

Xi-Tech Limited

Report and Financial Statements

Year Ended

30 March 2012

Company Number 07068708

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Xi-Tech Limited

Report and financial statements for the year ended 30 March 2012

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Director

S C Jaye

Secretary and registered office

S C Jaye, Unit 6A Langley Business Centre, Station Road, Langley, Slough, SL3 8DS

Company number

07068708

Auditors

BDO LLP, Prospect Place, 85 Great North Road, Hatfield, Herts, AL9 5BS

Xi-Tech Limited

Report of the director for the year ended 30 March 2012

The director presents his report together with the audited financial statements for the year ended 30 March 2012

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Dividends of £0.04 per share were paid to the preference shareholders during the year

Principal activities, review of business and future developments

The company is a holding company and the group's principal activity is the development, manufacture and marketing of a range of sensor detection modules and systems that cover a variety of wavelengths across the electro-magnetic spectrum. It also carries out the development, manufacture and marketing of high voltage power supplies to support the markets of the above.

Research and development work has continued to be focused on three main product areas

- X-ray detection systems, with an aim to maintain cost competitive products, whilst continuing to develop increased levels of functionality and provide custom solutions in all areas, including CT, Multi-view and linear x-ray systems
- Detector modules development continued to be customer specific and provided modules that are compact, high performance and low noise. Specifically being developed to interface with customer systems with ease
- Power supply developments have continued to be project specific and have extended into a great number of application areas

Key performance indicators

On a month by month basis the group reviews the sales budget for progress against targets. The predicted sales to year end are re-calculated and actions taken as necessary to cover any shortfall. Additionally decisions are made on resources to cover any gaps.

Stock, including provisions, is analysed at the end of each month, with significant variations documented and actions taken as necessary to resolve any issues.

Manufacturing costs are also monitored on a monthly basis, including materials and labour, with variations analysed and reviewed to understand the impact on the business and any activity required to correct negative variances.

Principal risks and uncertainties

The market for the group's primary products continues to be highly competitive with respect to technology, cost and timescale.

With the recent introduction of new, higher performing and more flexible electronics in the X-ray product area and the addition of high channel count detectors for CT applications, the group is providing a greater depth of products to support our customers' needs for improvements in their systems.

Timescales will be managed through tight project management disciplines and product costs remain a principal activity in the product development lifecycle to ensure our competitive financial position is maintained.

Xi-Tech Limited

Report of the director for the year ended 30 March 2012 (continued)

Research and development

Research and development work is being increased to support the group's desire to extend the current product range and continues to support a level appropriate to a high-technology business

Financial risk management

The Board regularly reviews the financial requirements of the company and the group and the risks associated therewith. Company and group operations are financed from retained earnings and available external funds. The group does not use complicated financial instruments or any financial derivative instruments for trading purposes.

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers, obtaining payments in advance where necessary and the constant monitoring of all outstanding debts.

Foreign exchange gains and losses result from the requirement to convert dollar, euro and Jyen working capital balances into sterling when preparing the financial statements. Gains and losses are dictated by movements in the exchange rates of these currencies.

Directors' and officers' liability insurance

The company has maintained insurance to cover directors' and officers' liability.

Director

The director of the company during the year was

S C Jaye

Director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the director is 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 director is 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. The director is 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.

Xi-Tech Limited

Report of the director for the year ended 30 March 2012 (continued)

Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



S C Jaye
Director

22-11-12

Xi-Tech Limited

Independent auditor's report

To the members of Xi-Tech Limited

We have audited the financial statements of Xi-Tech Limited for the year ended 30 March 2012 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. 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 an 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 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 director's responsibilities, the director is 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 March 2012 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Xi-Tech Limited

Independent auditor's report (*continued*)

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



George Brooks (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Hatfield
United Kingdom

22-11-12

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Xi-Tech Limited

Consolidated profit and loss account for the year ended 30 March 2012

	Note	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Turnover	2	8,032	12,671
Cost of sales		5,190	8,889
Gross profit		2,842	3,782
Distribution costs		235	529
Administrative expenses		937	1,105
Group operating profit	3	1,670	2,148
Other interest receivable and similar income		9	4
Interest payable and similar charges	6	(31)	(73)
Profit on ordinary activities before taxation		1,648	2,079
Taxation on profit on ordinary activities	7	311	646
Profit on ordinary activities after taxation		1,337	1,433

All amounts relate to continuing activities

The notes on pages 11 to 27 form part of these financial statements

Xi-Tech Limited

Consolidated statement of total recognised gains and losses for the year ended 30 March 2012

	Note	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Consolidated statement of total recognised gains and losses			
Profit for the financial year/period		1,337	1,433
Total gains and losses for the year/period before currency adjustments		1,337	1,433
Exchange translation differences on consolidation	19	-	(46)
Total recognised gains and losses for the financial year/period		1,337	1,387

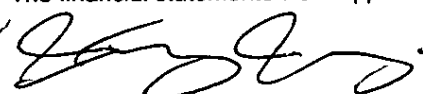
The notes on pages 11 to 27 form part of these financial statements

Xi-Tech Limited

Consolidated balance sheet at 30 March 2012

Company number 07068708		30 March 2012 £'000	30 March 2012 £'000	25 March 2011 £'000	25 March 2011 £'000
	Note				
Fixed assets					
Tangible assets	11		22		29
Current assets					
Stocks	13	814		1,156	
Debtors	14	1,442		2,419	
Cash at bank and in hand		1,944		1,294	
		<u>4,200</u>		<u>4,869</u>	
Creditors: amounts falling due within one year	15	<u>1,488</u>		<u>2,781</u>	
Net current assets			<u>2,712</u>		<u>2,088</u>
Total assets less current liabilities			<u>2,734</u>		<u>2,117</u>
Creditors: amounts falling due after more than one year	16		-		720
			<u>2,734</u>		<u>1,397</u>
Capital and reserves					
Called up share capital	18		10		10
Profit and loss account	19		2,724		1,387
Shareholders' funds	20		<u>2,734</u>		<u>1,397</u>

The financial statements were approved by the director and authorised for issue on 22-11-12


S C Jaye
Director

The notes on pages 11 to 27 form part of these financial statements

Xi-Tech Limited

Company balance sheet at 30 March 2012

Company number 07068708	Note	30 March 2012 £'000	30 March 2012 £'000	25 March 2011 £'000	25 March 2011 £'000
Fixed assets					
Fixed asset investments	12		1,559		1,559
Current assets					
Debtors	14	102		1,246	
Cash at bank and in hand		56		2	
		<u>158</u>		<u>1,248</u>	
Creditors' amounts falling due within one year	15	509		820	
		<u>509</u>		<u>820</u>	
Net current (liabilities)/assets			<u>(351)</u>		<u>428</u>
Total assets less current liabilities			<u>1,208</u>		<u>1,987</u>
Creditors, amounts falling due after more than one year	16		-		717
			<u>1,208</u>		<u>1,270</u>
Capital and reserves					
Called up share capital	18		10		10
Profit and loss account	19		1,198		1,260
			<u>1,208</u>		<u>1,270</u>
Shareholders' funds	20		<u>1,208</u>		<u>1,270</u>

The financial statements were approved by the director and authorised for issue on 22-11-12



S C Jaye
Director

The notes on pages 11 to 27 form part of these financial statements

Xi-Tech Limited

Consolidated cashflow statement for the year ended 30 March 2012

	Note	Year ended 30 March 2012 £'000	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000	17 months ended 25 March 2011 £'000
Net cash inflow from operating activities	24		2,504		923
Returns on investments and servicing of finance					
Interest received		9		4	
Interest paid bank loans		(19)		(54)	
Preference share dividend		(12)		(19)	
Net cash outflow from returns on investments and servicing of finance			(22)		(69)
Taxation					
Corporation tax paid			(559)		(356)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(9)		(16)	
Receipts from sale of tangible fixed assets		5		4,310	
Purchase of subsidiary undertaking		-		(4,011)	
Net cash (outflow)/inflow from capital expenditure and financial investment			(4)		283
Acquisitions and disposals					
Cash borrowings from acquired subsidiary			-		(611)
Cash inflow before use of financing			1,919		170
Financing					
New bank loans		-		1,007	
Bank loans repaid		(695)		(312)	
Capital element of finance leases repaid		(6)		(3)	
Issue of new equity shares		-		10	
Issue of new preference shares		(275)		275	
Director's loan funding		(190)		190	
Other loan		(100)		-	
Net cash (outflow)/inflow from financing			(1,266)		1,167
Increase in cash	25		653		1,337

The notes on pages 11 to 27 form part of these financial statements

Xi-Tech Limited

Notes forming part of the financial statements for the year ended 30 March 2012

1 Accounting policies

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

The following principal accounting policies have been applied

Basis of consolidation

The consolidated financial statements incorporate the results of Xi-Tech Limited and all of its subsidiary undertakings as at 30 March 2012 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the director's estimate of its useful economic life. Impairment tests on the carrying value of goodwill are undertaken

- at the end of the first full financial year following acquisition,
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Goodwill arising on the acquisition of the Electron Tubes Limited group was fully written off in the previous accounting period

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when goods are delivered in full according to specification to customers

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates

Freehold property	- 2% on valuation
Plant and machinery	- 10-20% on cost
Motor vehicles	- 33 1/3% on cost
Fixtures and fittings	- 10-33 1/3% on cost

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value

Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use

Xi-Tech Limited

Notes forming part of the financial statements for the year ended 30 March 2012 (*continued*)

1 Accounting policies (*continued*)

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes all direct expenditure and production overheads appropriate to bring stock and work in progress to their condition and location at the balance sheet date. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for obsolete, slow moving and defective stock.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

Research and development

Research and development expenditure is written off in the period in which it is incurred. Funding received for such revenue expenditure is credited to revenue so as to match the related expenditure.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Xi-Tech Limited

Notes forming part of the financial statements for the year ended 30 March 2012 (continued)

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Replacement under guarantee

Provision is made for the estimated outstanding liability for replacement under guarantees and other warranties given to purchasers of the company's products.

2 Turnover

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Analysis by geographical market		
United Kingdom	416	643
USA	1,666	3,154
Export other than USA	5,950	8,874
	8,032	12,671

Turnover is wholly attributable to the principal activity of the group.

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (*continued*)

3 Operating profit

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
This is arrived at after charging/(crediting)		
Research and development - current year's expenditure	319	245
Depreciation of tangible fixed assets	12	14
Amortisation of positive goodwill	-	297
Hire of plant and machinery - operating leases	3	7
Hire of other assets - operating leases	148	94
Exchange differences	14	(36)
	<u> </u>	<u> </u>
	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Auditors' remuneration		
- fees payable to the group's auditor for the audit of the group's annual accounts	21	32
- all other services	11	20
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of

	Group Year ended 30 March 2012 £'000	Group 17 months ended 25 March 2011 £'000
Wages and salaries	1,156	814
Social security costs	112	100
Other pension costs	138	61
	<u> </u>	<u> </u>
	1,406	975
	<u> </u>	<u> </u>

Xi-Tech Limited

Notes forming part of the financial statements for the year ended 30 March 2012 (*continued*)

4 Employees (*continued*)

The average number of employees (including directors) during the year/period was as follows

	Group Year ended 30 March 2012 Number	Group 17 months ended 25 March 2011 Number
Production and development	20	19
Selling and distribution	3	4
Administration	7	8
	<u>30</u>	<u>31</u>

5 Director's remuneration

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Director's emoluments	100	86
Company contributions to money purchase pension schemes	47	16
	<u>147</u>	<u>102</u>

There was 1 director in the group's defined contribution pension scheme during the year (2011 - 1)

6 Interest payable and similar charges

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Bank loans and overdrafts	19	54
Preference share dividend	12	19
	<u>31</u>	<u>73</u>

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (*continued*)

7 Taxation on profit on ordinary activities

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
<i>UK Corporation tax</i>		
Current tax on profits of the year/period	354	642
Adjustment in respect of previous periods	(6)	4
Total current tax	348	646
<i>Deferred tax</i>		
Origination and reversal of timing differences	(37)	-
Taxation on profit on ordinary activities	311	646

The tax assessed for the year/period is lower than/higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Profit on ordinary activities before tax	1,648	2,079
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26.03% (2011 - 28.00%)	429	582
Effect of		
Expenses not deductible for tax purposes	3	112
Depreciation for period in excess of capital allowances	-	1
Adjustment to tax charge in respect of previous periods	(6)	4
Tax credit in respect of research and development costs	(122)	(58)
Overseas losses not utilised	8	20
Other timing differences	42	(15)
Marginal relief	(6)	-
Current tax charge for the year/period	348	646

Xi-Tech Limited

Notes forming part of the financial statements for the year ended 30 March 2012 (*continued*)

8 Dividends

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Other shares		
Final dividend paid of £0.04 (2011 - £0.07) per share	12	19

The preference dividend that was paid during the period is shown as an interest expense in line with requirements of FRS 25

9 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a loss after tax of £62,000 (2011 - £1,260,479 profit) which is dealt with in the financial statements of the parent company.

10 Intangible fixed assets

Group

	Goodwill on consolidation £'000
<i>Cost</i>	
At 26 March 2011 and 30 March 2012	297
<i>Amortisation</i>	
At 26 March 2011 and 30 March 2012	297
<i>Net book value</i>	
At 25 March 2011 and 30 March 2012	-

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (*continued*)

11 Tangible fixed assets

Group

	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
<i>Cost or valuation</i>				
At 26 March 2011	45	9	66	120
Additions	5	4	-	9
Disposals	-	(9)	(41)	(50)
At 30 March 2012	50	4	25	79
<i>Depreciation</i>				
At 26 March 2011	23	3	65	91
Provided for the year	8	3	1	12
Disposals	-	(5)	(41)	(46)
At 30 March 2012	31	1	25	57
<i>Net book value</i>				
At 30 March 2012	19	3	-	22
At 25 March 2011	22	6	1	29

The net book value of tangible fixed assets includes an amount of £Nil (2011 - £6,000) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year/period was £Nil (2011 - £3,000).

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (continued)

12 Fixed asset investments

Company

	Group undertakings £'000
Cost	
At 26 March 2011 and 30 March 2012	1,559

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of incorporation or registration	Class of share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Sens-Tech Limited	England and Wales	100%	Assembles and markets detector modules
Electron Tubes Inc	United States of America	100%	Markets detector modules

13 Stocks

	Group 30 March 2012 £'000	Group 25 March 2011 £'000	Company 30 March 2012 £'000	Company 25 March 2011 £'000
Raw materials and consumables	678	857	-	-
Work in progress	103	233	-	-
Finished goods and goods for resale	33	66	-	-
	<u>814</u>	<u>1,156</u>	<u>-</u>	<u>-</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (*continued*)

14 Debtors

	Group 30 March 2012 £'000	Group 25 March 2011 £'000	Company 30 March 2012 £'000	Company 25 March 2011 £'000
Amounts receivable within one year				
Trade debtors	1,107	2,001	-	-
Amounts owed by group undertakings	-	-	-	1,220
Other debtors	143	330	2	-
Prepayments and accrued income	55	88	-	26
Deferred taxation	37	-	-	-
	<u>1,342</u>	<u>2,419</u>	<u>2</u>	<u>1,246</u>
Amounts receivable after more than one year				
Other debtors	100	-	100	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Total debtors	<u>1,442</u>	<u>2,419</u>	<u>102</u>	<u>1,246</u>

	Group Deferred taxation £'000	Company Deferred taxation £'000
Credited to the profit and loss account and at 30 March 2012	37	-
	<u>37</u>	<u>-</u>

Deferred taxation

	Group 30 March 2012 £'000	Group 25 March 2011 £'000
The amount of deferred tax provided for is as follows		
Accelerated capital allowances	(2)	-
Other timing differences	39	-
	<u>37</u>	<u>-</u>

Amounts owed to group undertakings are repayable at the discretion of the director

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (continued)

15 Creditors: amounts falling due within one year

	Group 30 March 2012 £'000	Group 25 March 2011 £'000	Company 30 March 2012 £'000	Company 25 March 2011 £'000
Bank loans and overdrafts (secured)	-	256	-	253
Trade creditors	506	1,078	-	-
Amounts owed to group undertakings	-	-	488	373
Corporation tax	79	290	21	-
Other taxation and social security	141	32	-	-
Obligations under finance lease and hire purchase contracts	-	3	-	-
Directors' loans	-	190	-	190
Other creditors	323	456	-	-
Accruals and deferred income	439	476	-	4
	<u>1,488</u>	<u>2,781</u>	<u>509</u>	<u>820</u>

16 Creditors amounts falling due after more than one year

	Group 30 March 2012 £'000	Group 25 March 2011 £'000	Company 30 March 2012 £'000	Company 25 March 2011 £'000
Preference share capital	-	275	-	275
Bank loans (secured)	-	442	-	442
Obligations under finance lease and hire purchase contracts	-	3	-	-
	<u>-</u>	<u>720</u>	<u>-</u>	<u>717</u>

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (continued)

16 Creditors: amounts falling due after more than one year (continued)

Maturity of debt

Group

	Loans and overdrafts 30 March 2012 £'000	Finance leases 30 March 2012 £'000	Preference share capital 30 March 2012 £'000
In one year or less, or on demand	-	-	-
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	-	-	-
	-	-	-

Group

	Loans and overdrafts 25 March 2011 £'000	Finance leases 25 March 2011 £'000	Preference share capital 25 March 2011 £'000
In one year or less, or on demand	256	3	-
In more than one year but not more than two years	253	3	-
In more than two years but not more than five years	189	-	275
	442	3	275

**Notes forming part of the financial statements
for the year ended 30 March 2012 (continued)**

Maturity of debt (continued)

17 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £138,000 (2011 - £61,273). Contributions amounting to £82,377 (2011 - £678) were payable to the fund and are included in creditors.

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (*continued*)

18 Share capital

	30 March 2012 £'000	25 March 2011 £'000
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	10	10
275,000 preference shares of £1 each	-	275

The rights attaching to the shares are summarised as follows

Ordinary shares

Holders are not entitled to a dividend until the bank loans have been repaid in full and then only after the preference dividend

Holders are entitled to receive any return of capital and accrued dividends, in the event of a winding up. Ordinary shares rank after the preference shares and any dividend due on the preference shares

Holders of ordinary shares are entitled to voting rights (1 vote per share)

Preference shares

Holders are entitled to a cumulative annual preference dividend calculated at 5.5% above the prevailing 3 month LIBOR. Holders are entitled to amounts equivalent to the amounts paid up in the event of winding up before all other classes of shareholders have received a return of capital and accrued income. Holders are not entitled to voting rights

Preference shares can be redeemed in certain circumstances at the option of the holder. Otherwise, preference shares will be redeemed on the fifth anniversary after date of issue

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (*continued*)

19 Reserves

Group

	Profit and loss account £'000
At 26 March 2011	1,387
Profit for the year	1,337
	<u> </u>
At 30 March 2012	<u>2,724</u>

Company

	Profit and loss account £'000
At 26 March 2011	1,260
Loss for the year	(62)
	<u> </u>
At 30 March 2012	<u>1,198</u>

20 Reconciliation of movements in shareholders' funds

	Group 30 March 2012 £'000	Group 25 March 2011 £'000	Company 30 March 2012 £'000	Company 25 March 2011 £'000
Profit/(loss) for the year/period	1,337	1,433	(62)	1,260
Other net recognised gains and losses relating to the year	-	(46)	-	-
Issue of shares	-	10	-	10
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net additions to/(deductions from) shareholders' funds	1,337	1,397	(62)	1,270
Opening shareholders' funds	1,397	-	1,270	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing shareholders' funds	<u>2,734</u>	<u>1,397</u>	<u>1,208</u>	<u>1,270</u>

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (continued)

21 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 30 March 2012 £'000	Other 30 March 2012 £'000	Land and buildings 25 March 2011 £'000	Other 25 March 2011 £'000
Operating leases which expire				
Within one year	-	-	3	3
In two to five years	-	-	87	-
After five years	67	-	-	-
	<u>67</u>	<u>-</u>	<u>90</u>	<u>3</u>

22 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries.

The company made a £100,000 loan to Agena Recruitment Ltd at a rate of interest of 4% plus base rate, together with ongoing support in finding new personnel to support the company going forward, without any fees. Agena Recruitment is making a trading profit on a month by month basis and has agreed a loan repayment schedule. S C Jaye is the ultimate controlling party and majority shareholder of Agena Recruitment Ltd.

23 Controlling party

The group is controlled by S Jaye by virtue of his shareholding.

24 Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Operating profit	1,670	2,148
Amortisation of intangible fixed assets	-	297
Depreciation of tangible fixed assets	12	14
Profit on sale of tangible fixed assets	(1)	-
Decrease in stocks	342	232
Decrease/(increase) in debtors	1,114	(1,332)
Decrease in creditors	(633)	(436)
	<u>2,504</u>	<u>923</u>
Net cash inflow from operating activities		

Xi-Tech Limited

Notes forming part of the financial statements
for the year ended 30 March 2012 (continued)

25 Reconciliation of net cash flow to movement in net funds

	Year ended 30 March 2012 £'000	17 months ended 25 March 2011 £'000
Increase in cash	653	1,337
Cash inflow/(outflow) from changes in debt	701	(692)
	<u>1,354</u>	<u>645</u>
Movement in net funds resulting from cash flows		
Inception of finance leases	-	(9)
Exchange translation	-	(46)
	<u>1,354</u>	<u>590</u>
Movement in net funds		
Opening net funds	590	-
	<u>1,944</u>	<u>590</u>
Closing net funds		

26 Analysis of net funds

	At 26 March 2011 £'000	Cash flow £'000	At 30 March 2012 £'000
Cash at bank and in hand	1,294	650	1,944
Bank overdrafts	(3)	3	-
		<u>653</u>	
Debt due within one year	(253)	253	-
Debt due after one year	(442)	442	-
Finance leases	(6)	6	-
		<u>701</u>	
Total	<u>590</u>	<u>1,354</u>	<u>1,944</u>