

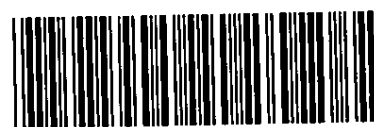
COMPANY REGISTRATION NUMBER 0330823

# TEKZONE SOUND AND VISION LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2007

WEDNESDAY



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COMPANIES HOUSE

# **TEKZONE SOUND AND VISION LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 MARCH 2007**

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# TEKZONE SOUND AND VISION LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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### THE BOARD OF DIRECTORS

G M Gardner  
H M Gardner  
J R Gardner  
C Gardner  
M D Russell-Vick

### COMPANY SECRETARY

G M Gardner

### REGISTERED OFFICE

Old Court  
Tyrrells Wood  
Leatherhead  
Surrey  
KT22 8QW

### AUDITOR

Menzies Callingham Crane  
Chartered Accountants  
& Registered Auditors  
Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey  
KT22 8DY

### BANKERS

HSBC Bank plc  
9 The Boulevard  
Crawley  
West Sussex  
RH10 1UT

# TEKZONE SOUND AND VISION LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2007

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2007

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the retail of photographic, video, television and audio equipment

The directors are pleased with the results for the year, as the financial statements indicate an improved trading position resulting in an increase in turnover and profit. Despite trading conditions being difficult, the directors are optimistic that the company will continue to trade profitably in the future.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £522,122. Particulars of dividends paid are detailed in note 7 to the financial statements.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

### DIRECTORS

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

G M Gardner  
H M Gardner  
J R Gardner  
C Gardner  
M D Russell-Vick

### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company'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.

# TEKZONE SOUND AND VISION LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2007

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### AUDITOR

A resolution to re-appoint Menzies Callingham Crane as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office  
Old Court  
Tyrrells Wood  
Leartherhead  
Surrey  
KT22 8QW

Signed by order of the directors

GM Gardner  
Company Secretary

Approved by the directors on

9/9/07

# TEKZONE SOUND AND VISION LIMITED

## INDEPENDENT AUDITOR'S REPORT TO TEKZONE SOUND AND VISION LIMITED

### UNDER SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts set out on pages 5 to 14, together with the financial statements of Tekzone Sound and Vision Limited for the year ended 31 March 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

#### BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey  
KT22 8DY

*6 October 2007*



MENZIES CALLINGHAM CRANE  
Chartered Accountants  
& Registered Auditors

# TEKZONE SOUND AND VISION LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2007

		2007	2006 (restated)
	Note	£	£
GROSS PROFIT		4,845,163	4,046,362
Administrative expenses		4,134,487	3,709,801
OPERATING PROFIT	2	710,676	336,561
Interest receivable		994	502
Interest payable and similar charges	5	(5,656)	(5,624)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		706,014	331,439
Tax on profit on ordinary activities	6	183,892	75,567
PROFIT FOR THE FINANCIAL YEAR		522,122	255,872

All of the activities of the company are classed as continuing

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

# TEKZONE SOUND AND VISION LIMITED

## ABBREVIATED BALANCE SHEET

31 MARCH 2007

		2007		2006 (restated)	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		288,810		155,205
<b>CURRENT ASSETS</b>					
Stocks	10	2,580,110		2,647,585	
Debtors	11	480,591		471,229	
Cash at bank and in hand		590,132		195,296	
		3,650,833		3,314,110	
<b>CREDITORS: Amounts falling due within one year</b>	12	1,724,861		1,506,512	
<b>NET CURRENT ASSETS</b>			1,925,972		1,807,598
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,214,782		1,962,803
<b>CREDITORS: Amounts falling due after more than one year</b>	13		33,238		57,417
			2,181,544		1,905,386
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	15		4,036		-
			2,177,508		1,905,386
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	18		260		260
Share premium account	19		39,914		39,914
Other reserves	20		86		86
Profit and loss account	21		2,137,248		1,865,126
<b>SHAREHOLDERS' FUNDS</b>	22		2,177,508		1,905,386

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 31/03/07, and are signed on their behalf by

J R Gardner



# TEKZONE SOUND AND VISION LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2007

	2007		2006 (restated)	
	£	£	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		946,704		523,025
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	994		502	
Interest element of hire purchase	(5,656)		(5,624)	
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(4,662)		(5,122)
<b>TAXATION</b>		(53,109)		(95,823)
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets	(219,918)		(84,728)	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(219,918)		(84,728)
<b>EQUITY DIVIDENDS PAID</b>		(250,000)		(274,000)
<b>CASH INFLOW BEFORE FINANCING</b>		419,015		63,352
<b>FINANCING</b>				
Capital element of hire purchase	(24,179)		(24,180)	
<b>NET CASH OUTFLOW FROM FINANCING</b>		(24,179)		(24,180)
<b>INCREASE IN CASH</b>		394,836		39,172

### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007		2006 (restated)	
	£	£	£	£
Operating profit		710,676		336,561
Depreciation		86,313		38,978
Decrease/(increase) in stocks		67,475		(744,771)
(Increase)/decrease in debtors		(19,758)		275,654
Increase in creditors		101,998		616,603
Net cash inflow from operating activities		946,704		523,025

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007		2006 (restated)	
	£	£	£	£
Increase in cash in the period	394,836		39,172	
Cash outflow in respect of hire purchase	24,179		24,180	
		419,015		63,352
Change in net funds		419,015		63,352
Net funds at 1 April 2006		113,700		50,348
Net funds at 31 March 2007		532,715		113,700

# TEKZONE SOUND AND VISION LIMITED

## CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2007

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2006 £	Cash flows £	At 31 Mar 2007 £
Net cash			
Cash in hand and at bank	195,296	394,836	590,132
Debt			
Hire purchase agreements	(81,596)	24,179	(57,417)
Net funds	113,700	419,015	532,715

# TEKZONE SOUND AND VISION LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

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### 1 ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention

#### **Turnover**

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales related taxes

#### **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

Fixtures & Fittings - 10% - 33% 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 profit and loss account on a straight line basis

#### **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

#### **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

#### **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 company after deducting all of its liabilities

# TEKZONE SOUND AND VISION LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

### 2 OPERATING PROFIT

Operating profit is stated after charging

	2007	2006 (restated)
	£	£
Depreciation of owned fixed assets	55,732	8,397
Depreciation of assets held under hire purchase agreements	30,581	30,581
Auditor's remuneration		
- as auditor	3,350	8,500
Operating lease costs		
Other	72,286	63,812

### 3. PARTICULARS OF EMPLOYEES

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

	2007	2006 (restated)
	No	No
Number of administrative staff	12	11
Number of operational staff	84	78
	96	89

The aggregate payroll costs of the above were

	2007	2006 (restated)
	£	£
Wages and salaries	1,991,756	1,815,146
Social security costs	198,952	174,363
	2,190,708	1,989,509

### 4 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006 (restated)
	£	£
Emoluments receivable	266,978	312,359

Emoluments of highest paid director:

	2007	2006 (restated)
	£	£
Total emoluments (excluding pension contributions)	71,510	77,280

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006 (restated)
	£	£
Finance charges	5,656	5,624

# TEKZONE SOUND AND VISION LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

### 6 TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2007 £	2006 (restated) £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 - 19%)	169,460	53,109
Total current tax	169,460	53,109
Deferred tax		
Origination and reversal of timing differences	14,432	22,458
Tax on profit on ordinary activities	183,892	75,567

#### (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 30% (2006 - 19%)

	2007 £	2006 (restated) £
Profit on ordinary activities before taxation	706,014	331,439
Profit/(loss) on ordinary activities by rate of tax	211,804	62,973
Effect of disallowed expenses	1,662	547
Capital allowances in excess of depreciation	(20,449)	(10,726)
Short-term timing differences	-	315
Marginal relief	(23,557)	-
Total current tax (note 6(a))	169,460	53,109

### 7 DIVIDENDS

#### Equity dividends

	2007 £	2006 (restated) £
Paid during the year		
Equity dividends on ordinary shares	250,000	250,000

### 8 PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made in respect of contributions received from suppliers. In the past these had been reflected as other operating income, however the directors feel that in order to reflect the commercial reality of these payments, they should be reallocated to cost of sales. There is no overall effect on profit for the year.

# TEKZONE SOUND AND VISION LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

### 9 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
<b>COST</b>	
At 1 April 2006	858,974
Additions	219,918
<b>At 31 March 2007</b>	<u>1,078,892</u>
<b>DEPRECIATION</b>	
At 1 April 2006	703,769
Charge for the year	86,313
<b>At 31 March 2007</b>	<u>790,082</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2007</b>	<u>288,810</u>
At 31 March 2006	<u>155,205</u>

#### Hire purchase agreements

Included within the net book value of £288,810 is £30,580 (2006 - £61,161) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £30,581 (2006 - £30,581).

### 10. STOCKS

	2007 £	2006 (restated) £
Stock	<u>2,580,110</u>	<u>2,647,585</u>

### 11 DEBTORS

	2007 £	2006 (restated) £
Trade debtors	190,544	157,959
Other debtors	90	-
Prepayments and accrued income	289,957	302,874
Deferred taxation (note 15)	-	10,396
	<u>480,591</u>	<u>471,229</u>

### 12. CREDITORS: Amounts falling due within one year

	2007 £	2006 (restated) £
Trade creditors	1,257,405	1,167,716
Corporation tax	169,460	53,109
Other taxation and social security	153,070	155,074
Hire purchase agreements	24,179	24,179
Other creditors	10,986	-
Accruals and deferred income	109,761	106,434
	<u>1,724,861</u>	<u>1,506,512</u>

### 13 CREDITORS: Amounts falling due after more than one year

	2007 £	2006 (restated) £
Hire purchase agreements	<u>33,238</u>	<u>57,417</u>

# TEKZONE SOUND AND VISION LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

### 14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2007	2006 (restated)
	£	£
Amounts payable within 1 year	24,179	24,179
Amounts payable between 1 and 2 years	33,238	57,417
	<u>57,417</u>	<u>81,596</u>

### 15. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2007	2006 (restated)
	£	£
Included in debtors (note 11)	-	(10,396)
Included in provisions	4,036	-
	<u>4,036</u>	<u>(10,396)</u>

The movement in the deferred taxation account during the year was

	2007	2006 (restated)
	£	£
Balance brought forward	(10,396)	(32,854)
Profit and loss account movement arising during the year	14,432	22,458
Balance carried forward	<u>4,036</u>	<u>(10,396)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007	2006 (restated)
	£	£
Excess of taxation allowances over depreciation on fixed assets	4,036	(10,396)
	<u>4,036</u>	<u>(10,396)</u>

### 16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings	Other Items	Land & Buildings (restated)	Other Items
	£	£	£	£
Operating leases which expire				
Within 2 to 5 years	42,500	-	-	730
After more than 5 years	9,500	-	77,000	-
	<u>52,000</u>	<u>-</u>	<u>77,000</u>	<u>730</u>

### 17. RELATED PARTY TRANSACTIONS

Included within trade creditors in note 15 above is an amount of £5,837 owed to Elite Accessories Limited. During the year the company made purchases of £4,985 from Elite Accessories Limited, a company which J.R. Gardner is a director.

# TEKZONE SOUND AND VISION LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

### 18 SHARE CAPITAL

Authorised share capital.

	2007	2006 (restated)
	£	£
500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2007		2006 (restated)	
	No	£	No	£
Ordinary shares of £1 each	<u>260</u>	<u>260</u>	<u>260</u>	<u>260</u>

### 19 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

### 20 OTHER RESERVES

	2007	2006 (restated)
	£	£
Capital redemption reserve	<u>86</u>	<u>86</u>

### 21 PROFIT AND LOSS ACCOUNT

	2007	2006 (restated)
	£	£
Balance brought forward	1,865,126	1,859,254
Profit for the financial year	522,122	255,872
Equity dividends paid	(250,000)	(250,000)
Balance carried forward	<u>2,137,248</u>	<u>1,865,126</u>

### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006 (restated)
	£	£
Profit for the financial year	522,122	255,872
Equity dividends paid	(250,000)	(250,000)
Net addition to shareholders' funds	<u>272,122</u>	<u>5,872</u>
Opening shareholders' funds	1,905,386	1,899,514
Closing shareholders' funds	<u>2,177,508</u>	<u>1,905,386</u>