

COMPANY REGISTRATION NUMBER 0330823

TEKZONE SOUND AND VISION LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2008

THURSDAY



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TEKZONE SOUND AND VISION LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

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TEKZONE SOUND AND VISION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

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 LLP
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 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2008

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 gross 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 £371,101. 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 2008

AUDITOR

On 1 July 2008, Menzies, the Company's auditors, transferred its business to Menzies LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treat the appointment of Menzies as extending to Menzies LLP with effect from 1 July 2008 under the provisions of section 26(5) of the Companies Act 1989.

Accordingly, a resolution approving the re-appointment of Menzies LLP will be proposed at the forthcoming Annual General Meeting.

Registered office
Old Court
Tyrrells Wood
Leartherhead
Surrey
KT22 8QW

Signed by order of the directors

G M Gardner
Company Secretary

Approved by the directors on

15.10.08

TEKZONE SOUND AND VISION LIMITED

INDEPENDENT AUDITOR'S REPORT TO TEKZONE SOUND AND VISION LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

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 2008 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.

Menzies LLP

MENZIES LLP
Chartered Accountants
& Registered Auditors

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

22 October 2008

TEKZONE SOUND AND VISION LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
GROSS PROFIT		4,970,312	4,845,163
Administrative expenses		4,472,047	4,134,487
OPERATING PROFIT	2	498,265	710,676
Interest receivable		1,837	994
Interest payable and similar charges	5	(5,656)	(5,656)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		494,446	706,014
Tax on profit on ordinary activities	6	123,345	183,892
PROFIT FOR THE FINANCIAL YEAR		371,101	522,122

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

The notes on pages 9 to 14 form part of these abbreviated accounts.

TEKZONE SOUND AND VISION LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2008

	Note	2008 £	£	2007 £	£
FIXED ASSETS					
Tangible assets	8		306,552		288,810
CURRENT ASSETS					
Stocks	9	2,820,060		2,580,110	
Debtors	10	495,549		480,591	
Cash at bank and in hand		40,353		590,132	
		3,355,962		3,650,833	
CREDITORS: Amounts falling due within one year	11	1,442,851		1,724,861	
NET CURRENT ASSETS			1,913,111		1,925,972
TOTAL ASSETS LESS CURRENT LIABILITIES			2,219,663		2,214,782
CREDITORS: Amounts falling due after more than one year	12		12,553		33,238
			2,207,110		2,181,544
PROVISIONS FOR LIABILITIES					
Deferred taxation	14		8,501		4,036
			2,198,609		2,177,508
CAPITAL AND RESERVES					
Called-up equity share capital	17		260		260
Share premium account	18		39,914		39,914
Other reserves	19		86		86
Profit and loss account	20		2,158,349		2,137,248
SHAREHOLDERS' FUNDS	21		2,198,609		2,177,508

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 15/10/08, and are signed on their behalf by

J R. Gardner

The notes on pages 9 to 14 form part of these abbreviated accounts.

TEKZONE SOUND AND VISION LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		131,462	946,704
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,837	994
Interest element of hire purchase		(5,656)	(5,656)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(3,819)	(4,662)
TAXATION		(169,460)	(53,109)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(133,782)	(219,918)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(133,782)	(219,918)
EQUITY DIVIDENDS PAID		(350,000)	(250,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(525,599)	419,015
FINANCING			
Capital element of hire purchase		(24,180)	(24,179)
NET CASH OUTFLOW FROM FINANCING		(24,180)	(24,179)
(DECREASE)/INCREASE IN CASH		(549,779)	394,836

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	498,265	710,676
Depreciation	116,040	86,313
(Increase)/decrease in stocks	(239,950)	67,475
Increase in debtors	(14,958)	(19,758)
(Decrease)/increase in creditors	(227,935)	101,998
Net cash inflow from operating activities	131,462	946,704

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £	2007 £
(Decrease)/increase in cash in the period	(549,779)	394,836
Cash outflow in respect of hire purchase	24,180	24,179
	(525,599)	419,015
Change in net funds	(525,599)	419,015
Net funds at 1 April 2007	532,715	113,700
Net funds at 31 March 2008	7,116	532,715

TEKZONE SOUND AND VISION LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2008

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2007 £	Cash flows £	At 31 Mar 2008 £
Net cash			
Cash in hand and at bank	590,132	(549,779)	40,353
Debt			
Hire purchase agreements	(57,417)	24,180	(33,237)
Net funds	532,715	(525,599)	7,116

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

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 2008

2. OPERATING PROFIT

Operating profit is stated after charging

	2008 £	2007 £
Depreciation of owned fixed assets	98,565	55,732
Depreciation of assets held under hire purchase agreements	17,475	30,581
Auditor's remuneration		
- as auditor	3,525	3,350
Operating lease costs		
Other	64,814	72,286

3. PARTICULARS OF EMPLOYEES

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

	2008 No	2007 No
Number of administrative staff	12	12
Number of operational staff	95	84
	107	96

The aggregate payroll costs of the above were

	2008 £	2007 £
Wages and salaries	2,165,795	1,991,756
Social security costs	206,003	198,952
	2,371,798	2,190,708

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2008 £	2007 £
Emoluments receivable	279,026	300,978
Emoluments of highest paid director:		
	2008 £	2007 £
Total emoluments (excluding pension contributions)	75,466	86,510

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Finance charges	5,656	5,656

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2007 - 30%)	118,880	169,460
Total current tax	118,880	169,460
Deferred tax		
Origination and reversal of timing differences	4,465	14,432
Tax on profit on ordinary activities	123,345	183,892

(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% (2007 - 30%)

	2008 £	2007 £
Profit on ordinary activities before taxation	494,446	706,014
Profit on ordinary activities by rate of tax	148,334	211,804
Effect of disallowed expenses	482	1,662
Capital allowances in excess of depreciation	(4,465)	(20,449)
Marginal relief	(25,471)	(23,557)
Total current tax (note 6(a))	118,880	169,460

7. DIVIDENDS

Equity dividends

	2008 £	2007 £
Paid during the year		
Equity dividends on ordinary shares	350,000	250,000

8. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 April 2007	1,078,892
Additions	133,782
At 31 March 2008	1,212,674
DEPRECIATION	
At 1 April 2007	790,082
Charge for the year	116,040
At 31 March 2008	906,122
NET BOOK VALUE	
At 31 March 2008	306,552
At 31 March 2007	288,810

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

8. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £306,552 is £13,105 (2007 - £30,580) 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 £17,475 (2007 - £30,581)

9. STOCKS

	2008 £	2007 £
Stock	2,820,060	2,580,110

10. DEBTORS

	2008 £	2007 £
Trade debtors	82,376	190,544
Other debtors	350	90
Prepayments and accrued income	412,823	289,957
	495,549	480,591

11. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	1,011,714	1,257,405
Corporation tax	118,880	169,460
Other taxation and social security	122,140	153,070
Hire purchase agreements	20,684	24,179
Other creditors	6,921	10,986
Accruals and deferred income	162,512	109,761
	1,442,851	1,724,861

12. CREDITORS: Amounts falling due after more than one year

	2008 £	2007 £
Hire purchase agreements	12,553	33,238

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2008 £	2007 £
Amounts payable within 1 year	20,684	24,179
Amounts payable between 1 and 2 years	12,553	33,238
	33,237	57,417

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was.

	2008 £	2007 £
Provision brought forward	4,036	(10,396)
Profit and loss account movement arising during the year	4,465	14,432
Provision carried forward	8,501	4,036

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

14. DEFERRED TAXATION *(continued)*

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

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	8,501	4,036
	<u>8,501</u>	<u>4,036</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as set out below

	Land & Buildings 2008 £	2007 £
Operating leases which expire		
Within 2 to 5 years	42,500	42,500
After more than 5 years	9,500	9,500
	<u>52,000</u>	<u>52,000</u>

16. RELATED PARTY TRANSACTIONS

Included within trade creditors in note 15 is an amount of £6,728 (£5,837 - 2007) owed to Elite Accessories Limited. During the year the company made purchases of £133,091 (2007 - £4,985) from Elite Accessories Limited, a company which J R Gardner is a director.

17. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>260</u>	<u>260</u>	<u>260</u>	<u>260</u>

18. SHARE PREMIUM ACCOUNT

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

19. OTHER RESERVES

	2008 £	2007 £
Capital redemption reserve	<u>86</u>	<u>86</u>

20. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Balance brought forward	2,137,248	1,865,126
Profit for the financial year	371,101	522,122
Equity dividends	(350,000)	(250,000)
Balance carried forward	<u>2,158,349</u>	<u>2,137,248</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	371,101	522,122
Equity dividends	(350,000)	(250,000)
Net addition to shareholders' funds	21,101	272,122
Opening shareholders' funds	2,177,508	1,905,386
Closing shareholders' funds	2,198,609	2,177,508