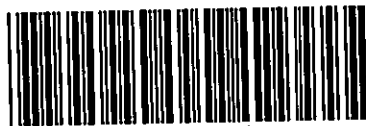


REGISTERED NUMBER. 07168088 (England and Wales)

Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2013
for
FSU Investments Ltd

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for the Year Ended 31 March 2013

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FSU Investments Ltd

Company Information
for the Year Ended 31 March 2013

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

Report of the Directors
for the Year Ended 31 March 2013

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the provision of integrated materials handling solutions for international retail, fulfilment and e-commerce distribution operations

REVIEW OF BUSINESS

For the year ended 31 March 2013, revenues were £28 183m (2012 - £26 936m) with a profit on activities before taxation of £1,611k (2012 - loss £83k) and a profit of £973k (2012 - £18k) after taxation and minority interests

The directors are satisfied with the progress made during the year. The Company has 73.78% of the issued shares of SDI Group Limited which includes a further 0.18% 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 continuing positive impact on 2013/14. Management are focused on continued product development and identifying new markets in which to trade.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2013

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 2012 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 was appointed as a director after 31 March 2013 but prior to the date of this report

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period the Group did not make any charitable donations

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.

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.

Report of the Directors
for the Year Ended 31 March 2013

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.

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.

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 2013

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

13 August 2013

**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 2013 on pages six to twenty six. 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 three, 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 Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 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 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

13 August 2013

Consolidated Profit and Loss Account
for the Year Ended 31 March 2013

	Notes	31 3 13 £'000	31 3 12 £'000
TURNOVER	2	28,183	26,936
Cost of sales		<u>18,679</u>	<u>18,424</u>
GROSS PROFIT		9,504	8,512
Administrative expenses		<u>7,973</u>	<u>8,594</u>
		1,531	(82)
Other operating income		<u>117</u>	<u>65</u>
GROUP OPERATING PROFIT/(LOSS)	4	1,648	(17)
Share of operating profit in Associates		43	23
Interest receivable and similar income		<u>13</u>	<u>21</u>
		1,704	27
Interest payable and similar charges	5	<u>93</u>	<u>110</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,611	(83)
Tax on profit/(loss) on ordinary activities	6	<u>282</u>	<u>(117)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,329	34
Minority interest - equity		<u>356</u>	<u>16</u>
RETAINED PROFIT FOR THE GROUP CARRIED FORWARD		<u>973</u>	<u>18</u>

CONTINUING OPERATIONS

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

FSU Investments Ltd (Registered number 07168088)

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2013

	31 3 13	31 3 12
	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR	973	18
Currency translation differences	19	(113)
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>992</u>	<u>(95)</u>

The notes form part of these financial statements

FSU Investments Ltd (Registered number 07168088)

**Consolidated Balance Sheet
31 March 2013**

	Notes	31 3 13 £'000	£'000	31 3 12 £'000	£'000
FIXED ASSETS					
Intangible assets	8		781		879
Tangible assets	9		460		576
Investments	10				
Interest in associate			238		117
			<u>1,479</u>		<u>1,572</u>
 CURRENT ASSETS					
Stocks	11	1,246		982	
Debtors	12	7,267		5,533	
Cash at bank		4,322		1,653	
			<u>12,835</u>	<u>8,168</u>	
 CREDITORS					
Amounts falling due within one year	13	9,671		6,414	
			<u>3,164</u>	<u>1,754</u>	
 NET CURRENT ASSETS					
			<u>4,643</u>	<u>3,326</u>	
 TOTAL ASSETS LESS CURRENT LIABILITIES					
 CREDITORS					
Amounts falling due after more than one year	14		(334)		(368)
 MINORITY INTERESTS					
	18		(1,003)		(644)
 NET ASSETS			<u>3,306</u>		<u>2,314</u>
 CAPITAL AND RESERVES					
Called up share capital	19		2,298		2,298
Other reserves	20		7		(12)
Profit and loss account	20		1,001		28
 SHAREHOLDERS' FUNDS			<u>3,306</u>		<u>2,314</u>
	23				

The financial statements were approved by the Board of Directors on 13 August 2013 and were signed on its behalf by



S Butler - Director

The notes form part of these financial statements

Company Balance Sheet
31 March 2013

	Notes	31 3 13 £'000	£'000	31 3 12 £'000	£'000
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		2,722		2,711
			<u>2,722</u>		<u>2,711</u>
CURRENT ASSETS					
Debtors	12	75		-	
Cash at bank		17		22	
		<u>92</u>		<u>22</u>	
CREDITORS					
Amounts falling due within one year	13	62		32	
		<u>62</u>		<u>32</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>30</u>		<u>(10)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,752</u>		<u>2,701</u>
CREDITORS					
Amounts falling due after more than one year	14		383		375
			<u>383</u>		<u>375</u>
NET ASSETS			<u>2,369</u>		<u>2,326</u>
CAPITAL AND RESERVES					
Called up share capital	19		2,298		2,298
Profit and loss account	20		71		28
			<u>2,369</u>		<u>2,326</u>
SHAREHOLDERS' FUNDS	23		<u>2,369</u>		<u>2,326</u>

The financial statements were approved by the Board of Directors on 13 August 2013 and were signed on its behalf by



S Butler - Director

Consolidated Cash Flow Statement
for the Year Ended 31 March 2013

	Notes	31 3 13 £'000	£'000	31 3 12 £'000	£'000
Net cash inflow from operating activities	1		3,215		19
Returns on investments and servicing of finance	2		(80)		(89)
Taxation	2		(35)		(48)
Capital expenditure	2		(309)		(182)
Acquisitions and disposals	2		(93)		(6)
			2,698		(306)
Financing	2		(29)		208
Increase/(decrease) in cash in the period			2,669		(98)
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase/(decrease) in cash in the period		2,669		(98)	
Cash outflow/(inflow) from decrease/(increase) in debt		29		(208)	
Change in net funds resulting from cash flows			2,698		(306)
Movement in net funds in the period			2,698		(306)
Net funds at 1 April			1,247		1,553
Net funds at 31 March			3,945		1,247

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2013

1 **RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31 3 13	31 3 12
	£'000	£'000
Operating profit/(loss)	1,648	(17)
Depreciation charges	391	226
Loss on disposal of fixed assets	39	45
Amortisation charges	105	103
Foreign exchange on translation	14	(138)
(Increase)/decrease in stocks	(264)	333
(Increase)/decrease in debtors	(1,888)	3,525
Increase/(decrease) in creditors	3,170	(4,058)
Net cash inflow from operating activities	<u>3,215</u>	<u>19</u>

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

	31 3 13	31 3 12
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	13	21
Interest paid	(93)	(110)
Net cash outflow for returns on investments and servicing of finance	<u>(80)</u>	<u>(89)</u>
Taxation		
Taxation paid	(94)	(48)
Taxation refund	59	-
Net cash outflow for taxation	<u>(35)</u>	<u>(48)</u>
Capital expenditure		
Purchase of tangible fixed assets	(309)	(182)
Net cash outflow for capital expenditure	<u>(309)</u>	<u>(182)</u>
Acquisitions and disposals		
Purchase of subsidiaries	(11)	(6)
Purchase of associated companies	(82)	-
Net cash outflow for acquisitions and disposals	<u>(93)</u>	<u>(6)</u>
Financing		
New loans in year	9	254
Loan repayments in year	(38)	(46)
Net cash (outflow)/inflow from financing	<u>(29)</u>	<u>208</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2013

3 **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 4 12 £'000	Cash flow £'000	At 31 3 13 £'000
Net cash			
Cash at bank	1,653	2,669	4,322
	<u>1,653</u>	<u>2,669</u>	<u>4,322</u>
Debt			
Debts falling due within one year	(38)	(5)	(43)
Debts falling due after one year	(368)	34	(334)
	<u>(406)</u>	<u>29</u>	<u>(377)</u>
Total	<u>1,247</u>	<u>2,698</u>	<u>3,945</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2013

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 2013

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 deduced.

Research and development

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

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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013**

1 ACCOUNTING POLICIES - continued

Foreign currency translation

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.

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 (2012 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below.

	31 3 13	31 3 12
	£'000	£'000
United States of America	483	930
South America	2	1
Europe excl UK	12,260	12,298
United Kingdom	14,896	13,706
Austrasia	188	-
Asia Pacific	354	1
	<u>28,183</u>	<u>26,936</u>

3 STAFF COSTS

	31 3 13	31 3 12
	£'000	£'000
Wages and salaries	6,549	6,608
Social security costs	1,003	1,044
Other pension costs	123	109
	<u>7,675</u>	<u>7,761</u>

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

	31 3 13	31 3 12
Engineering	125	129
Selling and distribution	23	23
Administration	19	19
	<u>167</u>	<u>171</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013

4 OPERATING PROFIT

The operating profit is stated after charging

	31 3 13	31 3 12
	£'000	£'000
Hire of plant and machinery	234	128
Other operating leases	384	430
Depreciation - owned assets	391	226
Loss on disposal of fixed assets	39	37
Goodwill amortisation	105	103
Audit fees - Hardcastle Burton	53	35
Audit fees - overseas auditors	42	41
Foreign exchange differences	2	7
Research and development	297	288
	<u>31 3 13</u>	<u>31 3 12</u>
	£	£
Directors' remuneration	987,971	984,039
Directors' pension contributions to money purchase schemes	52,476	53,135

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 13	31 3 12
	£	£
Emoluments etc	294,237	290,541
Pension contributions to money purchase schemes	14,470	-

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 3 13	31 3 12
	£'000	£'000
Bank interest	<u>93</u>	<u>110</u>

6 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	31 3 13	31 3 12
	£'000	£'000
Current tax		
UK corporation tax	39	7
Overseas corporation tax	115	85
Associates corporation tax	4	4
Total current tax	<u>158</u>	<u>96</u>
Deferred tax	<u>124</u>	<u>(213)</u>
Tax on profit/(loss) on ordinary activities	<u>282</u>	<u>(117)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013

6 TAXATION - continued

Factors affecting the tax charge/(credit)

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 13	31 3 12
	£'000	£'000
Profit/(loss) on ordinary activities before tax	<u>1,611</u>	<u>(83)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.220% (2012 - 29.160%)	422	(24)
Effects of		
Goodwill amortisation not deductible for tax purposes	28	30
Subsidiary profits not chargeable due to losses b/fwd	(325)	(219)
Subsidiary losses not deductible for tax purposes	<u>33</u>	<u>309</u>
Current tax charge/(credit)	<u>158</u>	<u>96</u>

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 £43,244 (2012 - £14,604)

8 INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000
COST	
At 1 April 2012	1,042
Acquisitions	<u>7</u>
At 31 March 2013	<u>1,049</u>
AMORTISATION	
At 1 April 2012	163
Amortisation for year	<u>105</u>
At 31 March 2013	<u>268</u>
NET BOOK VALUE	
At 31 March 2013	<u>781</u>
At 31 March 2012	<u>879</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013**

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 2012	-	299	530	81	910
Additions	10	162	60	77	309
Disposals	-	(106)	-	(46)	(152)
Exchange differences	-	10	10	1	21
At 31 March 2013	<u>10</u>	<u>365</u>	<u>600</u>	<u>113</u>	<u>1,088</u>
DEPRECIATION					
At 1 April 2012	-	133	158	43	334
Charge for year	-	147	221	23	391
Eliminated on disposal	-	(85)	-	(28)	(113)
Exchange differences	-	9	6	1	16
At 31 March 2013	<u>-</u>	<u>204</u>	<u>385</u>	<u>39</u>	<u>628</u>
NET BOOK VALUE					
At 31 March 2013	<u>10</u>	<u>161</u>	<u>215</u>	<u>74</u>	<u>460</u>
At 31 March 2012	<u>-</u>	<u>166</u>	<u>372</u>	<u>38</u>	<u>576</u>

At the year-end there were tangible fixed assets with a net book value of £55k (2012 - £28k) that were under finance lease or hire purchase contracts. During the period these assets had suffered depreciation of £14k (2012 - £13k).

10 FIXED ASSET INVESTMENTS

Group	Interest in associate £'000
COST	
At 1 April 2012	117
Additions	82
Share of profit/(loss)	39
At 31 March 2013	<u>238</u>
NET BOOK VALUE	
At 31 March 2013	<u>238</u>
At 31 March 2012	<u>117</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013

10 FIXED ASSET INVESTMENTS - continued

Company	Shares in group undertakings £'000
COST	
At 1 April 2012	2,711
Additions	11
	<hr/>
At 31 March 2013	2,722
	<hr/>
NET BOOK VALUE	
At 31 March 2013	2,722
	<hr/> <hr/>
At 31 March 2012	2,711
	<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	holding
Ordinary	73 78

SDI Group UK Limited

Country of incorporation United Kingdom
Nature of business Sale, design & build of handling systems

	%
Class of shares	holding
Ordinary	73 78

SDI Group France S.A.S (Dormant)

Country of incorporation France
Nature of business Dormant

	%
Class of shares	holding
Ordinary	73 78

SDI Group France S.A.S.

Country of incorporation France
Nature of business Sale, design & build of handling systems

	%
Class of shares	holding
Ordinary	73 78

SDI Group Italy srl

Country of incorporation Italy
Nature of business Sale, design & build of handling systems

	%
Class of shares	holding
Ordinary	73 78

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013**

10 FIXED ASSET INVESTMENTS - continued

MSM-Automations GmbH & Co KG

Country of incorporation Germany

Nature of business Sale, development and support of software

	%
Class of shares	holding
Ordinary	73 78

SDI Greenstone Iberia S.L.

Country of incorporation Spain

Nature of business Sale, design & build of handling systems

	%
Class of shares	holding
Ordinary	73 78

SDI Promech B.V.

Country of incorporation Netherlands

Nature of business Payroll company

	%
Class of shares	holding
Ordinary	73 78

SDI Group Germany GmbH

Country of incorporation Germany

Nature of business Holding company

	%
Class of shares	holding
Ordinary	73 78

MSM Verwaltungs GmbH

Country of incorporation Germany

Nature of business Holding company

	%
Class of shares	holding
Ordinary	73 78

SDI Group India Limited (Dormant)

Country of incorporation United Kingdom

Nature of business Dormant

	%
Class of shares	holding
Ordinary	73 78

SDI Group Support Limited

Country of incorporation United Kingdom

Nature of business Maintenance and support services

	%
Class of shares	holding
Ordinary	73 78

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	73 78

FSU Investments Ltd (Registered number 07168088)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013**

10 **FIXED ASSET INVESTMENTS - continued**

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	36 16		

Aggregate capital and reserves

Profit for the year

	31 3 13	31 3 12
	£'000	£'000
	283	241
	42	39
	<u> </u>	<u> </u>

CMECS Limited

Country of incorporation United Kingdom

Nature of business Sale, design & build of conveyor systems

	%		
Class of shares	holding		
Ordinary	22 14		

Aggregate capital and reserves

Profit for the year

	31 12 12	31 12 11
	£'000	£'000
	48	60
	31	69
	<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 73.78% (2012 - 73.60%) of SDI Group Limited and 100% of SDI Poland Sp z o. 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 13	31 3 12
	£'000	£'000
Raw materials	1,223	934
Finished goods	23	48
	<u> </u>	<u> </u>
	1,246	982
	<u> </u>	<u> </u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 3 13	31 3 12	31 3 13	31 3 12
	£'000	£'000	£'000	£'000
Trade debtors	5,547	3,506	-	-
Amounts recoverable on contracts	684	577	-	-
Other debtors	391	731	75	-
Related party receivables	1	20	-	-
Tax	31	63	-	-
Deferred tax asset	91	217	-	-
Prepayments and accrued income	522	419	-	-
	<u>7,267</u>	<u>5,533</u>	<u>75</u>	<u>-</u>

Deferred tax asset

	Group		Company	
	31 3 13	31 3 12	31 3 13	31 3 12
	£'000	£'000	£'000	£'000
Deferred tax	<u>91</u>	<u>217</u>	<u>-</u>	<u>-</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 3 13	31 3 12	31 3 13	31 3 12
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 15)	43	38	-	-
Payments on account	3,604	1,450	-	-
Trade creditors	3,380	1,925	1	(1)
Tax	166	84	13	7
Social security and other taxes	335	710	-	-
VAT	-	-	6	7
Other creditors	526	507	-	-
Related party payable	254	416	-	-
Accruals and deferred income	1,363	1,284	42	19
	<u>9,671</u>	<u>6,414</u>	<u>62</u>	<u>32</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31 3 13	31 3 12	31 3 13	31 3 12
	£'000	£'000	£'000	£'000
Bank loans (see note 15)	71	114	-	-
Other loans (see note 15)	263	254	-	-
Amounts owed to group undertakings	-	-	383	375
	<u>334</u>	<u>368</u>	<u>383</u>	<u>375</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013

15 LOANS

An analysis of the maturity of loans is given below

	Group	
	31 3 13	31 3 12
	£'000	£'000
Amounts falling due within one year or on demand		
Bank loans	43	38
	<u>43</u>	<u>38</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	46	43
	<u>46</u>	<u>43</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	25	71
Other loans - 2-5 years	263	254
	<u>288</u>	<u>325</u>

16 OPERATING LEASE COMMITMENTS

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

	Group	
		Other operating leases
	31 3 13	31 3 12
	£'000	£'000
Expiring		
Within one year	166	121
Between one and five years	311	387
In more than five years	44	-
	<u>521</u>	<u>508</u>

17 SECURED DEBTS

The bank loans referred to in note 16 have been secured against certain assets

18 MINORITY INTERESTS

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

19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 3 13	31 3 12
Number	Class	Nominal value	£'000	£'000
22,976,397	Ordinary	10p	2,298	2,298
			<u>2,298</u>	<u>2,298</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013**

20 RESERVES

Group	Profit and loss account £'000	Other reserves £'000	Totals £'000
At 1 April 2012	28	(12)	16
Profit for the year	973		973
Foreign exchange movement	-	19	19
	<u>1,001</u>	<u>7</u>	<u>1,008</u>
At 31 March 2013			
Company			Profit and loss account £'000
At 1 April 2012			28
Profit for the year			43
			<u>71</u>
At 31 March 2013			

21 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 March 2013 and 31 March 2012

	31 3 13 £'000	31 3 12 £'000
G R Smith		
Balance outstanding at start of year	-	-
Amounts advanced	22	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>22</u>	<u>-</u>
A Di Bella		
Balance outstanding at start of year	-	-
Amounts advanced	17	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>17</u>	<u>-</u>
J Moulin		
Balance outstanding at start of year	-	-
Amounts advanced	17	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>17</u>	<u>-</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013**

21 **TRANSACTIONS WITH DIRECTORS - continued**

J I Hamilton

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

22 **RELATED PARTY DISCLOSURES**

Sales of goods and services

Sales to Warehouse Control Solutions Limited, an Associated company, amounted to £40k (2012 - £Nil) Sales during the period to entities controlled by Mr G Smith and other directors of the group amounted to £2k (2012 - £42k) 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 £382k (2012 - £461k) Purchases from CMECS Limited, an Associated company, amounted to £206k (2012 - £Nil) Purchases during the period from entities controlled by Mr G Smith and other directors of the group amounted to £298k (2012 - £294k) 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 £1k (2012 - £20k) 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 £204k (2012 - £200k) Amounts payable to entities controlled by Mr G Smith and other directors of the group amounted to £34k (2012 - £21k) These payables are due to related parties on normal business terms

Loans from related parties

Loans from entities controlled by Mr G Smith and other directors of the group amounted to £Nil (2012 - £195k) These payables are due to related parties on normal business terms and are due within one year

23 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Group	31 3 13	31 3 12
	£'000	£'000
Profit for the financial year	973	18
Other recognised gains and losses relating to the year (net)	19	(113)
Issue of new shares	-	-
Net addition/(reduction) to shareholders' funds	<u>992</u>	<u>(95)</u>
Opening shareholders' funds	2,314	2,409
Closing shareholders' funds	<u><u>3,306</u></u>	<u><u>2,314</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2013

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	31 3 13	31 3 12
	£'000	£'000
Profit for the financial year	43	15
Issue of new shares	—	—
Net addition to shareholders' funds	43	15
Opening shareholders' funds	2,326	2,311
Closing shareholders' funds	2,369	2,326

24 ACQUISITION OF SUBSIDIARY UNDERTAKINGS

During the year the Company acquired 0.18% of the issued share capital of SDI Group Limited which had increased to 73.78% by the year end. The total cost was £10,600 which has been paid in cash.