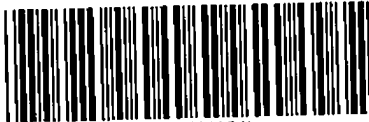


ARIA TECHNOLOGY HOLDINGS LIMITED
DIRECTORS REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2014

Company Registration No. 6396883 (England and Wales)

| | | |
|------------------|---|------|
| THU WEDNESDAY |  | |
| | *A3KJ0LWY* | |
| A29 | 12/11/2014 | #167 |
| | COMPANIES HOUSE | |
| | ----- | |
| | *A3JLQG0Y* | |
| A25 | 30/10/2014 | #13 |
| | COMPANIES HOUSE | |

ARIA TECHNOLOGY HOLDINGS LIMITED

COMPANY INFORMATION

Directors
Mr Aria Taheri
Mr Amir Ali Haghshenow

Company number
6396883

Registered office
Aria House
2 Belle Vue Avenue
Pottery Lane
Manchester
M12 4AS

Auditors
Scott Roberts Taylor & Co
Central Buildings
5/7 Corporation Street
Hyde
Cheshire
SK14 1AG

Bankers
Barclays Bank Plc
Manchester City Office
51 Mosley Street
Manchester
M60 2AU

ARIA TECHNOLOGY HOLDINGS LIMITED

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| Consolidated Balance sheet | 7 |
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ARIA TECHNOLOGY HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

The directors present the strategic report and financial statements for the year ended 31 January 2014.

Review of the business

The results for the year are set out on page 6.

The company is a holding company and the principle activities of its subsidiary undertakings continues to be that of the wholesale and retail sales of computer hardware, software and accessories and a property investment company.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the group relate to new and existing competition facing Aria Technology Limited and Velo Systems Limited, which could impact on market share and put pressure on margins. The directors continue to focus on these risks in their strategy for the future.

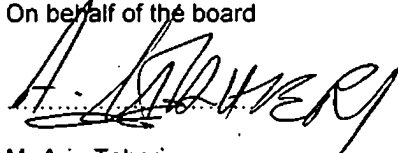
Aria Technology Limited ("ATL"), a wholly owned subsidiary, has successfully defended an action brought by H M Revenue & Customs ("HMRC") with regard to the alleged inappropriate reclaim of input VAT on certain purchases made by the company in 2006. The company is now appealing the denial of input VAT for the period 07/06 in 2006. This is a case that is still ongoing and ATL is confident of successfully defending it.

Key Performance Indicators

The group achieved satisfactory results during the year. The turnover increased by £26,423 to £11,110,877 (2013-£11,084,454) during the year but the increase was below 1% when compared with the previous year. However, pre tax profits of £197,088 have again improved when compared with the previous year (2013 - £138,098). The performance of the group has produced encouraging results. However, Aria Technology Limited's results were less encouraging when singled out. Turnover reduced to £10,547,334 (2013-£11,084,454) a reduction of £537,120 and the company suffered pre tax losses of (£70,091) (2013-£84,853).

During the year one of the company's subsidiaries Velo Systems Limited began to trade achieving promising results. The company's pre tax profit for the year was £140,878.

On behalf of the board



Mr Aria Taheri

Director

16th July 2014

ARIA TECHNOLOGY HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

The directors present their report and financial statements for the year ended 31 January 2014.

Principal activities

The principal activity of the group in the year under review was that of wholesale and retail sales of computer hardware, software and accessories.

Aria Technology Limited ("ATL"), a wholly owned subsidiary, is presently the subject of an action brought by HMRC. The specific details of this action are detailed in note 21 to the accounts on page 18.

Results and Dividends

The results for the year are set out on page 6.

Directors

The following directors have held office since 1 February 2013:

Mr Aria Taheri
Mr Amir Ali Haghshenow

Auditors

In accordance with the company's articles, a resolution proposing that Scott Roberts Taylor & Co be reappointed as auditors of the company will be put at a General Meeting.

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.

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

ARIA TECHNOLOGY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr Aria Taheri
Director

16th July 2014

ARIA TECHNOLOGY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARIA TECHNOLOGY HOLDINGS LIMITED

We have audited the financial statements of Aria Technology Holdings Limited for the year ended 31 January 2014 which comprise of the Group Profit and Loss account, the Group and Parent Balance Sheets and related notes set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the 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 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 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 pages 2 to 3, 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 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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and of the Parent company's affairs as at 31 January 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 21 to the financial statements concerning the outcome of a lawsuit where a subsidiary company is the defendant. The ultimate outcome of this matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

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 statements are prepared is consistent with the financial statements.

ARIA TECHNOLOGY HOLDINGS LIMITED

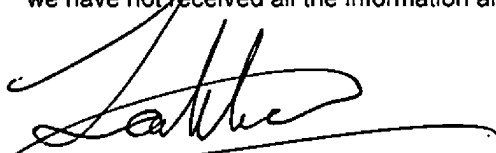
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ARIA TECHNOLOGY 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's 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.



Mr Ian Wicks (Senior Statutory Auditor)
for and on behalf of Scott Roberts Taylor & Co

Chartered Certified Accountants
Statutory Auditor

Central Buildings
5/7 Corporation Street
Hyde
Cheshire
SK14 1AG

17th July 2014

ARIA TECHNOLOGY HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2014

| | Notes | 2014 £ | 2013 £ |
|--|-----------|--------------------|--------------------|
| Turnover | | 11,110,877 | 11,084,454 |
| Cost of sales | | <u>(9,809,977)</u> | <u>(9,814,935)</u> |
| Gross profit | | 1,300,900 | 1,269,519 |
| Administrative expenses | | (1,113,969) | (1,111,595) |
| Other operating income | | <u>26,264</u> | <u>-</u> |
| Operating profit | 3 | 213,195 | 157,924 |
| Other interest receivable and similar income | 4 | 302 | 161 |
| Interest payable and similar charges | 5 | <u>(16,408)</u> | <u>(19,987)</u> |
| Profit on ordinary activities before Taxation | | 197,089 | 138,098 |
| Tax on profit on ordinary activities | 6 | <u>(22,938)</u> | <u>(36,713)</u> |
| Profits for the year | 18 | <u>174,151</u> | <u>101,385</u> |

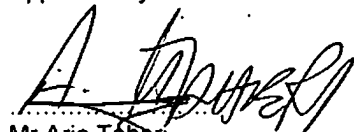
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are not recognised gains and losses other than those passing through the profit and loss account.

ARIA TECHNOLOGY HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2014

| | Notes | £ | 2014 £ | £ | 2013 £ |
|--|-------|--------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 8 | | 281,966 | | 268,464 |
| Tangible assets | 9 | | <u>1,639,216</u> | | <u>1,681,125</u> |
| | | | 1,921,182 | | 1,949,589 |
| Current assets | | | | | |
| Stocks | 11 | 746,304 | | 693,491 | |
| Debtors | 12 | 216,074 | | 197,508 | |
| Cash at bank and in hand | | <u>504,994</u> | | <u>818,372</u> | |
| | | 1,467,372 | | 1,709,371 | |
| Creditors: amount falling due within one year | 13 | <u>(1,430,279)</u> | | <u>(1,725,064)</u> | |
| Net current assets/(liabilities) | | | <u>37,093</u> | | <u>(15,693)</u> |
| Total assets less current liabilities | | | 1,958,275 | | 1,933,896 |
| Creditors: amounts falling due after more than one year | 14 | | (519,525) | | (605,502) |
| Provisions for liabilities | 15 | | <u>(11,354)</u> | | <u>(10,963)</u> |
| | | | <u>1,427,396</u> | | <u>1,317,431</u> |
| Capital and reserves | | | | | |
| Called up share capital | 17 | | 20,100 | | 20,100 |
| Other reserves | 18 | | 1,400,674 | | 1,400,674 |
| Profit and loss account | 18 | | <u>6,622</u> | | <u>(97,529)</u> |
| Shareholders' funds | 19 | | 1,427,396 | | 1,323,245 |
| Minority interest | 20 | | - | | (5,814) |
| Total equity | | | <u>1,427,396</u> | | <u>1,317,431</u> |

Approved by the Board for issue on 16th July 2014



Mr Aria Taheri
Director

Company Registration No. 6396883


ARIA TECHNOLOGY HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2014

| | Notes | 2014 | 2013 |
|---|-------|------------------|------------------|
| | | £ | £ |
| Fixed assets | | | |
| Investments | 10 | 203,400 | 202,900 |
| Current assets | | | |
| Debtors | 12 | 1,203,042 | 1,133,042 |
| Creditors: amounts falling due Within one year | 13 | (255,100) | (184,600) |
| Net current assets | | <u>947,942</u> | <u>948,442</u> |
| Total assets less current liabilities | | <u>1,151,342</u> | <u>1,151,342</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 20,100 | 20,100 |
| Profit and loss account | 18 | <u>1,131,242</u> | <u>1,131,242</u> |
| Shareholders' funds | | <u>1,151,342</u> | <u>1,151,342</u> |

Approved by the Board for issue on 16th July 2014


Mr Arta Taneq
Director

Company Registration No. 6396883

ARIA TECHNOLOGY HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2014

| | £ | 2014 £ | £ | 2013 £ |
|--|----------|-----------|----------|-----------|
| Net cash (outflow)/inflow from operating activities | | (139,187) | | 170,436 |
| Returns on investments and servicing of finance | | | | |
| Interest received | 302 | | 161 | |
| Interest paid | (16,408) | | (19,987) | |
| Net cash outflow for returns on Investments and servicing of finance | | (16,106) | | (19,826) |
| Taxation | | (18,144) | | (4,121) |
| Capital expenditure | | | | |
| Payments to acquire intangible assets | (21,585) | | - | |
| Payments to acquire tangible assets | (41,283) | | (16,134) | |
| Net cash outflow for capital expenditure | | (62,868) | | (16,134) |
| Acquisitions and disposals | | | | |
| Purchase of subsidiary undertakings (net of cash acquired) | (500) | | - | |
| Net cash outflow for acquisitions and disposals | | (500) | | - |
| Equity dividends paid | | (70,000) | | - |
| Net cash (outflow)/Inflow before management of liquid resources and financing | | (306,805) | | 130,355 |
| Financing | | | | |
| Repayment of long term bank loan | (90,102) | | (86,665) | |
| Net cash outflow from financing | | (90,102) | | (86,665) |
| (Decrease)/increase in cash in the year | | (396,907) | | 43,690 |

ARIA TECHNOLOGY HOLDINGS LIMITED
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2014

| | | |
|---|------------------|----------------|
| 1. Reconciliation of operating profit to net cash inflow/(outflow) from operating activities | 2014 | 2013 |
| | £ | £ |
| Operating profit | 213,195 | 157,924 |
| Depreciation of tangible assets | 83,691 | 84,723 |
| Amortisation of intangible assets | 13,897 | 13,229 |
| Increase in stocks | (52,813) | (9,492) |
| Increase in debtors | (29,373) | (167) |
| (Decrease)/Increase in creditors within one year | (367,784) | (75,781) |
| Net cash (outflow)/inflow from operating activities | (139,187) | 170,436 |

| | | | | |
|--|------------------------|-------------------------|-------------------------------|-------------------------|
| 2. Analysis of net (debt)/funds | 1 February 2013 | Cash flow | Other non-cash changes | 31 January 2014 |
| | £ | £ | £ | £ |
| Net cash: | | | | |
| Cash at bank and in hand | 818,372 | (313,378) | - | 504,994 |
| Bank overdrafts | - | (83,529) | - | (83,529) |
| | <u>818,372</u> | <u>(396,907)</u> | - | <u>421,465</u> |
| Bank deposits | - | - | - | - |
| Debt: | | | | |
| Debts falling due within one year | (95,125) | 4,125 | - | (91,000) |
| Debts falling due after one year | (605,502) | 85,977 | - | (519,525) |
| | <u>(700,627)</u> | <u>90,102</u> | - | <u>(610,525)</u> |
| Net funds/(debt) | <u>117,745</u> | <u>(306,805)</u> | - | <u>(189,060)</u> |

| | | |
|---|-------------------------|-----------------------|
| 3. Reconciliation of net cash flow to movement in net (debt)/funds | 2014 | 2013 |
| | £ | £ |
| (Decrease)/Increase in cash in the year | (396,907) | 43,690 |
| Cash outflow/(inflow) from decrease/(increase) in debt | <u>90,102</u> | <u>86,665</u> |
| Movement in net (debt)/funds in the year | (306,805) | (130,355) |
| Opening net funds | <u>117,745</u> | <u>(12,610)</u> |
| Closing net (debt)/funds | <u>(189,060)</u> | <u>117,745</u> |

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2014

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The group financial statements have been accounted for in accordance with the principles of merger accounting as set out in FRS 6 "Acquisitions and mergers". The financial statements are therefore presented as if Aria Technology Ltd had been owned and controlled by Aria Technology Holdings Ltd throughout. Acquisition accounting has been used for the acquisitions of other subsidiary undertakings.

In accordance with section 408 of the Companies Act 2006 Aria Technology Holdings Ltd is exempt from the requirement to present its own profit and loss account. The company's profit for the financial period was £70,000 (2013 - £nil).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. The amounts receivable are recognised when the orders and payments have been received for online sales, and when the goods have been despatched and accepted by the customer, for credit and counter sales.

1.4 Goodwill

Goodwill arising from the purchase of subsidiary undertakings represents the excess of fair value of the purchase consideration over the fair value of the net assets acquired, and is written back to the profit and loss account over a period of 20 years.

1.5 Research and development

Expenditure on research and development is written off in the year it is incurred, except for development expenditure incurred on an individual project which is carried forward as permitted by SSAP 13 when its future recoverability can reasonably be regarded as assured. The expenditure carried forward is treated as an intangible fixed asset and amortised over its estimated economic life so as to match the expenditure with the anticipated sales from the related project.

1.6 Fixed asset investments

The investment in Aria Technology Limited in the company balance sheet is recorded at the nominal value of shares issued for the purpose of the group reconstruction, in accordance with the treatment allowed by section 612 of the Companies Act 2006.

On consolidation the difference between the nominal value of the shares issued and the net assets of Aria Technology Limited on acquisition is recorded in a merger reserve.

Subsequent investments are stated at cost less a provision for any permanent diminution in value and acquisition and acquisition accounting principles are followed unless specific criteria to qualify for merger accounting apply.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|----------------------|
| Land and buildings Leasehold | 2% straight line |
| Plant and machinery | 25% reducing balance |
| Computer equipment | 25% reducing balance |
| Fixtures, fittings & equipment | 25% reducing balance |
| Motor vehicles | 25% reducing balance |

ARIA TECHNOLOGY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2014

1. Accounting Policies

1.8 Stock

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

1.9 Pensions

Pension costs charged in the financial statements represent the contributions payable by the group during the year in accordance with Financial Reporting Standard 17.

1.10 Deferred taxation

In accordance with Financial Reporting Standard 19 "Deferred Tax", deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse and is not discounted.

Timing differences are differences between the taxable profits and the result as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those which they are recognised in the financial statements.

A net deferred asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

1.11 Foreign currency translation

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

2. Turnover

Geographical market

| | Turnover | |
|--------|--------------------------|--------------------------|
| | 2014 | 2013 |
| | £ | £ |
| UK | 11,086,057 | 11,079,454 |
| Europe | <u>24,820</u> | <u>5,000</u> |
| | <u>11,110,877</u> | <u>11,084,454</u> |

3. Operating profit
Group

| | 2014 | 2013 |
|--|---------------------|---------------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Amortisation of tangible assets | 13,897 | 13,229 |
| Depreciation of tangible assets | 83,691 | 84,723 |
| Auditors' remuneration | 17,500 | 13,000 |
| Loss on foreign exchange transactions | <u>7,403</u> | <u>1,058</u> |

One director is accruing retirement benefits under a money purchase pension schemes (2013 – one)

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

| | | |
|---|----------------------|----------------------|
| 4. Investment income | 2014 | 2013 |
| Group | £ | £ |
| Bank interest | 211 | 161 |
| Other interest | <u>91</u> | <u>-</u> |
| | <u>302</u> | <u>161</u> |
| 5. Interest payable | 2014 | 2013 |
| Group | £ | £ |
| Bank loans and overdrafts | <u>16,408</u> | <u>19,987</u> |
| 6. Taxation | 2014 | 2013 |
| Group | £ | £ |
| Domestic current tax year | | |
| U.K. corporation tax | 28,913 | 38,950 |
| Adjustment for prior years | <u>(6,366)</u> | <u>-</u> |
| Total current tax | 22,547 | 38,950 |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>391</u> | <u>(2,237)</u> |
| | <u>22,938</u> | <u>36,713</u> |
| Factors affecting the tax charge for the year | | |
| Profit on ordinary activities before taxation | <u>197,088</u> | <u>138,098</u> |
| Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 – 20.00%) | <u>39,418</u> | <u>27,620</u> |
| Effects of: | | |
| Non deductible expenses | 1,086 | 559 |
| Depreciation add back | 16,738 | 19,610 |
| Capital allowances | (12,692) | (8,319) |
| Tax losses utilised | (21,619) | - |
| Other tax adjustments | <u>(384)</u> | <u>(520)</u> |
| | <u>(16,871)</u> | <u>11,330</u> |
| Current tax charge for the year | <u>22,547</u> | <u>38,950</u> |

The group has estimated tax losses of £2,131 (2013 £30,000) to carry forward.

| | | | | |
|-----------------------|---------------|----------------|--------------|----------------|
| 7. Dividends | Group | Company | Group | Company |
| | 2014 | 2014 | 2013 | 2013 |
| | £ | £ | £ | £ |
| Ordinary interim paid | <u>70,000</u> | <u>70,000</u> | <u>-</u> | <u>-</u> |

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

| 8. Intangible fixed assets | | | |
|----------------------------|----------------|-------------------|----------------|
| Group | Goodwill | Development Costs | Total |
| | £ | £ | £ |
| Cost | | | |
| At 1 February 2013 | 264,586 | 22,000 | 286,586 |
| Additions | <u>6,314</u> | <u>21,085</u> | <u>27,399</u> |
| At 31 January 2014 | <u>270,900</u> | <u>43,085</u> | <u>313,985</u> |
| Amortisation | | | |
| At 1 February 2013 | 18,122 | - | 18,122 |
| Charge for the year | <u>13,545</u> | <u>352</u> | <u>13,897</u> |
| At 31 January 2014 | <u>31,667</u> | <u>352</u> | <u>32,019</u> |
| Net book value | | | |
| At 31 January 2014 | <u>239,233</u> | <u>42,733</u> | <u>281,966</u> |
| At 31 January 2013 | <u>246,464</u> | <u>22,000</u> | <u>268,464</u> |

On 19 September 2011 the company acquired 90% of the ordinary share capital of Velo Systems Limited for a cash consideration of £181,520. At acquisition that company had total net liabilities of £92,295 thus giving rise to goodwill on consolidation of £264,586 for that 90% holding acquired.

The remaining 10% of the ordinary share capital of Velo Systems Limited was acquired for a cash consideration of £500 on 24 April 2013.

| 9. Tangible fixed assets | | | |
|--------------------------|--------------------|-------------------------|------------------|
| Group | Land and Buildings | Plant and Machinery Etc | Total |
| | £ | £ | £ |
| Cost | | | |
| At 1 February 2013 | 1,649,037 | 1,329,597 | 2,978,634 |
| Additions | <u>-</u> | <u>41,785</u> | <u>41,785</u> |
| At 31 January 2014 | <u>1,649,037</u> | <u>1,371,382</u> | <u>3,020,419</u> |
| Depreciation | | | |
| At 1 February 2013 | 141,715 | 1,155,794 | 1,297,509 |
| Charge for the year | <u>32,164</u> | <u>51,530</u> | <u>83,694</u> |
| At 31 January 2014 | <u>173,879</u> | <u>1,207,324</u> | <u>1,381,203</u> |
| Net book value | | | |
| At 31 January 2014 | <u>1,475,158</u> | <u>164,058</u> | <u>1,639,216</u> |
| At 31 January 2013 | <u>1,507,322</u> | <u>173,803</u> | <u>1,681,125</u> |

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

| 10. Fixed asset investment Company | Unlisted Investments £ |
|------------------------------------|---------------------------|
| Cost | |
| At 1 February 2013 | 202,900 |
| Additions | <u>500</u> |
| At 31 January 2014 | <u>203,400</u> |
| Net book value | |
| At 31 January 2014 | <u>203,400</u> |
| At 31 January 2013 | <u>202,900</u> |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

| Name | Country of registration | Nature of business |
|--------------------------------|-------------------------|---------------------------------------|
| Aria Technology Limited | England and Wales | Computer hardware and software retail |
| Velo Systems Limited | England and Wales | Intellectual property licensing |
| Aria Land Limited | England and Wales | Property rental |
| Aria iFix Limited | England and Wales | Computer repair services |
| Aria Retail Limited | England and Wales | Dormant |
| Aria Web Solutions Limited | England and Wales | Website development services |
| Aria Business Services Limited | England and Wales | Dormant |

| Name | | Capital and Reserves 2014 £ | Profit/loss for the year 2014 £ |
|--------------------------------|--------------|-----------------------------------|--|
| | Class | Holding | |
| Aria Technology Limited | Ordinary | 100.00 | 115,079 |
| Velo Systems Limited | Ordinary | 100.00 | 83,232 |
| Aria Land Limited | Ordinary | 100.00 | 103,974 |
| Aria iFix Limited | Ordinary | 100.00 | 9,703 |
| Aria Retail Limited | Ordinary | 100.00 | 100 |
| Aria Web Solutions Limited | Ordinary | 80.00 | (2,525) |
| Aria Business Services Limited | Ordinary | 100.00 | 1 |

| 11. Stock | Group 2014 £ | Company 2014 £ | Group 2013 £ | Company 2013 £ |
|---|--------------------|----------------------|--------------------|----------------------|
| Finished goods and goods for resale | <u>746,304</u> | <u>-</u> | <u>693,491</u> | <u>-</u> |
| 12. Debtors | Group 2014 £ | Company 2014 £ | Group 2013 £ | Company 2013 £ |
| Trade debtors | 147,671 | - | 138,474 | - |
| Amounts owed by subsidiary Undertakings | - | 1,203,402 | - | 1,133,042 |
| Other debtors | <u>68,403</u> | <u>-</u> | <u>59,034</u> | <u>-</u> |
| | <u>216,074</u> | <u>1,203,042</u> | <u>197,508</u> | <u>1,133,042</u> |

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

| 13. Creditors falling due within one year | Group 2014 £ | Company 2014 £ | Group 2013 £ | Company 2013 £ |
|---|--------------------|----------------------|--------------------|----------------------|
| Bank loans and overdrafts | 174,529 | - | 95,125 | - |
| Trade creditors | 1,078,152 | - | 1,212,710 | - |
| Taxation and social security | 95,764 | - | 160,551 | - |
| Other creditors | 81,834 | - | 256,678 | - |
| Amounts owed to subsidiary undertakings | - | <u>255,100</u> | - | <u>184,600</u> |
| | <u>1,430,279</u> | <u>255,100</u> | <u>1,725,064</u> | <u>184,600</u> |

| 14. Creditors: amounts falling due after more than one year | 2014 £ | 2013 £ |
|---|-----------------|-----------------|
| Group | | |
| Bank loans | <u>519,525</u> | <u>605,502</u> |
| Analysis of loans | | |
| Not wholly repayable within five years | 610,525 | 700,627 |
| Included in current liabilities | <u>(91,000)</u> | <u>(95,125)</u> |
| | <u>519,525</u> | <u>605,502</u> |
| Loan maturity analysis | | |
| In more than one year but not more than two years | 91,000 | 95,125 |
| In more than two years but not more than five years | 283,925 | 295,925 |
| In more than five years | <u>144,600</u> | <u>214,452</u> |
| | <u>519,525</u> | <u>605,502</u> |

Bank loans are secured by way of specific legal charge over the company's freehold property, dated 30 June 2011, together with debentures dated 13 August 2010. The borrowings are also secured by way of cross guarantee and debenture dated 13 August 2010 between the company Aria Technology Ltd, Aria IFix Ltd and Aria Technology Holdings Ltd.

| 15. Provisions for liabilities | Deferred tax liability £ |
|---|--------------------------------|
| Group | |
| Balance at 1 February 2013 | 10,963 |
| Profit and loss account | <u>391</u> |
| Balance at 31 January 2014 | <u>11,354</u> |
| The deferred tax liability is made up as follows: | |
| | 2014 £ |
| Accelerated capital allowances | <u>11,354</u> |
| | 2013 £ |
| | <u>10,963</u> |

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

| | | |
|--|-----------------------|--------------------------------|
| 16. Pension and other post retirement benefit commitments | 2014 | 2013 |
| Group | £ | £ |
| Contributions payable for the year | <u>-</u> | <u>875</u> |
| 17. Share capital | 2014 | 2013 |
| | £ | £ |
| Allotted, called up and fully paid | | |
| 20,100 Ordinary of £1 each | <u>20,100</u> | <u>20,100</u> |
| 18. Statement of movements on reserves | Group | Company |
| | Merger Reserve | Profit and loss account |
| | £ | £ |
| Balance at 1 February 2013 | 1,400,674 | (97,529) |
| Profit for the year | - | 174,151 |
| Dividends paid | <u>-</u> | <u>(70,000)</u> |
| Balance at 31 January 2014 | <u>1,400,674</u> | <u>6,622</u> |
| | | <u>1,131,242</u> |

The merger reserve in the consolidated balance sheet follows the principles of merger accounting in accordance with Financial Reporting Standard 6, "acquisitions and mergers" this being the excess of consideration paid over the nominal value of shares issued on reconstruction of the group in 2011.

19. Reconciliation of movement in shareholder funds

| | | | | |
|---|------------------|------------------|------------------|------------------|
| | Group | Company | Group | Company |
| | 2014 | 2014 | 2013 | 2013 |
| | £ | £ | £ | £ |
| Profit/(loss) for the year | 174,151 | 70,000 | 100,583 | - |
| Dividends | <u>(70,000)</u> | <u>(70,000)</u> | <u>-</u> | <u>-</u> |
| Increase/(decrease) in shareholders funds | 104,151 | - | 100,583 | - |
| Opening shareholders' funds | <u>1,323,245</u> | <u>1,151,342</u> | <u>1,222,662</u> | <u>1,151,342</u> |
| Closing shareholders' funds | <u>1,427,396</u> | <u>1,151,342</u> | <u>1,323,245</u> | <u>1,151,342</u> |

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

20. Minority interest

The group's minority interest in previous years was comprised entirely of equity interest and represents the minority shares of Velo Systems Limited and Aria Web Solutions Limited. However, during the year the holding company purchased the remaining minority interest of Velo Systems Limited and the minority interest was written off to goodwill as allowed under Financial Reporting Standards. Aria Web Solutions Limited remains a dormant company.

| | 2014 £ | 2013 £ |
|--|--------------|----------------|
| Balance at 1 February 2013 | (5,814) | (6,616) |
| Net liabilities acquired during the year | - | - |
| Share of profits | - | 802 |
| Transfer to goodwill | <u>5,814</u> | <u>-</u> |
| Balance at 31 January 2014 | <u>-</u> | <u>(5,814)</u> |

21. Contingent liabilities

Aria Technology Ltd "ATL" has successfully defended an action brought by H M Revenue & Customs with regard to the alleged inappropriate reclaim of input VAT on certain purchases made by the company in 2006.

The company is now appealing the denial of input VAT for the period 07/06 in 2006. This is a case that is still ongoing and ATL is confident of successfully defending it.

22. Directors remuneration

| | 2014 £ | 2013 £ |
|--------------------------------------|---------------|---------------|
| Remuneration for qualifying services | <u>19,014</u> | <u>60,415</u> |

ARIA TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

23. Employees Group

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2014 £ | 2013 £ |
|-----------------------------------|-------------------|-------------------|
| | <u>30</u> | <u>35</u> |
| Employment costs Group | 2014 £ | 2013 £ |
| Wages and salaries | 483,114 | 526,447 |
| Social security costs | 37,421 | 39,189 |
| Other pension costs | <u>-</u> | <u>875</u> |
| | <u>520,535</u> | <u>566,511</u> |

24. Control

The ultimate controlling party of the group is Mr A Taheri.

25. Related party relationships and transactions

At the balance sheet date the group owed Mr A Taheri a director of the company £60,326 (2013 - £38,280). No interest has been charged on the directors loan account balance.