RoC

REGISTERED NUMBER: 04211271 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2013

FOR

I.P. INTEGRATION GROUP LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2013

COMPANY INFORMATION
FOR THE YEAR ENDED 30TH SEPTEMBER 2013

DIRECTORS:	D J Glasgow J D Little Adventure Finance Investments Limited B J Prentis Mrs C M Prentis
SECRETARY:	Ms K N Warrior
REGISTERED OFFICE:	Integration House Turnhams Green Business Park Pincents Lane Reading Berkshire RG31 4UH
REGISTERED NUMBER:	04211271 (England and Wales)
AUDITORS:	Sproull & Co. Chartered Accountants Statutory Auditors 31/33 College Road Harrow Middlesex HA1 1EJ

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2013

The directors present their strategic report of the company and the group for the year ended 30th September 2013.

REVIEW OF BUSINESS
The directors are pleased with the financial results for the year. For the 7th consecutive year the Group has seen above average industry growth in both revenues and gross profits being achieved.

Across the Group, overall revenues and gross profit grew during the year by 11% and 12% respectively whilst also seeing a slight improvement in overall gross profit % to 57%. The company's contracted recurring revenues resulting from support contracts and network services continued to grow, up from 55% of total revenues in 2012 to 57% in 2013.

The growth in Group contracted revenues resulted from Managed Services and Support revenues growing by 13% during the year with the contract support base further increasing, highlighting the Group's ability to secure multiyear contracts and Network Sales growth of 12% following continued success in securing multiyear framework contracts.

Large scale project revenues also increased in the year up 11% with 43% derived from net new customers to the Group. In-house software applications saw significant growth including being the major element of a £1.2m contract. The Group continued to progress cross divisional sales with the top 3 contracts all incorporating Voice services, IT services, IP applications and Network Services.

Key Performance Indicators

Key Performance Indicator	2013	2012
Turnover	£12,127,647	£10,904,590
Gross Profit	£6,858,625	£6,106,978
Gross Margin %	56.6%	55.9%
Distribution & Administrative Expenses	£6,211,308	£5,957,518
Operating Profit	£647,317	£149,460

Since the year end trading conditions have continued to be maintained, and the directors are confident that the company is on course for a profitable result for the next financial year.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group continues to address the need to evolve its portfolio of products and services in line with the new technologies and customer requirements. Its ability to continue this evolution and attract sufficient resources with the requisite skills are expected to remain the cornerstone to its continued success.

In relation to the key financial risks of price, foreign currency, credit, liquidity, cash flow and interest rate risks, the directors have familiarised themselves with the concepts of these risks and have assessed that at this time there is no significant exposure to the Group. The directors will continue to monitor the Group's activities to address any significant risks that do arise to ensure these are minimised to the maximum possible extent.

Operational risks stemming from compliance requirements in a number of areas including legal, employment, health and safety and environmental matters, the directors have implemented a number of initiatives during the period to mitigate such risks. These initiatives include significant investment in gaining ISO accreditation in the key areas of:

ISO 9001 Quality Management
ISO 14001 Environmental Management
ISO 27001 Information & Security Management

ON BEHALF OF THE BOARD:

....
D J Glasgow - Director

Date: 22\5\14

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2013

The directors present their report with the financial statements of the company and the group for the year ended 30th September 2013.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of the sale and support of telephone systems and the provision of IT services.

DIVIDENDS
The total distribution of dividends for the year ended 30th September 2013 will be £200,000.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st October 2012 to the date of this report.

D J Glasgow
J D Little
Adventure Finance Investments Limited
B J Prentis
Mrs C M Prentis

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;
- 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 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 group's auditors are aware of that information.

AUDITORS
The auditors, Sproull & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
D J Glasgow - Director

Date: 22\5\14

We have audited the financial statements of I.P. Integration Group Limited for the year ended 30th September 2013 on pages eight to twenty four. 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 30th September 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 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.

Sproull & Co

Philip Cole (Senior Statutory Auditor)
for and on behalf of Sproull & Co.
Chartered Accountants
Statutory Auditors
31/33 College Road
Harrow
Middlesex
HA1 1EJ

Date: 29|5|14

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2013

	Notes	2013 £	2013 £	2012 £	2012 £
TURNOVER			**12,127,647**		10,904,590
Cost of sales			**5,269,022**		4,797,612
GROSS PROFIT			**6,858,625**		6,106,978
Distribution costs		**80,045**		25,541	
Administrative expenses		**6,131,263**		5,931,977	
			6,211,308		5,957,518
OPERATING PROFIT	3		**647,317**		149,460
Exceptional items	4		**-**		288,119
			647,317		(138,659)
Interest receivable and similar income			**755**		7,211
			648,072		(131,448)
Interest payable and similar charges	5		**19,034**		191
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			**629,038**		(131,639)
Tax on profit/(loss) on ordinary activities	6		**-**		741
PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP			**629,038**		(132,380)

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

TOTAL RECOGNISED GAINS AND LOSSES
The group has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30TH SEPTEMBER 2013

	Notes	2013 £	2013 £	2012 £	2012 £
FIXED ASSETS					
Intangible assets	9		2,292,365		2,542,443
Tangible assets	10		157,694		174,188
Investments	11		-		-
			2,450,059		2,716,631
CURRENT ASSETS					
Stocks	12	537,900		567,360	
Debtors	13	3,563,917		2,901,013	
Cash at bank and in hand		1,385,389		1,199,679	
		5,487,206		4,668,052	
CREDITORS					
Amounts falling due within one year	14	5,110,955		4,663,619	
NET CURRENT ASSETS			376,251		4,433
TOTAL ASSETS LESS CURRENT LIABILITIES			2,826,310		2,721,064
CREDITORS					
Amounts falling due after more than one year	15		152,778		476,570
NET ASSETS			2,673,532		2,244,494
CAPITAL AND RESERVES					
Called up share capital	19		491,000		491,000
Profit and loss account	20		2,182,532		1,753,494
SHAREHOLDERS' FUNDS	23		2,673,532		2,244,494

The financial statements were approved by the Board of Directors on 22/5/14 and were signed on its behalf by:

D J Glasgow - Director

B J Prentis - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
30TH SEPTEMBER 2013

		2013		2012	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		86,685		86,685
			86,685		86,685
CURRENT ASSETS					
Debtors	13	225,657		403,320	
Cash at bank		17,108		-	
		242,765		403,320	
CREDITORS					
Amounts falling due within one year	14	166,672		153,435	
NET CURRENT ASSETS			76,093		249,885
TOTAL ASSETS LESS CURRENT LIABILITIES			162,778		336,570
CREDITORS					
Amounts falling due after more than one year	15		152,778		326,570
NET ASSETS			10,000		10,000
CAPITAL AND RESERVES					
Called up share capital	19		10,000		10,000
SHAREHOLDERS' FUNDS	23		10,000		10,000

The financial statements were approved by the Board of Directors on 22/5/14 and were signed on its behalf by:

D J Glasgow - Director

B J Prentis - Director

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Net cash inflow/(outflow) from operating activities	1		**629,121**		(55,711)
Returns on investments and servicing of finance	2		**(18,279)**		7,020
Taxation			**(9,016)**		(8,778)
Capital expenditure	2		**(54,675)**		(117,817)
Acquisitions and disposals	2		**(8,000)**		(52,710)
Equity dividends paid			**(200,000)**		(128,860)
			339,151		(356,856)
Financing	2		**(153,441)**		484,000
Increase in cash in the period			**185,710**		127,144

	Notes	2013 £	2013 £	2012 £	2012 £
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		**185,710**		127,144	
Cash outflow/(inflow) from decrease/(increase) in debt		**160,555**		(480,000)	
Change in net funds resulting from cash flows			**346,265**		(352,856)
Movement in net funds in the period			**346,265**		(352,856)
Net funds at 1st October			**719,679**		1,072,535
Net funds at 30th September			**1,065,944**		719,679

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	647,317	149,460
Depreciation charges	109,247	52,888
Loss on disposal of fixed assets	-	2,129
Exceptional items	-	(288,119)
Decrease/(increase) in stocks	29,460	(88,997)
(Increase)/decrease in debtors	(658,128)	1,414,772
Increase/(decrease) in creditors	501,225	(1,297,844)
Net cash inflow/(outflow) from operating activities	629,121	(55,711)

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

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	755	7,211
Interest paid	(19,034)	(191)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(18,279)	7,020
Capital expenditure		
Purchase of intangible fixed assets	(5,828)	(13,655)
Purchase of tangible fixed assets	(48,847)	(105,662)
Sale of tangible fixed assets	-	1,500
Net cash outflow for capital expenditure	(54,675)	(117,817)
Acquisitions and disposals		
Purchase of subsidiary undertakings	(8,000)	(565,449)
Net cash acquired with subsidiaries	-	512,739
Net cash outflow for acquisitions and disposals	(8,000)	(52,710)
Financing		
New loans in year	-	480,000
Loan repayments in year	(160,555)	-
Amount introduced by directors	17,114	4,000
Amount withdrawn by directors	(10,000)	-
Net cash (outflow)/inflow from financing	(153,441)	484,000

The notes form part of these financial statements

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.12 £	Cash flow £	At 30.9.13 £
Net cash:			
Cash at bank and in hand	1,199,679	185,710	1,385,389
	1,199,679	185,710	1,385,389
Debt:			
Debts falling due within one year	(153,430)	(13,237)	(166,667)
Debts falling due after one year	(326,570)	173,792	(152,778)
	(480,000)	160,555	(319,445)
Total	719,679	346,265	1,065,944

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Basis of consolidation
The Group financial statements consolidate the financial statements of I.P. Integration Group Limited and it's subsidiaries. All intragroup balances and transactions are eliminated in full.

Subsidiaries IP Professional Services Limited and Micropoint Managed Services Limited have been consolidated from the dates of their acquisition on 7th October 2011and 15th May 2012 respectively.

Turnover
Turnover represents net invoiced sale of goods and services, excluding value added tax.

Turnover from the provision of goods is recognised when the risks and rewards of ownership of those goods have transferred to the customer. The risks and rewards of ownership are deemed to be transferred when the goods are shipped to the customer.

Turnover in respect of services provided is recognised at determinable points in the contract, such as deposit, installation and completion.

Turnover from the provision of goods and services is only recognised when the amounts to be recognised are fixed or determinable and recovery is reasonably assured.

Goodwill
Business combinations are accounted for using the acquisition method.

Goodwill, being the amounts paid in connection with the acquisition of subsidiaries in 2012 will be amortised on a straight line basis over 20 years, where considered material.

Intangible fixed assets
Costs associated with the rebranding of the company have been capitalised and are being amortised over five years.

Costs associated with the assignment of Intellectual Property Rights have been capitalised. The directors believe that the residual value of this asset will be at least equal to its original cost, and therefore any amortisation thereof is immaterial.

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

Plant and machinery	- 33.33% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- at varying rates on cost

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

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

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1. **ACCOUNTING POLICIES - continued**

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2. **STAFF COSTS**

	2013	2012
	£	£
Wages and salaries	**4,342,641**	4,106,172
Social security costs	**493,364**	505,957
Other pension costs	**61,068**	63,911
	4,897,073	4,676,040

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

	2013	2012
Management	**7**	7
Administration	**10**	9
Sales	**12**	14
Service and operations	**39**	41
Development	**6**	6
	74	77

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	2013	2012
	£	£
Hire of plant and machinery	**37,379**	2,378
Other operating leases	**153,084**	137,741
Depreciation - owned assets	**65,341**	50,217
Loss on disposal of fixed assets	**-**	2,129
Licences, trade marks and similar rights and assets	**43,906**	2,671
Auditors' remuneration - audit services	**23,350**	20,931
Auditors' remuneration for non audit work	**-**	645
Taxation compliance services	**1,000**	950
Other non-audit services	**850**	5,556
Foreign exchange differences	**1,529**	2,363

continued...

3. OPERATING PROFIT - continued

Directors' remuneration	**308,588**	239,236
Directors' pension contributions to money purchase schemes	**6,295**	11,050

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

Money purchase schemes	**2**	3

Information regarding the highest paid director is as follows:

	2013	2012
	£	£
Emoluments etc	**113,947**	81,968

4. EXCEPTIONAL ITEMS

The Exceptional item of £288,119 in 2012 related to one off costs of relocating to a new HQ office and discretionary payments made to staff over and above their contractual entitlements on the restructuring of the Executive Board.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	**200**	191
Bank loan interest	**18,834**	-
	19,034	191

6. TAXATION

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

	2013	2012
	£	£
Current tax:		
UK corporation tax	-	785
Deferred tax	-	(44)
Tax on profit/(loss) on ordinary activities	-	741

continued...

6. **TAXATION - continued**

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:

	2013	2012
	£	£
Profit/(loss) on ordinary activities before tax	629,038	(131,639)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	125,808	(26,328)
Effects of:		
Expenses not deductible for tax purposes	3,203	3,225
Capital allowances in excess of depreciation	-	(9,283)
Depreciation in excess of capital allowances	5,009	-
Enhanced research and development deduction	(110,000)	(95,000)
Loss on disposal of fixed assets	-	426
Pre-acquisition results of subsidiary	-	6,217
Losses available to be carried back or forward	15,441	121,528
Group relief claimed	(39,461)	-
Current tax charge	-	785

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 £171,140 (2012 - £100,000).

8. **DIVIDENDS**

	2013	2012
	£	£
Ordinary shares of 10p each		
Final	171,140	100,000
Preference shares of £1 each		
Final	28,860	28,860
	200,000	128,860

continued...

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Licences, trade marks and similar rights £	Totals £
COST			
At 1st October 2012	3,093,465	233,635	3,327,100
Additions	-	5,828	5,828
Change in value of acquisition	(212,000)	-	(212,000)
At 30th September 2013	2,881,465	239,463	3,120,928
AMORTISATION			
At 1st October 2012	764,646	20,011	784,657
Amortisation for year	-	43,906	43,906
At 30th September 2013	764,646	63,917	828,563
NET BOOK VALUE			
At 30th September 2013	2,116,819	175,546	2,292,365
At 30th September 2012	2,328,819	213,624	2,542,443

10. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st October 2012	179,468	186,177	355,600	721,245
Additions	405	21,061	27,381	48,847
At 30th September 2013	179,873	207,238	382,981	770,092
DEPRECIATION				
At 1st October 2012	168,660	165,740	212,657	547,057
Charge for year	3,689	8,660	52,992	65,341
At 30th September 2013	172,349	174,400	265,649	612,398
NET BOOK VALUE				
At 30th September 2013	7,524	32,838	117,332	157,694
At 30th September 2012	10,808	20,437	142,943	174,188

continued...

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st October 2012 and 30th September 2013	**86,685**
NET BOOK VALUE	
At 30th September 2013	**86,685**
At 30th September 2012	86,685

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

Subsidiaries

I.P. Integration Limited
Nature of business: Sale and support of telephone systems

Class of shares:	% holding
Ordinary	100.00

	2013 £	2012 £
Aggregate capital and reserves	**2,850,245**	2,457,844
Profit for the year	**592,401**	80,970

Integration Properties Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2013 £	2012 £
Aggregate capital and reserves	**1**	1

CTI Labs Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2013 £	2012 £
Aggregate capital and reserves	**1**	1

continued...

11. FIXED ASSET INVESTMENTS - continued

I P Integration Professional Services Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2013 £	2012 £
Aggregate capital and reserves	1	1

IP Professional Services Limited
Nature of business: Support of telephone systems

Class of shares:	% holding
Ordinary	100.00

	2013 £	2012 £
Aggregate capital and reserves	(1,865,756)	(1,750,699)
Loss for the year	(115,057)	(182,965)

Micropoint Managed Services Limited
Nature of business: Provision of IT services

Class of shares:	% holding
Ordinary	100.00

	2013 £	2012 £
Aggregate capital and reserves	252,352	100,659
Profit for the year	151,693	2,428

12. STOCKS

	Group	
	2013 £	2012 £
Finished goods	537,900	567,360

continued...

13. DEBTORS

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Amounts falling due within one year:				
Trade debtors	**2,586,114**	2,006,037	**-**	-
Amounts owed by group undertakings	**-**	-	**215,657**	393,320
Other debtors	**174,290**	150,686	**-**	-
Corporation tax recoverable	**4,776**	-	**-**	-
Called up share capital not paid	**10,000**	10,000	**10,000**	10,000
Prepayments	**788,737**	634,290	**-**	-
	3,563,917	2,801,013	**225,657**	403,320
Amounts falling due after more than one year:				
Other debtors	**-**	100,000	**-**	-
Aggregate amounts	**3,563,917**	2,901,013	**225,657**	403,320

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Bank loans and overdrafts (see note 16)	**166,667**	153,430	**166,667**	153,430
Trade creditors	**1,148,279**	1,203,466	**-**	-
Amounts owed to group undertakings	**-**	-	**3**	3
Amounts owed to participating interests	**56,098**	-	**-**	-
Taxation	**-**	4,240	**-**	-
Social security and other taxes	**229,280**	168,366	**-**	-
VAT	**369,269**	222,782	**-**	-
Other creditors	**50,730**	140,267	**2**	2
Directors' current accounts	**17,114**	10,000	**-**	-
Accruals and deferred income	**3,073,518**	2,761,068	**-**	-
	5,110,955	4,663,619	**166,672**	153,435

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

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Bank loans (see note 16)	**152,778**	326,570	**152,778**	326,570
Other creditors	**-**	150,000	**-**	-
	152,778	476,570	**152,778**	326,570

continued...

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Bank loans	**166,667**	153,430	**166,667**	153,430
Amounts falling due between one and two years:				
Bank loans - 1-2 years	**152,778**	167,147	**152,778**	167,147
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**-**	159,423	**-**	159,423

17. OPERATING LEASE COMMITMENTS

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

Group

	Land and buildings		Other operating leases	
	2013	2012	**2013**	2012
	£	£	**£**	£
Expiring:				
Within one year	**-**	-	**-**	1,008
Between one and five years	**145,620**	72,810	**-**	-
	145,620	72,810	**-**	1,008

18. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	2013	2012
	£	£
Bank loans	**319,445**	480,000

The bank loan is secured by way of a fixed and floating charge over the company's assets.

continued...

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
100,000	Ordinary	10p	**10,000**	10,000
481,000	Preference	£1	**481,000**	481,000
			491,000	491,000

20. RESERVES

Group

	Profit and loss account £
At 1st October 2012	**1,753,494**
Profit for the year	**629,038**
Dividends	**(200,000)**
At 30th September 2013	**2,182,532**

Company

	Profit and loss account £
Profit for the year	**171,140**
Dividends	**(171,140)**
At 30th September 2013	**-**

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr B.J. Prentis by virtue of his beneficial shareholding in I.P. Integration Group Limited, the ultimate parent company of the group.

continued...

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2013	2012
	£	£
Profit/(loss) for the financial year	**629,038**	(132,380)
Dividends	**(200,000)**	(128,860)
Net addition/(reduction) to shareholders' funds	**429,038**	(261,240)
Opening shareholders' funds	**2,244,494**	2,505,734
Closing shareholders' funds	**2,673,532**	2,244,494

Company

	2013	2012
	£	£
Profit for the financial year	**171,140**	100,000
Dividends	**(171,140)**	(100,000)
Opening shareholders' funds	**10,000**	10,000
Closing shareholders' funds	**10,000**	10,000