

Company Registration No. 00330823 (England and Wales)

TEKZONE SOUND AND VISION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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TEKZONE SOUND AND VISION LIMITED

COMPANY INFORMATION

Directors	H Gardner J Gardner C Gardner M Russell-Vick
Secretary	C Gardner
Company number	00330823
Registered office	Cetec House Business Park 5 (Axis Centre) Cleeve Road Leatherhead KT22 7NB
Auditor	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD
Business address	Cetec House Business Park 5 (Axis Centre) Cleeve Road Leatherhead KT22 7NB

TEKZONE SOUND AND VISION LIMITED

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TEKZONE SOUND AND VISION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

Fair review of the business

Tekzone Sound and Vision Limited performed well in the year to 31 March 2017 with gross profit margin increasing from 23% to 24% due to an increase in sales of higher margin products. Turnover decreased by £676,315 to £14,719,353 (2016 - £15,395,668) largely due to the closure of one of the company's concessions.

The company largely operates on a concession basis in major department stores and, as well as providing exemplary services to its customers, it must be seen to be at the cutting edge of technology with "best in class" departments.

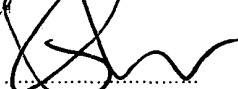
The principal risk and uncertainty facing the company is ensuring that it keeps up to date with the constant developments and technological advances in the products which the company sells. In order to reduce this risk the management of the company are constantly updated with knowledge of the newest technology and latest models that the company's suppliers provide. In light of this risk, management closely monitor the levels of stock which the company holds.

The company has a number of key performance indicators including;

- Individual sales person's turnover and retained margin
- Stock holding and turn by each product's category
- Customer highlights

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

On behalf of the board



J Gardner

Director

26/10/17

TEKZONE SOUND AND VISION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company during the year continued to be that of the retail of IT, photographic, video, television and audio equipment.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H Gardner
J Gardner
C Gardner
M Russell-Vick

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £379,278. The directors do not recommend payment of a final dividend.

Future developments

Given the strong balance sheet, the directors feel that the company is in a solid position to carry out the necessary works in order to achieve its future goals. There are no further plans for expansion this year as the company will focus on strengthening its current portfolio.

Auditor

The auditor, Hazlems Fenton LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of 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). 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.

TEKZONE SOUND AND VISION LIMITED

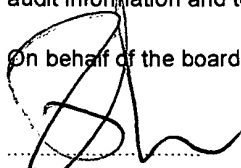
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 company's auditor is aware of that information.

On behalf of the board



J Gardner

Director

26/10/17

TEKZONE SOUND AND VISION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TEKZONE SOUND AND VISION LIMITED

We have audited the financial statements of Tekzone Sound And Vision Limited for the year ended 31 March 2017 set out on pages 6 to 23. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 annual 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 company's affairs as at 31 March 2017 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

TEKZONE SOUND AND VISION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

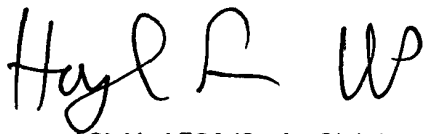
TO THE MEMBERS OF TEKZONE SOUND AND VISION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

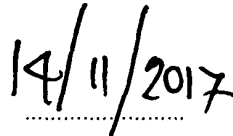
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.



Leonard Siskind FCA (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

Chartered Accountants
Statutory Auditor



Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

TEKZONE SOUND AND VISION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	14,719,354	15,395,668
Cost of sales		(11,135,911)	(11,923,636)
Gross profit		3,583,443	3,472,032
Administrative expenses		(4,225,455)	(4,131,425)
Other operating income		824,536	903,063
Operating profit	4	182,524	243,670
Interest receivable and similar income	7	16	29
Interest payable and similar expenses	8	(11,572)	(7,975)
Profit before taxation		170,968	235,724
Taxation	9	(35,431)	(40,376)
Profit for the financial year		135,537	195,348

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

TEKZONE SOUND AND VISION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Profit for the year	135,537	195,348
Other comprehensive income	-	-
Total comprehensive income for the year	<u>135,537</u>	<u>195,348</u>

TEKZONE SOUND AND VISION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		846,933		849,703
Current assets					
Stocks	13	2,424,021		2,023,342	
Debtors	14	157,649		145,396	
Cash at bank and in hand		30,718		449,658	
		<u>2,612,388</u>		<u>2,618,396</u>	
Creditors: amounts falling due within one year	15	<u>(1,516,732)</u>		<u>(1,240,605)</u>	
Net current assets			1,095,656		1,377,791
Total assets less current liabilities			<u>1,942,589</u>		<u>2,227,494</u>
Provisions for liabilities	18		(34,205)		(75,369)
Net assets			<u>1,908,384</u>		<u>2,152,125</u>
Capital and reserves					
Called up share capital	21		208		208
Share premium account			39,914		39,914
Capital redemption reserve			138		138
Profit and loss reserves			1,868,124		2,111,865
Total equity			<u>1,908,384</u>		<u>2,152,125</u>

The financial statements were approved by the board of directors and authorised for issue on 26/10/17 and are signed on its behalf by:


J. Gardner
Director

Company Registration No. 00330823

TEKZONE SOUND AND VISION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2015		208	39,914	138	2,381,985	2,422,245
Year ended 31 March 2016:						
Profit and total comprehensive income for the year		-	-	-	195,348	195,348
Dividends	10	-	-	-	(465,468)	(465,468)
Balance at 31 March 2016		208	39,914	138	2,111,865	2,152,125
Year ended 31 March 2017:						
Profit and total comprehensive income for the year		-	-	-	135,537	135,537
Dividends	10	-	-	-	(379,278)	(379,278)
Balance at 31 March 2017		208	39,914	138	1,868,124	1,908,384

TEKZONE SOUND AND VISION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	26	123,914		1,228,425	
Interest paid		(11,572)		(7,975)	
Income taxes paid		(36,775)		(101,796)	
Net cash inflow from operating activities		<u>75,567</u>		<u>1,118,654</u>	
Investing activities					
Purchase of tangible fixed assets		(489,825)		(534,810)	
Interest received	16			29	
Net cash used in investing activities		<u>(489,809)</u>		<u>(534,781)</u>	
Financing activities					
Payment of finance leases obligations		(7,622)		(7,186)	
Dividends paid		(379,278)		(465,468)	
Net cash used in financing activities		<u>(386,900)</u>		<u>(472,654)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(801,142)</u>		<u>111,219</u>	
Cash and cash equivalents at beginning of year		449,658		338,439	
Cash and cash equivalents at end of year		<u><u>(351,484)</u></u>		<u><u>449,658</u></u>	
Relating to:					
Cash at bank and in hand		30,718		449,658	
Bank overdrafts included in creditors payable within one year		<u><u>(382,202)</u></u>		<u><u>-</u></u>	

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Tekzone Sound And Vision Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cetec House Business Park 5 (Axis Centre), Cleeve Road, Leatherhead, KT22 7NB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for the sale of IT, photographic, video, television and audio equipment net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities relate to the useful lives of tangible fixed assets as described in note 1.3. At the year end the carrying amount of tangible fixed assets was as stated in note 11.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Sales of goods	14,719,354	15,395,668
Other significant revenue		
Interest income	16	29
Sundry income	824,536	903,063
Turnover analysed by geographical market		
	2017 £	2016 £
United Kingdom	14,719,354	15,395,668

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	9,300	18,433
Depreciation of owned tangible fixed assets	374,719	406,484
Depreciation of tangible fixed assets held under finance leases	7,197	5,398
Loss on disposal of tangible fixed assets	110,679	-
Cost of stocks recognised as an expense	11,135,911	11,923,636
Operating lease charges	99,708	62,962

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Administrative staff (including directors)	11	12
Operational staff	71	71
	<u>82</u>	<u>83</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,653,979	1,763,390
Social security costs	138,297	141,451
Pension costs	7,394	7,521
	<u>1,799,670</u>	<u>1,912,362</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>37,575</u>	<u>37,149</u>

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	<u>16</u>	<u>29</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

(Continued)

7 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	16	29
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8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	11,121	7,099
Interest on finance leases and hire purchase contracts	451	876
	<u>11,572</u>	<u>7,975</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	64,596	36,775
Deferred tax		
Origination and reversal of timing differences	(29,165)	3,601
	<u>35,431</u>	<u>40,376</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	170,968	235,724
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	34,194	47,145
Tax effect of expenses that are not deductible in determining taxable profit	232	272
Depreciation add back	76,383	82,376
Capital allowances	(68,349)	(93,018)
Other timing differences	(29,165)	3,601
Loss on disposal of tangible fixed assets	22,136	-
	<u>35,431</u>	<u>40,376</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

10 Dividends

	2017 £	2016 £
Interim paid	379,278	465,468

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2016	1,885,568
Additions	489,825
Disposals	(268,240)
At 31 March 2017	2,107,153
Depreciation and impairment	
At 1 April 2016	1,035,865
Depreciation charged in the year	381,916
Eliminated in respect of disposals	(157,561)
At 31 March 2017	1,260,220
Carrying amount	
At 31 March 2017	846,933
At 31 March 2016	849,703

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	7,198	14,395
Depreciation charge for the year in respect of leased assets	7,197	5,398

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	89,622	117,243
Carrying amount of financial liabilities		
Measured at amortised cost	1,280,495	1,006,109

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

(Continued)

12 Financial instruments

13 Stocks

	2017 £	2016 £
Finished goods and goods for resale	2,424,021	2,023,342

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	45,114	109,365
Other debtors	44,508	7,878
Prepayments and accrued income	68,027	28,153
	157,649	145,396

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	382,202	-
Obligations under finance leases	17	-	7,622
Trade creditors		864,869	977,015
Corporation tax		64,596	36,775
Other taxation and social security		171,641	197,721
Other creditors		3,874	3,522
Accruals and deferred income		29,550	17,950
		1,516,732	1,240,605

16 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	382,202	-
Payable within one year	382,202	-

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

17 Finance lease obligations

	2017	2016
	£	£
Future minimum lease payments due under finance leases:		
Within one year	-	7,622

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The leases ceased during the year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Provisions for liabilities

	Notes	2017	2016
		£	£
Dilapidations		-	11,999
Deferred tax liabilities	19	34,205	63,370
		<u>34,205</u>	<u>75,369</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Dilapidations
	£
At 1 April 2016	11,999
Reversal of provision	(11,999)
At 31 March 2017	-

The above provision is in relation to dilapidations charges.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
Accelerated capital allowances	<u>34,205</u>	<u>63,370</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

19 Deferred taxation (Continued)

	2017 £
Movements in the year:	
Liability at 1 April 2016	63,370
Credit to profit or loss	(29,165)
Liability at 31 March 2017	<u>34,205</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>7,394</u>	<u>7,521</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
208 Ordinary shares of £1 each	<u>208</u>	<u>208</u>

This company has one class of ordinary shares which carry no right to fixed income.

22 Financial commitments, guarantees and contingent liabilities

A fixed charge over all present freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital both present and future; and first floating charge over all assets and undertaking both present and future is held by HSBC.

As at 31 March 2017 the company was committed to making minimum commission payments of £415,379 (2016 - £329,177) in the year to 31 March 2018 in respect of rental commissions payable to the stores in which the company operates concessions.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	72,000	22,000
Between two and five years	231,750	88,000
In over five years	16,500	38,500
	<u>320,250</u>	<u>148,500</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, are as follows.

	2017 £	2016 £
Aggregate compensation	<u>37,575</u>	<u>37,149</u>

During the year the company made sales of £78,695 (2016 - £35,076) to Smart Bedz Ltd a company under the control of J Gardner. Included within trade debtors is an amount of £8,419 (2016 - £14,225) due from Smart Bedz Ltd. Included within other debtors is an amount of £26,904 (2015 - £nil) due from J Gardner, a director of the company.

25 Directors' transactions

Dividends totalling £379,278 (2016 - £465,468) were paid in the year in respect of shares held by the company's directors.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

26 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	135,537	195,348
Adjustments for:		
Taxation charged	35,431	40,376
Finance costs	11,572	7,975
Investment income	(16)	(29)
Loss on disposal of tangible fixed assets	110,679	-
Depreciation and impairment of tangible fixed assets	381,916	411,882
(Decrease) in provisions	(11,999)	(18,001)
Movements in working capital:		
(Increase)/decrease in stocks	(400,679)	695,072
(Increase)/decrease in debtors	(12,253)	213,518
(Decrease) in creditors	(126,274)	(317,716)
Cash generated from operations	<u>123,914</u>	<u>1,228,425</u>