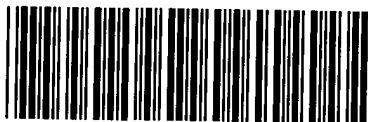


**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 August 2014
for
Artisan Brandt plc**

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for the year ended 31 August 2014**

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Artisan Brandt plc
Company Information
for the year ended 31 August 2014

DIRECTORS: M.C.M. James
Mrs A P Wright

SECRETARY: Mrs A P Wright

REGISTERED OFFICE: 94 Southbridge Road
Croydon
Surrey
CR0 1AF

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

**Strategic Report
for the year ended 31 August 2014**

The directors present their strategic report for the year ended 31 August 2014.

REVIEW OF BUSINESS

Sales have decreased marginally by 4% which can largely be attributed to the continued economic downturn which has had a significant impact on the IT sector as many companies have cut their IT budgets.

Cost cutting exercises have been undertaken which has seen pre-tax profits increasing from the previous year, showing this has been a success.

We envisage that with the range of products and services available within the company we can remain competitive and continue to offer the same quality of products and services to customers existing and new.

PRINCIPAL RISKS AND 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.

BUSINESS MODEL

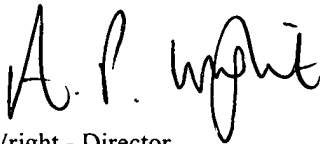
The portfolio of products and services, combined with management's experience enable the company to focus on the key areas of growth.

As part of our continued assessment of the present and future needs of the company, staff costs, which forms considerable expenditure is closely monitored. Staff costs equate to 41% of sales in the year under review (36% - 2013), which represents the company retaining sufficient resources for the current conditions, whilst remaining in a position to take advantage of future opportunities in our target markets.

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.

ON BEHALF OF THE BOARD:



Mrs A P Wright - Director

13 February 2015

**Report of the Directors
for the year ended 31 August 2014**

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

DIVIDENDS

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

DIRECTORS

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

M.C.M. James
Mrs A P Wright

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.

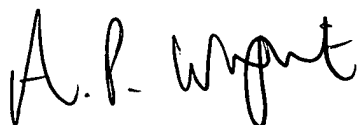
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

13 February 2015

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 2014 on pages six to fourteen. 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 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 company's affairs as at 31 August 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

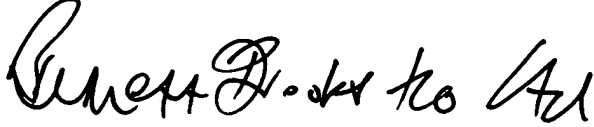
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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.



Marcus Baghurst FCCA (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

13 February 2015

**Profit and Loss Account
for the year ended 31 August 2014**

	Notes	2014 £	2013 £
TURNOVER		393,575	408,678
Cost of sales		<u>32,501</u>	<u>85,802</u>
GROSS PROFIT		361,074	322,876
Administrative expenses		<u>343,734</u>	<u>316,400</u>
OPERATING PROFIT	3	17,340	6,476
Interest payable and similar charges	4	<u>2,353</u>	<u>4,359</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,987	2,117
Tax on profit on ordinary activities	5	<u>15,596</u>	<u>4,974</u>
LOSS FOR THE FINANCIAL YEAR		<u>(609)</u>	<u>(2,857)</u>

CONTINUING OPERATIONS

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

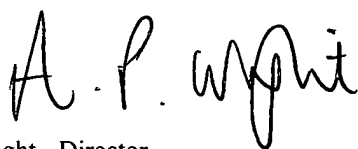
TOTAL RECOGNISED GAINS AND LOSSES

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

Balance Sheet
31 August 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	6	94,500	129,500
Tangible assets	7	2,616	3,694
Investments	8	-	25,000
		<u>97,116</u>	<u>158,194</u>
CURRENT ASSETS			
Debtors	9	92,082	112,146
Cash at bank and in hand		54,842	20,934
		<u>146,924</u>	<u>133,080</u>
CREDITORS			
Amounts falling due within one year	10	<u>148,699</u>	<u>192,853</u>
NET CURRENT LIABILITIES		<u>(1,775)</u>	<u>(59,773)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		95,341	98,421
CREDITORS			
Amounts falling due after more than one year	11	<u>165,631</u>	<u>168,102</u>
NET LIABILITIES		<u>(70,290)</u>	<u>(69,681)</u>
CAPITAL AND RESERVES			
Called up share capital	15	75,000	75,000
Profit and loss account	16	<u>(145,290)</u>	<u>(144,681)</u>
SHAREHOLDERS' FUNDS	20	<u>(70,290)</u>	<u>(69,681)</u>

The financial statements were approved by the Board of Directors on 13 February 2015 and were signed on its behalf by:



Mrs A P Wright - Director



M.C.M. James - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31 August 2014

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

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. Following an impairment review of the goodwill in 2014 the directors believe the remaining useful economic life of these contracts to be four years.

The acquisition of the contracts of a business in 2011 gave rise to goodwill which was being written off over ten years. Following an impairment review of the goodwill in 2013 the directors believe the remaining useful economic life of these contracts to be five years.

Notes to the Financial Statements - continued
for the year ended 31 August 2014

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	147,478	134,381
Social security costs	13,360	12,274
Other pension costs	1,231	1,231
	<u>162,069</u>	<u>147,886</u>

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

	2014	2013
Production & sales	4	4
Office management	2	2
	<u>6</u>	<u>6</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation - owned assets	1,078	1,276
Goodwill amortisation	15,500	13,669
Auditors' remuneration	9,750	9,750
	<u>-</u>	<u>-</u>
Directors' remuneration	<u>-</u>	<u>-</u>

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

	2014	2013
Money purchase schemes	<u>1</u>	<u>1</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	62	1,275
Bank loan interest	2,256	2,166
Other interest payable	35	-
VAT surcharges	-	918
	<u>2,353</u>	<u>4,359</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2014

5. TAXATION

Analysis of the tax charge

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

	2014 £	2013 £
Current tax:		
UK corporation tax	15,349	4,227
Deferred tax	247	747
Tax on profit on ordinary activities	<u>15,596</u>	<u>4,974</u>

Factors affecting the tax charge

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

	2014 £	2013 £
Profit on ordinary activities before tax	<u>14,987</u>	<u>2,117</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 20%)	3,147	423
Effects of:		
Expenses not deductible for tax purposes	584	184
Capital allowances in excess of depreciation	(259)	(746)
Amortisation and impairments not allowable for tax	12,600	4,366
Marginal relief	(1,613)	-
Change in tax rate	890	-
Current tax charge	<u>15,349</u>	<u>4,227</u>

6. INTANGIBLE FIXED ASSETS

COST

At 1 September 2013
and 31 August 2014

Goodwill
£

233,262

AMORTISATION

At 1 September 2013
Amortisation for year
Impairments

103,762
15,500
19,500

At 31 August 2014

138,762

NET BOOK VALUE

At 31 August 2014

94,500

At 31 August 2013

129,500

Notes to the Financial Statements - continued
for the year ended 31 August 2014

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2013 and 31 August 2014	298,117	120,478	418,595
DEPRECIATION			
At 1 September 2013	296,122	118,779	414,901
Charge for year	343	735	1,078
At 31 August 2014	296,465	119,514	415,979
NET BOOK VALUE			
At 31 August 2014	1,652	964	2,616
At 31 August 2013	1,995	1,699	3,694

Included within fixed assets are fully depreciated assets with an historic cost of approximately £411,671 (2013: £411,671).

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 September 2013	63,188
Impairments	(25,000)
At 31 August 2014	38,188
PROVISIONS	
At 1 September 2013 and 31 August 2014	38,188
NET BOOK VALUE	
At 31 August 2014	-
At 31 August 2013	25,000

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	2014 £	2013 £
Class of shares: Ordinary Share Capital	100.00		
Aggregate capital and reserves		2	2

Notes to the Financial Statements - continued
for the year ended 31 August 2014

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade debtors	35,590	56,092
Other debtors	875	875
Amounts due from related undertaking	37,343	36,123
Deferred tax asset	9,219	9,466
Prepayments	9,055	9,590
	<u>92,082</u>	<u>112,146</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Bank loans and overdrafts (see note 12)	12,076	11,523
Trade creditors	5,877	34,680
Tax	15,349	4,227
Social security & other taxes	-	10,702
VAT	17,290	15,253
Other creditors	598	2,331
Amounts due to related undertaking	-	10
Directors' current accounts	-	2,241
Accruals and deferred income	97,509	111,886
	<u>148,699</u>	<u>192,853</u>

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Bank loans (see note 12)	29,225	41,282
Amounts due to group undertakings	136,406	126,820
	<u>165,631</u>	<u>168,102</u>

12. **LOANS**

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>12,076</u>	<u>11,523</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>12,656</u>	<u>12,076</u>
Amounts falling due between two and five years:		
Bank loans	<u>16,569</u>	<u>29,206</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2014

13. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank loans	<u>41,301</u>	<u>52,805</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.

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

The bank has a legal charge over a property owned by Brandt Computer Systems Limited dated 29 October 2012 for security over the loan.

14. DEFERRED TAX

	£
Balance at 1 September 2013	(9,466)
Depreciation in excess of capital allowances	<u>247</u>
Balance at 31 August 2014	<u>(9,219)</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
75,000	Ordinary	£1	<u>75,000</u>	<u>75,000</u>

16. RESERVES

	Profit and loss account £
At 1 September 2013	(144,681)
Deficit for the year	<u>(609)</u>
At 31 August 2014	<u>(145,290)</u>

17. ULTIMATE PARENT COMPANY

Brandt Holdings Limited is regarded by the directors as being the company's ultimate parent company.

The group's consolidated accounts can be obtained from the registered office, 94 Southbridge Road, Croydon, Surrey, CR0 1AF.

18. 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.

Notes to the Financial Statements - continued
for the year ended 31 August 2014

Eastcliff Tower Development Limited

A company in which M.C.M James and AP Wright are directors

	2014	2013
	£	£
Amount due from/(to) related party at the balance sheet date	<u>590</u>	<u>(10)</u>

Jaydon Court Properties Limited

A company in which M.C.M James and AP Wright are directors

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>30,372</u>	<u>30,072</u>

ISIS Property Management & Lettings Limited

A company in which AP Wright is a director.

No rent was paid to ISIS Property Management & Lettings Limited during the year as Artisan Brandt PLC moved premises and 20 Barclay Road, Croydon was subsequently sold. (2013: £27,200)

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>6,381</u>	<u>4,926</u>

Southbridge

A sole trade business operated by M.C.M James

Rent of £40,800 was paid to Southbridge during the year (2013 - £13,600).

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>-</u>	<u>1,125</u>

19. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is M.C.M. James.

20. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014	2013
	£	£
Loss for the financial year	<u>(609)</u>	<u>(2,857)</u>
Net reduction of shareholders' funds	(609)	(2,857)
Opening shareholders' funds	<u>(69,681)</u>	<u>(66,824)</u>
Closing shareholders' funds	<u>(70,290)</u>	<u>(69,681)</u>