

**Registered number**  
**05812731**

**Digiland Limited**

**Report and Accounts**

**30 June 2013**

Thomas & Young Limited  
Chartered Accountants  
Registered Auditor

**Digiland Limited**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	1
Director's report	2 to 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8 to 15

**The following pages do not form part of the statutory accounts**

Detailed trading and profit and loss account	16 to 18
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**Digiland Limited**  
**Company Information**

**Director**

Mr Jae Dong Park

**Secretary**

Mrs Heon-Sook Park

**Auditors**

Thomas & Young Limited  
Carleton House  
266 - 268 Stratford Road  
Shirley  
Solihull  
B90 3AD

**Bankers**

Lloyds TSB  
113 The Border  
Telford Town Centre  
Telford  
Shropshire  
TF3 4AE

**Registered office**

Digiland House Unit C  
Stafford Park 12  
Telford  
Shropshire  
TF3 3BJ

**Registered number**

05812731

**Incorporated**

England & Wales 10 May 2006

## **Digiland Limited**

**Registered number:**

**05812731**

## **Director's Report**

The director presents his report and accounts for the year ended 30 June 2013.

### **Principal activities**

The company's principal activity during the year continued to be retail and wholesale of electrical and grade B goods.

### **Review of the business**

The results for the year are set out on page 5. The director considers the profit achieved on ordinary activities before taxation to be exceptionally good given the difficult trading conditions from the effects of the recession. Gross profit margin has increased from 23% to 30%. Turnover has decreased by 12%, but the higher margins has resulted in a net increase in the  
g r o s s p r o f i t .

The director considers the state of the affairs to be very good.

### **Future developments**

The company continues to concentrate and develop exports, seeking new markets outside the U K .

The company is also allocating resources towards the marketing of digital signage and LED lighting within the domestic market.

The current domestic market for retailing and wholesaling remains a challenging environment.

### **Directors**

The following persons served as directors during the year:

Mr Jae Dong Park

### **Director's responsibilities**

The director is responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the director to prepare accounts for each financial year. Under that law the director has elected to prepare the accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the accounts comply with the

Companies Act 2006. He is 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.

**Disclosure of information to auditors**

The director confirms that:

so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and

he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 19 December 2013 and signed on its behalf.

Mr J D Park

Director

# **Digiland Limited**

## **Independent auditors' report to the shareholders of Digiland Limited**

We have audited the accounts of Digiland Limited for the year ended 30 June 2013 set out on pages 5 to 15. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on pages 2 to 3, the director is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the accounts are prepared is consistent with the accounts.

### **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 accounts 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.

M E Vousden FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Thomas & Young Limited  
Chartered Accountants and Statutory Auditor  
19 December 2013

Carleton House  
266 - 268 Stratford Road  
Shirley  
Solihull  
B90 3AD

**Digiland Limited**  
**Profit and Loss Account**  
**for the year ended 30 June 2013**

	Notes	2013 £	2012 £
Turnover	2	11,602,934	13,191,905
Cost of sales		(8,158,214)	(10,182,389)
<b>Gross profit</b>		<u>3,444,720</u>	<u>3,009,516</u>
Administrative expenses		(1,274,842)	(1,164,578)
<b>Operating profit</b>	3	<u>2,169,878</u>	<u>1,844,938</u>
Interest payable	6	(37,787)	9,241
<b>Profit on ordinary activities before taxation</b>		<u>2,132,091</u>	<u>1,854,179</u>
Tax on profit on ordinary activities	7	(513,502)	(476,248)
<b>Profit for the financial year</b>		<u>1,618,589</u>	<u>1,377,931</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two financial years.

**Digiland Limited**  
**Balance Sheet**  
**as at 30 June 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	8	1,329,146	1,158,195
Investments	9	700,000	400,000
		<u>2,029,146</u>	<u>1,558,195</u>
<b>Current assets</b>			
Stocks	10	457,561	91,549
Debtors	11	530,991	567,641
Cash at bank and in hand		3,931,597	2,667,101
		<u>4,920,149</u>	<u>3,326,291</u>
<b>Creditors: amounts falling due within one year</b>	12	(2,106,846)	(1,625,788)
<b>Net current assets</b>		<u>2,813,303</u>	<u>1,700,503</u>
<b>Total assets less current liabilities</b>		<u>4,842,449</u>	<u>3,258,698</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(813,836)	(849,656)
<b>Provisions for liabilities</b>			
Deferred taxation	15	(4,474)	(3,492)
<b>Net assets</b>		<u>4,024,139</u>	<u>2,405,550</u>
<b>Capital and reserves</b>			
Called up share capital	16	2	2
Profit and loss account	17	4,024,137	2,405,548
<b>Shareholders' funds</b>	18	<u>4,024,139</u>	<u>2,405,550</u>

Mr J D Park

Director

Approved by the board on 19 December 2013



**Digiland Limited**  
**Cash Flow Statement**  
**for the year ended 30 June 2013**

	<b>Notes</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		2,169,878	1,844,938
Depreciation and amortisation		24,552	13,716
(Increase)/decrease in stocks		(366,012)	301,979
Decrease/(increase) in debtors		36,650	(1,146)
Increase/(decrease) in creditors		447,202	(117,767)
<b>Net cash inflow from operating activities</b>		<u>2,312,270</u>	<u>2,041,720</u>

**CASH FLOW STATEMENT**

<b>Net cash inflow from operating activities</b>		2,312,270	2,041,720
<b>Returns on investments and servicing of finance</b>	19	(37,787)	9,241
<b>Taxation</b>		(477,105)	(60,835)
<b>Capital expenditure</b>	19	<u>(495,503)</u>	<u>(300,000)</u>
		1,301,875	1,690,126
<b>Financing</b>	19	(36,875)	(32,074)
<b>Increase in cash</b>		<u>1,265,000</u>	<u>1,658,052</u>

**Reconciliation of net cash flow to movement in net debt**

Increase in cash in the period		1,265,000	1,658,052
Decrease in debt and lease financing		36,875	32,074
<b>Change in net debt</b>	20	<u>1,301,875</u>	<u>1,690,126</u>
<b>Net funds at 1 July</b>		1,773,382	83,256
<b>Net funds at 30 June</b>		<u>3,075,257</u>	<u>1,773,382</u>

**Digiland Limited**  
**Notes to the Accounts**  
**for the year ended 30 June 2013**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold and long leasehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	Not depreciated
Plant and machinery	20 - 25% p.a. reducing balance basis
Fixtures, fittings, tools and equipment	25% p.a. reducing balance basis

***Stocks***

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

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse. The deferred tax balance has not been discounted.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet 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 the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

### ***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

<b>2 Analysis of turnover</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
By activity:		
Exports	10,505,576	12,121,029
Wholesale/Others	227,909	306,486
Retail	869,449	764,390
	<u>11,602,934</u>	<u>13,191,905</u>
By geographical market:		
UK	1,726,734	1,070,876
Europe	1,572,490	1,337,571
Rest of world	8,303,710	10,783,458
	<u>11,602,934</u>	<u>13,191,905</u>
<b>3 Operating profit</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	24,552	13,716
Auditors' remuneration for audit services	5,000	5,000
	<u></u>	<u></u>
<b>4 Director's emoluments</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Emoluments	67,198	65,559
Company contributions to money purchase pension schemes	50,000	50,000
	<u>117,198</u>	<u>115,559</u>
<b>Number of directors in company pension schemes:</b>	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<u>1</u>	<u>1</u>
<b>5 Staff costs</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	952,497	920,155

Other pension costs	100,000	80,000
	<u>1,052,497</u>	<u>1,000,155</u>

**Average number of employees during the year**

	<b>Number</b>	<b>Number</b>
Administration	15	17
Sales	11	8
	<u>26</u>	<u>25</u>

**6 Interest payable**

**2013**                      **2012**

£                              £

Bank loans and overdrafts	<u>37,787</u>	<u>(9,241)</u>
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**7 Taxation**

**2013**                      **2012**

£                              £

**Analysis of charge in period**

Current tax:

UK corporation tax on profits of the period	512,521	477,106
Adjustments in respect of previous periods	(1)	-
	<u>512,520</u>	<u>477,106</u>

Deferred tax:

Origination and reversal of timing differences	<u>982</u>	<u>(858)</u>
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Tax on profit on ordinary activities	<u>513,502</u>	<u>476,248</u>
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**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2013</b>	<b>2012</b>
	£	£
Profit on ordinary activities before tax	<u>2,132,091</u>	<u>1,854,179</u>

Standard rate of corporation tax in the UK	24%	26%
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	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	511,702	482,087

Effects of:

Expenses not deductible for tax purposes	1,784	(12,180)
Capital allowances for period in excess of depreciation	(965)	7,199

Adjustments to tax charge in respect of previous periods	(1)	-
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Current tax charge for period	512,520	477,106
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## 8 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
<b>Cost</b>				
At 1 July 2012	1,116,737	34,011	90,056	1,240,804
Additions	128,421	50,445	16,637	195,503
At 30 June 2013	1,245,158	84,456	106,693	1,436,307
<b>Depreciation</b>				
At 1 July 2012	-	21,604	61,005	82,609
Charge for the year	-	13,130	11,422	24,552
At 30 June 2013	-	34,734	72,427	107,161
<b>Net book value</b>				
At 30 June 2013	1,245,158	49,722	34,266	1,329,146
At 30 June 2012	1,116,737	12,407	29,051	1,158,195

## 9 Investments

	Other investments £	
<b>Cost</b>		
At 1 July 2012		400,000
Additions		300,000
At 30 June 2013		700,000
<b>Other investments</b>	<b>2013</b>	<b>2012</b>
	£	£
Listed investments	700,000	400,000
Valuation:		
Listed investments - market value	733,844	413,715

## 10 Stocks

	2013	2012
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	£	£
Finished goods and goods for resale	457,561	91,549

The difference between purchase price or production cost of stocks and their replacement cost is not material.

<b>11 Debtors</b>	<b>2013</b>	<b>2012</b>
	£	£
Trade debtors	35,186	12,243
Other debtors	443,469	505,753
Prepayments and accrued income	52,336	49,645
	<u>530,991</u>	<u>567,641</u>

<b>12 Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	£	£
Bank loans and overdrafts	42,504	44,063
Payments on account on long term contracts	225,907	46,389
Trade creditors	256,866	217,720
Corporation tax	512,521	477,106
Other creditors	979,098	830,724
Accruals and deferred income	89,950	9,786
	<u>2,106,846</u>	<u>1,625,788</u>

<b>13 Creditors: amounts falling due after one year</b>	<b>2013</b>	<b>2012</b>
	£	£
Bank loans	<u>813,836</u>	<u>849,656</u>

<b>14 Loans</b>	<b>2013</b>	<b>2012</b>
	£	£
Loans not wholly repayable within five years:		
Loan 1 repayable over 20 years from June 2008		
Interest rate payable on the loan is base rate plus 1% p.a.	457,533	471,146
Loan 2 repayable over 18 years from June 2008		
Interest rate payable on the loan is base rate plus 1% - 1.25% p.a.	393,303	416,509
	<u>850,836</u>	<u>887,655</u>

Analysis of maturity of debt:

Within one year or on demand	42,504	44,063
Between one and two years	39,000	40,000
Between two and five years	124,000	126,000
After five years	<u>650,835</u>	<u>683,656</u>

856,339

893,719

The bank loans are secured by a legal charge over the long leasehold land and buildings, an unlimited debenture charge and an omnibus letter of set off among the bank, Digiland Limited and a related company, Digicare Limited.

**15 Deferred taxation****2013****2012**

£

£

Accelerated capital allowances

4,474

3,492

Undiscounted provision for deferred tax

4,474

3,492

**2013****2012**

£

£

At 1 July

3,492

4,350

Deferred tax charge in profit and loss account

982

(858)

At 30 June

4,474

3,492

**16 Share capital****Nominal  
value****2013  
Number****2013  
£****2012  
£**

Allotted, called up and fully paid:

Ordinary shares

£1 each

2

2

2

**17 Profit and loss account****2013**

£

At 1 July 2012

2,405,548

Profit for the financial year

1,618,589

At 30 June 2013

4,024,137

**18 Reconciliation of movement in shareholders' funds****2013****2012**

£

£

At 1 July

2,405,550

1,027,619

Profit for the financial year

1,618,589

1,377,931

At 30 June

4,024,139

2,405,550

**19 Gross cash flows****2013****2012**

£

£

Returns on investments and servicing of finance

Interest paid	(37,787)	9,241
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(195,503)	-
Payments to acquire investments	(300,000)	(300,000)
	(495,503)	(300,000)
<b>Financing</b>		
Loan repayments	(36,875)	(32,074)

## 20 Analysis of changes in net debt

	At 1 Jul 2012	Cash flows	Non-cash changes	At 30 Jun 2013
	£	£	£	£
Cash at bank and in hand	2,667,101	1,264,496		3,931,597
Overdrafts	(504)	504		-
		1,265,000		
Debt due within 1 year	(43,559)	1,055		(42,504)
Debt due after 1 year	(849,656)	35,820		(813,836)
		36,875		
Total	1,773,382	1,301,875	-	3,075,257

## 21 Related party and other transactions

2013  
£

2012  
£

### Digicare Limited

Mr J D Park, the director and a shareholder in the company, is also a director and a shareholder in Digicare Limited.

At the balance sheet date there was an outstanding related company loan included in other creditors.

Amount due to Digicare Limited	978,601	830,726
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### Mr J D Park

Director and a shareholder in the company

During the year the company acquired a motor vehicle from Mr J D Park at market value.

No amounts were outstanding at the balance sheet date	11,080	-
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## 22 Ultimate controlling party

The ultimate controlling party is Mr J D Park, who together with his spouse owns 100% of the issued share capital in the company.



**Digiland Limited**  
**Detailed profit and loss account**  
**for the year ended 30 June 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>	11,602,934	13,191,905
Cost of sales	(8,158,214)	(10,182,389)
<b>Gross profit</b>	<u>3,444,720</u>	<u>3,009,516</u>
Administrative expenses	(1,274,842)	(1,164,578)
<b>Operating profit</b>	<u>2,169,878</u>	<u>1,844,938</u>
Interest payable	(37,787)	9,241
<b>Profit before tax</b>	<u>2,132,091</u>	<u>1,854,179</u>

**Digiland Limited**  
**Detailed profit and loss account**  
**for the year ended 30 June 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>		
Sales	11,602,934	13,191,905
	<hr/>	<hr/>
<b>Cost of sales</b>		
Purchases	8,403,994	9,656,989
(Increase)/decrease in stocks	(366,012)	301,979
Subcontractor costs	308	8,321
Direct labour	33,629	-
Carriage	58,760	200,740
Commissions payable	26,379	8,183
Other direct costs	1,156	6,177
	<hr/>	<hr/>
	8,158,214	10,182,389
	<hr/>	<hr/>
<b>Administrative expenses</b>		
Employee costs:		
Wages and salaries	885,299	854,596
Director's salary	67,198	65,559
Pensions	100,000	80,000
Temporary staff and recruitment	3,340	4,408
Staff training and welfare	1,282	287
Travel and subsistence	9,146	12,568
Motor expenses	9,680	15,576
Entertaining	15,368	13,086
	<hr/>	<hr/>
	1,091,313	1,046,080
Premises costs:		
Rent	36,819	35,207
Rates	59,162	55,645
Service charges	461	-
Light and heat	12,111	10,771
Cleaning	1,465	1,618
Security costs	1,460	1,896
	<hr/>	<hr/>
	111,478	105,137
General administrative expenses:		
Telephone and fax	9,348	9,784
Postage	800	2,145
Stationery and printing	1,539	-
Subscriptions	1,226	153
Bank charges	17,715	13,075
Insurance	11,598	10,141
Equipment hire	264	-
Software	2,700	-

Repairs and maintenance	36,343	15,988
Depreciation	24,551	13,717
Sundry expenses	(81,208)	(76,559)
	<u>24,876</u>	<u>(11,556)</u>
Legal and professional costs:		
Audit fees	5,000	5,000
Accountancy fees	3,200	3,200
Advertising and PR	8,383	14,063
Other legal and professional	30,592	2,654
	<u>47,175</u>	<u>24,917</u>
	<u>1,274,842</u>	<u>1,164,578</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.