , amounts falling due within one year	8	<u>(321,138)</u>		<u>(488,748)</u>	
NET CURRENT ASSETS			<u>739,848</u>		<u>449,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>758,969</u>		<u>449,072</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	9	(4,589)		-	
Other provisions	10	<u>(110,942)</u>		<u>(26,925)</u>	
			<u>(115,531)</u>		<u>(26,925)</u>
NET ASSETS			<u>643,438</u>		<u>422,147</u>
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Profit and loss account	12		<u>643,437</u>		<u>422,146</u>
SHAREHOLDERS' FUNDS			<u>643,438</u>		<u>422,147</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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


 21/12/12
Mr S S Jhooti
 Director

The notes on pages 7 to 11 form part of these financial statements

DRIFT INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures & fittings	-	50% Straight Line
Office equipment	-	50% Straight Line
Website	-	33 3% Straight Line

1.5 Stocks

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

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

DRIFT INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

2. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	<u>1,465</u>	<u>-</u>

3. AUDITORS' REMUNERATION

	2012 £	2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>7,750</u>	<u>-</u>

4. DIRECTORS' REMUNERATION

The directors did not received any remuneration in the current or preceeding period

5. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year/period		
Current tax		
UK corporation tax charge on profit for the year/period	78,632	162,061
Deferred tax (see note 9)		
Origination and reversal of timing differences	<u>4,589</u>	<u>-</u>
Tax on profit on ordinary activities	<u>83,221</u>	<u>162,061</u>

DRIFT INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

5. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	304,512	584,207
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	79,173	163,578
Effects of:		
Expenses not deductible for tax purposes,	7,719	1,304
Capital allowances for year/period in excess of depreciation	(4,971)	-
Group relief	(487)	-
Marginal relief	(2,802)	(2,821)
Current tax charge for the year/period (see note above)	78,632	162,061

6. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Office equipment £	Website development costs £	Total £
Cost				
At 1 April 2011	-	-	-	-
Additions	2,277	3,784	14,525	20,586
At 31 March 2012	2,277	3,784	14,525	20,586
Depreciation				
At 1 April 2011	-	-	-	-
Charge for the year	441	1,024	-	1,465
At 31 March 2012	441	1,024	-	1,465
Net book value				
At 31 March 2012	1,836	2,760	14,525	19,121
At 31 March 2011	-	-	-	-

DRIFT INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

7. DEBTORS

	2012	2011
	£	£
Trade debtors	320,313	554,845
Prepayments	82,588	82,744
Advance payment to suppliers	234,603	109,511
Other debtors	37,345	-
	674,849	747,100

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

	2012	2011
	£	£
Trade creditors	108,869	-
Amounts owed to group undertakings	55,768	321,906
Corporation tax	143,457	162,061
Social security and other taxes	5,071	31
Other creditors	7,973	4,750
	321,138	488,748

9. DEFERRED TAXATION

	2012	2011
	£	£
At beginning of year/period	-	-
Charge for year/period	4,589	-
	4,589	-

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	4,589	-

DRIFT INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10. PROVISIONS

	Warranty provisions £
At 1 April 2011	26,925
Charge for period	84,017
At 31 March 2012	110,942

Warranty provisions

It is anticipated that the warranty provision will be utilised within one year from the balance sheet date

11. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

12. RESERVES

	Profit and loss account £
At 1 April 2011	422,146
Profit for the year	221,291
At 31 March 2012	643,437

13. RELATED PARTY TRANSACTIONS

During the year, Action Cameras Limited, the parent undertaking, paid expenses on behalf of the company amounting to £576,250 (2011 - £396,632). In addition, Action Cameras Limited collected income on behalf of the company amounting to £277,533 (2011 - £74,729). The company also sold goods to Action Cameras Limited amounting to £1,104,568 (2011 - £929,194). Amounts owed to Action Cameras Limited at the year end were £55,761 (2011 - owed from £90,424).

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Action Cameras Limited. The ultimate controlling parties are considered to be R D Parker and S S Jhooti by virtue of their controlling interest in Action Cameras Limited.