

REGISTERED NUMBER: 02671000 (England and Wales)

**Report of the Directors and
Financial Statements
for the year ended 31 August 2011
for
Artisan Brandt plc**



Artisan Brandt plc (Registered number: 02671000)

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for the year ended 31 August 2011**

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Artisan Brandt plc
Company Information
for the year ended 31 August 2011

DIRECTORS

M C M James
Mrs A P Wright

SECRETARY

Mrs A P Wright

REGISTERED OFFICE

20 Barclay Road
Croydon
Surrey
CR0 1JN

REGISTERED NUMBER:

02671000 (England and Wales)

AUDITORS:

Bennett Brooks & Co Limited
Statutory Auditors &
Chartered Accountants
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Artisan Brandt plc (Registered number: 02671000)

**Report of the Directors
for the year ended 31 August 2011**

The directors present their report with the financial statements of the company for the year ended 31 August 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of computer hardware and software, maintenance, consultancy and ancillary services

REVIEW OF BUSINESS

Fair Review

The continued economic downturn has had a significant impact on the IT sector as many companies have cut their IT budgets. To compensate for this, we have diversified our products and services in order to attract new customers whilst also offering new products and services to our existing customers.

Sales have increased by 38% which can largely be attributed to the introduction of another bespoke software package, together with the support and maintenance services related to this product. The company holds Gold accreditation from Microsoft, demonstrating the quality of the products and skill of the employees, and providing confidence to customers.

We envisage that with the introduction of the new products and services into the portfolio of the company we can remain competitive and continue to offer the same quality of products and services to customers existing and new.

Business Model

The portfolio of products and services, combined with management's experience, enable the company to focus on the key areas of growth.

As part of our continued assessment of the present and future needs of the company, salaries, which forms considerable expenditure, is closely monitored. Salaries equate to 41% of sales in the year under review (36% - 2010), which represents the company making sufficient changes for the current conditions, whilst remaining in a position to take advantage of future opportunities in our target markets.

Principal Risks & Uncertainties

There is a continued risk that companies will cut their IT budgets and use internal IT support and maintenance. This reduces the potential market for our services. Our response to this threat is to maintain high quality of service and software currently offered.

Position

We envisage a challenging time ahead, but consider we have a business plan comprising of a variety of products and services to emerge successfully from the economic downturn.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2011.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2010 to the date of this report.

M C M James
Mrs A P Wright

Artisan Brandt plc (Registered number: 02671000)

**Report of the Directors
for the year ended 31 August 2011**

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 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,
- 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 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.

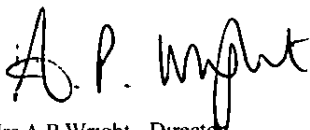
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Bennett Brooks & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



Mrs A P Wright - Director

24 February 2012

**Report of the Independent Auditors to the Members of
Artisan Brandt plc**

We have audited the financial statements of Artisan Brandt plc for the year ended 31 August 2011 on pages six to fifteen. 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 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 financial statements 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 company's affairs as at 31 August 2011 and of its loss 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

Emphasis of matter

Without qualifying our opinion, we draw attention to the Basis of Preparation Note in the financial statements which indicates that the directors have prepared the financial statements on a going concern basis despite incurring a net loss of £48,297 during the year ended 31 August 2011 and, as of that date, the Company's current liabilities exceeded its current assets by £235,958. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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.

**Report of the Independent Auditors to the Members of
Artisan Brandt plc**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



N White (Senior Statutory Auditor)
for and on behalf of Bennett Brooks & Co Limited
Statutory Auditors &
Chartered Accountants
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Date *27 February 2012*

Artisan Brandt plc (Registered number: 02671000)

**Profit and Loss Account
for the year ended 31 August 2011**

	Notes	2011 £	2010 £
TURNOVER		363,798	263,071
Cost of sales		<u>104,609</u>	<u>12,891</u>
GROSS PROFIT		259,189	250,180
Administrative expenses		<u>298,710</u>	<u>250,643</u>
OPERATING LOSS	3	(39,521)	(463)
Interest receivable and similar income		<u>-</u>	<u>33</u>
		(39,521)	(430)
Interest payable and similar charges	4	<u>7,330</u>	<u>7,341</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(46,851)	(7,771)
Tax on loss on ordinary activities	5	<u>1,446</u>	<u>(5,684)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(48,297)</u></u>	<u><u>(2,087)</u></u>

CONTINUING OPERATIONS

All of the above company's activities have arisen from business acquired in the year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

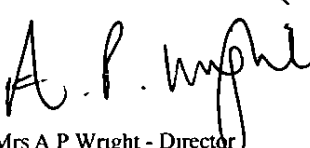
The notes form part of these financial statements

Artisan Brandt plc (Registered number: 02671000)

**Balance Sheet
31 August 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	6	165,000	104,000
Tangible assets	7	4,014	1,967
Investments	8	25,000	25,000
		<u>194,014</u>	<u>130,967</u>
CURRENT ASSETS			
Debtors	9	77,688	88,160
Cash in hand		533	(119)
		<u>78,221</u>	<u>88,041</u>
CREDITORS			
Amounts falling due within one year	10	314,179	198,835
NET CURRENT LIABILITIES		<u>(235,958)</u>	<u>(110,794)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(41,944)</u>	<u>20,173</u>
CREDITORS			
Amounts falling due after more than one year	11	57,964	71,784
NET LIABILITIES		<u>(99,908)</u>	<u>(51,611)</u>
CAPITAL AND RESERVES			
Called up share capital	16	75,000	75,000
Profit and loss account	17	(174,908)	(126,611)
SHAREHOLDERS' FUNDS	21	<u>(99,908)</u>	<u>(51,611)</u>

The financial statements were approved by the Board of Directors on 24 February 2012 and were signed on its behalf by


Mrs A P Wright - Director

The notes form part of these financial statements

Artisan Brandt plc (Registered number: 02671000)

**Notes to the Financial Statements
for the year ended 31 August 2011**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors are satisfied that the group resources are sufficient to maintain the company's working capital until it trades out of its current deficit position.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Preparation of consolidated financial statements

The financial statements contain information about Artisan Brandt plc as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Brandt Holdings Limited, a company registered in England.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Sales in respect of service maintenance contracts are recognised evenly over the term of the contract.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Cash flow statement

The company has claimed exemption from preparing a cash flow statement on the basis that a cash flow statement is prepared in the consolidated group financial statements.

Goodwill

Goodwill relates to the acquisition of businesses in 2006 and 2007. Both are being written off over the estimated useful life of twenty years.

The acquisition of the contracts of a business in 2011 gave rise to goodwill which is being written off over ten years as the directors believe this to be the useful economic life of these contracts.

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	129,627	94,032
Social security costs	12,223	8,287
	<u>141,850</u>	<u>102,319</u>

Artisan Brandt plc (Registered number: 02671000)

**Notes to the Financial Statements - continued
for the year ended 31 August 2011**

2 STAFF COSTS - continued

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

	2011	2010
Production & sales	4	4
Office management	2	2
	<u>6</u>	<u>6</u>

3 OPERATING LOSS

The operating loss is stated after charging

	2011 £	2010 £
Depreciation - owned assets	1,248	1,076
Goodwill amortisation	10,681	6,500
Auditors' remuneration	15,325	10,200
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	6,880	7,308
Bank loan interest	422	-
Other interest payable	28	33
	<u>7,330</u>	<u>7,341</u>

5 TAXATION

Analysis of the tax charge/(credit)

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

	2011 £	2010 £
Current tax		
UK corporation tax	-	5,113
Underprovision in prior year	-	1,895
	<u> </u>	<u> </u>
Total current tax	-	7,008
Deferred tax	1,446	(12,692)
	<u>1,446</u>	<u>(5,684)</u>
Tax on loss on ordinary activities	<u> </u>	<u> </u>

Artisan Brandt plc (Registered number 02671000)

**Notes to the Financial Statements - continued
for the year ended 31 August 2011**

5 TAXATION - continued

Factors affecting the tax charge/(credit)

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

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(46,851)</u>	<u>(7,771)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2010 - 21%)	(9,370)	(1,632)
Effects of		
Expenses not deductible for tax purposes (including income not taxable)	58	59
Capital allowances in excess of depreciation	(542)	(1,334)
Impairment of investment assets	-	8,020
Underprovision in prior years	-	1,895
Group relief	<u>9,854</u>	<u>-</u>
Current tax charge/(credit)	<u>-</u>	<u>7,008</u>

6 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 September 2010	161,581
Additions	<u>71,681</u>
At 31 August 2011	<u>233,262</u>
AMORTISATION	
At 1 September 2010	57,581
Amortisation for year	<u>10,681</u>
At 31 August 2011	<u>68,262</u>
NET BOOK VALUE	
At 31 August 2011	<u>165,000</u>
At 31 August 2010	<u>104,000</u>

Artisan Brandt plc (Registered number: 02671000)

**Notes to the Financial Statements - continued
for the year ended 31 August 2011**

7 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2010	296,134	116,979	413,113
Additions	1,983	1,312	3,295
At 31 August 2011	<u>298,117</u>	<u>118,291</u>	<u>416,408</u>
DEPRECIATION			
At 1 September 2010	295,096	116,050	411,146
Charge for year	343	905	1,248
At 31 August 2011	<u>295,439</u>	<u>116,955</u>	<u>412,394</u>
NET BOOK VALUE			
At 31 August 2011	<u>2,678</u>	<u>1,336</u>	<u>4,014</u>
At 31 August 2010	<u>1,038</u>	<u>929</u>	<u>1,967</u>

Included within fixed assets are fully depreciated assets with an historic cost of approximately £411,610 (2010 £408,860)

8 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 September 2010 and 31 August 2011	<u>63,188</u>
PROVISIONS	
At 1 September 2010 and 31 August 2011	<u>38,188</u>
NET BOOK VALUE	
At 31 August 2011	<u>25,000</u>
At 31 August 2010	<u>25,000</u>

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

Artisan Business Software Limited
Nature of business Business Software

	% holding	2011 £	2010 £
Class of shares	100.00		
Ordinary Share Capital		2	2
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Artisan Brandt plc (Registered number: 02671000)

**Notes to the Financial Statements - continued
for the year ended 31 August 2011**

9	DEBTORS	2011	2010
		£	£
	Amounts falling due within one year		
	Trade debtors	45,804	14,835
	Other debtors	875	1,167
	Amounts due from related undertaking	8,544	40,248
	Deferred tax asset	11,246	12,692
	Prepayments	11,219	4,488
		<u>77,688</u>	<u>73,430</u>
	Amounts falling due after more than one year		
	Amounts due from group undertakings	-	14,730
		<u>-</u>	<u>14,730</u>
	Aggregate amounts	<u>77,688</u>	<u>88,160</u>
10	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2011	2010
		£	£
	Bank loans and overdrafts (see note 12)	69,105	56,951
	Trade creditors	57,383	9,465
	Tax	1,726	5,113
	Social security & other taxes	12,866	3,135
	VAT	19,447	5,809
	Other creditors	4,135	18,838
	Amounts due to related undertaking	12,833	14,000
	Directors' current accounts	2,896	-
	Accruals and deferred income	133,788	85,524
		<u>314,179</u>	<u>198,835</u>
11	CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2011	2010
		£	£
	Bank loans (see note 12)	-	15,278
	Amounts due to group undertakings	57,964	56,506
		<u>57,964</u>	<u>71,784</u>

Artisan Brandt plc (Registered number: 02671000)

**Notes to the Financial Statements - continued
for the year ended 31 August 2011**

12 LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank overdrafts	52,438	40,284
Bank loans	<u>16,667</u>	<u>16,667</u>
	<u>69,105</u>	<u>56,951</u>
 Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>-</u>	<u>15,278</u>

13 OPERATING LEASE COMMITMENTS

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

	2011 £	2010 £
Expiring		
In more than five years	<u>40,800</u>	<u>40,800</u>

14 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank overdrafts	52,438	40,284
Bank loans	<u>16,667</u>	<u>31,945</u>
	<u>69,105</u>	<u>72,229</u>

The bank holds security for the overdraft and loans in the form of a fixed and floating charge over the assets of the group dated 10th October 2005

There is a cross guarantee between Artisan Brandt Plc and Brandt Holdings Limited dated 10th October 2005

Artisan Brandt plc (Registered number: 02671000)

**Notes to the Financial Statements - continued
for the year ended 31 August 2011**

15 DEFERRED TAX

	£
Balance at 1 September 2010	(12,692)
Depreciation in excess of capital allowances	1,446
	<u> </u>
Balance at 31 August 2011	<u>(11,246)</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £	2010 £
75,000	Ordinary		<u>75,000</u>	<u>75,000</u>

17 RESERVES

	Profit and loss account £
At 1 September 2010	(126,611)
Deficit for the year	<u>(48,297)</u>
At 31 August 2011	<u>(174,908)</u>

18 ULTIMATE PARENT COMPANY

Brandt Holdings Limited, incorporated in the UK, is the company's ultimate parent company. The group's consolidated accounts can be obtained from the registered office - 20 Barclay Road, Croydon, Surrey, CR0 1JN

Artisan Brandt plc (Registered number 02671000)

**Notes to the Financial Statements - continued
for the year ended 31 August 2011**

19 RELATED PARTY DISCLOSURES

Exemption has been taken under FRS 8 regarding the disclosure of intra-group balances. A copy of the consolidated accounts can be found at the company's registered office.

CS 2011 Limited is a wholly owned subsidiary of Artisan Brandt Plc.

There is amount due from CS 2011 Limited of £15,312, this has been provided for as a bad debt as the directors do not consider this amount to be recoverable. CS 2011 Limited has not been consolidated into the group accounts as the company is in the process of being dissolved.

M C M James and A P Wright are directors of Jaydon Court Properties Limited. Included within debtors is an amount due from this company of £3,618 (2010 £35,322).

M C M James and A P Wright are directors of Eastcliff Tower Development Company Limited. Included within creditors is an amount due to this company of £12,833 (2010 £14,000), which relates to a loan.

A P Wright is a director of ISIS Property Management & Lettings Limited. Included within debtors in an amount of £4,926 (2010 £4,926) owed by ISIS Property Management & Lettings Limited. Rent of £40,800 was paid to ISIS Property Management & Lettings Limited during the year (2010 £40,800). During the year Artisan Brandt Plc made payments for property insurance on behalf of ISIS Property Management & Lettings Limited.

20 ULTIMATE CONTROLLING PARTY

M C M James is the ultimate controlling party by virtue of his majority shareholding in the parent company.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(48,297)	(2,087)
Net reduction of shareholders' funds	(48,297)	(2,087)
Opening shareholders' funds	(51,611)	(49,524)
Closing shareholders' funds	(99,908)	(51,611)