

Pointer Limited

Report and Financial Statements

Period Ended

30 June 2012

Company Number SC047359

SATURDAY



S23BR0UX

SCT

02/03/2013

#532

COMPANIES HOUSE

Pointer Limited

Report and financial statements for the period ended 30 June 2012

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Consolidated profit and loss account
6	Consolidated statement of total recognised gains and losses and consolidated note of historical cost profits and losses
7	Consolidated balance sheet
9	Company balance sheet
11	Consolidated cash flow statement
12	Notes forming part of the financial statements

Directors

R.M. Rowan
R.A. Rowan
A.R.A. Urquhart

Secretary and registered office

A.R.A. Urquhart, 65 North Wallace Street, Glasgow, G4 0DT

Company number

SC047359

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Pointer Limited

Report of the directors for the period ended 30 June 2012

The directors present their report together with the audited financial statements for the period ended 30 June 2012.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the 15 month period ended 30 June 2012. Comparatives are for the 12 months ended 31 March 2011.

Principal activities, review of business and future developments

The company's principal activities are the sale and service of electronic security and fire systems.

The company changed its year end from the 31 March to 30 June during the period.

Achieving a profit, albeit very small, was a sign of the progress the company is making to adjust to the changes in the market place. A great deal of work has been undertaken in three areas;

- to re- position the UK security business to meet changing market expectations
- managing the cost base
- exploiting new technology

The coming year is expected to show a further improvement in profitability due to this work.

Our overseas businesses continue to offer the opportunity for diversification into markets which are growing at a faster rate than the UK. The Thai economy has returned to growth and as a consequence PAL has returned to profit. The Philippines shows promise but progress in developing the market has been slower than expected. In Oman, we have continued to win work and to build our reputation whilst learning how the market works.

In summary, we are confident that the company will grow both its profit and balance sheet in the year to come.

Qualifying third party indemnity provisions

The company's articles of association contain 'qualifying third party indemnity provisions', as defined in section 234 and 235 of the Companies Act 2006. Under these provisions each director and officer is entitled to be indemnified by the company, so far as permitted by law, in respect of certain liabilities which may attach to him in the exercise of his duties.

The company maintains insurance to cover its directors and officers, including non-executive directors, in the discharge of their duties against the loss and legal expenses incurred by each insured person due to a wrongful act. This cover provides for company reimbursement if the company pays the loss and legal expenses arising from any wrongful act of an insured person. The policy does not provide payment where the director or officer has acted fraudulently, maliciously or dishonestly.

Directors

The directors of the company during the period were:

R.M. Rowan
R.A. Rowan
A.R.A. Urquhart

Pointer Limited

Report of the directors for the period ended 30 June 2012 (*continued*)

Directors' responsibilities

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 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 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 group and company 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 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves 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 directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

By order of the board



A.R.A. Urquhart
Secretary

27 February 2013

Pointer Limited

Independent auditor's report

To the members of Pointer Limited

We have audited the financial statements of Pointer Limited for the 15 month period ended 30 June 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, the consolidated note of historical cost profits 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 directors' responsibilities, 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 (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 June 2012 and of the group's profit for the period 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Pointer 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

*Andrew McNamara (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom*

28 February 2013

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

Pointer Limited

Consolidated profit and loss account for the period ended 30 June 2012

	Note	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Turnover	2	18,767,509	15,953,603
Cost of sales		12,596,544	11,082,544
Gross profit		6,170,965	4,871,059
Distribution costs		2,077,599	1,683,455
Administrative expenses		4,080,469	3,295,040
		12,897	(107,436)
Other operating income		104,864	52,621
Group operating profit/(loss)	3	117,761	(54,815)
Interest payable and similar charges	6	(107,894)	(55,787)
Profit/(loss) on ordinary activities before taxation		9,867	(110,602)
Taxation on profit/(loss) on ordinary activities	7	4,609	138
Profit/(loss) on ordinary activities after taxation		14,476	(110,464)
Minority interest		(3,270)	17,736
Profit/(loss) for the financial period/year	20	11,206	(92,728)

All amounts relate to continuing activities.

The notes on pages 12 to 32 form part of these financial statements.

Pointer Limited

Consolidated statement of total recognised gains and losses and consolidated note of historical cost profits and losses for the period ended 30 June 2012

	Note	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Consolidated statement of total recognised gains and losses			
Profit/(loss) for the financial period/year		11,206	(92,728)
Unrealised deficit on revaluation of property		(132,068)	-
Total gains and losses for the period/year before currency adjustments		(120,862)	(92,728)
Exchange translation differences on consolidation	20	1,985	(1,322)
Total recognised gains and losses for the financial period/year		(118,877)	(94,050)
Consolidated note of historical cost profits and losses			
Reported profit/(loss) on ordinary activities before taxation		9,867	(110,602)
Difference between actual and historical cost depreciation charge		5,673	4,538
Historical cost profit/(loss) on ordinary activities before taxation		15,540	(106,064)
Historical cost profit/(loss) for the period/year after taxation and minority interest		16,879	(88,190)

The notes on pages 12 to 32 form part of these financial statements.

Pointer Limited

Consolidated balance sheet at 30 June 2012

<i>Company number SC047359</i>	Note	30 June 2012 £	30 June 2012 £	31 March 2011 £	31 March 2011 £
Fixed assets					
Intangible assets	9		333,546		366,800
Tangible assets	10		734,263		897,088
Investment in associates	11		36,237		36,237
			1,104,046		1,300,125
Current assets					
Stocks	12	292,310		342,976	
Debtors	13	3,976,707		4,450,151	
Investments	14	22,835		61,847	
Cash at bank and in hand		171,842		65,237	
			4,463,694	4,920,211	
Creditors: amounts falling due within one year	15	4,996,421		5,429,224	
Net current liabilities			(532,727)		(509,013)
Total assets less current liabilities			571,319		791,112
Creditors: amounts falling due after more than one year	16	80,590		183,732	
Provisions for liabilities	17	16,235		19,348	
			96,825		203,080
			474,494		588,032

The notes on pages 12 to 32 form part of these financial statements.

Pointer Limited

Consolidated balance sheet at 30 June 2012 (*continued*)

	Note	30 June 2012 £	30 June 2012 £	31 March 2011 £	31 March 2011 £
Capital and reserves					
Called up share capital	19		250,000		250,000
Revaluation reserve	20		153,621		291,362
Profit and loss account	20		193,165		174,301
Shareholders' funds	21		596,786		715,663
Minority interests			(122,292)		(127,631)
			474,494		588,032

The financial statements were approved by the board of directors and authorised for issue on 27 February 2013.


R.A. Rowan
Director

The notes on pages 12 to 32 form part of these financial statements.

Pointer Limited

Company balance sheet at 30 June 2012

Company number SC047359

	Note	30 June 2012 £	30 June 2012 £	31 March 2011 £	31 March 2011 £
Fixed assets					
Tangible assets	10		713,660		866,561
Fixed asset investments	11		705,711		705,711
			<u>1,419,371</u>		<u>1,572,272</u>
Current assets					
Stocks	12	286,862		280,824	
Debtors	13	4,150,670		4,770,887	
Cash at bank and in hand		9,357		11,397	
		<u>4,446,889</u>		<u>5,063,108</u>	
Creditors: amounts falling due within one year	15	5,122,169		5,589,062	
		<u></u>		<u></u>	
Net current liabilities			(675,280)		(525,954)
			<u></u>		<u></u>
Total assets less current liabilities			744,091		1,046,318
Creditors: amounts falling due after more than one year	16	80,590		183,732	
Provisions for liabilities	17	16,082		19,073	
		<u></u>		<u></u>	
			96,672		202,805
			<u>647,419</u>		<u>843,513</u>

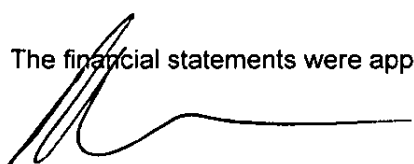
The notes on pages 12 to 32 form part of these financial statements.

Pointer Limited

Company balance sheet at 30 June 2012 (*continued*)

	Note	30 June 2012 £	30 June 2012 £	31 March 2011 £	31 March 2011 £
Capital and reserves					
Called up share capital	19		250,000		250,000
Revaluation reserve	20		153,621		291,362
Profit and loss account	20		243,798		302,151
Shareholders' funds	21		647,419		843,513

The financial statements were approved by the board of directors and authorised for issue on 27 February 2013.



R.A. Rowan
Director

The notes on pages 12 to 32 form part of these financial statements.

Pointer Limited

Consolidated cashflow statement for the period ended 30 June 2012

	Note	15 months ended 30 June 2012 £	15 months ended 30 June 2012 £	Year ended 31 March 2011 £	Year ended 31 March 2011 £
Net cash inflow/(outflow) from operating activities	24		322,398		(257,940)
Returns on investments and servicing of finance					
Interest paid: bank loans		(96,836)		(47,339)	
Interest paid: hire purchase		(11,058)		(8,448)	
Net cash outflow from returns on investments and servicing of finance			(107,894)		(55,787)
Taxation					
Corporation tax paid			6,479		(33,482)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(114,205)		(68,376)	
Payments to acquire fixed asset investments		-		(36,237)	
Receipts from sale of tangible fixed assets		2,751		4,564	
Net cash outflow from capital expenditure and financial investment			(111,454)		(100,049)
Cash inflow/(outflow) before use of liquid resources and financing			109,529		(447,258)
Management of liquid resources					
Sales / (Purchase) of current asset investments			39,012		(2,192)
Financing					
Loans repaid		(66,675)		(53,340)	
Capital element of hire purchase repaid		(47,031)		(42,356)	
Net cash outflow from financing			(113,706)		(95,696)
Increase/(Decrease) in cash	25		34,835		(545,146)

The notes on pages 12 to 32 form part of these financial statements.

Pointer Limited

Notes forming part of the financial statements for the period ended 30 June 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 Pointer Limited and all of its material subsidiary undertakings as at 30 June 2012 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

The Group accounts consolidate the accounts of Pointer Limited (the Company) and its subsidiary undertakings at 30 June 2012. Owing to local conditions and to avoid undue delay in the presentation of the Group accounts, 2 of the subsidiaries prepared their accounts to 31 March.

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 directors' estimate of its useful economic life which ranges from 10-14 years. 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.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery. Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses, see policy below for further details.

Depreciation

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

Buildings	- 2% straight line
Motor vehicles	- 15% - 33% straight line
Fixtures and fittings	- 10% - 25% straight line
Office equipment	- 20% straight line
Rental assets	- 10% straight line

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.

Pointer Limited

Notes forming part of the financial statements for the period ended 30 June 2012 (*continued*)

1 Accounting policies (*continued*)

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

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.

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:

- deferred tax is not recognised on timing differences arising on revalued properties unless the group has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- 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 arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

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.

Pointer Limited

Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

1 Accounting policies (continued)

Pension costs

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

Valuation of rental equipment

Rental equipment installed during the year is stated at estimated cost to the company of labour, material and attributable overheads.

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.

2 Turnover

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Analysis by geographical market:		
United Kingdom	16,898,521	14,463,542
Rest of the world	1,868,988	1,490,061
	<u>18,767,509</u>	<u>15,953,603</u>

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

Pointer Limited

Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

3 Operating profit/(loss)

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	145,257	155,957
Amortisation of positive goodwill	33,254	33,254
Profit on disposal of tangible fixed assets	(2,272)	(2,216)
Hire of plant and machinery - operating leases	572,578	479,822
Hire of other assets - operating leases	123,351	97,399
Auditors' remuneration:		
- fees payable to the group's auditor for the audit of the group's annual accounts	15,500	15,000
- all other services	13,500	9,650
Exchange differences	(5,553)	(2,485)
	<u> </u>	<u> </u>

Depreciation includes £47,032 (2011 - £42,356) charged on assets held under finance leases and hire purchase contracts.

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

4 Employees

Staff costs (including directors) consist of:

	Group 15 months ended 30 June 2012 £	Group Year ended 31 March 2011 £
Wages and salaries	6,749,407	5,706,542
Social security costs	747,788	624,530
Other pension costs	496,411	390,748
	<u> </u>	<u> </u>
	<u>7,993,606</u>	<u>6,721,820</u>

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (continued)

4 Employees (continued)

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

	Group 15 months ended 30 June 2012 Number	Group Year ended 31 March 2011 Number
Production	123	133
Sales and distribution	37	38
Administration	52	55
	<u>212</u>	<u>226</u>

5 Directors' remuneration

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Directors' emoluments	326,716	269,081
Company contributions to money purchase pension schemes	33,369	27,256
	<u>360,085</u>	<u>296,337</u>

There were 2 directors in the group's defined contribution pension scheme during the period (2011 - 2).

The total amount payable to the highest paid director in respect of emoluments was £168,352 (2011 - £134,070). Company pension contributions of £14,007 (2011 - £11,344) were made to a money purchase scheme on their behalf.

6 Interest payable and similar charges

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Bank loans and overdrafts	96,836	47,339
Finance leases and hire purchase contracts	11,058	8,448
	<u>107,894</u>	<u>55,787</u>

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

7 Taxation on profit/(loss) on ordinary activities

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
<i>UK Corporation tax</i>		
Current tax on profits of the period/year	-	(4,983)
Adjustment in respect of previous periods	(1,496)	712
Total current tax	(1,496)	(4,271)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(3,113)	4,450
Adjustment in respect of previous periods	-	(317)
Movement in deferred tax provision	(3,113)	4,133
Taxation on profit/(loss) on ordinary activities	(4,609)	(138)

The tax assessed for the period/year differs from the standard rate of corporation tax in the UK applied to profit/(loss) before tax. The differences are explained below:

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Profit/(loss) on ordinary activities before tax	9,867	(110,602)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 21% (2011 - 21%)	2,072	(23,226)
Effect of:		
Expenses not deductible for tax purposes	6,312	23,944
Capital allowances for period compared to depreciation	(9,443)	(3,110)
Losses carried back	-	(11,768)
Adjustment to tax charge in respect of previous periods	(1,496)	712
Unutilised losses carried forward	1,059	7,303
Other	-	1,874
Current tax credit for the period/year	(1,496)	(4,271)

Pointer Limited

Notes forming part of the financial statements for the period ended 30 June 2012 (*continued*)

8 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 period includes a loss after tax of £64,026 (2011 - £75,980) which is dealt with in the financial statements of the parent company.

9 Intangible fixed assets

Group

	Goodwill on consolidation £
<i>Cost or valuation</i>	
At 1 April 2011 and 30 June 2012	453,558
<i>Amortisation</i>	
At 1 April 2011	86,758
Provided for the period	33,254
At 30 June 2012	120,012
<i>Net book value</i>	
At 30 June 2012	333,546
At 31 March 2011	366,800

Pointer Limited

Note forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

10 Tangible fixed assets	Group	Freehold land and buildings £	Rental assets £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>							
At 1 April 2011		530,000	1,685,555	188,535	1,351,570	114,221	3,869,881
Additions		-	1,255	13,506	97,470	3,229	115,460
Disposals		-	(18,020)	(52,488)	-	-	(70,508)
Revaluations		(160,000)	-	-	-	-	(160,000)
Exchange adjustments		-	-	-	(144)	(1,876)	(2,020)
At 30 June 2012		370,000	1,668,790	149,553	1,448,896	115,574	3,752,813
<i>Depreciation</i>							
At 1 April 2011		17,188	1,568,407	102,526	1,199,147	85,525	2,972,793
Provided for the period		10,744	29,331	50,616	42,062	12,504	145,257
Disposals		-	(17,996)	(52,033)	-	-	(70,029)
Revaluations		(27,932)	-	-	-	-	(27,932)
Exchange adjustments		-	-	-	(135)	(1,404)	(1,539)
At 30 June 2012		-	1,579,742	101,109	1,241,074	96,625	3,018,550

Pointer Limited

Note forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

10 Tangible fixed assets (*continued*)

Group (*continued*)

	Freehold land and buildings £	Rental assets £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Net book value</i>						
At 30 June 2012	370,000	89,048	48,444	207,822	18,949	734,263
At 31 March 2011	512,812	117,148	86,009	152,423	28,696	897,088

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (continued)

10 Tangible fixed assets (continued)

Company

	Freehold land and buildings £	Rental assets £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At 1 April 2011	530,000	1,685,555	188,535	1,327,459	3,731,549
Additions	-	1,255	13,506	97,470	112,231
Disposals	-	(18,020)	(52,488)	-	(70,508)
Revaluations	(160,000)	-	-	-	(160,000)
At 30 June 2012	370,000	1,668,790	149,553	1,424,929	3,613,272
<i>Depreciation</i>					
At 1 April 2011	17,188	1,568,407	102,526	1,176,867	2,864,988
Provided for the period	10,744	29,331	50,616	41,894	132,585
Disposals	-	(17,996)	(52,033)	-	(70,029)
Revaluations	(27,932)	-	-	-	(27,932)
At 30 June 2012	-	1,579,742	101,109	1,218,761	2,899,612
<i>Net book value</i>					
At 30 June 2012	370,000	89,048	48,444	206,168	713,660
At 31 March 2011	512,812	117,148	86,009	150,592	866,561

Included in land and buildings is freehold land amounting to £100,288 (2011 - £100,288) which is not depreciated.

A full valuation was carried out on 26 October 2012 by Graham & Sibbald Chartered Surveyors, at an open market value of £370,000.

The historical cost of freehold land and buildings is:

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Cost	303,089	303,089	303,089	303,089
Accumulated depreciation based on historical cost	86,710	81,639	86,709	81,639
Historical cost net book value	216,379	221,450	216,380	221,450

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

10 Tangible fixed assets (*continued*)

The net book value of, and depreciation charge for the period on, tangible fixed assets includes assets held under hire purchase contracts as follows:

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
<i>Net book value</i>				
Motor vehicles	38,038	85,070	38,038	85,070
<i>Depreciation charged</i>				
Motor vehicles	47,032	42,356	47,032	42,356

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

11 Fixed asset investments

Group

	Associated undertakings £
<i>Cost or valuation</i>	
At 1 April 2011 and 30 June 2012	36,237

Company

	Group undertakings £	Associated undertakings £	Total £
<i>Cost or valuation</i>			
At 1 April 2011 and 30 June 2012	669,474	36,237	705,711

Subsidiary undertakings, associated undertakings and other investments

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

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>				
ARD Investments Limited	Scotland	Ordinary	100%	Non trading
Pointer Business Equipment Limited	Scotland	Ordinary	100%	Non trading
Pointer Asia Limited*	Thailand	Ordinary	49%	Sale and service of electronic security and fire systems
JGE Security Systems Limited*	Scotland	Ordinary	100%	Installation and maintenance of alarm systems
<i>Associated undertakings</i>				
Pointer Digital Security Philippines Inc	Philippines	Ordinary	40%	Sale and service of electronic security and fire systems

Although only 49% owned, Pointer Asia Limited is included as a subsidiary undertaking as it meets the requirements under FRS2.

The investment in Pointer Digital Security Philippines Inc is not adjusted for Pointer Limited's share of profits or losses as its results are not deemed material to the group. The last audited financial statements to 31 December 2011 show a small profit.

* Denotes accounts made up to 31 March.

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

12 Stocks

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Raw materials and consumables	229,936	299,041	224,488	236,889
Work in progress	62,374	43,935	62,374	43,935
	<u>292,310</u>	<u>342,976</u>	<u>286,862</u>	<u>280,824</u>

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

13 Debtors

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Amounts receivable within one year				
Trade debtors	3,478,993	4,248,190	3,279,541	3,983,731
Amounts owed by group undertakings	-	-	589,405	602,824
Corporation tax recoverable	-	11,768	-	11,768
Other debtors	195,781	12,394	-	-
Prepayments and accrued income	247,886	138,770	247,533	138,373
Other debtors - withholding tax recoverable	54,047	39,029	-	-
	<u>3,976,707</u>	<u>4,450,151</u>	<u>4,116,479</u>	<u>4,736,696</u>
Amounts receivable after more than one year				
Other debtors	-	-	34,191	34,191
	<u>-</u>	<u>-</u>	<u>34,191</u>	<u>34,191</u>
Total debtors	<u>3,976,707</u>	<u>4,450,151</u>	<u>4,150,670</u>	<u>4,770,887</u>

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (continued)

14 Current asset investments

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Other investments	22,835	61,847	-	-

The above relates to a fixed deposit held by a bank as collateral for bank guarantees issued on behalf of the Company's subsidiary Pointer Asia Limited.

15 Creditors: amounts falling due within one year

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Bank loans and overdrafts (secured)	1,846,627	1,774,857	1,780,942	1,774,857
Trade creditors	1,745,090	1,947,239	1,679,046	1,894,206
Amounts owed to group undertakings	-	-	293,805	267,967
Corporation tax	-	6,785	-	-
Other taxation and social security	402,095	588,399	393,865	579,401
Obligations under hire purchase contracts	28,528	39,092	28,528	39,092
Other creditors	18,733	84,426	-	60,000
Accruals and deferred income	955,348	988,426	945,983	973,539
	<u>4,996,421</u>	<u>5,429,224</u>	<u>5,122,169</u>	<u>5,589,062</u>

Securities for bank borrowings and hire purchase contracts are as in note 16 below.

16 Creditors: amounts falling due after more than one year

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Bank loans (secured)	71,080	137,755	71,080	137,755
Obligations under hire purchase contracts	9,510	45,977	9,510	45,977
	<u>80,590</u>	<u>183,732</u>	<u>80,590</u>	<u>183,732</u>

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

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

Maturity of debt:

	Loans and overdrafts 30 June 2012 £	Loans and overdrafts 31 March 2011 £	Hire purchase 30 June 2012 £	Hire purchase 31 March 2011 £
In one year or less, or on demand	<u>1,846,627</u>	<u>1,774,857</u>	<u>28,528</u>	<u>39,092</u>
In more than one year but not more than two years	53,340	53,340	9,510	29,335
In more than two years but not more than five years	<u>17,740</u>	<u>84,415</u>	-	<u>16,642</u>
	<u>71,080</u>	<u>137,755</u>	<u>9,510</u>	<u>45,977</u>

The hire purchase obligations are secured on the assets being financed.

The bank overdraft and loan are secured by a standard security over the property and by a bond and floating charge over the whole assets of Pointer Limited and JGE Security Systems Limited.

The bank loan is a rolling 10 year loan. Interest is charged on this loan at 1.9% above the bank base rate.

Cross guarantees are in place between Pointer Limited and JGE Security Systems Limited.

17 Provisions for liabilities

Group

	Deferred taxation £
At 1 April 2011	19,348
Utilised in period	<u>(3,113)</u>
At 30 June 2012	<u>16,235</u>

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

17 Provisions for liabilities (*continued*)

Company

	Deferred taxation £
At 1 April 2011	19,073
Utilised in period	(2,991)
At 30 June 2012	16,082

Deferred taxation

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Accelerated capital allowances	35,740	30,159	35,587	29,884
Sundry timing differences	(9,839)	(10,811)	(9,839)	(10,811)
Unrelieved losses	(9,666)	-	(9,666)	-
	16,235	19,348	16,082	19,073

18 Pensions

The group operates a group personal pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted £496,411 (2011 - £390,748). Contributions amounting to £26,929 (2011 - £27,497) were payable to the fund and are included in creditors.

19 Share capital

	30 June 2012 £	31 March 2011 £
<i>Allotted, called up and fully paid</i>		
5,000,000 ordinary shares of 5p each	250,000	250,000

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

20 Reserves

Group

	Revaluation reserve £	Profit and loss account £
At 1 April 2011	291,362	174,301
Translation differences on foreign currency net investments in subsidiary undertakings	-	1,985
Profit for the period	-	11,206
Transfers	(5,673)	5,673
Revaluation deficit	(132,068)	-
At 30 June 2012	153,621	193,165

Company

	Revaluation reserve £	Profit and loss account £
At 1 April 2011	291,362	302,151
Loss for the period	-	(64,026)
Transfers	(5,673)	5,673
Revaluation deficit	(132,068)	-
At 30 June 2012	153,621	243,798

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

21 Reconciliation of movements in shareholders' funds

	Group 30 June 2012 £	Group 31 March 2011 £	Company 30 June 2012 £	Company 31 March 2011 £
Profit/(loss) for the period/year	11,206	(92,728)	(64,026)	(75,980)
Other net recognised gains and losses relating to the period				
- Unrealised deficit on revaluation of property	(132,068)	-	(132,068)	-
- Exchange translation differences on consolidation	1,985	(1,322)	-	-
Net deductions from shareholders' funds	(118,877)	(94,050)	(196,094)	(75,980)
Opening shareholders' funds	715,663	809,713	843,513	919,493
Closing shareholders' funds	596,786	715,663	647,419	843,513

22 Commitments under operating leases

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

	Land and buildings 30 June 2012 £	Other 30 June 2012 £	Land and buildings 31 March 2011 £	Other 31 March 2011 £
Operating leases which expire:				
Within one year	63,037	88,189	43,351	78,871
In two to five years	15,069	372,904	80,753	283,178
After five years	32,500	-	-	-
	110,606	461,093	124,104	362,049

Pointer Limited

Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

22 Commitments under operating leases (continued)

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

	Land and buildings 30 June 2012 £	Other 30 June 2012 £	Land and buildings 31 March 2011 £	Other 31 March 2011 £
Operating leases which expire:				
Within one year	37,205	64,994	17,455	62,791
In two to five years	-	340,387	39,750	253,079
After five years	32,500	-	-	-
	<u>69,705</u>	<u>405,381</u>	<u>57,205</u>	<u>315,870</u>

23 Related party disclosures

Pointer Limited charged Pointer Asia Limited £15,000 (2011 - £12,000) for consultancy services provided during the period. Pointer Limited made payments on Pointer Asia Limited behalf of £170,587 (2011 - £323,501).

During the period Pointer Limited provided financial support to Pointer Asia Limited to assist with that company's running costs. The total amount outstanding at the year end was £1,296,942 (2011 - £1,091,077).

Pointer Limited purchased goods and services from Pointer Asia Limited totaling £671,755 (2011 - £488,254). There was £791,035 outstanding at the period end.

A director of Pointer Asia Limited owed the company 461,500 Baht at the period end (2011: 461,500 Thai Baht)

The company advanced £125,604 to Pointer Digital Security Philippines Inc during the period. This was outstanding at the year end (2011: £nil).

During the period R.A. Rowan who is a director of the company guaranteed the bank borrowing facility for a maximum of half of the amount by which the borrowings exceed £1.3m.

Controlling parties

No individual could be described to be the ultimate controlling party of the business due to the respective shareholdings of the shareholders.

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.

Dividends paid to related parties

There were no dividends paid in the period to any of the directors.

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

24 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Operating profit/(loss)	117,761	(54,815)
Amortisation of intangible fixed assets	33,254	33,254
Depreciation of tangible fixed assets	145,257	155,957
Profit on sale of tangible fixed assets	(2,272)	(2,217)
Decrease/(increase) in stocks	50,666	(102,832)
Decrease in debtors	461,676	239,940
Decrease in creditors	(486,547)	(516,434)
Exchange adjustments	3,857	(3,103)
Own work capitalised	(1,254)	(7,690)
Net cash inflow/(outflow) from operating activities	322,398	(257,940)

25 Reconciliation of net cash flow to movement in net debt

	15 months ended 30 June 2012 £	Year ended 31 March 2011 £
Increase/(decrease) in cash	34,835	(545,146)
Cash inflow from changes in debt	113,706	95,697
Cash (outflow)/inflow from changes in liquid resources	(39,012)	2,192
Movement in net debt	109,529	(447,257)
Opening net debt	(1,870,597)	(1,423,340)
Closing net debt	(1,761,068)	(1,870,597)

Pointer Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

26 Analysis of net debt

	At 1 April 2011 £	Cash flow £	At 30 June 2012 £
Cash at bank and in hand	65,237	106,605	171,842
Bank overdrafts	(1,721,517)	(71,770)	(1,793,287)
		<u>34,835</u>	
Debt due within one year	(53,340)	-	(53,340)
Debt due after one year	(137,755)	66,675	(71,080)
Hire purchase	(85,069)	47,031	(38,038)
		<u>113,706</u>	
Current asset investments	61,847	(39,012)	22,835
Total	<u>(1,870,597)</u>	<u>109,529</u>	<u>(1,761,068)</u>