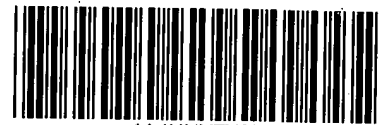


Company Registration No. 00330823 (England and Wales)

TEKZONE SOUND AND VISION LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015

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

FRIDAY



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COMPANIES HOUSE

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	Old Court Tyrrells Wood Leatherhead Surrey KT22 8QW
Auditors	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD
Business address	Old Court Tyrrells Wood Leatherhead Surrey KT22 8QW

TEKZONE SOUND AND VISION LIMITED

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TEKZONE SOUND AND VISION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

Tekzone Sound and Vision Limited performed well in the year to 31 March 2015 with total turnover increasing by 13% to £15,170,096 (2014 - £13,450,200). This increase is due to a full year of turnover from the Fenwick's store in Newcastle and an increase in product sales of network audio, IT and TV equipment. The gross profit margin of the company has slightly increased to 26% from 25% in 2014 due to an increase in sales of higher margin products and an increase in marketing support from a number of suppliers.

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.

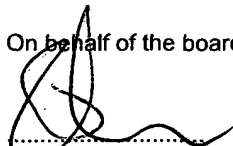
The principal risk and uncertainty facing the company is ensuring that it keeps up to date with the constant developments and technological advances in the products which the company sells. In order to reduce this risk the management of the company are constantly updated with knowledge of the newest 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

10/9/2015

TEKZONE SOUND AND VISION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

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.

Results and dividends

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

The directors do not recommend the payment of a final ordinary dividend.

Future developments

With the recent growth in profits and 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.

Directors

The following directors have held office since 1 April 2014:

H Gardner
J Gardner
C Gardner
M Russell-Vick

Auditors

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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;
- 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

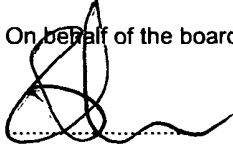
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board



J Gardner

Director

10/9/2015

TEKZONE SOUND AND VISION LIMITED

INDEPENDENT AUDITORS' 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 2015 set out on pages 6 to 18. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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 2015 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TEKZONE SOUND AND VISION LIMITED

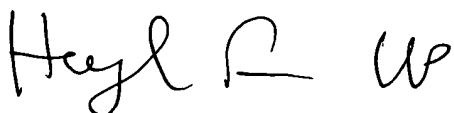
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF TEKZONE SOUND AND VISION LIMITED

Matters on which we are required to report by exception

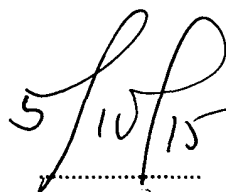
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Leonard Siskind (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 2015

	Notes	2015 £	2014 £
Turnover	2	15,170,096	13,450,200
Cost of sales		(11,298,867)	(10,091,078)
Gross profit		3,871,229	3,359,122
Administrative expenses		(4,033,744)	(3,540,562)
Other operating income		802,252	813,674
Operating profit	3	639,737	632,234
Other interest receivable and similar income	4	88	26
Interest payable and similar charges	5	(9,715)	(9,120)
Profit on ordinary activities before taxation		630,110	623,140
Tax on profit on ordinary activities	6	(128,480)	(131,631)
Profit for the year	16	501,630	491,509

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

There are no recognised gains and losses other than those passing through the profit and loss account.

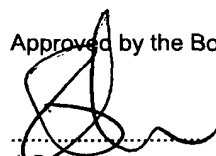
TEKZONE SOUND AND VISION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	8		726,775		687,289
Current assets					
Stocks	9	2,718,414		2,329,199	
Debtors	10	358,914		340,299	
Cash at bank and in hand		338,439		121,867	
		<u>3,415,767</u>		<u>2,791,365</u>	
Creditors: amounts falling due within one year	11	<u>(1,623,781)</u>		<u>(1,032,498)</u>	
Net current assets			1,791,986		1,758,867
Total assets less current liabilities			<u>2,518,761</u>		<u>2,446,156</u>
Creditors: amounts falling due after more than one year	12		(6,747)		(13,531)
Provisions for liabilities	13		(89,769)		(33,085)
			<u>2,422,245</u>		<u>2,399,540</u>
Capital and reserves					
Called up share capital	15		208		208
Share premium account	16		39,914		39,914
Other reserves	16		138		138
Profit and loss account	16		2,381,985		2,359,280
Shareholders' funds	17		<u>2,422,245</u>		<u>2,399,540</u>

Approved by the Board and authorised for issue on 10/9/2015


J Gardner
Director

Company Registration No. 00330823

TEKZONE SOUND AND VISION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	£	2015 £	£	2014 £
Net cash inflow from operating activities		1,201,928		735,624
Returns on investments and servicing of finance				
Interest received	88		26	
Interest paid	(9,715)		(9,120)	
Net cash outflow for returns on investments and servicing of finance		(9,627)		(9,094)
Taxation		(114,012)		9,072
Capital expenditure				
Payments to acquire tangible assets	(376,008)		(432,671)	
Net cash outflow for capital expenditure		(376,008)		(432,671)
Equity dividends paid		(478,925)		(326,229)
Net cash inflow/(outflow) before management of liquid resources and financing		223,356		(23,298)
Financing				
Capital element of hire purchase contracts	(6,784)		(7,198)	
Net cash outflow from financing		(6,784)		(7,198)
Increase/(decrease) in cash in the year		216,572		(30,496)

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

1 Reconciliation of operating profit to net cash inflow from operating activities	2015	2014
	£	£
Operating profit	639,737	632,234
Depreciation of tangible assets	320,281	199,838
Loss on disposal of tangible assets	16,244	-
(Increase)/decrease in stocks	(389,215)	76,154
(Increase)/decrease in debtors	(18,615)	29,184
Increase/(decrease) in creditors within one year	603,496	(201,786)
Other reserve movement	30,000	-
Net cash inflow from operating activities	1,201,928	735,624

2 Analysis of net funds	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	121,867	216,572	-	338,439
Bank deposits	-	-	-	-
Debt:				
Finance leases	(21,592)	6,784	-	(14,808)
Net funds	100,275	223,356	-	323,631

3 Reconciliation of net cash flow to movement in net funds	2015	2014
	£	£
Increase/(decrease) in cash in the year	216,572	(30,496)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	6,784	(21,592)
Movement in net funds in the year	223,356	(52,088)
Opening net funds	100,275	152,363
Closing net funds	323,631	100,275

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% straight line
--------------------------------	-------------------

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

3	Operating profit	2015	2014
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	320,281	199,838
	Loss on disposal of tangible assets	16,244	-
	Operating lease rentals	85,424	67,557
	Auditors' remuneration (including expenses and benefits in kind)	9,455	9,225
		<u> </u>	<u> </u>
4	Investment income	2015	2014
		£	£
	Bank interest	88	26
		<u> </u>	<u> </u>
		88	26
		<u> </u>	<u> </u>
5	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	8,438	9,120
	Hire purchase interest	1,277	-
		<u> </u>	<u> </u>
		9,715	9,120
		<u> </u>	<u> </u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

6	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	101,796	99,193
	Adjustment for prior years	-	12,323
	Total current tax	<u>101,796</u>	<u>111,516</u>
	Deferred tax		
	Deferred tax re timing differences	26,684	20,115
		<u>128,480</u>	<u>131,631</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>630,110</u>	<u>623,140</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)	<u>132,323</u>	<u>143,322</u>
	Effects of:		
	Non deductible expenses	720	1,518
	Depreciation add back	67,259	45,963
	Capital allowances	(99,711)	(83,848)
	Marginal relief	(2,206)	(7,762)
	Adjustments to previous periods	-	12,323
	Chargeable disposals	3,411	-
		<u>(30,527)</u>	<u>(31,806)</u>
	Current tax charge for the year	<u>101,796</u>	<u>111,516</u>
7	Dividends	2015 £	2014 £
	Ordinary interim paid	<u>478,925</u>	<u>326,229</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

8 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2014	1,035,222
Additions	376,011
Disposals	(60,475)
At 31 March 2015	1,350,758
Depreciation	
At 1 April 2014	347,933
On disposals	(44,231)
Charge for the year	320,281
At 31 March 2015	623,983
Net book value	
At 31 March 2015	726,775
At 31 March 2014	687,289

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 March 2015	19,793
At 31 March 2014	26,991
Depreciation charge for the year	
At 31 March 2015	7,198
At 31 March 2014	1,799

9 Stocks	2015 £	2014 £
Finished goods and goods for resale	2,718,414	2,329,199

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

10 Debtors	2015 £	2014 £
Trade debtors	297,828	275,563
Other debtors	7,855	12,858
Prepayments and accrued income	53,231	51,878
	<u>358,914</u>	<u>340,299</u>

11 Creditors: amounts falling due within one year	2015 £	2014 £
Net obligations under hire purchase contracts	8,061	8,061
Trade creditors	1,243,766	716,485
Corporation tax	101,796	114,012
Other taxes and social security costs	226,523	163,443
Other creditors	4,592	3,022
Accruals and deferred income	39,043	27,475
	<u>1,623,781</u>	<u>1,032,498</u>

The company has an overdraft facility which is secured by way of a fixed and floating charge over the assets of the company.

12 Creditors: amounts falling due after more than one year	2015 £	2014 £
Net obligations under hire purchase contracts	<u>6,747</u>	<u>13,531</u>
Net obligations under hire purchase contracts		
Repayable within one year	8,061	8,061
Repayable between one and five years	8,073	16,134
	<u>16,134</u>	<u>24,195</u>
Finance charges and interest allocated to future accounting periods	(1,326)	(2,603)
	<u>14,808</u>	<u>21,592</u>
Included in liabilities falling due within one year	(8,061)	(8,061)
	<u>6,747</u>	<u>13,531</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

13 Provisions for liabilities

	Deferred tax liability £	Other £	Total £
Balance at 1 April 2014	33,085	-	33,085
Profit and loss account	26,684	30,000	56,684
Balance at 31 March 2015	<u>59,769</u>	<u>30,000</u>	<u>89,769</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>59,769</u>	<u>33,085</u>

14 Retirement Benefits

	2015 £	2014 £
Contributions payable by the company for the year	<u>5,164</u>	<u>-</u>

15 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
208 Ordinary shares of £1 each	<u>208</u>	<u>208</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

16 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2014	39,914	138	2,359,280
Profit for the year	-	-	501,630
Dividends paid	-	-	(478,925)
Balance at 31 March 2015	39,914	138	2,381,985
Other reserves			
Capital redemption reserve			
Balance at 1 April 2014 & at 31 March 2015		138	

17 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	501,630	491,509
Dividends	(478,925)	(326,229)
Net addition to shareholders' funds	22,705	165,280
Opening Shareholders' funds	2,399,540	2,234,260
Closing Shareholders' funds	2,422,245	2,399,540

18 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
Within one year	-	8,400
Between two and five years	-	42,500
In over five years	22,000	22,000
	22,000	72,900

As at 31 March 2015 the company was committed to making minimum commissions payments of £445,257 (2014: £394,668) in the year to 31 March 2016 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 2015

19 Directors' remuneration	2015	2014
	£	£
Remuneration for qualifying services	36,909	36,945

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015	2014
	Number	Number
Administrative staff (including directors)	11	11
Operational staff	64	64
	<u>75</u>	<u>75</u>

Employment costs

	2015	2014
	£	£
Wages and salaries	1,702,567	1,575,155
Social security costs	139,665	130,048
Other pension costs	5,164	-
	<u>1,847,396</u>	<u>1,705,203</u>

21 Control

In the opinion of the directors there is no single ultimate controlling party.

22 Related party relationships and transactions

Dividends paid to directors

The following directors were paid dividends during the year as outlined in the table below:

	2015	2014
	£	£
H Gardner	106,969	54,719
J Gardner	149,041	102,623
C Gardner	111,281	88,904
M Russell-Vick	32,621	19,200
	<u>399,912</u>	<u>265,446</u>

TEKZONE SOUND AND VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

22 Related party relationships and transactions

(Continued)

Other transactions

At the balance sheet date there was an amount of £Nil (2014 - £943) due to Elite Accessories Limited, a company under the control of J Gardner, a director and shareholder of the company.

During the year the company made sales of £1,253 (2014 - £2,015) to Smart Bedz Ltd, a company under the control of J Gardner. At the balance sheet date there was an amount of £1,253 (2014 - £554) due from Smart Bedz Ltd.