

REGISTERED NUMBER: 03451910 (England and Wales)

**Report of the Directors and
Consolidated Financial Statements
for the year ended 31 March 2012
for
SG World Limited**

THURSDAY



A1FXFKGI

A34

23/08/2012

#75

COMPANIES HOUSE

**Contents of the Consolidated Financial Statements
for the year ended 31 March 2012**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	5
Consolidated Statement of Total Recognised Gains and Losses	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10
Notes to the Consolidated Financial Statements	12

SG World Limited
Company Information
for the year ended 31 March 2012

DIRECTORS:	S E Floodgate A N Haase M P Haase D H Kinsman T Mulvaney
SECRETARY:	T Mulvaney
REGISTERED OFFICE:	Duchy Road Crewe Cheshire CW1 6ND
REGISTERED NUMBER:	03451910 (England and Wales)
SENIOR STATUTORY AUDITOR:	Stuart Banks BSc FCA
AUDITORS:	Banks Sheridan Datum House Electra Way Crewe Cheshire CW1 6ZF

**Report of the Directors
for the year ended 31 March 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2012

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of the marketing and manufacture of business systems, accounting forms and continuous stationery

REVIEW OF BUSINESS

Details of the group's results are given in the profit and loss account on page 5 The financial position of the group at the end of the year is shown on page 7

Sales for the year increased by 3.3% compared to the previous year, closing at £9.2m (£8.9m). The acquisition in the Republic of Ireland in February 2011 helped to support the sales figures during what continued to be difficult trading conditions. Nevertheless through continued investment in people and products we are satisfied with the growth achieved and the prospects for further growth in 2012-13. The profit before tax for the year is £284k (£637k). The decrease is due largely to the investment made in the sales force which should enable the company to rapidly exploit any improvement in market conditions. The company acquired its main operating premises during the year, another long term investment decision, which should pay dividends in terms of cost reduction and cash preservation beyond the initial investment period. The business expects to generate cash and grow further over the next 12 months.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks and uncertainties remain those associated with the macro-economic environment, the impact of public spending cuts and the Euro zone currency and sovereign debt risks in so far as they affect general business confidence and investment intentions. Debtor risk is not a significant concern due to the typical low transaction values and good credit management.

KEY PERFORMANCE INDICATORS

Certain key performance indicators are considered in the above review of business.

The most important leading indicators that are monitored on a daily basis are figures for new business won and repeat business won. Shipments are also measured daily to focus on efficient sales order processing, production and logistics. Cash flow is measured daily to focus on efficient cash management. Both sales and production have working targets which are integrated into the company's overall budget for the year.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2012.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

S E Floodgate
A N Haase
M P Haase
D H Kinsman
T Mulvaney

**Report of the Directors
for the year ended 31 March 2012**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in these financial statements

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Banks Sheridan, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:


T Mulvaney - Director

Date 14. Aug. 2012

**Report of the Independent Auditors to the Members of
SG World Limited**

We have audited the financial statements of SG World Limited for the year ended 31 March 2012 on pages five to twenty six. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 group's and of the parent company's affairs as at 31 March 2012 and of the group's 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

SP Banks.

Stuart Banks BSc FCA (Senior Statutory Auditor)
for and on behalf of Banks Sheridan

Datum House
Electra Way
Crewe
Cheshire
CW1 6ZF

Date

20th August 2012

SG World Limited (Registered number: 03451910)

**Consolidated Profit and Loss Account
for the year ended 31 March 2012**

	Notes	2012 £	2011 £
TURNOVER	3	9,201,598	8,907,673
Continuing operations		9,201,598	8,793,229
Acquisitions		-	114,444
		<u>9,201,598</u>	<u>8,907,673</u>
Cost of sales	4	<u>2,701,036</u>	<u>2,532,718</u>
GROSS PROFIT	4	6,500,562	6,374,955
Net operating expenses	4	<u>6,165,750</u>	<u>5,726,596</u>
OPERATING PROFIT	6	334,812	648,359
Continuing operations		334,812	701,384
Acquisitions		-	(53,025)
		<u>334,812</u>	<u>648,359</u>
Interest receivable and similar income		<u>2,496</u>	<u>2,331</u>
		337,308	650,690
Interest payable and similar charges	7	<u>52,899</u>	<u>13,961</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		284,409	636,729
Tax on profit on ordinary activities	8	<u>5,655</u>	<u>202,236</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>278,754</u>	<u>434,493</u>

The notes form part of these financial statements

SG World Limited (Registered number: 03451910)

**Consolidated Statement of Total Recognised Gains and Losses
for the year ended 31 March 2012**

	2012 £	2011 £
PROFIT FOR THE FINANCIAL YEAR	278,754	434,493
Foreign exchange difference arising from the retranslation of overseas subsidiary	18,622	(8,954)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>297,376</u>	<u>425,539</u>

The notes form part of these financial statements

SG World Limited (Registered number: 03451910)

Consolidated Balance Sheet
31 March 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	10	705,369	797,871
Tangible assets	11	3,684,731	333,853
Investments	12	225,473	94,473
		<u>4,615,573</u>	<u>1,226,197</u>
CURRENT ASSETS			
Stocks	13	269,117	290,934
Debtors amounts falling due within one year	14	1,949,187	1,950,926
Debtors amounts falling due after more than one year	14	71,677	97,685
Cash at bank and in hand		242,476	167,200
		<u>2,532,457</u>	<u>2,506,745</u>
CREDITORS			
Amounts falling due within one year	15	2,278,103	2,107,266
NET CURRENT ASSETS		<u>254,354</u>	<u>399,479</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,869,927</u>	<u>1,625,676</u>
CREDITORS			
Amounts falling due after more than one year	16	(2,927,100)	(14,128)
PROVISIONS FOR LIABILITIES	20	(40,236)	(6,333)
NET ASSETS		<u>1,902,591</u>	<u>1,605,215</u>
CAPITAL AND RESERVES			
Called up share capital	21	121,147	121,147
Share premium	22	3,150	3,150
Capital redemption reserve	22	191,668	191,668
Profit and loss account	22	1,586,626	1,289,250
SHAREHOLDERS' FUNDS	27	<u>1,902,591</u>	<u>1,605,215</u>

The financial statements were approved by the Board of Directors on its behalf by

14 Aug 2012

and were signed on


A N Haase Director

The notes form part of these financial statements

Company Balance Sheet
31 March 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	10	405,018	472,521
Tangible assets	11	3,679,818	302,918
Investments	12	3,894,536	3,763,536
		<u>7,979,372</u>	<u>4,538,975</u>
CURRENT ASSETS			
Stocks	13	263,405	286,763
Debtors amounts falling due within one year	14	2,364,012	2,017,036
Debtors amounts falling due after more than one year	14	97,909	146,154
Cash at bank and in hand		51,547	67,987
		<u>2,776,873</u>	<u>2,517,940</u>
CREDITORS			
Amounts falling due within one year	15	<u>2,223,012</u>	<u>1,776,292</u>
NET CURRENT ASSETS		<u>553,861</u>	<u>741,648</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,533,233</u>	<u>5,280,623</u>
CREDITORS			
Amounts falling due after more than one year	16	(6,596,163)	(3,677,598)
PROVISIONS FOR LIABILITIES	20	(40,191)	(6,117)
NET ASSETS		<u><u>1,896,879</u></u>	<u><u>1,596,908</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	121,147	121,147
Share premium	22	3,150	3,150
Capital redemption reserve	22	191,668	191,668
Profit and loss account	22	1,580,914	1,280,943
SHAREHOLDERS' FUNDS	27	<u><u>1,896,879</u></u>	<u><u>1,596,908</u></u>

The financial statements were approved by the Board of Directors on its behalf by

14 Aug 2012

and were signed on


A N Haase - Director

The notes form part of these financial statements

**Consolidated Cash Flow Statement
for the year ended 31 March 2012**

	Notes	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	1	(72,979)	631,949
Returns on investments and servicing of finance	2	(52,787)	(11,630)
Taxation		(166,874)	(160,398)
Capital expenditure and financial investment	2	(3,650,043)	(109,901)
		(3,942,683)	350,020
Financing	2	3,074,774	(156,567)
(Decrease)/increase in cash in the period		(867,909)	193,453
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(867,909)	193,453
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(3,190,742)	1,567
Change in net funds resulting from cash flows		(4,058,651)	195,020
Net debt in subsidiary acquired during the year		-	(58,040)
Movement in net funds in the period		(4,058,651)	136,980
Net funds/(debt) at 1 April		59,318	(77,662)
Net (debt)/funds at 31 March		(3,999,333)	59,318

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 31 March 2012

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	334,812	648,359
Depreciation charges	262,872	201,799
Profit on disposal of fixed assets	(4,288)	(13,040)
Effect of exchange differences	23,705	(12,073)
Decrease/(increase) in stocks	21,817	(7,416)
Decrease/(increase) in debtors	44,907	(72,288)
Decrease in creditors	(756,804)	(113,392)
Net cash (outflow)/inflow from operating activities	(72,979)	631,949

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	112	2,331
Interest paid	(50,330)	(13,507)
Interest element of hire purchase payments	(2,569)	(454)
Net cash outflow for returns on investments and servicing of finance	(52,787)	(11,630)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(12,509)	-
Purchase of tangible fixed assets	(3,527,958)	(141,510)
Purchase of fixed asset investments	(116,000)	-
Sale of tangible fixed assets	6,424	31,609
Net cash outflow for capital expenditure and financial investment	(3,650,043)	(109,901)
Financing		
New loans taken out in year	3,250,000	-
Loan repayments in year	(44,534)	-
Hire purchase capital repayments in year	(14,724)	(1,567)
Amount introduced by directors	-	15,770
Amount withdrawn by directors	(5,968)	(50,770)
Share buyback	(110,000)	(120,000)
Net cash inflow/(outflow) from financing	3,074,774	(156,567)

The notes form part of these financial statements

SG World Limited (Registered number: 03451910)

**Notes to the Consolidated Cash Flow Statement
for the year ended 31 March 2012**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 4 11 £	Cash flow £	At 31 3 12 £
Net cash			
Cash at bank and in hand	167,200	75,276	242,476
Bank overdrafts	(85,311)	(943,185)	(1,028,496)
	<u>81,889</u>	<u>(867,909)</u>	<u>(786,020)</u>
Debt			
Hire purchase	(22,571)	14,724	(7,847)
Debts falling due within one year	-	(286,901)	(286,901)
Debts falling due after one year	-	(2,918,565)	(2,918,565)
	<u>(22,571)</u>	<u>(3,190,742)</u>	<u>(3,213,313)</u>
Total	<u>59,318</u>	<u>(4,058,651)</u>	<u>(3,999,333)</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the year ended 31 March 2012**

1 BASIS OF PREPARATION

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors

On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis

2 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The group financial statements consolidate the financial statements of SG World Limited and its subsidiary undertakings, which are both made up to 31 March 2012. The balance sheet and profit and loss account of the overseas subsidiary have been consolidated using the closing rate method. Exchange differences arising from the retranslation of the opening net investment of the overseas subsidiary are included in the statement of total recognised gains and losses for the year.

Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax. Turnover is recognised on the date of despatch to the customer. Freight charges to customers are included in turnover.

Goodwill and intangible fixed assets

Intangible assets comprise the cost of sales territories purchased from distributors (owned territories), loans made to distributors which entitle the company to a share in eventual sales proceeds of those territories (share in territories), goodwill arising on acquisitions (purchased goodwill) and goodwill on hive-up. Amortisation of goodwill and intangible fixed assets is charged at the following rates:

Owned territories	- 7 years
Share in territories	- Nil
Goodwill	- 20 years

The share in territories are the subject of an annual review for diminution of value.

These useful economic lives are considered by the directors to be consistent with the period in which benefits are expected to accrue.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 2.5% on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- 33% on cost and at varying rates on cost
Motor vehicles	- 33% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

2 ACCOUNTING POLICIES - continued

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate. As at the year end outstanding pension contributions amounted to £6,323.

3 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below.

	2012 £	2011 £
United Kingdom	8,195,266	8,400,266
Other EC countries	992,690	493,932
Rest of world	13,642	13,475
	<u>9,201,598</u>	<u>8,907,673</u>

4 ANALYSIS OF OPERATIONS

	Continuing £	2012 Acquisitions £	Total £
Cost of sales	<u>2,701,036</u>	<u>-</u>	<u>2,701,036</u>
Gross profit	<u>6,500,562</u>	<u>-</u>	<u>6,500,562</u>
Net operating expenses			
Distribution costs	3,176,405	-	3,176,405
Administrative expenses	3,029,341	-	3,029,341
Other operating income	(39,996)	-	(39,996)
	<u>6,165,750</u>	<u>-</u>	<u>6,165,750</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

4 ANALYSIS OF OPERATIONS - continued

	Continuing £	2011 Acquisitions £	Total £
Cost of sales	<u>2,489,539</u>	<u>43,179</u>	<u>2,532,718</u>
Gross profit	<u>6,303,690</u>	<u>71,265</u>	<u>6,374,955</u>
Net operating expenses			
Distribution costs	2,937,513	20,736	2,958,249
Administrative expenses	2,704,789	103,554	2,808,343
Other operating income	(39,996)	-	(39,996)
	<u>5,602,306</u>	<u>124,290</u>	<u>5,726,596</u>

5 STAFF COSTS

	2012 £	2011 £
Wages and salaries	3,666,863	3,424,532
Social security costs	410,737	397,065
Other pension costs	45,107	40,341
	<u>4,122,707</u>	<u>3,861,938</u>

The average monthly number of employees during the year was as follows

	2012	2011
Production	51	40
Sales and distribution	64	61
Administration	28	25
	<u>143</u>	<u>126</u>
Directors' emoluments	2012 £	2011 £
Directors' emoluments	573,278	608,194
Pension contributions	8,499	7,406
	<u>581,777</u>	<u>615,600</u>
Remuneration of highest paid director, excluding pension costs	<u>186,815</u>	<u>208,235</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

6 OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Hire of plant and machinery	287,447	250,479
Other operating leases	334,615	427,308
Depreciation of tangible fixed assets		
- owned assets	143,585	127,448
- assets held under finance leases and hire purchase contracts	17,676	2,948
Amortisation and amounts written off intangible assets	101,611	71,403
(Profit)/loss on disposal of fixed assets	(4,288)	(13,040)
Research and development expenditure	103,917	81,932
Auditors' remuneration		
- audit services	13,900	13,000
- other services	2,950	8,100
Foreign exchange (gains)/losses	43,001	5,065
	<u>287,447</u>	<u>250,479</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank interest	22,577	10,810
Bank loan interest	25,342	-
Other loan interest	1,798	-
Penalties and interest	613	2,697
Hire purchase	2,569	454
	<u>52,899</u>	<u>13,961</u>

8 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	2,805	190,603
Adjustment in respect of prior periods	(31,052)	(1,558)
Total current tax	<u>(28,247)</u>	<u>189,045</u>
Deferred tax	33,902	13,191
Tax on profit on ordinary activities	<u>5,655</u>	<u>202,236</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

8 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>284,409</u>	<u>636,729</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 28%)	56,882	178,284
Effects of		
Expenses not deductible for tax	2,480	17,225
Depreciation and amortisation in excess of capital allowances	(28,790)	(18,410)
Adjustments in respect of prior periods	(31,052)	(1,558)
Other differences	(95)	(77)
Research and development enhanced relief	(20,783)	-
Profit subject to lower rate of corporation tax	-	(1,615)
Overseas (profits)/losses	<u>(6,889)</u>	<u>15,196</u>
Current tax charge	<u>(28,247)</u>	<u>189,045</u>

9 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £299,971 (2011 - £472,484)

10 INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Owned territories £	Share in territories £	Totals £
COST				
At 1 April 2011	1,617,323	4,811,307	5,000	6,433,630
Additions	-	12,509	-	12,509
Exchange differences	-	(29,824)	-	(29,824)
At 31 March 2012	<u>1,617,323</u>	<u>4,793,992</u>	<u>5,000</u>	<u>6,416,315</u>
AMORTISATION				
At 1 April 2011	879,762	4,750,997	5,000	5,635,759
Amortisation for year	80,867	20,744	-	101,611
Exchange differences	-	(26,424)	-	(26,424)
At 31 March 2012	<u>960,629</u>	<u>4,745,317</u>	<u>5,000</u>	<u>5,710,946</u>
NET BOOK VALUE				
At 31 March 2012	<u>656,694</u>	<u>48,675</u>	<u>-</u>	<u>705,369</u>
At 31 March 2011	<u>737,561</u>	<u>60,310</u>	<u>-</u>	<u>797,871</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

10 INTANGIBLE FIXED ASSETS - continued

Company

	Goodwill £	Owned territories £	Share in territories £	Totals £
COST				
At 1 April 2011	1,350,056	4,282,074	5,000	5,637,130
Additions	-	12,509	-	12,509
At 31 March 2012	1,350,056	4,294,583	5,000	5,649,639
AMORTISATION				
At 1 April 2011	877,535	4,282,074	5,000	5,164,609
Amortisation for year	67,503	12,509	-	80,012
At 31 March 2012	945,038	4,294,583	5,000	5,244,621
NET BOOK VALUE				
At 31 March 2012	405,018	-	-	405,018
At 31 March 2011	472,521	-	-	472,521

11 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2011	-	1,911,395	2,802,773	155,806	4,869,974
Additions	3,485,771	-	30,187	-	3,515,958
Disposals	-	(18,481)	(51,761)	-	(70,242)
Exchange differences	-	(1,104)	(4,033)	(2,987)	(8,124)
At 31 March 2012	3,485,771	1,891,810	2,777,166	152,819	8,307,566
DEPRECIATION					
At 1 April 2011	-	1,787,484	2,658,971	89,666	4,536,121
Charge for year	15,537	44,650	53,547	47,527	161,261
Eliminated on disposal	-	(18,465)	(49,641)	-	(68,106)
Exchange differences	-	-	(4,451)	(1,990)	(6,441)
At 31 March 2012	15,537	1,813,669	2,658,426	135,203	4,622,835
NET BOOK VALUE					
At 31 March 2012	3,470,234	78,141	118,740	17,616	3,684,731
At 31 March 2011	-	123,911	143,802	66,140	333,853

Included in the freehold property is land of £1,000,000 (2011 £nil) which is not depreciated

The net book value of motor vehicles as at 31 March 2012 includes £nil (2011 £17,676) in respect of assets held under finance leases

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

11 TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2011	-	1,891,811	2,728,605	102,784	4,723,200
Additions	3,485,771	-	30,186	-	3,515,957
At 31 March 2012	3,485,771	1,891,811	2,758,791	102,784	8,239,157
DEPRECIATION					
At 1 April 2011	-	1,767,915	2,598,046	54,321	4,420,282
Charge for year	15,537	44,650	48,023	30,847	139,057
At 31 March 2012	15,537	1,812,565	2,646,069	85,168	4,559,339
NET BOOK VALUE					
At 31 March 2012	3,470,234	79,246	112,722	17,616	3,679,818
At 31 March 2011	-	123,896	130,559	48,463	302,918

There are no assets held under finance leases at 31 March 2012 or 31 March 2011

12 FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 April 2011	94,473
Additions	131,000
At 31 March 2012	225,473
NET BOOK VALUE	
At 31 March 2012	225,473
At 31 March 2011	94,473

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

12 FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 April 2011	4,410,848	94,473	4,505,321
Additions	-	131,000	131,000
At 31 March 2012	4,410,848	225,473	4,636,321
PROVISIONS			
At 1 April 2011 and 31 March 2012	741,785	-	741,785
NET BOOK VALUE			
At 31 March 2012	3,669,063	225,473	3,894,536
At 31 March 2011	3,669,063	94,473	3,763,536

The parent company holds more than 20% of the equity share capital of the following

Name of undertaking	Country of incorporation and operation	% of ordinary share capital	Activities during the period
Safeguard Trading Limited	England and Wales	100	Dormant
Lanyards etc Limited	England and Wales	100	Sale of accessories
SG World Limited	Republic of Ireland	100	Business systems
SBSG Limited	Republic of Ireland	30	Business systems
AV Furniture UK Limited	England and Wales	25	Distributors of audio/video furniture

SBSG Limited and AV Furniture UK Limited are not included within the consolidated group accounts as the group has limited influence over these companies. Results for the year ended 31 March 2012 for these companies are not available at the date of signing the group accounts.

13 STOCKS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Raw materials	22,818	31,567	22,818	31,567
Work-in-progress	38,558	53,818	38,558	53,818
Finished goods	207,741	205,549	202,029	201,378
	<u>269,117</u>	<u>290,934</u>	<u>263,405</u>	<u>286,763</u>

There is no significant difference between the value of stock and the replacement value

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

14 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year				
Trade debtors	1,291,543	1,382,396	1,196,300	1,272,657
Amounts owed by group undertakings	-	-	519,851	204,857
Other debtors	29,616	12,257	29,616	12,257
Amounts owed by SGW Payroll Limited	6,326	4,752	6,326	4,752
Director's current account	55,968	50,000	55,968	50,000
Tax	275	5,459	275	5,459
VAT	361,576	-	365,499	-
Prepayments and accrued income	203,883	496,062	190,177	467,054
	<u>1,949,187</u>	<u>1,950,926</u>	<u>2,364,012</u>	<u>2,017,036</u>
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	26,232	48,469
Amounts owed by SGW Payroll Limited	17,685	97,685	17,685	97,685
Amounts owed by AV Furniture UK Limited	40,000	-	40,000	-
Tax	13,992	-	13,992	-
	<u>71,677</u>	<u>97,685</u>	<u>97,909</u>	<u>146,154</u>
Aggregate amounts	<u>2,020,864</u>	<u>2,048,611</u>	<u>2,461,921</u>	<u>2,163,190</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 17)	1,290,539	85,311	1,290,539	39,871
Other loans (see note 17)	24,858	-	24,858	-
Hire purchase contracts (see note 18)	7,847	16,978	-	-
Trade creditors	430,120	601,142	435,336	533,347
Tax	4,289	190,603	1,484	185,577
Social security and other taxes	138,165	144,139	132,321	117,446
VAT	-	330,997	-	310,750
Other creditors	93,625	340,754	84,347	205,443
Accruals and deferred income	288,660	397,342	254,127	383,858
	<u>2,278,103</u>	<u>2,107,266</u>	<u>2,223,012</u>	<u>1,776,292</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 17)	2,695,606	-	2,695,606	-
Other loans (see note 17)	222,959	-	222,959	-
Hire purchase contracts (see note 18)	-	5,593	-	-
Other creditors	8,535	8,535	8,535	8,535
Amounts due to group undertakings	-	-	3,669,063	3,669,063
	<u>2,927,100</u>	<u>14,128</u>	<u>6,596,163</u>	<u>3,677,598</u>

17 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	1,028,496	85,311	1,028,496	39,871
Bank loans	262,043	-	262,043	-
Other loans	24,858	-	24,858	-
	<u>1,315,397</u>	<u>85,311</u>	<u>1,315,397</u>	<u>39,871</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	273,407	-	273,407	-
Other loans - 1-2 years	30,296	-	30,296	-
	<u>303,703</u>	<u>-</u>	<u>303,703</u>	<u>-</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	494,950	-	494,950	-
Other loans - 2-5 years	107,892	-	107,892	-
	<u>602,842</u>	<u>-</u>	<u>602,842</u>	<u>-</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more than 5 years by instalments	1,927,249	-	1,927,249	-
Other loans more than 5 years by instalments	84,771	-	84,771	-
	<u>2,012,020</u>	<u>-</u>	<u>2,012,020</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

17 **LOANS - continued**

The loans which are in part repayable in more than 5 years are all repayable by fixed monthly instalments. The interest rates on these loans are as follows:

Mortgage loan	- Base rate + 3%
Bank loan	- Base rate + 3.5%
Other loan	- 8.5%

18 **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

Group

	Hire purchase contracts	
	2012	2011
	£	£
Net obligations repayable		
Within one year	7,847	16,978
Between one and five years	-	5,593
	<u>7,847</u>	<u>22,571</u>

The following operating lease payments are committed to be paid within one year:

Group

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring				
Within one year	-	-	96,708	28,420
Between one and five years	22,932	407,919	176,884	226,050
	<u>22,932</u>	<u>407,919</u>	<u>273,592</u>	<u>254,470</u>

Company

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring				
Within one year	-	-	96,708	28,420
Between one and five years	-	407,919	176,884	226,050
	<u>-</u>	<u>407,919</u>	<u>273,592</u>	<u>254,470</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

19 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank overdrafts	1,028,496	85,311	1,028,496	39,871
Bank loans	2,957,649	-	2,957,649	-
Other loans	247,817	-	247,817	-
Hire purchase contracts	7,847	22,571	-	-
	<u>4,241,809</u>	<u>107,882</u>	<u>4,233,962</u>	<u>39,871</u>

The bank loans and overdrafts are secured by a debenture over the group's assets, the invoice financing facility by a specific charge over the group's debtors and the mortgage by a specific charge over the group's freehold property

The other loan is secured by a debenture over the group's assets

The finance lease is secured over the asset to which it relates

20 PROVISIONS FOR LIABILITIES

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Deferred tax	<u>40,236</u>	<u>6,333</u>	<u>40,191</u>	<u>6,117</u>
Group				
				Deferred tax
				£
Balance at 1 April 2011				6,333
Movement for year				<u>33,903</u>
Balance at 31 March 2012				<u>40,236</u>
Company				
				Deferred tax
				£
Balance at 1 April 2011				6,117
Charge for year				<u>34,074</u>
Balance at 31 March 2012				<u>40,191</u>

SG World Limited (Registered number: 03451910)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012**

21 CALLED UP SHARE CAPITAL

Number	Class	Nominal value	2012 £	2011 £
119,792	Ordinary 'A'	£0 50	59,896	59,896
119,792	Ordinary 'B'	£0 50	59,896	59,896
1,355	Ordinary 'C'	£1	1,355	1,355
			<u>121,147</u>	<u>121,147</u>

The ordinary 'A' shares have full equity and voting rights but are not entitled to receive dividends

The ordinary 'B' shares have dividend rights but are not entitled to vote or an equity return in excess of their nominal value

The ordinary 'C' shares have full equity, voting and dividend rights

22 RESERVES

Group

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2011	1,289,250	3,150	191,668	1,484,068
Profit for the year	278,754			278,754
Profit/(loss) on foreign exchange	18,622	-	-	18,622
At 31 March 2012	<u>1,586,626</u>	<u>3,150</u>	<u>191,668</u>	<u>1,781,444</u>

Company

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2011	1,280,943	3,150	191,668	1,475,761
Profit for the year	299,971			299,971
At 31 March 2012	<u>1,580,914</u>	<u>3,150</u>	<u>191,668</u>	<u>1,775,732</u>

23 CONTINGENT LIABILITIES

The company's bankers have provided a guarantee of £60,000 to HM Revenue and Customs, which the company has agreed to indemnify

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

24 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31 March 2012 and 31 March 2011

	2012 £	2011 £
M P Haase		
Balance outstanding at start of year	50,000	15,000
Amounts advanced	5,968	50,770
Amounts repaid	-	(15,770)
Balance outstanding at end of year	<u>55,968</u>	<u>50,000</u>

Interest totalling £2,167 (2011 £1,500) is payable in respect of the director's loan balance. At 31 March 2012 interest accrued amounted to £3,367 (2011 £1,500) and this is included within prepayments and accrued income amounts falling due within one year.

An amount of £8,535 (2011 £8,535) due to Mr A N Haase is included within other creditors falling due after more than one year.

Mr T Mulvaney is also director of Elletem Limited, which charged the company £38,390 (2011 £27,060) for consultancy services during the year. At 31 March 2012 amounts due to Elletem Limited amounted to £7,900 (2011 £nil).

25 RELATED PARTY DISCLOSURES

SBSG Limited, a company registered in Republic of Ireland, is a related party due to the company's 30% shareholding. During the year, sales to SBSG Limited and its subsidiary companies amounted to £55,627 (2011 £274,333). At 31 March 2012 amounts due from SBSG Limited and these companies amounted to £18,345 (2011 £64,109).

SGW Payroll Limited, a company registered in England and Wales, is a related party as it is a company in which Mr A N Haase is a director and Mr A N Haase, Mr S E Floodgate and Mr T Mulvaney have interests. During the year, management charges of £39,996 (2011 £39,996) were made to SGW Payroll Limited and various costs incurred by the company on behalf of SGW Payroll Limited were recharged at cost. At 31 March 2012 amounts due from SGW Payroll Limited amounted to £14,506 (2011 £9,202). In addition, there are two loan accounts due from SGW Payroll Limited and these are disclosed separately within debtors due within one year and due after more than one year.

During the year, SG World Limited paid £30,000 for a 25% investment in AV Furniture UK Limited, a company registered in England and Wales, in which Mr A N Haase's son is a director. Sales to AV Furniture UK Limited amounted to £152. At 31 March 2012 amounts due from AV Furniture UK Limited amounted to £412. Furthermore, a loan due from AV Furniture UK Limited is included within debtors amounts falling due after more than one year.

During the year, SG World Limited paid £26,000 for a 8% investment in K & G Optical Services Limited, a company registered in England and Wales, in which Mr A N Haase's son is a director.

During the year, SG World Limited paid £75,000 for a 15% investment in Parago Software Limited, a company registered in England and Wales. At 31 March 2012, £15,000 of this investment is outstanding. Sales to Parago Software Limited amounted to £356 and at 31 March 2012 amounts due from Parago Software Limited amounted to £360. Purchases from Parago Software Limited amounted to £8,094 and at 31 March 2012 amounts due to Parago Software Limited amounted to £1,995.

The above transactions are all on normal commercial terms.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2012

26 **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is the Arnold Norman Haase Discretionary Trust of which both A N Haase and M Haase are trustees

27 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Group

	2012 £	2011 £
Profit for the financial year	278,754	434,493
Other recognised gains and losses relating to the year (net)	18,622	(8,954)
Net addition to shareholders' funds	297,376	425,539
Opening shareholders' funds	1,605,215	1,179,676
Closing shareholders' funds	1,902,591	1,605,215

Company

	2012 £	2011 £
Profit for the financial year	299,971	472,484
Net addition to shareholders' funds	299,971	472,484
Opening shareholders' funds	1,596,908	1,124,424
Closing shareholders' funds	1,896,879	1,596,908