



Abbreviated Accounts AirTube Technologies Limited

For the year ended 30 September 2012



Registered number: 06550607

Abbreviated accounts

Directors' report

For the year ended 30 September 2012

The directors present their report and the financial statements for the year ended 30 September 2012

Principal activities and business review

The principal activities of the company are the design, manufacture, installation and service of retail security products

The directors are satisfied with the performance of the company during the year

Result for the year

The profit for the year, after taxation, amounted to £61,025 (2011 £187,328)

Directors

The directors who served during the year were

G Siddle

A Mobley

A Vitai (resigned 20 November 2012)

The interests of the directors at the year end in the share capital of the company are as follows

	Ordinary Shares of £1 each	
	2012	2011
G Siddle	49,950	49,950
A Mobley	49,950	49,950
A Vitai	8,775	8,775

There have been no changes in the shareholdings of the directors since the year end

Principal risks and uncertainties

Overview

The market for the company's core product, pneumatic tube systems, is mature and sales depend largely on the development and build plans of its customers. The company manages this risk by engaging in continual research and development to provide new solutions based around the pneumatic tube systems. These research and development solutions open possibilities to gain new customers.

The company is aware of its main competitors and has the advantage of being the only supplier to manufacture in the United Kingdom, allowing quick response times and made to order solutions. Our team have a long history of relationships with our main customers.

Financial instruments

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk. The company does not use derivative instruments to manage these exposures.

The company's principle financial instruments comprise sterling cash, and director and investor loans together with trade debtors and creditors that arise directly from its operations.

Directors' report

For the year ended 30 September 2012

Price risk

The company has no significant exposure to securities price risk as it holds no listed equity investments

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. Although the company both buys and sells goods within Europe and to a lesser extent elsewhere in the world, the overall risk is not significant. The main foreign currencies in which the company operates are the Euro, Australian dollar and Swedish krona.

Credit risk

The company's principal financial assets are bank balances, cash, and trade debtors.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the directors based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has a significant concentration of credit risk to one major blue chip customer, with the remaining exposure spread over a large number of counterparties and customers.

Liquidity risk

Funding for operations is arranged via director and investor loans.

Going concern

These financial statements have been prepared on the going concern basis for the following reasons:

The Directors have prepared financial forecasts through to 30 September 2015 which consider the cash flow requirements of the business based upon future growth projections, the likely availability of external bank facilities, and the expected continued financial support of the shareholders.

Two of the company's majority shareholders have confirmed that they will make available additional funds to meet any shortfall in funding to enable the company to meet its anticipated liabilities as and when they fall due for a period of at least 12 months from the signing date of these accounts. However, as with any company placing reliance on individuals for financial support, the directors acknowledge that there can be no certainty that this support will continue.

Cash flow interest rate risk

The company operates without bank funding and so any risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The company's policy is to maintain other borrowings at fixed rates to fix the amount of future interest cash flows. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the company.

Environment

The company's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business. During the period covered by this report the company has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Directors' report

For the year ended 30 September 2012

Research and development

Research and development programmes have continued throughout the year in the many fields of advanced technology suited to the company's particular market and product needs

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report 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 judgments 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 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.

Provision of information to auditor

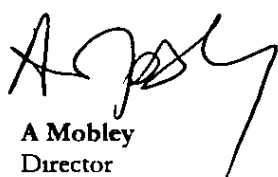
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf



A Mobley
Director

Date 11 June 2013



Independent auditor's report to AirTube Technologies Limited

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts, which comprise the Balance sheet and the related notes, together with the financial statements of AirTube Technologies Limited for the year ended 30 September 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditor's report 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts which comprise the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.

Grant Thornton UK LLP

Rebecca Eagle (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Birmingham

11 June 2013

Abbreviated balance sheet

As at 30 September 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	3		173,340		-
Tangible assets	4		88,161		8,375
			<u>261,501</u>		<u>8,375</u>
Current assets					
Stocks		353,491		305,491	
Debtors		628,268		856,078	
Cash at bank and in hand		16,034		31,564	
		<u>997,793</u>		<u>1,193,133</u>	
Creditors: amounts falling due within one year					
		<u>(620,138)</u>		<u>(632,643)</u>	
Net current assets			<u>377,655</u>		<u>560,490</u>
Total assets less current liabilities			<u>639,156</u>		<u>568,865</u>
Creditors, amounts falling due after more than one year	5		(310,941)		(300,000)
Provisions for liabilities					
Deferred tax			-		(1,675)
Net assets			<u>328,215</u>		<u>267,190</u>
Capital and reserves					
Called up share capital	6		135,000		135,000
Share premium account			65,000		65,000
Profit and loss account			128,215		67,190
Equity shareholders' funds			<u>328,215</u>		<u>267,190</u>

Abbreviated balance sheet (continued)

As at 30 September 2012

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 11 June 2013



A Mobley
Director

The notes on pages 7 to 11 form part of these financial statements

Notes to the abbreviated accounts

For the year ended 30 September 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

These financial statements have been prepared on the going concern basis for the following reasons

The Directors have prepared financial forecasts through to 30 September 2015 which consider the cash flow requirements of the business based upon future growth projections, the likely availability of external bank facilities, and the expected continued financial support of the shareholders

Two of the company's majority shareholders have confirmed that they will make available additional funds to meet any shortfall in funding to enable the company to meet its anticipated liabilities as and when they fall due for a period of at least 12 months from the signing date of these accounts. However, as with any company placing reliance on individuals for financial support, the directors acknowledge that there can be no certainty that this support will continue

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Turnover on contracts is recognised based on the level of work certified and the budgeted margin, and on despatch for the supply of goods

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	over 3 to 4 years
Motor vehicles	-	over 2 years

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Notes to the abbreviated accounts

For the year ended 30 September 2012

1. Accounting policies (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

Notes to the abbreviated accounts

For the year ended 30 September 2012

1. Accounting policies (continued)

1.10 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account

Other research and development expenditure which does not meet the criteria for capitalisation is written off in the year in which it is incurred

1.11 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. Turnover by geographical market

	2012 £	2011 £
United Kingdom	3,259,873	3,747,132
Other EC Countries	50,854	60,861
Rest Of World	2,040	-
Total	<u>3,312,767</u>	<u>3,807,993</u>

Notes to the abbreviated accounts

For the year ended 30 September 2012

3. Intangible fixed assets

	£
Cost	
At 1 October 2011	-
Additions	173,340
At 30 September 2012	<u>173,340</u>
Net book value	
At 30 September 2012	<u>173,340</u>
At 30 September 2011	<u>-</u>

Intangible assets relate to specific development costs associated with the production version of a new product range. The asset generates revenue that is independently identifiable from other assets.

The costs will be amortised over a period of 2 years from the date of first revenue generation.

4. Tangible fixed assets

	£
Cost	
At 1 October 2011	16,412
Additions	103,106
Disposals	(14,232)
At 30 September 2012	<u>105,286</u>
Depreciation	
At 1 October 2011	8,037
Charge for the year	9,951
On disposals	(863)
At 30 September 2012	<u>17,125</u>
Net book value	
At 30 September 2012	<u>88,161</u>
At 30 September 2011	<u>8,375</u>

5. Creditors:

Amounts falling due after more than one year

Other loans totalling £300,000 (2010 £Nil) are secured by a floating charge over accounts receivable and cash balances. These loans attract interest at 10% per annum and are repayable by one installment on 1 April 2014.

Notes to the abbreviated accounts

For the year ended 30 September 2012

6. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
135,000 Ordinary shares of £1 each	<u>135,000</u>	<u>135,000</u>

7. Capital commitments

There were no capital expenditure commitments at the year end (2011 £Nil)