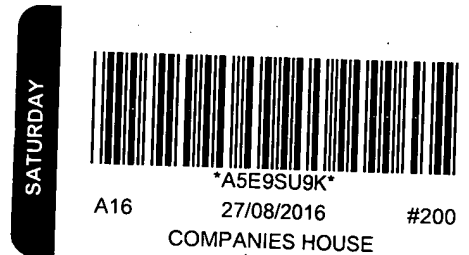


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SIRACOM LIMITED
ANNUAL REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015



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SIRACOM LIMITED

COMPANY INFORMATION

DIRECTORS

D Thompson
R Leggett
M Ryan

SECRETARY

D Thompson

REGISTERED OFFICE

Unit T, The Loddon Centre
Roentgen Road
Daneshill East
Basingstoke
RG24 8NG

REGISTERED NUMBER

4285452 England and Wales

AUDITORS

Mumford & Co
Chartered Accountants and Statutory Auditor
The Old Rectory
Church Street
Weybridge
Surrey KT13 8DE

REGISTERED NUMBER 4285452 England and Wales

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their strategic report for the year ended 31 December 2015.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the performance and development of our business during the year and its position at the year end. This review is consistent with the size and the nature of our business and is written in the context of the risks and uncertainties we face.

Our company continues to sell computer hardware, software and support, mainly to schools, colleges and other educational establishments in the UK. The company's sales are organised as one division.

Our company remains a significant UK dealer for a US based computer hardware and software manufacturer, to the extent that in excess of 70% of our sales emanate from purchases from that supplier.

We have maintained our relationship with this manufacturer and have now negotiated a new contract following its acquisition by a new owner mid way through the year.

The remaining sales are of a similar nature, emanating from a number of other UK and overseas suppliers.

PRINCIPAL RISKS AND UNCERTAINTIES

As with many businesses of our size, the business environment in which we operate is challenging.

We have built excellent business relationships with our major supplier and with other important suppliers.

We have maintained our position in the market by providing competitive and efficient product, service and support to our customers and by actively promoting our company and its products and services to gain new business.

DEVELOPMENT AND PERFORMANCE

With risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control.

FINANCIAL KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those which indicate the financial performance and strength of the company, being turnover, gross margin and current asset ratios.

Although turnover for this year at £11,454K is 19% lower by £2,720K, compared to last year's turnover of £14,174K, this level has been achieved despite the change in ownership of our major supplier and the uncertainty that this caused.

Gross profit is £ 588K lower this year, at £1,763K compared to £2,351K last year. The gross percentage margin weakened slightly, with this year showing 15.39%, against 16.59% last year.

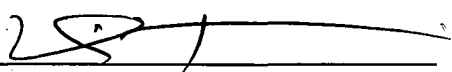
Profit on ordinary activities amounted to 6.47%, £ 741K this year, against 7.96%, £1,129K last year, a reduction of £387K.

Our company has managed to achieve a level of profit on ordinary activities which is only £387K lower this year, despite a reduction in gross profit this year of £588K, by controlling operating costs which have been reduced by £201K.

Our company's capital base has increased this year by £505K, due to a good level of profitability which allowed a distribution of £80K to shareholders.

The current asset ratio has improved to 288% compared to last year when it stood at 214%.

Signed on behalf of the board of directors



D Thompson

Director

Approved by the Board 22 March 2016

REGISTERED NUMBER 4285452 England and Wales

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale and distribution of computer network systems.

DIRECTORS

The directors in office in the year and their interests in the company's issued ordinary share capital were as follows:

	<u>31 December 2015</u>	<u>31 December 2014</u>
	Ordinary <u>Shares</u>	Ordinary <u>Shares</u>
D Thompson	890	890
R Leggett	890	890
M Ryan	0	0
	<u>1,780</u>	<u>1,780</u>

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 and in accordance with the United Kingdom Generally Accepted Accounting Practice.

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 (Financial Reporting Standard 102). 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 year.

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, and;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIVIDENDS

The directors recommend that no final dividend be paid on the shares in issue for this year, (2014: £0) Interim dividends of £80,000 were paid during the year, (2014: £0).

THIRD PARTY INDEMNITY PROVISIONS

There are no third party indemnity provisions required.

REGISTERED NUMBER 4285452 England and Wales

REPORT OF THE DIRECTORS continued

FINANCIAL INSTRUMENTS

The company has not traded in financial instruments this year.

FUTURE DEVELOPMENTS

During the next year, the company aims to expand it's business within the same market sector.

RESEARCH AND DEVELOPMENT

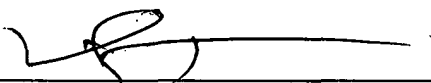
The company has no research and development activities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the board of directors



D Thompson

Secretary

Approved by the Board: 22 March 2016

We have audited the financial statements of Siracom Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Financial Position, (Balance Sheet), the Statement of Changes in Equity, the Cash Flow Statement and the related notes. 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, Financial Reporting Standard 102).

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 that 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement, set out on page 2, 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 (APB'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 strategic report and directors 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.

SIRACOM LIMITED continued

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 December 2015 and of its profit for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice - Financial Reporting Standard 102; 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.

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.



Brian Mumford, (Senior Statutory Auditor)
For and on behalf of
MUMFORD & CO
Chartered Accountants and Statutory Auditor

The Old Rectory
Church Street
Weybridge
Surrey KT13 8DE

Date: 22 March 2016

PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 2015

	<u>NOTES</u>	Continuing Operations 2015	Acquisitions 2015	Discontinued Operations 2015	<u>Total</u> 2015	<u>Total</u> 2014
		£	£	£	£	£
TURNOVER	2	11,453,702	0	0	11,453,702	14,173,590
Cost of sales		(9,690,729)	0	0	(9,690,729)	(11,822,464)
GROSS PROFIT		1,762,973	0	0	1,762,973	2,351,126
Selling and distribution costs		(567,176)	0	0	(567,176)	(745,371)
Establishment expenses		(43,996)	0	0	(43,996)	(58,713)
Administrative expenses		(398,870)	0	0	(398,870)	(388,809)
OPERATING PROFIT		752,931	0	0	752,931	1,158,233
Interest receivable					5	0
Interest payable					(11,545)	(29,428)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3				741,391	1,128,805
TAXATION - UK corporation tax	8				(156,725)	(248,465)
PROFIT for the year					584,666	880,340
RETAINED PROFIT brought forward					2,360,781	1,480,441
PROFIT for the year					584,666	880,340
Dividends paid					(80,000)	0
Bonus shares issued					0	0
RETAINED PROFIT carried forward					2,865,447	2,360,781

STATEMENT OF COMPREHENSIVE INCOMEFOR THE YEAR ENDED 31 DECEMBER 2015

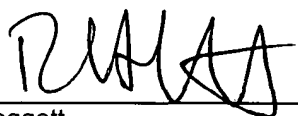
	<u>2015</u> £	<u>2014</u> £
PROFIT for the year	584,666	880,340
No adjustments this year	0	0
	<hr/>	<hr/>
Total comprehensive income for the year	<u><u>584,666</u></u>	<u><u>880,340</u></u>

BALANCE SHEET AT 31 DECEMBER 2015REGISTERED AS A COMPANY IN ENGLAND & WALES 4285452

	NOTES	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		16,332		30,805
CURRENT ASSETS					
Stock	10	336,046		927,630	
Debtors:					
Amounts falling due within one year	11	1,825,807		2,289,077	
Cash at bank and in hand		<u>2,203,535</u>		<u>1,163,550</u>	
		4,365,388		4,380,257	
CREDITORS: amounts falling due within one year	12	<u>(1,514,093)</u>		<u>(2,047,080)</u>	
NET CURRENT ASSETS			<u>4,365,388</u>		<u>4,380,257</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,867,627		2,363,982
PROVISION FOR LIABILITIES	14		0		(1,021)
NET ASSETS			<u>2,867,627</u>		<u>2,362,961</u>
CAPITAL AND RESERVES					
Called up share capital	16		1,780		1,780
Non distributional reserve	17		400		400
Profit and loss account	18		<u>2,865,447</u>		<u>2,360,781</u>
SHAREHOLDERS' FUNDS			<u>2,867,627</u>		<u>2,362,961</u>

These financial statements were approved and authorised for issue by the Board on 22 March 2016.

Signed on behalf of the board of directors.



R Leggett
Director

STATEMENT OF CHANGES IN EQUITYFOR THE YEAR ENDED 31 DECEMBER 2015

	Called-up share capital	Share premium	Revaluation reserve	Non- distributable reserve	Profit and loss account	Total
	£	£	£	£	£	£
At start date 1 January 2014 as previously stated	1,780	0	0	400	1,480,441	1,482,621
Changes on transition to FRS 102 (note 25)	0	0	0	0	0	0
At start date 1 January 2014 as restated	<u>1,780</u>	<u>0</u>	<u>0</u>	<u>400</u>	<u>1,480,441</u>	<u>1,482,621</u>
Profit for the year					880,340	880,340
No other adjustments required	0	0	0	0	0	0
Total comprehensive income	<u>1,780</u>	<u>0</u>	<u>0</u>	<u>400</u>	<u>2,360,781</u>	<u>2,362,961</u>
Share capital issued	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
Share based payments	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Tax on components of equity	0	0	0	0	0	0
At end date 31 December 2014 and start date 1 January 2015	<u>1,780</u>	<u>0</u>	<u>0</u>	<u>400</u>	<u>2,360,781</u>	<u>2,362,961</u>
Profit for the year					584,666	584,666
No other adjustments required	0	0	0	0	0	0
Total comprehensive income	<u>1,780</u>	<u>0</u>	<u>0</u>	<u>400</u>	<u>2,945,447</u>	<u>2,947,627</u>
Share capital issued	0	0	0	0	0	0
Dividends	0	0	0	0	(80,000)	(80,000)
No other adjustments required	0	0	0	0	0	0
At end date 31 December 2015	<u>1,780</u>	<u>0</u>	<u>0</u>	<u>400</u>	<u>2,865,447</u>	<u>2,867,627</u>

CASH FLOW STATEMENTFOR THE YEAR ENDED 31 DECEMBER 2015

	Note	<u>2015</u> £	<u>2014</u> £
Cash flow from operating activities	19	1,388,897	1,226,103
Taxation paid		(255,306)	(117,254)
		<hr/>	<hr/>
Net cash flow from operating activities		<u>1,133,591</u>	<u>1,108,849</u>
 Cash flow from investing activities			
Payments to acquire tangible fixed assets		(2,066)	(12,866)
Receipts from sales of tangible fixed assets		0	0
Interest received		5	0
Dividends received		0	0
		<hr/>	<hr/>
Net cash flow from investing activities		<u>(2,061)</u>	<u>(12,866)</u>
 Cash flow from financing activities			
Interest paid		(11,545)	(29,428)
Dividends paid		(80,000)	0
		<hr/>	<hr/>
Net cash flow from financing activities		<u>(91,545)</u>	<u>(29,428)</u>
 Net increase / (decrease) in cash and cash equivalents		1,039,985	1,066,555
Cash and cash equivalents at start date 1 January 2015		1,163,550	96,995
		<hr/>	<hr/>
Cash and cash equivalents at end date 31 December 2015		<u><u>2,203,535</u></u>	<u><u>1,163,550</u></u>
 Cash and cash equivalents consists of:			
Cash at bank and in hand		2,203,535	1,163,550
Short term deposits		0	0
		<hr/>	<hr/>
Cash and cash equivalents at end date 31 December 2015		<u><u>2,203,535</u></u>	<u><u>1,163,550</u></u>

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015

NOTE 1 Summary of significant accounting policies

(a) General information and basis of preparation

Siracom Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

The nature of the company's operations and principal activities are the sale and distribution of computer network systems.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 25.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment, fixtures and fittings	20% straight line basis
Motor vehicles	25% straight line basis

(c) Stocks

Stock is valued at the lower of cost and net realisable value on a FIFO basis, after making due allowance for obsolete and slow-moving items.

(d) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

(e) Loans and borrowings

There were no matters for consideration this year.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(f) Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(g) Leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged against profit on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments

(h) Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

(i) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of computer hardware and software is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on invoice and despatch of goods.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(i) Turnover and other income continued:-

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from support and consultancy is recognised by reference to the stage of completion at the balance sheet date. As such work is usually invoiced monthly in the month of supply of the service, revenue can be recognised in the correct period.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Interest receivable

Interest is recognised on an accruals basis.

(j) Foreign currency

Monetary 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

(k) Employee benefits

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid are shown either as accruals or prepayments at the year end.

There were no contributions made this year.

(l) Judgements and key sources of estimation uncertainty

There were no matters for consideration this year

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 2 TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. Of the company's turnover, 4.4 %, (2014: 2.9%), was attributable to geographical markets outside the United Kingdom. The analysis of turnover by activity and geographical area is as follows:-

	<u>2015</u>	<u>2014</u>
	£	£
Turnover - comprising sale of computer hardware, software and licences	9,894,709	12,670,797
Turnover - comprising sale of support	<u>1,558,993</u>	<u>1,502,793</u>
Turnover - total	<u>11,453,702</u>	<u>14,173,590</u>
United Kingdom	10,954,646	13,767,755
European Union	124,853	400,291
United States of America	0	3,114
South Africa	0	2,430
India	5,000	0
Cruise Liners	<u>369,203</u>	<u>0</u>
	<u>11,453,702</u>	<u>14,173,590</u>

NOTE 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2015</u>	<u>2014</u>
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Directors remuneration	223,366	243,993
Auditor's remuneration (including expenses and benefits in kind)		
For audit services	16,800	17,000
For non-audit services	5,350	3,720
Depreciation of tangible fixed assets	16,539	22,996
(Gain)/loss on sale of tangible fixed assets	0	0
Operating lease rentals - property	7,640	0
Operating lease rentals - motor vehicle contract hire	46,200	64,228
Net (gains) / losses on foreign exchange	<u>13,080</u>	<u>(40,582)</u>

NOTE 4 DIRECTORS' REMUNERATION

	<u>2015</u>	<u>2014</u>
	£	£
Remuneration	189,151	208,174
Benefits in kind	34,215	35,819
Amounts receivable under long term incentive schemes	0	0
Contributions to a pension scheme	<u>0</u>	<u>0</u>
	<u>223,366</u>	<u>243,993</u>

	<u>2015</u>	<u>2014</u>
	£	£
The emoluments of the highest paid director included above was:		
Aggregate emoluments (excluding pension contributions)	89,989	108,117

	<u>2015</u>	<u>2014</u>
	Number	Number
The number of directors to whom retirement benefits are accruing in respect of qualifying services for money purchase schemes is	2	2

No directors' pension premium payments were made this year or last year.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 5 STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	<u>2015</u> Number	<u>2014</u> Number
Management and administration	6	6
Sales and distribution	12	14
	<u>18</u>	<u>20</u>

The aggregate payroll costs of these persons were as follows:

	<u>2015</u> £	<u>2014</u> £
Wages and salaries	562,712	673,473
Social security	59,475	69,073
Other pension costs	0	0
	<u>622,187</u>	<u>742,546</u>

NOTE 6 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2015</u> £	<u>2014</u> £
Bank interest receivable	5	0
Income recognised on finance leases	0	0
	<u>5</u>	<u>0</u>

NOTE 7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2015</u> £	<u>2014</u> £
Interest payable:		
Bank loans and overdrafts	103	391
All other loans	0	0
Finance charges payable:		
Finance leases and hire purchase contracts	0	0
Invoice discounting	11,442	29,003
	<u>11,545</u>	<u>29,394</u>

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 8 TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

	<u>2015</u>	<u>2014</u>
	£	£
(a) Analysis of charge in period:		
Current tax:		
UK Corporation tax on profits of the period	157,746	249,541
Adjustments in respect of previous periods	0	80
	<u>157,746</u>	<u>249,621</u>
Total current tax (note 7b)		
Deferred tax:		
Origination and reversal of timing differences	(1,021)	(1,156)
Effect of increased tax rate on opening liability	0	0
Increase in discount	0	0
Total deferred tax	<u>(1,021)</u>	<u>(1,156)</u>
Tax on profit on ordinary activities	<u>156,725</u>	<u>248,465</u>

(b) Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of between 21% and 20%. The differences are explained below:-

	<u>2015</u>	<u>2014</u>
	£	£
Profit on ordinary activities before tax	<u>741,391</u>	<u>1,128,805</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25 % (2014: 21.50%)	150,132	242,693
Effects of:		
Expenses not deductible for tax purposes	6,096	5,548
Capital allowances for period less than/in excess of depreciation	1,989	2,624
Smaller company and marginal rate tax saving	(471)	(1,324)
Utilisation of tax losses	0	0
Rollover relief on profit on disposal of property	0	0
Higher rate taxes on overseas earnings	0	0
Adjustments to tax charge in respect of previous periods	0	80
Current tax charge for period (note 7(a))	<u>157,746</u>	<u>249,621</u>

(c) Factors that may affect future tax charges

None following the reduction in standard rate from 1 April 2015 to 20%

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 9 TANGIBLE FIXED ASSETS

	Fixtures fittings & computer equipment £	Motor vehicles £	Total £
Cost:			
At 1 January 2015	158,921	34,024	192,945
Additions	2,066	0	2,066
Disposals/scrapped	0	(16,429)	(16,429)
At 31 December 2015	160,987	17,595	178,582
Depreciation:			
At 1 January 2015	136,940	25,200	162,140
Charge for year	14,476	2,063	16,539
Disposals/scrapped	0	(16,429)	(16,429)
At 31 December 2015	151,416	10,834	162,250
Net Book Value:			
At 31 December 2015	9,571	6,761	16,332
At 31 December 2014	21,981	8,824	30,805

Included in the total net book value of tangible fixed assets held at 31 December 2015 was £0, (2014: £0), in respect of assets held under finance leases and hire purchase contracts.

NOTE 10 STOCK AND WORK IN PROGRESS

	2015 £	2014 £
Goods for resale	336,046	927,630
	<u>336,046</u>	<u>927,630</u>

NOTE 11 DEBTORS

Trade debtors (invoice discounted, see note below)	1,757,034	2,037,828
Invoice discounting receivable	660	142,429
Other debtors	40,000	0
VAT recoverable	0	49,312
Prepayments and deferred expenses	28,113	59,508
	<u>1,825,807</u>	<u>2,289,077</u>

The company stopped using its invoice discounting facility during the year, as it had no further requirement for advance funds. The account was closed before the year end.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 12 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>2015</u>	<u>2014</u>
	£	£
Bank loans and overdrafts	0	0
Trade creditors	1,057,241	1,717,695
Corporation tax	157,746	255,306
Other taxes and social security costs	132,411	18,993
Invoice discounting (secured)	0	0
Provision for directors bonuses	4,590	3,648
Directors current accounts	1,794	4,452
Other creditors, accruals and deferred income	160,311	46,986
	<u>1,514,093</u>	<u>2,047,080</u>

The company stopped using its invoice discounting facility during the year, as it had no further requirement for advance funds. The account was closed before the year end.

NOTE 13 LEASES

<u>Operating leases</u>	<u>2015</u>	<u>2014</u>
	£	£
The total future minimum lease payments under non-cancellable operating leases for property rental are as follows:-		
Within one year	28,700	0
Within two to five years	90,281	0
The company's property lease commenced this year	<u>118,981</u>	<u>0</u>
The total future minimum lease payments under non-cancellable operating leases for motor vehicle contract hire are as follows:-		
Within one year	41,096	25,496
Within two to five years	21,551	7,028
	<u>62,647</u>	<u>32,524</u>

NOTE 14 PROVISIONS FOR LIABILITIES

	<u>Deferred Taxation</u>	<u>Other Provisions</u>	<u>Total</u>
	£	£	£
Balance at 1 January 2015	1,021	0	1,021
Utilised during the year	0	0	0
Charged/(recovered) this year	(1,021)	0	(1,021)
Adjustment to advance corporation tax	0	0	0
Balance at 31 December 2015	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2015</u>	<u>2014</u>	
	£	£	
Deferred tax:			
Accelerated capital allowances	0	1,021	
Tax losses carried forward	0	0	
Undiscounted provision for deferred tax	0	0	
Discounted provision for deferred tax	<u>0</u>	<u>0</u>	

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 15 CONTINGENT LIABILITIES/ASSETS

None this year.

NOTE 16 CALLED UP SHARE CAPITAL

	<u>2015</u> £	<u>2014</u> £
<i>Ordinary shares of £1 each</i>		
Allotted, called up and fully paid at 1 January 2015	1,780	1,780
Issued during the year	<u>0</u>	<u>0</u>
At 31 December 2015	<u><u>1,780</u></u>	<u><u>1,780</u></u>

NOTE 17 NON DISTRIBUTABLE RESERVE

	<u>2015</u> £	<u>2014</u> £
Capital Redemption Reserve		
At 1 January 2015	400	400
Movements during the year	<u>0</u>	<u>0</u>
At 31 December 2015	<u><u>400</u></u>	<u><u>400</u></u>

NOTE 18 PROFIT AND LOSS RESERVE

	<u>2015</u>	<u>2014</u>
At 1 January 2015	2,360,781	1,480,441
Profit for the financial year after taxation	584,666	880,340
Dividends	(80,000)	0
At 31 December 2015	<u><u>2,865,447</u></u>	<u><u>2,360,781</u></u>

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 19 RECONCILIATION OF PROFIT TO CASH FLOW
FROM OPERATING ACTIVITIES

	<u>2015</u> £	<u>2014</u> £
Profit for the year	584,666	880,340
Interest receivable and similar income	(5)	0
Interest payable and similar charges	11,545	29,428
Tax on profit on ordinary activities	<u>156,725</u>	<u>248,465</u>
Operating profit	752,931	1,158,233
Depreciation and impairment of tangible fixed assets	16,539	22,996
(Profit)/loss on disposal of tangible fixed assets	0	0
Decrease in stocks	591,584	291,576
Decrease in debtors	463,270	631,074
Decrease in creditors	(435,427)	(877,776)
Cash flow from operating activities	<u>1,388,897</u>	<u>1,226,103</u>

NOTE 20 PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £ 0 , (2014 £0). Contributions totalling £ 0, (2014 £ 0) were payable to the fund at the year end and are included in creditors.

NOTE 21 FINANCIAL COMMITMENTS

None this year.

NOTE 22 RELATED PARTY TRANSACTIONS, CONTROL RELATIONSHIPS AND OTHER MATTERS

Throughout the year, the company was under the control of Mr D Thompson and Mr R Leggett who are the major shareholders and directors of the company.

During the year dividends of £80,000 were paid to directors and their spouses.
£40,000 to Mr D and Mrs M Thompson. £20,000 to Mr R Leggett and £20,000 to Mr R Leggett and Mrs S Leggett.

NOTE 23 EVENTS AFTER THE END OF PERIOD

There were no significant events after the end of the period.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015NOTE 24 SHARE BASED PAYMENTS

During the year the company had share-based payment arrangements as follows:

Type of arrangement:	EMI Option to Mr M Ryan
Date of grant	05/11/2013
Number of shares granted	220
Maximum term	10 years
Settlement type	Cash
Vesting conditions	Remaining an employee

The number and weighted average exercise prices of share options during the year are as follows:

	<u>Number</u>	<u>2015</u> £	<u>Number</u>	<u>2014</u> £
Outstanding at beginning of year	220	231,000	220	231,000
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at end of year	220	231,000	220	231,000
Exercisable at end of year	220	231,000	220	231,000

Grant of EMI (Enterprise Management Incentive) share options

On 5 November 2013, an option was granted to Mr M J Ryan, a director, for 220 Ordinary shares at an exercise price of £1,050 per share. The option is granted under the provisions of Schedule 5 of Income Tax (Earnings and Pensions) Act 2003. The option may be exercised by Mr M J Ryan in whole or in part as long as he remains employed by the Company.

The option or any balance of shares not exercised will lapse after a period of 10 years. If the whole of the option is exercised, this shareholding will equate to 11% of the ordinary share capital. Should the company increase the issued ordinary share capital prior to the exercise of the option, the number of shares granted will be increased pro rata and the price per share will be adjusted accordingly.

NOTE 25 FIRST TIME ADOPTION OF FRS 102

The company has adopted FRS 102 for the first time in the year ended 31 December 2015.

The effect of transition from previous financial reporting framework (FRSSE) to FRS 102 is outlined below:

a) Changes in accounting policies

No material adjustments were required to the accounting policies and previously reported shareholders funds.