

## Lakeview Computers Limited

Report and Financial Statements

Year Ended

31 October 2012

Company Number 05824170

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# **Lakeview Computers Limited**

**Report and financial statements  
for the year ended 31 October 2012**

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## **Contents**

### **Page.**

1	Chief Executive Officer's report
3	Report of the directors
7	Independent auditor's report
9	Profit and loss account
10	Balance sheet
11	Notes forming part of the financial statements

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## **Directors**

M Greatrex  
G McDonough

## **Registered office**

Blake House, Schooner Court, Crossways Business Park, Dartford, Kent, DA2 6QQ

## **Company number**

05824170

## **Auditors**

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick Airport, West Sussex, RH6 0PA

## **Bankers**

HSBC plc, Global House, High Street, Crawley, West Sussex, RH10 1DL

# Lakeview Computers Limited

## Chief Executive Officer's report for the year ended 31 October 2012

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### Introduction

The Company continues to create significant future shareholder and stakeholder value despite the on-going economic uncertainties facing the United Kingdom and global economies

For the second consecutive year, the Company has increased its revenues, gross profits, EBITDA and net shareholder value. In the context of the difficult trading conditions facing the Company, the results reflect the investment the Company has made in developing its new LV software suite and the competitiveness of its products in the market place

New product investment continues to be a key area of focus for the Company. The Company is committed to ensuring its existing products remain at the leading front of technology and that new technologies are incorporated into the Company's product offering. We believe our clients should have access to flexible and leading edge solutions to assist their business processes

The key highlights for the year are

- Significant increase in new customers during the year. The Company successfully implemented the two largest new business contracts in its history, demonstrating the scalability of its LV software suite,
- Development and launch of new LV modules, for sale to new and existing customers, including Warehouse Management, MRP and tailored Dashboards
- Delivery of the LV solution into the Cloud and the development of its SaaS customer base,
- Significant investment in our Professional Services, Customer Services, Development and Sales teams with the number of employees increasing to 38 by the end of the year (2011: 31 employees),
- Relocation of the Company's head office to Dartford, and
- Increase in shareholders' funds by 152%,

### Business Review

The Company has successfully marketed and sold its LV software solution to a number of new customers. During the year, we have signed up the most new customers and implemented the two largest new business deals in the Company's history. We have managed the delivery of our product to our customers by investing in our Professional Services and Customer Services teams. Software sales have increased by 21.7% during the year, which demonstrates the success of the LV product and the investment we have taken in delivering new technology solutions for our customers.

The LV software is being used by a wide range of customers and is deployed using various technologies. We have customers with annual global revenues in excess of £230m using our products, together with customers who have annual revenues of under £1m. The software is deployed to customers using traditional on-premise server based solutions, a fully hosted server solution or as a SaaS solution ("Software as a Service").

The Company continues to target specific vertical markets where we believe our product already has a strong presence such as Food & Beverage, Wholesale & Distribution and Light Manufacturing. However, due to the flexibility of the software and our ability to deliver a solution that is "Bespoke as Standard", we have clients in a wide range of industry sectors, including retail, chemicals, pharmaceutical and a number of service industries.

# Lakeview Computers Limited

## Chief Executive Officer's report for the year ended 31 October 2012 (*continued*)

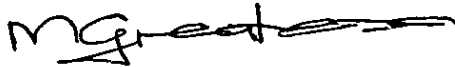
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Maintenance contracts continue to be the main income stream for the Company. There has been a decrease in maintenance revenue of 3.2% during the year. This is due to a time lag from 2011 where two of our larger customer's went into administration and new customers during 2012 with less than a full year's worth of maintenance. We are confident our recurring maintenance revenues will increase in the forthcoming year. Our retention rates remain exceptionally high for our industry at approximately 97 per cent which is testimony to the emphasis we place on our Customer Support team and the business partnerships we build with our clients.

Training & consumables revenue has increased by 51.1% during the year as a consequence of the new customers choosing Lakeview LV as their preferred software solution. We have increased the number of employees in our Professional Services team to meet the increased demand from new clients.

### *Outlook*

We have achieved record financial results during the last 12 months and have positioned the company well for further growth during 2013. We have demonstrated LV to be scalable and are confident we can continue to attract new customers based on the functionality, flexibility and deployment of the software, together with the professionalism of our employees.



Mark Greatrex  
Chief Executive Officer

# Lakeview Computers Limited

## Report of the directors for the year ended 31 October 2012

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

### Principal activities

Lakeview Computers Limited is a trading company whose principal activity is supplying accounting (ERP) software and hardware and that of systems analysis. The trading company operates wholly within the United Kingdom.

There have been no changes to the company's activities during the year under review.

### Review of the business

The Company's business objective is to increase shareholder value through ensuring the competitiveness of its software suite by using leading edge technology and delivering best service and client support.

The results for the year and the financial position of the company are as shown in the annexed financial statements.

The directors are satisfied with the financial performance for the year. Turnover has increased by 3.6% to £3,480,918. The Company's pipeline for the 2013 financial year is strong and the directors are confident turnover will increase during the forthcoming year.

The Company has recorded a net profit after taxation of £52,850 (2011 - £37,739). The directors are confident that the Company will continue to trade profitably in the forthcoming year. No dividends were payable throughout the year (2011 - £Nil).

The UK market remains the sole area of operation for the company, accounting for 100% of sales. As a result of extensive market analysis the company has adopted an approach focussing on key verticals in which the directors believe the Company has a competitive advantage, predominately Food & Beverage, Wholesale & Distribution and Light Manufacturing.

The Company continues to develop its Lakeview LV suite and has released a number of additional modules during the year. The LV product will continue to provide the Company with a competitive, technologically advanced and flexible ERP software product offering. The Company has now successfully deployed its SaaS ("Software as a Service") model to customers.

### Future developments

During the forthcoming financial year, the Company will be investing further in LV, and will develop a single user interface for on-site server, web client and mobile users. Additionally, the product road plan for the next 18 months has been developed in conjunction with Customer requirements and will provide a number of new modules.

# Lakeview Computers Limited

## Report of the directors for the year ended 31 October 2012 (continued)

### Key performance indicators

The business has the following key performance indicators which the board consider are the most effective measures of progress towards achieving the Group's primary business objective

	Long term target	2012	2011
Organic revenue growth (%)	5% to 10%	3.6%	6.1%
Customer retention rate (%)	95%	96.8%	96.7%
Employee costs to revenue (%)	<50%	52.2%	47.8%

### Principal risks and uncertainties

The principal risks and uncertainties facing the business are

- Interest rate risk – The Company has no direct interest rate risk
- Credit risk - The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements
- Liquidity risk – The Company's parent undertaking has a Revolving Credit Facility of £2,450,000 which is repayable in July 2013, and has agreed a renewal of this facility through to July 2016. The renewed facility requires capital repayments in the next twelve months of £300,000 and then £400,000 per annum thereafter. The Company is the only trading company within the Group and is therefore subject to certain covenants and repayments. The Company has well established procedures for monitoring cash flow and ensuring sufficient cash is available to make the repayments. The Company also reviews covenant requirements each month as part of its monthly reporting and internal controls. Cash management will enable the Company to react to changes and take appropriate action to ensure sufficient cash flow is available for the business to meet its obligations
- Attraction and retention of directors and key employees – The success of the Company depends on the abilities and experience of the directors and key employees. The loss of directors or key employees or the inability to recruit replacements could have a significant adverse effect on the development of the business. The Company seeks to reward directors and key employees at appropriate levels through competitive remuneration packages and equity participation
- Competition and technology – The Company's principal business operates in a competitive market place where technology is constantly advancing. There is a risk that the business could see revenue decrease if the Company does not invest or develop its product range. To mitigate this risk, the Company invests in the development and improvement of its own software products to ensure they remain competitive. Additionally, the Company has a number of software and hardware partners in order to offer a large range of products to its clients
- General economic conditions and unforeseen events – The Company is exposed to the general economic conditions facing businesses within the UK. This risk includes general economic decline reducing the IT budgets and spending of clients and potential clients. Unforeseen events include other events that may impact the Group or its client base, including war, terrorist acts and disease. The Company mitigates this risk by ensuring it has a large and diverse client base and in the event of unforeseen events, the Company has developed business contingencies plans

# Lakeview Computers Limited

## Report of the directors for the year ended 31 October 2012 (*continued*)

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### Research and Development

The Company has a continuing commitment to a high level of research and development which continues to be directed towards the introduction of new and improved products in order to improve the company's service to its clients reflecting the need to be at the forefront of technological advance so ensuring future growth

### Donations

The Company had a charitable donation of £150 during the year to a local charity (2011 £nil) No political donations have been made during the year (2011 £nil)

### Directors

The present directors of the company are set out on the contents page

### 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 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, 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 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

# Lakeview Computers Limited

## Report of the directors for the year ended 31 October 2012 (*continued*)

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### Going concern

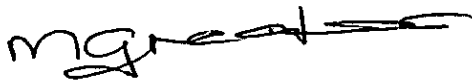
These financial statements have been prepared on a going concern basis as the board is confident that the group headed by Lakeview Computers Group Limited is in a stable financial position following the agreement of facilities with its lenders

### Auditors

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting, in accordance with section 485 of the Companies Act 2006

### On behalf of the Board



M Greatrex  
Director

Date 31 January 2013



# Lakeview Computers Limited

## Independent auditor's report

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAKEVIEW COMPUTERS LIMITED**

We have audited the financial statements of Lakeview Computers Limited for the year ended 31 October 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://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 October 2012 and of its 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.

# Lakeview Computers Limited

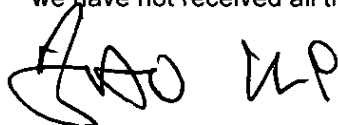
## Independent auditor's report (*continued*)

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### **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



*James Roberts (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick*

Date 1 February 2013

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

# Lakeview Computers Limited

## Profit and loss account for the year ended 31 October 2012

	Note	2012	2011
		£	£
<b>Turnover</b>	3	<b>3,480,918</b>	3,361,474
Cost of sales		<u>(416,299)</u>	<u>(509,198)</u>
<b>Gross profit</b>		<b>3,064,619</b>	2,852,276
Depreciation		(55,341)	(73,267)
Other administrative expenses		(2,871,657)	(2,736,714)
Exceptional items	2	<u>(84,771)</u>	<u>(4,556)</u>
Administrative expenses		<u>(3,011,769)</u>	<u>(2,814,537)</u>
<b>Operating profit and profit on ordinary activities before taxation</b>	4	<b>52,850</b>	37,739
Tax on profit on ordinary activities	7	-	-
<b>Profit on ordinary activities after taxation</b>		<u><b>52,850</b></u>	<u>37,739</u>

All amounts relate to continuing operations

All recognised gains and losses have been taken to the profit and loss account

The notes on pages 11 to 19 form part of these financial statements

# Lakeview Computers Limited

Balance sheet at 31 October 2012

<i>Company number 05824170</i>	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	8	179,888	52,068
<b>Current assets</b>			
Stock	9	12,253	24,769
Debtors	10	1,333,390	1,086,160
Cash at bank and in hand		230,160	271,169
		<u>1,575,803</u>	<u>1,382,098</u>
<b>Creditors, amounts falling due within one year</b>	11	<u>(585,410)</u>	<u>(333,890)</u>
<b>Net current assets</b>		<u>990,393</u>	<u>1,048,208</u>
<b>Total assets less current liabilities</b>		<u>1,170,281</u>	<u>1,100,276</u>
<b>Deferred income</b>		<u>(1,062,981)</u>	<u>(1,045,826)</u>
<b>Net assets</b>		<u>107,300</u>	<u>54,450</u>
<b>Shareholders' funds</b>			
Called up share capital	13	50,100	50,100
Profit and loss reserve	13	57,200	4,350
<b>Shareholders' funds</b>	14	<u>107,300</u>	<u>54,450</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2013



G McDonough  
Director

The notes on pages 11 to 19 form part of these financial statements

# Lakeview Computers Limited

## Notes forming part of the financial statements for the year ended 31 October 2012

### 1 Accounting policies

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

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash flow statements (Revised 1996)' not to prepare a cash-flow statement on the grounds that at least 90% of the voting rights in the company are controlled by Lakeview Computers Group Limited and the company's results are included in those consolidated financial statements

#### *Turnover*

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied by the company. Turnover is comprised of sales of software, hardware, consultancy, system installations and maintenance income. Software sales are comprised of Lakeview software and proprietary third party software. Hardware is sourced at component level and built to client specifications. Professional service revenues are typically derived from on-site product training and set up of system on-site. Maintenance income is derived from the renewal of annual contracts and typically covers all software and hardware provided by Lakeview.

Revenue on software licences is recognised upon delivery providing all of the following requirements are met:

- Persuasive evidence of an agreement exists (Signed paperwork, i.e. contract/purchase order)
- Delivery of software has occurred
- Collectibility is probable

Lakeview provides maintenance cover that includes telephone support, correction of errors/bug fixes, and product upgrades/enhancements. Customers that are on maintenance are notified of new product enhancements/upgrades and are shipped the products upon the customer's request.

Revenue is allocated to maintenance as an element of the contract based on vendor specific objective evidence (VSOE) of fair value, assessed as the retail price (20% of licence fee) based on the historical VSOE of the software being sold. The renewal price for maintenance is based on the original purchase price with an inflation adjustment (based on RPI).

Professional services revenue is recognised as services are performed on a time and material basis. If such services were invoiced prior to the services being rendered (i.e., invoiced along with the shipment of the software), then this revenue will be posted to the balance sheet under deferred services revenue until such time the service is performed.

#### *Tangible fixed assets and depreciation*

Depreciation is provided to write off the cost or valuation of assets, less estimated residual values, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- 14%
Fixtures and fittings	- 25% - 27%
Computer equipment	- 33%

Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

# Lakeview Computers Limited

Notes forming part of the financial statements  
for the year ended 31 October 2012 (*continued*)

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## 1 Accounting policies (*continued*)

### *Operating leases*

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the leases

### *Research and development*

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

### *Stock*

Stock and work in progress are valued at the lower of cost and estimated net realisable value. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal

### *Taxation*

The charge for taxation is based on the loss for the year and takes into account taxation deferred

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

### *Going Concern*

The Group's day to day operations are financed using a revolving credit facility from its bankers. These facilities expire in 4 July 2013. Since the year end, the Group has successfully renegotiated its bank facilities which provide the Group with finance through to July 2016. The Group will repay £300,000 during the next twelve months and then £400,000 per year through to July 2016. The Company has issued a cross guarantee to its parent company in respect of the facilities provided by the Group's bankers.

The Directors have prepared cash flow forecasts which demonstrate that the group will operate within its facilities. On this basis the Directors consider it appropriate to prepare the group's financial statements on the going concern basis.

# Lakeview Computers Limited

## Notes forming part of the financial statements for the year ended 31 October 2012 (*continued*)

### 2 Exceptional costs

	2012 £	2011 £
Relocation and restructuring costs	84,771	4,556

Exceptional costs of £67,579 (2011 £nil) were incurred relating to the relocation of the Company to its new head office and £17,192 (2011 £4,556) incurred during the year and previous year relate to restructuring costs

### 3 Turnover by geographical market

	2012 £	2011 £
The analysis of turnover by geographical market and by activity is as follows		
<i>Turnover by business activity</i>		
Software	918,208	754,774
Hardware	182,009	233,656
Maintenance	2,059,873	2,127,173
Training and consumables	224,263	148,469
Installations	96,565	97,402
	<u>3,480,918</u>	<u>3,361,474</u>

Turnover is derived solely from the United Kingdom

### 4 Operating profit

	2012 £	2011 £
Operating profit is arrived at after charging		
Fees payable to the company's auditor for the audit of the financial statements	6,840	6,000
Fees payable to the company's auditor in respect of taxation services	875	2,375
Depreciation of tangible fixed assets	55,341	73,267
Operating lease payments	133,057	123,775
Exceptional items (note 2)	84,771	4,556

# Lakeview Computers Limited

**Notes forming part of the financial statements  
for the year ended 31 October 2012 (continued)**

## 5 Employees

The average monthly number of employee's including executive directors

	2012 Number	2011 Number
Development	6	5
Support	5	5
Administration and sales	22	20
	<u>33</u>	<u>30</u>

Staff costs, (including directors) consists of

	2012 £	2011 £
Wages and salaries	1,630,242	1,434,054
Social security costs	185,311	171,122
	<u>1,815,553</u>	<u>1,605,176</u>

## 6 Directors remuneration

	2012 £	2011 £
Emoluments	<u>253,309</u>	<u>258,663</u>

Emoluments of the highest paid director amounted to £132,837 (2011 - £161,057)



# Lakeview Computers Limited

**Notes forming part of the financial statements  
for the year ended 31 October 2012 (continued)**

## 7 Taxation

	2012 £	2011 £
<i>Current taxation</i>		
UK Corporation tax at 24 83% (2011 – 26 83%)	-	-
Adjustments in respect of prior periods	-	-
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	<b>52,850</b>	37,739
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24 83% (2011 – 26 83%)	<b>13,123</b>	10,125
Effects of:		
Group relief claimed before payment	<b>(34,131)</b>	(24,003)
Depreciation in excess of capital allowances	<b>12,188</b>	14,484
Other short term timing differences	<b>538</b>	(1,076)
Expenses not deductible for tax purposes	<b>8,282</b>	470
	<u>          </u>	<u>          </u>
Current tax credit for the year	-	-
	<u>          </u>	<u>          </u>

# Lakeview Computers Limited

Notes forming part of the financial statements  
for the year ended 31 October 2012 (*continued*)

## 8 Tangible assets

	Fixtures and fittings £	Leasehold improve- ments £	Computer Equipment £	Total £
<i>Cost or valuation</i>				
At 1 November 2011	26,633	298,272	30,450	355,355
Additions	66,605	100,445	17,026	184,076
Disposals	(22,899)	(298,272)	-	(321,171)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2012	<b>70,339</b>	<b>100,445</b>	<b>47,476</b>	<b>218,260</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 November 2011	23,561	267,808	11,918	303,287
Charged for the year	5,998	38,262	11,081	55,341
Disposals	(21,984)	(298,272)	-	(320,256)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2012	<b>7,575</b>	<b>7,798</b>	<b>22,999</b>	<b>38,372</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 October 2012	<b>62,764</b>	<b>92,647</b>	<b>24,477</b>	<b>179,888</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2011	3,072	30,464	18,532	52,068
	<hr/>	<hr/>	<hr/>	<hr/>

## 9 Stock

	2012 £	2011 £
Finished goods and goods for resale	<b>12,253</b>	24,769
	<hr/>	<hr/>

The replacement cost of the above stock would not be significantly different from the values stated

# Lakeview Computers Limited

**Notes forming part of the financial statements  
for the year ended 31 October 2012 (continued)**

## 10 Debtors

	2012 £	2011 £
Trade debtors	575,849	499,802
Amounts owed from parent undertaking due within one year	160,238	50,000
Other debtors	-	62
Prepayments and accrued income	126,336	53,452
Corporation tax	-	-
	<hr/>	<hr/>
	862,423	603,316
Amounts owed from parent undertaking due greater than one year	470,967	482,844
	<hr/>	<hr/>
	1,333,390	1,086,160
	<hr/>	<hr/>

## 11 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	138,823	49,695
Social security and other taxes	307,810	245,267
Other creditors	14,030	-
Accruals	124,747	38,928
	<hr/>	<hr/>
	585,410	333,890
	<hr/>	<hr/>

# Lakeview Computers Limited

Notes forming part of the financial statements  
for the year ended 31 October 2012 (*continued*)

## 12 Operating lease commitments

The company had annual commitments under non-cancellable operating leases as set out below

	2012 £	2011 £
Land and buildings, leases expiring		
In less than one year	-	60,000
In two to five years	107,892	-
	<hr/>	<hr/>
Equipment, leases expiring		
In less than one year	991	624
In two to five years	6,039	6,894
	<hr/>	<hr/>

## 13 Share capital and reserves

	2012 £	2011 £
<b>Share capital</b>		
<i>Authorised</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
10,000 'A' Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
	60,000	60,000
	<hr/>	<hr/>
	2012 £	2011 £
<i>Allotted and fully paid</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
100 'A' Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
	50,100	50,100
	<hr/>	<hr/>
Ordinary shares and Ordinary A shares rank <i>pari passu</i>		
<b>Reserves</b>	2012 £	2011 £
<i>Profit and loss account</i>		
Balance brought forward	4,350	(33,389)
Profit for the year	52,850	37,739
	<hr/>	<hr/>
Balance carried forward	57,200	4,350
	<hr/>	<hr/>

# Lakeview Computers Limited

Notes forming part of the financial statements  
for the year ended 31 October 2012 (*continued*)

## 14 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit for the year	52,850	37,739
Balance brought forward	54,450	16,711
	<hr/>	<hr/>
Balance carried forward	107,300	54,450
	<hr/>	<hr/>

## 15 Contingent liabilities

In connection with the groups loans from HSBC, the company has entered into a cross guarantee which gives a fixed and floating charge over all the assets of the company. At 31 October 2012, loans from HSBC covered by the company's cross guarantee amounted to £2,450,000 (2011 - £3,000,000)

## 16 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Lakeview Computers Group Limited on the grounds that it is a wholly owned subsidiary of Lakeview Computers Group Limited

## 17 Control

The Company's immediate and ultimate controlling party is Lakeview Computers Group Limited, a company incorporated in England and Wales, which owns 100% of the issued share capital of the company