

Registered number: 05805292

# **MARDIX HOLDINGS LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2011**

**SATURDAY**



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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  
Gilthwaiteigg Lane  
Kendal  
Cumbria  
LA9 6NS

**Auditor**

PKF (UK) LLP  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

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**MARDIX HOLDINGS LIMITED**

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## **MARDIX HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report and the financial statements for the year ended 31 March 2011

#### **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 a successful year in spite of the ongoing British and Worldwide economic problems. Investment has continued in products, manufacturing facilities and staff, and the recently completed expansion of office space at the Kendal facility has enabled more space to be released to meet production requirements

There is a healthy forward order book going forward into 2012, but it is anticipated that margins will remain under pressure

#### **Results**

The profit for the year, after taxation, amounted to £3,106,083 (2010 - £1,470,276)

#### **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 £5,955 (2010 £1,348) and national charities of £7,077 (2010 £Nil) during the period

#### **Future developments**

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

Further investments in production facilities in Kendal will be made 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

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

**MARDIX HOLDINGS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2011**

**Research and development activities**

Investment into power management and the ASTA testing programme is an ongoing process in order to maintain our position in the marketplace

**Provision of information to auditors**

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**

Under section 487(2) of the Companies Act 2006, PKF (UK) LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on *27 May 2011* and signed on its behalf



**H E Dixon**  
Secretary

## **MARDIX HOLDINGS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2011**

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 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 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 and disclose with reasonable accuracy at any time the financial position of 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.

## **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 2011 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated 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 auditors**

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 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**

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 2011 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

**MARDIX HOLDINGS LIMITED**

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

**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

**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

*PKF (UK) LLP*

**Brian Ricketts** (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditor

Liverpool

*27 May 2011*



**MARDIX HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>TURNOVER</b>	1,2	<b>40,012,565</b>	29,725,325
Cost of sales		<u>(31,317,751)</u>	<u>(23,039,809)</u>
<b>GROSS PROFIT</b>		<b>8,694,814</b>	6,685,516
Administrative expenses		<u>(4,989,353)</u>	<u>(4,454,913)</u>
<b>OPERATING PROFIT</b>	3	<b>3,705,461</b>	2,230,603
Interest receivable and similar income		<b>40,253</b>	46,533
Interest payable and similar charges	7	<u>(58,464)</u>	<u>(52,978)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,687,250</b>	2,224,158
Tax on profit on ordinary activities	8	<u>(581,167)</u>	<u>(753,882)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	<u><b>3,106,083</b></u>	<u><b>1,470,276</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 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 2011**

	Note	£	2011 £	2010 £
<b>FIXED ASSETS</b>				
Intangible assets	9		7,149,343	7,616,343
Tangible assets	10		1,941,845	1,323,915
Investments	11		344,000	-
			<u>9,435,188</u>	<u>8,940,258</u>
<b>CURRENT ASSETS</b>				
Stocks	12	2,697,892	3,489,790	
Debtors	13	12,322,096	10,341,567	
Cash at bank and in hand		3,744,885	4,123,168	
		<u>18,764,873</u>	<u>17,954,525</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(10,795,967)	(9,140,716)	
<b>NET CURRENT ASSETS</b>			<u>7,968,906</u>	<u>8,813,809</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>17,404,094</u>	<u>17,754,067</u>
<b>CREDITORS:</b> amounts falling due after more than one year	15		(5,869,336)	(9,325,392)
<b>NET ASSETS</b>			<u>11,534,758</u>	<u>8,428,675</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		949	949
Capital redemption reserve	17		9,758,000	9,758,000
Profit and loss account	17		1,775,809	(1,330,274)
<b>SHAREHOLDERS' FUNDS</b>	18		<u>11,534,758</u>	<u>8,428,675</u>

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

27 May 2011



**H E Dixon**  
Director

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

**MARDIX HOLDINGS LIMITED**

**COMPANY BALANCE SHEET  
AS AT 31 MARCH 2011**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Investments	11		15,255,926		15,255,926
<b>CURRENT ASSETS</b>					
Debtors	13	2,814,099		5,343,597	
<b>CREDITORS</b> . amounts falling due within one year	14	(3,027,599)		(1,939,970)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(213,500)		3,403,627
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			15,042,426		18,659,553
<b>CREDITORS</b> : amounts falling due after more than one year	15		(5,166,536)		(8,791,817)
<b>NET ASSETS</b>			9,875,890		9,867,736
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		949		949
Capital redemption reserve	17		9,758,000		9,758,000
Profit and loss account	17		116,941		108,787
<b>SHAREHOLDERS' FUNDS</b>	18		9,875,890		9,867,736

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

27 May 2011



**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 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	19	4,356,245	2,663,111
Returns on investments and servicing of finance	20	(18,211)	(6,445)
Taxation	20	(878,102)	(1,423,303)
Capital expenditure and financial investment	20	(597,885)	(222,006)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>2,862,047</b>	<b>1,011,357</b>
Financing	20	(3,240,330)	(1,259,072)
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(378,283)</b>	<b>(247,715)</b>

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

	2011 £	2010 £
Decrease in cash in the year	(378,283)	(247,715)
Cash outflow from decrease in debt and lease financing	3,240,330	1,259,072
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>2,862,047</b>	<b>1,011,357</b>
Other non-cash changes	(994,526)	(605,226)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>1,867,521</b>	<b>406,131</b>
Net debt at 1 April 2010	(7,417,870)	(7,824,001)
<b>NET DEBT AT 31 MARCH 2011</b>	<b>(5,550,349)</b>	<b>(7,417,870)</b>

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 2011**

#### **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')

##### **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 company 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

##### **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

##### **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

## MARDIX HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

#### 1 ACCOUNTING POLICIES (continued)

##### 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.

#### 2. TURNOVER

Turnover is attributable to one class of business.

A geographical analysis of turnover is as follows:

	2011 £	2010 £
United Kingdom	37,638,355	29,617,353
Rest of world	2,374,210	107,972
	<u>40,012,565</u>	<u>29,725,325</u>

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**3 OPERATING PROFIT**

The operating profit is stated after charging

	2011 £	2010 £
Amortisation - intangible fixed assets	467,000	467,000
Depreciation of tangible fixed assets		
- owned by the group	208,116	179,723
- held under finance leases	396,595	300,982
Operating lease rentals		
- plant and machinery	28,722	29,370
- other operating leases	312,391	293,200
Research and development	137,255	190,669
	<u>          </u>	<u>          </u>

**4 AUDITORS' REMUNERATION**

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	27,000	26,250
Fees payable to the company's auditor and its associates in respect of		
Other services supplied pursuant to such legislation	2,250	2,250
Other services relating to taxation	2,500	2,500
All other services	1,828	600
	<u>          </u>	<u>          </u>

**5 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	8,978,621	7,860,717
Social security costs	989,694	860,500
Other pension costs	26,100	31,338
	<u>9,994,415</u>	<u>8,752,555</u>

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

	2011 No.	2010 No.
Office and management	80	70
Manufacturing	155	120
	<u>235</u>	<u>190</u>

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**6. DIRECTORS' REMUNERATION**

	2011 £	2010 £
Emoluments	<b>880,000</b>	823,263

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £590,000 (2010 - £536,667)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £25,000 (2010 - £25,000)

**7. INTEREST PAYABLE**

	2011 £	2010 £
On bank loans and overdrafts	<b>65</b>	238
On other loans	<b>20,000</b>	23,003
On finance leases and hire purchase contracts	<b>38,399</b>	29,737
	<b>58,464</b>	52,978

**8. TAXATION**

	2011 £	2010 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	<b>612,131</b>	800,000
Adjustments in respect of prior periods	<b>(30,964)</b>	(46,118)
<b>Tax on profit on ordinary activities</b>	<b>581,167</b>	753,882



**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**8 TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>3,687,250</u>	<u>2,224,158</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	1,032,430	622,764
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	130,760	130,760
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	89,777	66,592
Depreciation in excess of capital allowances	(52,793)	21,689
Other short term timing differences	(420)	-
Research and development tax credits	(28,823)	(41,805)
Adjustments to tax charge in respect of prior periods	(30,964)	(46,118)
Share of partnership losses	(558,800)	-
<b>Current tax charge for the year (see note above)</b>	<u><u>581,167</u></u>	<u><u>753,882</u></u>

**9 INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>Group</b>	
<b>Cost</b>	
At 1 April 2010 and 31 March 2011	<u>9,342,343</u>
<b>Amortisation</b>	
At 1 April 2010	1,726,000
Charge for the year	467,000
At 31 March 2011	<u>2,193,000</u>
<b>Net book value</b>	
At 31 March 2011	<u><u>7,149,343</u></u>
At 31 March 2010	<u><u>7,616,343</u></u>

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**10. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Long term leasehold property £</b>	<b>Plant &amp; machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2010	24,120	1,532,558	1,467,420	603,966	3,628,064
Additions	-	481,124	1,056,875	62,419	1,600,418
Disposals	-	(192,325)	(853,722)	(134,084)	(1,180,131)
At 31 March 2011	<u>24,120</u>	<u>1,821,357</u>	<u>1,670,573</u>	<u>532,301</u>	<u>4,048,351</u>
<b>Depreciation</b>					
At 1 April 2010	4,824	1,030,970	794,824	473,531	2,304,149
Charge for the year	2,412	121,513	375,059	105,727	604,711
On disposals	-	(192,325)	(475,945)	(134,084)	(802,354)
At 31 March 2011	<u>7,236</u>	<u>960,158</u>	<u>693,938</u>	<u>445,174</u>	<u>2,106,506</u>
<b>Net book value</b>					
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>
At 31 March 2010	<u>19,296</u>	<u>501,588</u>	<u>672,596</u>	<u>130,435</u>	<u>1,323,915</u>

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

<b>Group</b>	<b>2011 £</b>	<b>2010 £</b>
Plant and machinery	701,389	382,362
Motor vehicles	789,762	576,969
	<u>1,491,151</u>	<u>959,331</u>

**11. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Unlisted investments £</b>
<b>Cost or valuation</b>	
Additions	430,000
Amounts written off	(86,000)
At 31 March 2011	<u>344,000</u>
<b>Net book value</b>	
At 31 March 2011	<u>344,000</u>

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

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**11. FIXED ASSET INVESTMENTS (continued)**

<b>Company</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2010 and 31 March 2011	<b>15,255,926</b>
<b>Net book value</b>	
At 31 March 2011	<b>15,255,926</b>
At 31 March 2010	<b>15,255,926</b>

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

**12. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials	<b>808,472</b>	613,504	-	-
Work in progress	<b>1,889,420</b>	2,876,286	-	-
	<b>2,697,892</b>	3,489,790	-	-

**13. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>				
Trade debtors	<b>560,827</b>	1,117,895	-	-
<b>Due within one year</b>				
Trade debtors	<b>11,029,200</b>	8,131,891	-	-
Amounts owed by group undertakings	-	-	<b>2,814,099</b>	5,343,597
Other debtors	<b>181,881</b>	481,918	-	-
Prepayments and accrued income	<b>550,188</b>	608,252	-	-
Tax recoverable	-	1,611	-	-
	<b>12,322,096</b>	10,341,567	<b>2,814,099</b>	5,343,597

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	403,085	280,463	-	-
Trade creditors	3,423,836	3,143,121	-	-
Corporation tax	72,136	370,682	-	-
Social security and other taxes	1,522,574	471,689	-	-
Other creditors	3,209,368	2,067,496	3,027,599	1,939,970
Accruals and deferred income	2,164,968	2,807,265	-	-
	<u>10,795,967</u>	<u>9,140,716</u>	<u>3,027,599</u>	<u>1,939,970</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>	
	2011	2010	2011	2010
	£	£	£	£
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	702,800	533,575	-	-
Other creditors	3,166,536	6,791,817	3,166,536	6,791,817
	<u>5,869,336</u>	<u>9,325,392</u>	<u>5,166,536</u>	<u>8,791,817</u>

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

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Between one and five years	702,800	533,575	-	-

Hire purchase creditors are secured on the assets concerned

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**16. SHARE CAPITAL**

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
706 A ordinary shares of £1 each	706	706
93 B ordinary shares of £1 each	93	93
150 C ordinary shares of £1 each	150	150
	<u>949</u>	<u>949</u>

**17. RESERVES**

	Capital redemption reserve £	Profit and loss account £
<b>Group</b>		
At 1 April 2010	9,758,000	(1,330,274)
Profit for the year	-	3,106,083
	<u>9,758,000</u>	<u>1,775,809</u>
At 31 March 2011		
	<u>9,758,000</u>	<u>1,775,809</u>
<b>Company</b>		
At 1 April 2010	9,758,000	108,787
Profit for the year	-	8,154
	<u>9,758,000</u>	<u>116,941</u>
At 31 March 2011		
	<u>9,758,000</u>	<u>116,941</u>

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2011 £	2010 £
<b>Group</b>		
Opening shareholders' funds	8,428,675	6,958,399
Profit for the year	3,106,083	1,470,276
	<u>11,534,758</u>	<u>8,428,675</u>
Closing shareholders' funds		
	<u>11,534,758</u>	<u>8,428,675</u>
	2011 £	2010 £
<b>Company</b>		
Opening shareholders' funds	9,867,736	3,609,191
Profit for the year	8,154	6,258,545
	<u>9,875,890</u>	<u>9,867,736</u>
Closing shareholders' funds		
	<u>9,875,890</u>	<u>9,867,736</u>

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 £8,154 (2010 - £27,855)

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2011 £	2010 £
Operating profit	3,705,461	2,230,603
Amortisation of intangible fixed assets	467,000	467,000
Depreciation of tangible fixed assets	604,711	480,705
Impairments of fixed asset investments	86,000	-
Loss on disposal of tangible fixed assets	(60,230)	(44,881)
Decrease/(increase) in stocks	791,898	(813,923)
(Increase)/decrease in debtors	(1,982,139)	582,997
Increase/(decrease) in creditors	743,544	(239,390)
	<u>4,356,245</u>	<u>2,663,111</u>
<b>Net cash inflow from operating activities</b>		
	<u>4,356,245</u>	<u>2,663,111</u>

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

	2011 £	2010 £
<b>Returns on investments and servicing of finance</b>		
Interest received	40,253	46,533
Interest paid	(20,065)	(23,241)
Hire purchase interest	(38,399)	(29,737)
	<u>(18,211)</u>	<u>(6,445)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		
	<u>(18,211)</u>	<u>(6,445)</u>

**MARDIX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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

	2011 £	2010 £
<b>Taxation</b>		
Corporation tax paid	(878,102)	(1,423,303)
	<u>2011</u> £	<u>2010</u> £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(605,892)	(390,756)
Sale of tangible fixed assets	438,007	168,750
Purchase of unlisted and other investments	(430,000)	-
<b>Net cash outflow from capital expenditure</b>	<u>(597,885)</u>	<u>(222,006)</u>
	<u>2011</u> £	<u>2010</u> £
<b>Financing</b>		
Repayment of loans	(2,537,651)	(1,031,000)
Other new loans	-	-
Repayment of finance leases	(702,679)	(228,072)
<b>Net cash outflow from financing</b>	<u>(3,240,330)</u>	<u>(1,259,072)</u>

**21 ANALYSIS OF CHANGES IN NET DEBT**

	At 31 March 2010 £	Cash flow £	Other non-cash changes £	At 31 March 2011 £
Cash at bank and in hand	4,123,168	(378,283)	-	3,744,885
Finance leases	(814,038)	702,679	(994,526)	(1,105,885)
Debts due within one year	(1,935,324)	1,935,324	(3,022,813)	(3,022,813)
Debts falling due after more than one year	(8,791,676)	602,327	3,022,813	(5,166,536)
<b>Net debt</b>	<u>(7,417,870)</u>	<u>2,862,047</u>	<u>(994,526)</u>	<u>(5,550,349)</u>

**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 £26,100 (2010 - £31,338).

## MARDIX HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

#### 23. OPERATING LEASE COMMITMENTS

At 31 March 2011 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
Group	£	£
Expiry date:		
Between 2 and 5 years	283,700	249,200

#### 24. RELATED PARTY TRANSACTIONS

As at 31 March 2011 an amount of £6,189,348 (2010 - £8,756,712) was due to the directors of the company

During the year the company paid rent in respect of property leased from Mardix Pension Scheme of £269,200 (2010 £349,200) As at 31 March 2011 an amount of £22,708 (2010 £21,529) was due from the pension scheme

During the year the group disposed of a motor vehicle with a net book value of £42,578 to a director of the company for £40,000

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
Mardix Limited	England	100

#### 27. SHARE OPTIONS

On 7 April 2008 the company granted share options over 60 "C" ordinary shares to certain employees of Mardix Limited, the 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 7 April 2018 None of the share options had been exercised at 31 March 2011

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