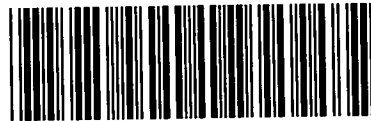


REGISTERED NUMBER: 07168088 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2014
for
FSU Investments Ltd

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for the Year Ended 31 March 2014

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FSU Investments Ltd

Company Information
for the Year Ended 31 March 2014

DIRECTORS:

J I Hamilton
J Moulin
A Di Bella
G R Smith
D R de Thierry
D DeSanctis
S Butler

SECRETARY:

S Butler

REGISTERED OFFICE:

11 Jarman Way
Royston
Hertfordshire
SG8 5HW

REGISTERED NUMBER:

07168088 (England and Wales)

AUDITORS:

Hardcastle Burton LLP
Lake House
Market Hill
Royston
Hertfordshire
SG8 9JN

Group Strategic Report
for the Year Ended 31 March 2014

The directors present their strategic report of the company and the group for the year ended 31 March 2014.

REVIEW OF BUSINESS

For the year ended 31 March 2014 revenues were £38.669m (2013 - £28.183m) with a profit on activities before taxation of £1,106k (2013 - profit £1,611k) and a profit of £655k (2013 - £973k) after taxation and minority interests.

The directors are satisfied with the progress made during the year. The Company has 75.61% of the issued shares of SDI Group Limited which includes a further 1.83% of the ordinary share capital of SDI Group Limited acquired during the year.

The economic environment in which the Group finds itself is one of continued uncertainty, especially in its key Mainland European markets. However recent contracts gained have given a boost to future sales and profitability which are expected to have a positive impact on 2014/15. Management are focused on continued product development and identifying new markets in which to trade.

PRINCIPAL RISKS AND UNCERTAINTIES

During the course of its business the Group is exposed to relatively low levels of financial risks which are dealt with in the next paragraph. Other risks include, but are not limited to the failure to comply with legislative and regulatory requirements including environmental and litigation failures, business continuity and the actions of customers and competitors. The Group has implemented risk controls and loss mitigation plans but cannot give absolute assurance that such procedures will be effective in identifying or controlling each of the operational risks faced by the Group.

FINANCIAL RISK MANAGEMENT POLICIES

The overall aim of the Group financial risk management policy is to minimise potential adverse effects on financial performance and net assets. In the course of the business, the Group is exposed primarily to foreign exchange risk, liquidity risk and credit risk. Interest rate is not considered significant as the Group does not have any liabilities that accrue significant interest and interest income on bank deposits is not material.

The Group manages the principal financial risk within policies and operating parameters approved by the Board of Directors. The Group does not enter into speculative transactions.

i) Foreign currency risk

The Group operates domestically and overseas. The Group does not currently hedge its cash flows or investments in overseas entities as the directors do not believe this to be appropriate given the low materiality of the items involved, but wherever possible the Group naturally hedges its operations by invoicing customers and paying suppliers in the same currency, and continuously reviews this policy and may change it depending on the Group's currency exposure and economic conditions.

ii) Liquidity risk

The Group's policy on liquidity risk is to ensure that sufficient cash is available to fund on-going operations without the need to carry significant net debt. Where appropriate financing can be negotiated, assets may be purchased under finance lease agreement. The extent of this financing is not considered material.

Group Strategic Report
for the Year Ended 31 March 2014

iii) Credit risk

Credit risk arises on financial instruments such as trade receivables. Policies and procedures exist to ensure that customers have an appropriate credit history, and appropriate billing schedules for long-term contract work are agreed in order to mitigate the risks on the business activity. Overall, the Group considers that it is not exposed to a significant amount of credit risk.

ON BEHALF OF THE BOARD:


.....

S Butler - Director

Date: 10 November 2014

Report of the Directors
for the Year Ended 31 March 2014

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2014.

RESEARCH AND DEVELOPMENT

The Group has undertaken research and development activities to improve the overall efficiency of its hanging garment systems. The Group will continue to focus on new product development in line with our customer requirements and in line with trends in our key markets. These research and development activities have improved the Group's competitive position in the marketplace.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

J I Hamilton
J Moulin
A Di Bella
G R Smith
D R de Thierry
D DeSanctis

Other changes in directors holding office are as follows:

S. Butler - appointed 1 April 2013

KEY PERFORMANCE INDICATORS

The Group uses revenue, profit before tax and cash balances as the key performance indicators. These can be determined from these consolidated accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director 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 group's auditors are aware of that information.

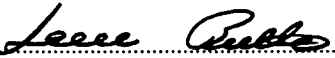
FSU Investments Ltd (Registered number: 07168088)

Report of the Directors
for the Year Ended 31 March 2014

AUDITORS

The auditors, Hardcastle Burton LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
S Butler - Director

Date: 10 November 2014

Report of the Independent Auditors to the Members of
FSU Investments Ltd

We have audited the financial statements of FSU Investments Ltd for the year ended 31 March 2014 on pages seven to twenty eight. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors 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's and of the parent company's affairs as at 31 March 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Report of the Directors 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.



Martin Law (Senior Statutory Auditor)
for and on behalf of Hardcastle Burton LLP
Lake House
Market Hill
Royston
Hertfordshire
SG8 9JN

Date: 11 November 2014

FSU Investments Ltd (Registered number: 07168088)

Consolidated Profit and Loss Account
for the Year Ended 31 March 2014

	Notes	31.3.14 £'000	31.3.13 £'000
TURNOVER	2	38,669	28,183
Cost of sales		<u>28,631</u>	<u>18,679</u>
GROSS PROFIT		10,038	9,504
Administrative expenses		<u>8,978</u>	<u>7,973</u>
		1,060	1,531
Other operating income		<u>61</u>	<u>117</u>
GROUP OPERATING PROFIT	4	1,121	1,648
Share of operating profit in Associates		63	43
Interest receivable and similar income		<u>11</u>	<u>13</u>
		1,195	1,704
Interest payable and similar charges	5	<u>89</u>	<u>93</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,106	1,611
Tax on profit on ordinary activities	6	<u>231</u>	<u>282</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		875	1,329
Minority interest - equity		<u>220</u>	<u>356</u>
RETAINED PROFIT FOR THE GROUP CARRIED FORWARD		<u><u>655</u></u>	<u><u>973</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

FSU Investments Ltd (Registered number: 07168088)

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2014

	31.3.14	31.3.13
	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR	655	973
Currency translation differences	(41)	19
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES	614	992
RELATING TO THE YEAR	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

FSU Investments Ltd (Registered number: 07168088)

**Consolidated Balance Sheet
31 March 2014**

	Notes	31.3.14 £'000	£'000	31.3.13 £'000	£'000
FIXED ASSETS					
Intangible assets	8		700		781
Tangible assets	9		624		460
Investments	10				
Interest in associate			300		238
			<u>1,624</u>		<u>1,479</u>
CURRENT ASSETS					
Stocks	11	1,508		1,246	
Debtors	12	12,190		7,267	
Cash at bank		4,368		4,322	
		<u>18,066</u>		<u>12,835</u>	
CREDITORS					
Amounts falling due within one year	13	14,597		9,671	
NET CURRENT ASSETS			<u>3,469</u>		<u>3,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,093		4,643
CREDITORS					
Amounts falling due after more than one year	14		(25)		(334)
PROVISIONS FOR LIABILITIES	18		(22)		-
MINORITY INTERESTS	19		(1,126)		(1,003)
NET ASSETS			<u><u>3,920</u></u>		<u><u>3,306</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		2,298		2,298
Other reserves	21		(34)		7
Profit and loss account	21		1,656		1,001
SHAREHOLDERS' FUNDS	25		<u><u>3,920</u></u>		<u><u>3,306</u></u>

The financial statements were approved by the Board of Directors on 10 November 2014 and were signed on its behalf by:



S Butler - Director

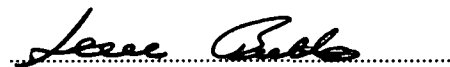
The notes form part of these financial statements

FSU Investments Ltd (Registered number: 07168088)

Company Balance Sheet
31 March 2014

	Notes	31.3.14 £'000	£'000	31.3.13 £'000	£'000
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		2,864		2,722
			<u>2,864</u>		<u>2,722</u>
CURRENT ASSETS					
Debtors	12	92		75	
Cash at bank		73		17	
		<u>165</u>		<u>92</u>	
CREDITORS					
Amounts falling due within one year	13	526		62	
		<u>526</u>		<u>62</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(361)</u>		<u>30</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,503		2,752
CREDITORS					
Amounts falling due after more than one year	14		-		383
			<u>-</u>		<u>383</u>
NET ASSETS			<u>2,503</u>		<u>2,369</u>
CAPITAL AND RESERVES					
Called up share capital	20		2,298		2,298
Profit and loss account	21		205		71
			<u>2,503</u>		<u>2,369</u>
SHAREHOLDERS' FUNDS	25		<u>2,503</u>		<u>2,369</u>

The financial statements were approved by the Board of Directors on 10 November 2014 and were signed on its behalf by:



S Butler - Director

The notes form part of these financial statements

FSU Investments Ltd (Registered number: 07168088)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2014

	Notes	31.3.14 £'000	£'000	31.3.13 £'000	£'000
Net cash inflow from operating activities	1		786		3,215
Returns on investments and servicing of finance	2		(78)		(80)
Taxation	2		(108)		(35)
Capital expenditure	2		(368)		(309)
Acquisitions and disposals	2		(142)		(93)
			<u>90</u>		<u>2,698</u>
Financing	2		(44)		(29)
Increase in cash in the period			<u>46</u>		<u>2,669</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		46		2,669	
Cash outflow from decrease in debt		<u>44</u>		<u>29</u>	
Change in net funds resulting from cash flows			<u>90</u>		<u>2,698</u>
Movement in net funds in the period			90		2,698
Net funds at 1 April			<u>3,945</u>		<u>1,247</u>
Net funds at 31 March			<u>4,035</u>		<u>3,945</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.14	31.3.13
	£'000	£'000
Operating profit	1,121	1,648
Depreciation charges	183	391
Loss on disposal of fixed assets	14	39
Amortisation charges	115	105
Foreign exchange on translation	(57)	14
Increase in stocks	(262)	(264)
Increase in debtors	(4,776)	(1,888)
Increase in creditors	4,448	3,170
	<hr/>	<hr/>
Net cash inflow from operating activities	786	3,215
	<hr/> <hr/>	<hr/> <hr/>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.14	31.3.13
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	11	13
Interest paid	(89)	(93)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(78)	(80)
	<hr/> <hr/>	<hr/> <hr/>
Taxation		
Taxation paid	(110)	(94)
Taxation refund	2	59
	<hr/>	<hr/>
Net cash outflow for taxation	(108)	(35)
	<hr/> <hr/>	<hr/> <hr/>
Capital expenditure		
Purchase of tangible fixed assets	(368)	(309)
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(368)	(309)
	<hr/> <hr/>	<hr/> <hr/>
Acquisitions and disposals		
Purchase of subsidiaries	(142)	(11)
Purchase of associated companies	-	(82)
	<hr/>	<hr/>
Net cash outflow for acquisitions and disposals	(142)	(93)
	<hr/> <hr/>	<hr/> <hr/>
Financing		
New loans in year	-	9
Loan repayments in year	(44)	(38)
	<hr/>	<hr/>
Net cash outflow from financing	(44)	(29)
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2014

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.13 £'000	Cash flow £'000	Other non-cash changes £'000	At 31.3.14 £'000
Net cash:				
Cash at bank	4,322	46		4,368
	<u>4,322</u>	<u>46</u>		<u>4,368</u>
Debt:				
Debts falling due within one year	(43)	(265)	11	(297)
Debts falling due after one year	(334)	309	-	(25)
	<u>(377)</u>	<u>44</u>	<u>11</u>	<u>(322)</u>
Total	<u>3,945</u>	<u>90</u>	<u>11</u>	<u>4,046</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The Group financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006.

Basis of consolidation

Acquisition accounting is used to account for the subsidiaries of the Group. Identifiable assets and liabilities of the entities acquired are measured initially in the consolidated balance sheet at their fair value at the date of acquisition. The results and cash flows of acquired entities are brought into the group accounts only from the date of acquisition. The difference between the fair value of the net identifiable assets acquired and the fair value of the purchase consideration is goodwill.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The interest of minority shareholders is stated at the minority's portion of the assets and liabilities or profit recognised.

Associates are included using the equity method. The Group's share of the associates' operating result are included in the consolidated profit and loss immediately after the group operating result. The group's share of the net assets of associates' is shown on the balance sheet under investments.

Turnover and income received in advance

Turnover from consulting, design, manufacture and installation of systems and other engineering services is accounted for on a "percentage of completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retentions are included within debtors.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

When the outcome of a construction contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably, and it is probable that the contract will be profitable, contract turnover is recognised over the period of the contract. When it is probable that the total contract costs will exceed contract turnover, the expected loss is recognised as an expense immediately.

Turnover from maintenance contracts is recognised in the period the services are provided using a straight line basis over the term of the contract.

Goodwill

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets the difference is treated as purchased goodwill and is capitalised and amortised through the profit and loss account over its estimated economic life. The estimated economic life of goodwill is ten years.

Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

i) Owned assets

Plant and machinery, fixtures and fittings and motor vehicles are stated at cost less accumulated depreciation and impairment losses.

ii) Leased assets for own use

Leases in terms of which the Group assumes substantially all the risks of ownership are classified as finance leases.

iii) Depreciation

Depreciation is provided at the following annual rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Plant and machinery	- 10-33% on cost
Fixtures and fittings	- 10-33% on cost
Motor vehicles	- 10-33% on cost

The residual value and the useful economic life of the assets are reassessed annually.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out principle. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating activity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Deferred tax

Provision is made for deferred tax liabilities and assets, using full provision accounting, otherwise known as the incremental liability method, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future in accordance with FRS 19.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal or the underlying timing differences can be deducted.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

The functional currency of each group entity is the currency of the primary economic environment in which each entity operates. The consolidated financial statements are presented in Sterling.

Transactions in foreign currencies other than an entities functional currency are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. The adjustment between average rates and the rates ruling at the end of the year are taken to reserves. The exchange difference arising on the restatement of opening assets and liabilities of overseas undertakings at the closing rate are dealt with as an adjustment to reserves.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

Pensions

The Group operates defined contribution pension schemes. Contributions payable for the year are charged to the profit and loss account.

Investments

The Group's share of the operating results of associated entities are shown immediately after the Group operating results. The Group's share of net assets in associated entities is included on the balance sheet as investments.

In the company accounts investments are stated at cost less any provision for permanent diminution in value.

Share based payments

The group issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions)at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the groups' estimate of shares that will eventually vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the share options ultimately exercised are different in value to that estimated on vesting.

Fair value is normally measured according to an established pricing model. However as explained in note 27 given the open market value of the shares at the date of the only share option grant was 2p and the exercise price is 5p per share, no formal valuation of the options were carried out on the basis that the board believed that the fair value was less than the exercise price and thus the value of the options were insignificant at the date of the grant.

Financial instruments

The Group does not have any financial instruments other than debtors, creditors, cash and loans falling due within five years. Due to the short term nature of these balances, the Group considers the fair value of these items equal to the carrying value.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.3.14	31.3.13
	£'000	£'000
United States of America	570	483
Canada	317	-
South America	-	2
Europe excl UK	11,102	12,260
United Kingdom	26,632	14,896
Australasia	14	188
Asia Pacific	34	354
	<u>38,669</u>	<u>28,183</u>

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

3. STAFF COSTS

	31.3.14	31.3.13
	£'000	£'000
Wages and salaries	8,810	6,549
Social security costs	1,293	1,003
Other pension costs	224	123
	<u>10,327</u>	<u>7,675</u>

The average monthly number of employees during the year was as follows:

	31.3.14	31.3.13
Engineering	156	125
Selling and distribution	24	23
Administration	35	19
	<u>215</u>	<u>167</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.14	31.3.13
	£'000	£'000
Hire of plant and machinery	262	234
Other operating leases	500	384
Depreciation - owned assets	183	391
Loss on disposal of fixed assets	14	39
Goodwill amortisation	115	105
Audit fees - Hardcastle Burton	36	53
Audit fees - overseas auditors	58	42
Foreign exchange differences	92	2
Research and development	431	297
	<u>1,055,377</u>	<u>987,971</u>
	98,253	52,476
	<u>98,253</u>	<u>52,476</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	31.3.14	31.3.13
	£	£
Emoluments etc	294,234	294,237
Pension contributions to money purchase schemes	11,380	14,470
	<u>11,380</u>	<u>14,470</u>

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.14	31.3.13
	£'000	£'000
Bank interest	89	93
	<u>89</u>	<u>93</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.14	31.3.13
	£'000	£'000
Current tax:		
UK corporation tax	94	39
Overseas corporation tax	24	115
Associates corporation tax	1	4
	<u>119</u>	<u>158</u>
Total current tax	119	158
Deferred tax	112	124
	<u>231</u>	<u>282</u>
Tax on profit on ordinary activities	231	282

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.14	31.3.13
	£'000	£'000
Profit on ordinary activities before tax	1,106	1,611
	<u>1,106</u>	<u>1,611</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.350% (2013 - 26.220%)	280	422
Effects of:		
Goodwill amortisation not deductible for tax purposes	29	28
Subsidiary profits not chargeable due regional GAAP	(62)	-
Overseas profits adjustment	12	-
Subsidiary profits not chargeable for tax purposes	(24)	-
Research and development enhanced deduction	(117)	-
Subsidiary profits not chargeable due to losses b/fwd	(38)	(325)
Subsidiary losses not deductible for tax purposes	55	33
Differences in regional tax rates from the standard rate	(16)	-
	<u>119</u>	<u>158</u>
Current tax charge	119	158

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £133,539 (2013 - £43,244).

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014**

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000
COST	
At 1 April 2013	1,049
Acquisitions	34
	<hr/>
At 31 March 2014	1,083
	<hr/>
AMORTISATION	
At 1 April 2013	268
Amortisation for year	115
	<hr/>
At 31 March 2014	383
	<hr/>
NET BOOK VALUE	
At 31 March 2014	700
	<hr/> <hr/>
At 31 March 2013	781
	<hr/> <hr/>

9. TANGIBLE FIXED ASSETS

Group

	Improvements to property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST					
At 1 April 2013	10	365	600	113	1,088
Additions	20	133	183	32	368
Disposals	-	(25)	(170)	(52)	(247)
Exchange differences	-	(21)	(19)	(3)	(43)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	30	452	594	90	1,166
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 April 2013	-	204	385	39	628
Charge for year	2	57	102	22	183
Eliminated on disposal	-	(37)	(154)	(42)	(233)
Exchange differences	-	(18)	(16)	(2)	(36)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	2	206	317	17	542
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 March 2014	28	246	277	73	624
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2013	10	161	215	74	460
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At the year-end there were tangible fixed assets with a net book value of £Nil (2013 - £55k) that were under finance lease or hire purchase contracts. During the period these assets had suffered depreciation of £Nil (2013 - £14k).

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

10. FIXED ASSET INVESTMENTS

Group	Interest in associate £'000
COST	
At 1 April 2013	238
Share of profit/(loss)	62
	<hr/>
At 31 March 2014	300
	<hr/>
NET BOOK VALUE	
At 31 March 2014	300
	<hr/> <hr/>
At 31 March 2013	238
	<hr/> <hr/>
Company	Shares in group undertakings £'000
COST	
At 1 April 2013	2,722
Additions	142
	<hr/>
At 31 March 2014	2,864
	<hr/>
NET BOOK VALUE	
At 31 March 2014	2,864
	<hr/> <hr/>
At 31 March 2013	2,722
	<hr/> <hr/>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

SDI Group Limited

Country of incorporation: United Kingdom

Nature of business: Holding company.

Class of shares:	%
Ordinary	holding 75.61

SDI Group UK Limited

Country of incorporation: United Kingdom

Nature of business: Sale, design & build of handling systems.

Class of shares:	%
Ordinary	holding 75.61

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

10. **FIXED ASSET INVESTMENTS - continued**

SDI Group France S.A.S. (Dormant)

Country of incorporation: France

Nature of business: Dormant.

	%
Class of shares:	holding
Ordinary	75.61

SDI Industries France S.A.S.

Country of incorporation: France

Nature of business: Sale, design & build of handling systems.

	%
Class of shares:	holding
Ordinary	75.61

SDI Group Suisse Sarl

Country of incorporation: Switzerland

Nature of business: Sale, design & build of handling systems

	%
Class of shares:	holding
Ordinary	100.00

SDI Group Italy srl.

Country of incorporation: Italy

Nature of business: Sale, design & build of handling systems.

	%
Class of shares:	holding
Ordinary	75.61

SDI Group Germany Software & Controls GmbH

Country of incorporation: Germany

Nature of business: Sale, development and support of software.

	%
Class of shares:	holding
Ordinary	75.61

SDI Greenstone Iberia S.L.

Country of incorporation: Spain

Nature of business: Sale, design & build of handling systems.

	%
Class of shares:	holding
Ordinary	75.61

SDI Promech B.V.

Country of incorporation: Netherlands

Nature of business: Payroll company.

	%
Class of shares:	holding
Ordinary	75.61

SDI Group Germany Holding GmbH

Country of incorporation: Germany

Nature of business: Holding company.

	%
Class of shares:	holding
Ordinary	75.61

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

10. **FIXED ASSET INVESTMENTS - continued**

SDI Group Germany Software & Control Verwaltungsgesellschaft mbH

Country of incorporation: Germany

Nature of business: Holding company.

	%
Class of shares:	holding
Ordinary	75.61

SDI Group India Limited (Dormant)

Country of incorporation: United Kingdom

Nature of business: Dormant.

	%
Class of shares:	holding
Ordinary	75.61

SDI Group Support Limited

Country of incorporation: United Kingdom

Nature of business: Maintenance and support services.

	%
Class of shares:	holding
Ordinary	75.61

SDI Group Germany Material Handling Solutions GmbH

Country of incorporation: Germany

Nature of business: Sale, design & build of handling systems.

	%
Class of shares:	holding
Ordinary	75.61

SDI Group Poland Sp.zo.o

Country of incorporation: Poland

Nature of business: Sale, design & build of handling systems.

	%
Class of shares:	holding
Ordinary	100.00

Associated companies

Warehouse Control Solutions Limited

Country of incorporation: United Kingdom

Nature of business: Sale, development and support of software.

	%
Class of shares:	holding
Ordinary	37.05

	31.3.14	31.3.13
	£'000	£'000
Aggregate capital and reserves	424	283
Profit for the year	141	42
	<u> </u>	<u> </u>

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

10. FIXED ASSET INVESTMENTS - continued

CMECS Limited

Country of incorporation: United Kingdom

Nature of business: Sale, design & build of conveyor systems.

Class of shares:	%		
Ordinary	holding	31.3.14	31.12.12
	22.68	£'000	£'000
Aggregate capital and reserves		86	48
Profit for the period/year		91	31
		<u> </u>	<u> </u>

The holding in CMECS Limited was acquired on 31 December 2012. These accounting figures have been adjusted to reflect the position at the Group's year end, before being included in these consolidated accounts.

FSU Investments Limited owns 75.61% (2013 - 73.78%) of SDI Group Limited, 100% of SDI Poland Sp.zo.o. and 100% of SDI Suisse Sarl. All of the other subsidiary companies above are wholly owned by SDI Group Limited or by one or more of its subsidiary undertakings.

11. STOCKS

	Group	
	31.3.14	31.3.13
	£'000	£'000
Raw materials	1,193	1,223
Finished goods	315	23
	<u> </u>	<u> </u>
	1,508	1,246
	<u> </u>	<u> </u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£'000	£'000	£'000	£'000
Trade debtors	8,486	5,547	-	-
Amounts recoverable on contracts	1,732	684	-	-
Other debtors	471	391	92	75
Related party receivables	4	1	-	-
Tax	269	31	-	-
Deferred tax asset	-	91	-	-
Prepayments and accrued income	1,228	522	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	12,190	7,267	92	75
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Deferred tax asset

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£'000	£'000	£'000	£'000
Deferred tax	-	91	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 15)	45	43	-	-
Other loans (see note 15)	252	-	-	-
Payments on account	6,246	3,604	-	-
Trade creditors	4,018	3,380	(1)	1
Amounts owed to group undertakings	-	-	463	-
Tax	413	166	40	13
Social security and other taxes	811	335	-	-
VAT	-	-	4	6
Other creditors	643	526	-	-
Related party payable	296	254	-	-
Accruals and deferred income	1,873	1,363	20	42
	<u>14,597</u>	<u>9,671</u>	<u>526</u>	<u>62</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£'000	£'000	£'000	£'000
Bank loans (see note 15)	25	71	-	-
Other loans (see note 15)	-	263	-	-
Amounts owed to group undertakings	-	-	-	383
	<u>25</u>	<u>334</u>	<u>-</u>	<u>383</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.3.14	31.3.13
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank loans	45	43
Other loans	252	-
	<u>297</u>	<u>43</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	25	46
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	25
Other loans - 2-5 years	-	263
	<u>-</u>	<u>288</u>

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases	
	31.3.14	31.3.13
	£'000	£'000
Expiring:		
Within one year	72	166
Between one and five years	620	311
In more than five years	35	44
	<u>727</u>	<u>521</u>

17. SECURED DEBTS

The bank loans referred to in note 15 have been secured against certain assets.

18. PROVISIONS FOR LIABILITIES

	Group	
	31.3.14	31.3.13
	£'000	£'000
Deferred tax	22	-
	<u>22</u>	<u>-</u>
Group		Deferred
		tax
		£'000
Balance at 1 April 2013		(91)
Credit to Profit and Loss Account during year		113
Balance at 31 March 2014		<u>22</u>

19. MINORITY INTERESTS

The minority interest is made up of the other shareholders of SDI Group Limited.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:					
Number:	Class:	Nominal	31.3.14	31.3.13	
		value:	£'000	£'000	
22,976,397	Ordinary	10p	<u>2,298</u>	<u>2,298</u>	

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

21. **RESERVES**

Group

	Profit and loss account £'000	Other reserves £'000	Totals £'000
At 1 April 2013	1,001	7	1,008
Profit for the year	655		655
Foreign exchange movement	-	(41)	(41)
At 31 March 2014	<u>1,656</u>	<u>(34)</u>	<u>1,622</u>

Company

	Profit and loss account £'000
At 1 April 2013	71
Profit for the year	134
At 31 March 2014	<u>205</u>

22. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following loans and credits to directors subsisted during the years ended 31 March 2014 and 31 March 2013:

	31.3.14 £'000	31.3.13 £'000
G R Smith		
Balance outstanding at start of year	22	-
Amounts advanced	-	22
Amounts repaid	-	-
Balance outstanding at end of year	<u>22</u>	<u>22</u>
A Di Bella		
Balance outstanding at start of year	17	-
Amounts advanced	-	17
Amounts repaid	-	-
Balance outstanding at end of year	<u>17</u>	<u>17</u>
J Moulin		
Balance outstanding at start of year	17	-
Amounts advanced	-	17
Amounts repaid	-	-
Balance outstanding at end of year	<u>17</u>	<u>17</u>

FSU Investments Ltd (Registered number: 07168088)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

JI Hamilton

Balance outstanding at start of year	17	-
Amounts advanced	-	17
Amounts repaid	-	-
Balance outstanding at end of year	<u>17</u>	<u>17</u>

Interest is receivable at 1.5% per annum on the loans to the directors which are due for repayment on 14 December 2015.

23. RELATED PARTY DISCLOSURES

Sales of goods and services:

Sales to Warehouse Control Solutions Limited, an Associated company, amounted to £Nil (2013 - £40k). Sales during the period to entities controlled by Mr G Smith and other directors of the group amounted to £Nil (2013 - £2k). These sales transactions are negotiated with related parties on normal business terms.

Purchases of goods and services:

Purchases from Warehouse Control Solutions Limited, an Associated company, amounted to £567k (2013 - £382). Purchases during the period from entities controlled by Mr G Smith and other directors of the group amounted to £347k (2013 - £298k). These purchase transactions are negotiated with related parties on normal business terms.

Receivables from related parties:

Amounts receivable from entities controlled by Mr G Smith and other directors of the group amounted to £4k (2013 - £1k). These receivables are due from related parties on normal business terms.

Payables to related parties:

Amounts payable to Warehouse Control Solutions Limited, an Associated company, amounted to £239k (2013 - £204k). Amounts payable to entities controlled by Mr G Smith and other directors of the group amounted to £57k (2013 - £34k). These payables are due to related parties on normal business terms.

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of this Company are the directors by virtue of their shareholdings.

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31.3.14	31.3.13
	£'000	£'000
Profit for the financial year	655	973
Other recognised gains and losses relating to the year (net)	<u>(41)</u>	<u>19</u>
Net addition to shareholders' funds	614	992
Opening shareholders' funds	<u>3,306</u>	<u>2,314</u>
Closing shareholders' funds	<u>3,920</u>	<u>3,306</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	31.3.14	31.3.13
	£'000	£'000
Profit for the financial year	134	43
Issue of new shares		
Net addition to shareholders' funds	<u>134</u>	<u>43</u>
Opening shareholders' funds	2,369	2,326
Closing shareholders' funds	<u><u>2,503</u></u>	<u><u>2,369</u></u>

26. ACQUISITION OF SUBSIDIARY UNDERTAKINGS

During the year the Company acquired 1.83% of the issued share capital of SDI Group Limited which had increased to 75.61% by the year end. The total cost was £120,468 which has been paid in cash.

The Company has also acquired 100% of the issued share capital of SDI Group Suisse Sarl. The total cost was £21,697 which has been paid in cash.

27. SDI GROUP LIMITED SHARE OPTION SCHEME

The subsidiary company SDI Group Limited approved the SDI Group Limited Share Option Scheme in September 2012. SDI Group Limited granted share options over a total of 1,730,000 of its "B" ordinary shares to 25 of its employees. The right to exercise option begins on 1 October 2014. All options granted to an employee will lapse should they leave the company unless they have left due to death or permanent ill health as confirmed by an independent medical report. The value of the options were considered to be negligible because the exercise price (5p) was significantly in excess of the estimated fair value (2p) at the time of the grant as set out in more detail in note 1. A sum of £nil was paid by each employee on the grant of the option.

The weighted exercise price is 5p per share for all shares.

	31.3.14	31.3.14	31.3.13
Options outstanding at start of year	25 employees	1,730,000	-
Options granted during year		-	1,730,000
Options forfeited during year	4 employees	<u>(170,000)</u>	-
Options outstanding at end of year	21 employees	<u><u>1,560,000</u></u>	<u><u>1,730,000</u></u>

The options granted included the following amounts to directors of SDI Group Limited:

S Butler - option over 500,000 SDI Group Limited "B" ordinary shares.