

Registered number: 05805292

MARDIX HOLDINGS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

TUESDAY



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MARDIX HOLDINGS LIMITED

COMPANY INFORMATION

Directors	G A Dixon H E Dixon D A Gardner
Company secretary	H E Dixon
Company number	05805292
Registered office	Westmorland Business Park Gilthwaiterigg Lane Kendal Cumbria LA9 6NS
Auditor	PKF (UK) LLP 5 Temple Square Temple Street Liverpool L2 5RH

MARDIX HOLDINGS LIMITED

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MARDIX HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Principal activities

The principal activity of the company was that of a parent undertaking

The principal activity of the group continued to be that of the design and manufacture of electrical switchgear and the associated on site installation works

Business review

All three divisions of the group – Switchgear, Power Management and Service – have had another successful year in spite of the continuing economic environment. As indicated in last year's report, there has been considerable investment in new products, manufacturing facilities and staff, and further manufacturing facilities have been acquired. Much of this investment has been of a revenue nature and has therefore had a negative effect on margins.

There is a very healthy forward order book going forward into 2013, but it is anticipated that margins will remain under pressure.

Results

The profit for the year, after taxation, amounted to £1,179,964 (2011 - £3,106,083)

Directors

The directors who served during the year were

G A Dixon
H E Dixon
D A Gardner

Political and charitable contributions

The group has made donations to local charities of £3,400 (2011 - £5,955) and national charities of £5,050 (2011 - £7,077) during the period.

Future developments

The proportion of overseas turnover has continued to grow, and is expected to do so in future.

There has been a significant amount of capital investment in production facilities in Kendal in 2012, and it is anticipated that a similar level will be invested over the next year.

Financial instruments

The group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital through retained earnings and through borrowings at prevailing market interest rates. The group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. Its cash flow risk in respect of forward currency purchases is also minimal as it aims to pay suppliers in accordance with their stated terms.

MARDIX HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

Financial instruments (continued)

The group's exposure to the price risk of financial instruments is therefore minimal and the directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit

Research and development activities

The group has continued to invest in Power Management and the ASTA Testing programme, in order to maintain its position in the marketplace

There has also been significant investment in Mardix iControl

Employee involvement

The group recognises the importance of keeping employees informed of progress and provide information to their employees on matters of concern to them

Disabled employees

The group supports the employment of disabled persons wherever possible

Provision of information to auditor

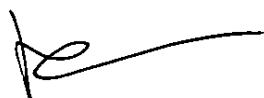
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

Auditor

The auditor, PKF (UK) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 29 May 2012 and signed on its behalf



H E Dixon
Secretary

MARDIX HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

The directors are responsible for preparing the 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 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

MARDIX HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARDIX HOLDINGS LIMITED

We have audited the financial statements of Mardix Holdings Limited for the year ended 31 March 2012 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated group 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, 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 annual report 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 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

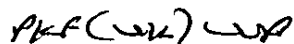
MARDIX HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARDIX HOLDINGS 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 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



Brian Ricketts (Senior statutory auditor)
for and behalf of PKF (UK) LLP, Statutory auditor
Liverpool, UK
29 May 2012

MARDIX HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	35,064,679	40,012,565
Cost of sales		(27,597,638)	(31,317,751)
GROSS PROFIT		7,467,041	8,694,814
Administrative expenses		(6,139,443)	(4,989,353)
OPERATING PROFIT	3	1,327,598	3,705,461
Interest receivable and similar income		41,333	40,253
Interest payable and similar charges	7	(69,912)	(58,464)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,299,019	3,687,250
Tax on profit on ordinary activities	8	(119,055)	(581,167)
PROFIT FOR THE FINANCIAL YEAR	17	1,179,964	3,106,083

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 10 to 21 form part of these financial statements

MARDIX HOLDINGS LIMITED
REGISTERED NUMBER: 05805292

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Intangible assets	9		6,682,343		7,149,343
Tangible assets	10		2,161,486		1,941,845
Investments	11		514,000		344,000
			<u>9,357,829</u>		<u>9,435,188</u>
CURRENT ASSETS					
Stocks	12	3,524,576		2,697,892	
Debtors	13	11,756,755		12,322,096	
Cash at bank and in hand		4,128,990		3,744,885	
		<u>19,410,321</u>		<u>18,764,873</u>	
CREDITORS: amounts falling due within one year	14	(11,370,798)		(10,795,966)	
NET CURRENT ASSETS			<u>8,039,523</u>		<u>7,968,907</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,397,352</u>		<u>17,404,095</u>
CREDITORS: amounts falling due after more than one year	15		(4,682,629)		(5,869,336)
NET ASSETS			<u>12,714,723</u>		<u>11,534,759</u>
CAPITAL AND RESERVES					
Called up share capital	16		950		950
Capital redemption reserve	17		9,758,000		9,758,000
Profit and loss account	17		2,955,773		1,775,809
SHAREHOLDERS' FUNDS	18		<u>12,714,723</u>		<u>11,534,759</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 May 2012



H E Dixon
Director

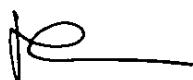
The notes on pages 10 to 21 form part of these financial statements

MARDIX HOLDINGS LIMITED
REGISTERED NUMBER: 05805292

COMPANY BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	11		15,255,928		15,255,926
CURRENT ASSETS					
Debtors	13	745,896		2,814,099	
CREDITORS: amounts falling due within one year	14	(1,990,020)		(3,027,598)	
NET CURRENT LIABILITIES			(1,244,124)		(213,499)
TOTAL ASSETS LESS CURRENT LIABILITIES			14,011,804		15,042,427
CREDITORS: amounts falling due after more than one year	15		(4,126,226)		(5,166,536)
NET ASSETS			9,885,578		9,875,891
CAPITAL AND RESERVES					
Called up share capital	16		950		950
Capital redemption reserve	17		9,758,000		9,758,000
Profit and loss account	17		126,628		116,941
SHAREHOLDERS' FUNDS	18		9,885,578		9,875,891

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 May 2012



H E Dixon
Director

The notes on pages 10 to 21 form part of these financial statements

MARDIX HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	19	3,998,216	4,356,245
Returns on investments and servicing of finance	20	(28,579)	(18,211)
Taxation	20	(380,712)	(878,102)
Capital expenditure and financial investment	20	(670,744)	(597,885)
CASH INFLOW BEFORE FINANCING		2,918,181	2,862,047
Financing	20	(2,534,076)	(3,240,330)
INCREASE/(DECREASE) IN CASH IN THE YEAR		384,105	(378,283)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 31 MARCH 2010**

	2012 £	2011 £
Increase/(Decrease) in cash in the year	384,105	(378,283)
Cash outflow from decrease in debt and lease financing	2,534,076	(3,240,330)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	2,918,181	2,862,047
Other non-cash changes	(389,688)	(994,526)
MOVEMENT IN NET DEBT IN THE YEAR	2,528,493	1,867,521
Net debt at 1 April 2011	(5,550,349)	(7,417,870)
NET DEBT AT 31 MARCH 2012	(3,021,856)	(5,550,349)

The notes on pages 10 to 21 form part of these financial statements

MARDIX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Mardix Holdings Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year it is incurred
Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the group is expected to benefit

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 20 years

1.7 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Long leasehold property	-	10% straight line
Plant and machinery	-	10-20% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10-50% straight line

MARDIX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES (continued)

1.8 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment

1.9 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 on a straight line basis.

1.10 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.11 Stocks and work in progress

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

1.12 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.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

2. TURNOVER

Turnover is attributable to one class of business

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	32,839,601	37,638,355
Rest of world	2,225,078	2,374,210
	<u>35,064,679</u>	<u>40,012,565</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation - intangible fixed assets	467,000	467,000
Depreciation of tangible fixed assets		
- owned by the group	202,542	205,704
- held under finance leases	373,674	396,595
Operating lease rentals		
- plant and machinery	35,399	28,722
- other operating leases	399,869	312,391
Research and development	317,158	137,255
Profit on disposal of fixed assets	(57,425)	(60,230)
	<u> </u>	<u> </u>

4 AUDITOR'S REMUNERATION

	2012 £	2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	2,750	2,750
Fees payable to the company's auditor and its associates in respect of		
The auditing of accounts of associates of the company pursuant to legislation	29,250	25,250
Other services relating to taxation	8,900	7,060
All other services	5,125	750
	<u> </u>	<u> </u>

MARDIX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	10,131,555	8,978,621
Social security costs	1,146,526	989,694
Other pension costs	27,700	26,100
	<u>11,305,781</u>	<u>9,994,415</u>

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

	2012 No.	2011 No.
Office and management	100	80
Manufacturing	161	155
	<u>261</u>	<u>235</u>

6. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>1,295,000</u>	<u>880,000</u>
Company pension contributions to defined contribution pension schemes	<u>27,700</u>	<u>25,000</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £1,005,000 (2011 - £590,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £27,700 (2011 - £25,000)

7. INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	1	65
On other loans	31,753	20,000
On finance leases and hire purchase contracts	38,158	38,399
	<u>69,912</u>	<u>58,464</u>

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8 TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	80,129	612,131
Adjustments in respect of prior periods	38,926	(30,964)
Tax on profit on ordinary activities	<u>119,055</u>	<u>581,167</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below.

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,299,019</u>	<u>3,687,250</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	337,745	1,032,430
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	121,421	130,760
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	96,057	89,777
Depreciation in excess of capital allowances	464	(52,793)
Other short term timing differences	-	(420)
Research and development tax credits	(82,461)	(28,823)
Adjustments to tax charge in respect of prior periods	38,926	(30,964)
Share of partnership losses	(388,575)	(558,800)
Marginal relief	(4,522)	-
Current tax charge for the year (see note above)	<u>119,055</u>	<u>581,167</u>

9 INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 April 2011 and 31 March 2012	<u>9,342,343</u>
Amortisation	
At 1 April 2011	2,193,000
Charge for the year	467,000
At 31 March 2012	<u>2,660,000</u>
Net book value	
At 31 March 2012	<u>6,682,343</u>
At 31 March 2011	<u>7,149,343</u>

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10. TANGIBLE FIXED ASSETS

Group	Long term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 April 2011	24,120	1,821,357	1,670,573	532,301	4,048,351
Additions	41,481	397,930	310,420	112,115	861,946
Disposals	-	(60,030)	(160,659)	-	(220,689)
At 31 March 2012	<u>65,601</u>	<u>2,159,257</u>	<u>1,820,334</u>	<u>644,416</u>	<u>4,689,608</u>
Depreciation					
At 1 April 2011	7,236	960,158	693,938	445,174	2,106,506
Charge for the year	6,560	148,281	341,554	79,821	576,216
On disposals	-	(60,030)	(94,570)	-	(154,600)
At 31 March 2012	<u>13,796</u>	<u>1,048,409</u>	<u>940,922</u>	<u>524,995</u>	<u>2,528,122</u>
Net book value					
At 31 March 2012	<u>51,805</u>	<u>1,110,848</u>	<u>879,412</u>	<u>119,421</u>	<u>2,161,486</u>
At 31 March 2011	<u>16,884</u>	<u>861,199</u>	<u>976,635</u>	<u>87,127</u>	<u>1,941,845</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2012 £	2011 £
Plant and machinery	812,671	701,389
Motor vehicles	746,133	789,762
	<u>1,558,804</u>	<u>1,491,151</u>

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

11. FIXED ASSET INVESTMENTS

Group	Unlisted investments £
Cost or valuation	
At 1 April 2011	344,000
Additions	322,000
Amounts written off	(152,000)
	<hr/>
At 31 March 2012	514,000
	<hr/>
Net book value	
At 31 March 2012	514,000
	<hr/>
At 31 March 2011	344,000
	<hr/>

The investment represents a 0.4% share in Big Screen Productions 17 LLP and a 0.36% share in Big Screen Productions 21 LLP

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2011	15,255,926
Additions	2
	<hr/>
At 31 March 2012	15,255,928
	<hr/>
Net book value	
At 31 March 2012	15,255,928
	<hr/>
At 31 March 2011	15,255,926
	<hr/>

Details of the principal subsidiaries can be found under note number 26

The addition during the current year represents the share capital of Mardix FS Limited a new subsidiary formed during the current financial year

12 STOCKS

	Group		Company
	2012 £	2011 £	2012 £
Raw materials	911,507	808,472	-
Work in progress	2,613,069	1,889,420	-
	<hr/>	<hr/>	<hr/>
	3,524,576	2,697,892	-
	<hr/>	<hr/>	<hr/>

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Due after more than one year				
Trade debtors	427,270	560,827	-	-
Due within one year				
Trade debtors	9,429,466	11,029,200	5,500	-
Amounts owed by group undertakings	-	-	740,396	2,814,099
Other debtors	350,903	181,881	-	-
Prepayments and accrued income	1,549,116	550,188	-	-
	<u>11,756,755</u>	<u>12,322,096</u>	<u>745,896</u>	<u>2,814,099</u>

**14. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Net obligations under finance leases and hire purchase contracts	488,217	403,085	-	-
Trade creditors	3,834,664	3,423,836	-	-
Amounts owed to group undertakings	-	-	2	-
Corporation tax	-	72,136	-	-
Social security and other taxes	1,021,952	1,522,574	-	-
Other creditors	2,095,925	3,204,581	1,982,201	3,022,812
Accruals and deferred income	3,930,040	2,169,754	7,817	4,786
	<u>11,370,798</u>	<u>10,795,966</u>	<u>1,990,020</u>	<u>3,027,598</u>

Hire purchase creditors are secured on the assets concerned

**15. CREDITORS:
Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Guaranteed unsecured variable rate loan notes	2,000,000	2,000,000	2,000,000	2,000,000
Net obligations under finance leases and hire purchase contracts	556,403	702,800	-	-
Other creditors	2,126,226	3,166,536	2,126,226	3,166,536
	<u>4,682,629</u>	<u>5,869,336</u>	<u>4,126,226</u>	<u>5,166,536</u>

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

15. CREDITORS.

Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Between one and five years	556,403	702,800	-	-

Hire purchase creditors are secured on the assets concerned

16. SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
707 A ordinary shares of £1 each	707	707
93 B ordinary shares of £1 each	93	93
150 C ordinary shares of £1 each	150	150
	950	950

17 RESERVES

Group	Capital redemption reserve	Profit and loss account
	£	£
At 1 April 2011	9,758,000	1,775,809
Profit for the year	-	1,179,964
At 31 March 2012	9,758,000	2,955,773

Company	Capital redemption reserve	Profit and loss account
	£	£
At 1 April 2011	9,758,000	116,941
Profit for the year	-	9,687
At 31 March 2012	9,758,000	126,628

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Group		
Opening shareholders' funds	11,534,759	8,428,676
Profit for the year	1,179,964	3,106,083
	<u>12,714,723</u>	<u>11,534,759</u>
Closing shareholders' funds		

	2012 £	2011 £
Company		
Opening shareholders' funds	9,875,891	9,867,737
Profit for the year	9,687	8,154
	<u>9,885,578</u>	<u>9,875,891</u>
Closing shareholders' funds		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £9,687 (2011 - £8,154)

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	1,327,598	3,705,461
Amortisation of intangible fixed assets	467,000	467,000
Depreciation of tangible fixed assets	576,216	604,711
Impairments of fixed asset investments	152,000	86,000
Profit on disposal of tangible fixed assets	(57,425)	(60,230)
(Increase)/decrease in stocks	(826,684)	791,898
Decrease/(increase) in debtors	754,862	(1,982,139)
Increase in creditors	1,604,649	743,544
	<u>3,998,216</u>	<u>4,356,245</u>
Net cash inflow from operating activities		

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	41,333	40,253
Interest paid	(31,754)	(20,065)
Hire purchase interest	(38,158)	(38,399)
	<u>(28,579)</u>	<u>(18,211)</u>
Net cash outflow from returns on investments and servicing of finance		

MARDIX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2012 £	2011 £
Taxation		
Corporation tax paid	<u>(380,712)</u>	<u>(878,102)</u>
	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(605,892)
Sale of intangible fixed assets	-	438,007
Purchase of tangible fixed assets	(472,258)	-
Sale of tangible fixed assets	123,514	-
Purchase of unlisted and other investments	(322,000)	(430,000)
	<u>(670,744)</u>	<u>(597,885)</u>
Net cash outflow from capital expenditure		
	2012 £	2011 £
Financing		
Repayment of loans	(2,083,123)	(2,537,651)
Repayment of finance leases	(450,953)	(702,679)
	<u>(2,534,076)</u>	<u>(3,240,330)</u>
Net cash outflow from financing		

21. ANALYSIS OF CHANGES IN NET DEBT

	At 31 March 2011 £	Cash flow £	Other non-cash changes £	At 31 March 2012 £
Cash at bank and in hand	3,744,885	384,105	-	4,128,990
Finance leases	(1,105,885)	450,953	(389,688)	(1,044,620)
Debts due within one year	(3,022,813)	2,083,123	(1,040,310)	(1,980,000)
Debts falling due after more than one year	(5,166,536)	-	1,040,310	(4,126,226)
	<u>(5,550,349)</u>	<u>2,918,181</u>	<u>(389,688)</u>	<u>(3,021,856)</u>
Net debt				

22 PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £27,700 (2011 - £26,100).

MARDIX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

23. OPERATING LEASE COMMITMENTS

At 31 March 2012 the Group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings	
	2012	2011
Expiry date:	£	£
Between 2 and 5 years	297,800	283,700

24. RELATED PARTY TRANSACTIONS

As at 31 March 2012 an amount of £4,210,642 (2011 - £6,357,784) was due to the directors. Interest is not paid on these loans.

During the year the company paid rent in respect of property leased from Mardix Pension Scheme of £303,700 (2011 £269,200). As at 31 March 2012 an amount of £Nil (2011 £22,708) was due from the pension scheme.

The company has taken advantage of the exemption given under FRS 8 not to disclose transactions with wholly owned members of the same group.

25. CONTROLLING PARTY

The company is controlled by G A Dixon.

26. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Principal activity
Mardix Limited	England	100	Design and manufacture of electrical switchgear
Mardix FS Limited	England	100	Sales of electrical switchgear

27. SHARE OPTIONS

On 07 April 2008 the company granted share options over 60 "C" ordinary shares to certain employees of Mardix Limited, a subsidiary undertaking, at an option price of £1. The options are dependent upon future performance criteria and exercisable upon meeting these criteria. The options expire on 07 April 2018. None of the share options had been exercised at 31 March 2012.

The directors have not charged the profit and loss account in the year with the fair value of the services received as the amounts involved are not considered material.