



Zonal Retail Data Systems Limited
Directors' Report and Financial Statements
for the year ended 30 June 2012

Registered Number SC069596

Zonal Retail Data Systems Limited

Directors and Advisers

Directors	B J McLean – Chairperson S J McLean H S McLean J A McLean E A Barclay P M Edwards R A McLean - Non Executive R Hammond - Non Executive
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Secretary	E A Barclay
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Bankers	Clydesdale Bank PLC Clydesdale Bank Plaza Festival Square 50 Lothian Road Edinburgh EH3 9BT
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Solicitors	DWF Biggart Baillie 96 Fountainbridge Edinburgh EH3 9QA
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Auditor	RSM Tenon Audit Limited Statutory Auditor 160 Dundee Street Edinburgh EH11 1DQ
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Registered Office	24 Forth Street Edinburgh EH1 3LH
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Zonal Retail Data Systems Limited

Directors' report for the year ended 30 June 2012

The Directors present their report and the audited financial statements of the group for the year to 30 June 2012.

Principal activities

During the year the group's principal activity continued to be that of the manufacture and installation of EPoS systems for the hospitality industry, the provision of online procurement and procurement systems for the hospitality industry and the provision of serviced office accommodation.

Results and dividends

The group returned a profit on ordinary activities after interest and taxation of £622,305 (2011: £1,971,916).

Dividends paid are detailed in note 8 to the accounts.

Review of the business

The financial year ending June 2012 went as the board had planned and we continued our progress towards widening our product set and an increasingly diverse customer base. It was a year of growth and further investment to ensure we have the correct building blocks in place for our continued expansion.

We made some significant capital investments during this year including our Warehouse, Logistics and Manufacturing facility at Livingston. This million pound plus investment in a state of the art building enables us to plan for the future knowing we have the backbone of a modern, green and efficient facility that can meet our growth aspirations.

We also created the Zonal Innovation Centre at our Milton Park location to showcase how Zonal technology and hospitality operate hand in hand.

Of course our greatest asset is our people and we have invested not only in our existing team by continually improving skill levels but additionally gaining industry leading accreditation with the Learning and Performance Institute.

We were extremely pleased with the substantial increase in turnover which resulted from new customers in all of our operating areas, new products to our customer base and an increase in procurement through our Freshnet division working closer with their key customers.

The board is pleased to report that our pre-tax profit exceeded forecast and we expect continued improvement over the next few years as our investments come to fruition.

The company has an excellent and strong balance sheet with a growing asset base backed by our property portfolio.

We have no borrowings within the company and have a strong cash position with circa £3.9m in the bank at the year end.

The current year has started well with the continued successful roll out of our Aztec solution to many new customers and a healthy future order book. In an uncertain economic climate we feel we are well placed to maximise market opportunities and continue the company's growth.

Zonal Retail Data Systems Limited

Directors

The Directors who served the company during the year were as follows:

B J McLean
S J McLean
H S McLean
J A McLean
E A Barclay
P M Edwards
R A McLean
R Hammond

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Zonal Retail Data Systems Limited

Financial risk management

The company and the group makes little use of financial instruments other than an operational bank account. The company and the group finances its operations through a mixture of retained profits and, where necessary to fund expansion or capital expenditure programmes, through bank borrowings. As a result the company's and the group's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company and the group.

Employment policy

It is the policy of the company and the group to encourage and develop every member of staff to realise their maximum potential. Wherever appropriate, vacancies are filled within the company and the group and adequate opportunities for internal promotion are given. The company and the group are committed to an ongoing training policy.

It is also the policy of the company and the group, where possible, to give consideration to disabled persons in their applications for employment within the company and the group, and to consider the needs of existing members of staff who are disabled.

Auditor

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

By order of the Board


E A Barclay
Company Secretary

Date: 11 December 2012

Zonal Retail Data Systems Limited

Independent Auditor's Report

To the Members of Zonal Retail Data Systems Limited

We have audited the group and parent financial statements ("the financial statements") of Zonal Retail Data Systems Limited for the year ended 30 June 2012 on pages 7 to 27. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2012 and of the profit of the group 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 matters prescribed by the Companies Act 2006

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

Zonal Retail Data Systems Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are 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.

Fiona Martin, Senior Statutory Auditor
For and on behalf of

Rsm Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
160 Dundee Street
Edinburgh
EH11 1DQ

Date: 17 December 2012

Zonal Retail Data Systems Limited

Group profit and loss account for the year ended 30 June 2012

	Notes	30 June 2012 £	30 June 2011 £
Group turnover	2	36,165,915	29,900,207
Cost of sales		(21,325,030)	(15,859,775)
Gross profit		14,840,885	14,040,432
Administrative expenses		(13,854,355)	(11,316,471)
Operating profit	3	986,530	2,723,961
Interest payable and similar charges	5	(490)	(3,429)
Interest receivable	6	3,348	4,979
Profit on ordinary activities before taxation		989,388	2,725,511
Taxation on profit on ordinary activities	7	(367,083)	(753,595)
Profit for the financial year	20	622,305	1,971,916

All of the above figures relate to continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

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

Zonal Retail Data Systems Limited

Group balance sheet as at 30 June 2012

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	Notes	30 June 2012 £	30 June 2011 £
Fixed assets			
Intangible assets	10	172,261	384,808
Tangible assets	11	4,899,780	4,746,424
Investments	12	250,203	150,203
		5,322,244	5,281,435
Current assets			
Stocks	13	2,970,858	1,688,582
Debtors	14	6,953,256	6,777,427
Cash at bank and in hand		3,869,486	4,465,632
		13,793,600	12,931,641
Creditors: amounts falling due within one year	15	(9,046,004)	(8,558,496)
Net current assets		4,747,596	4,373,145
Total assets less current liabilities		10,069,840	9,654,580
Capital and reserves			
Called up share capital	17	1,045	1,045
Foreign exchange reserve	20	57,612	43,655
Profit and loss account	20	10,011,183	9,609,880
Equity shareholders' funds	21	10,069,840	9,654,580

These financial statements were approved by the board of Directors and authorised for issue on 11 December 2012 and were signed on its behalf by:

S J McLean
Director



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

Zonal Retail Data Systems Limited

Company balance sheet as at 30 June 2012

	Notes	30 June 2012 £	30 June 2011 £
Fixed assets			
Intangible assets	10	108,976	321,523
Tangible assets	11	4,738,288	4,586,266
Investments	12	250,205	150,205
		5,097,469	5,057,994
Current assets			
Stocks	13	2,884,753	1,561,965
Debtors	14	6,802,473	6,587,180
Cash at bank and in hand		3,775,136	4,388,583
		13,462,362	12,537,728
Creditors: amounts falling due within one year	15	(8,894,331)	(8,421,969)
Net current assets		4,568,031	4,115,759
Total assets less current liabilities		9,665,500	9,173,753
Capital and reserves			
Called up share capital	17	1,045	1,045
Profit and loss account	20	9,664,455	9,172,708
Equity shareholders' funds	21	9,665,500	9,173,753

These financial statements were approved by the board of Directors and authorised for issue on 11 December 2012 and were signed on its behalf by:

S J McLean
Director



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

Zonal Retail Data Systems Limited

Group cash flow statement for the year ended 30 June 2012

	Note	30 June 2012	30 June 2011
		£	£
Net cash inflow from operating activities	18	931,779	2,884,068
Returns on investments and servicing of finance			
Interest received		3,348	4,979
Interest paid		(490)	(3,429)
Taxation			
Corporation tax payments		(542,658)	(1,249,813)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,013,397)	(1,182,847)
Receipts from disposals of tangible fixed assets		347,453	33,724
Investment			
Payment to acquire investment		(100,000)	-
Acquisitions			
Purchase of subsidiary undertaking		-	(573,813)
Net cash balances acquired with subsidiary undertaking		-	301,930
Equity dividends paid		(221,002)	(267,631)
Net cash outflow before financing		(594,967)	(52,832)
Financing			
Hire purchase repayments		(1,179)	(55,517)
Decrease in cash		(596,146)	(108,349)
Reconciliation of net cash flow to movement in net funds	19		
Decrease in cash		(596,146)	(108,349)
Cash outflow from decrease in debt and hire purchase agreements		1,179	55,517
Change in net funds resulting from cash flows		(594,967)	(52,832)
Movement in net funds in the year		(594,967)	(52,832)
Net funds at 1 July 2011		4,464,453	4,517,285
Net funds at 30 June 2012		3,869,486	4,464,453

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

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012

1 Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and on the basis that the group and company can continue to operate as a going concern.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiary undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Undertakings other than subsidiary undertakings, in which the group has an investment representing at least 20% of the shares, are treated as associated undertakings. The company has not recognised its share of the results of the associated undertakings in the consolidated financial statements in accordance with the requirements of the Companies Act 2006 and Financial Reporting Standard No. 9 on the grounds of immateriality.

Turnover

Turnover comprises the value of sales of EPoS systems and installation and maintenance, income from the provision of online procurement and procurement systems for the hospitality industry and income from the provision of serviced office accommodation. Turnover excludes value added tax and trade discounts.

Goodwill

Goodwill arising on the acquisition of a company represents the excess of the cost of acquisition over the fair value of the separable net assets acquired. The fair value of the acquired assets and liabilities are assessed in the year of acquisition and the subsequent year which may impact on the goodwill recognised.

Where the cost of acquisition includes an element which is contingent upon the outcome of future events whose outcome is uncertain, an assessment is made as to the amounts that are expected to become payable. Those estimates are reassessed in each accounting period until the uncertainty is removed and outcome is certain. This reassessment will require adjustments to be made to the carrying value of the associated goodwill to which the contingent consideration relates.

Goodwill is capitalised and written off on a straight line basis over its useful economic life of 3 years. Provision is made for any impairment in its value. The useful economic life is the expected period over which the company expects to derive an economic benefit and is reviewed on an annual basis.

Research and development

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred.

Trademarks

Trademarks are amortised over their estimated useful economic life of 10 years.

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

1 Principal accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Land and buildings	2% - 10% straight line basis
Motor vehicles	33% straight line basis
Equipment	10% - 33% straight line basis
Fixtures & fittings	10% - 33% straight line basis

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Stock

Stocks are stated at the lower of cost and net realisable value and are determined on a first in first out basis. Cost of finished goods comprises materials, direct labour and attributable overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

A deferred tax asset is regarded as recoverable and therefore only recognised when, on the basis of all available evidence, 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 is calculated on an undiscounted basis at the tax rates expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme on behalf of employees of the company. Payments made to the scheme are charged to the profit and loss account in the period to which they relate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses are recognised in the Foreign Exchange Reserve.

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

1 Principal accounting policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

	30 June 2012	30 June 2011
	£	£
United Kingdom	35,508,249	28,892,109
Other markets	657,666	1,008,098
	36,165,915	29,900,207

Information with regard to turnover and profit in the group's activities and a market analysis of turnover has not been given as, in the opinion of the Directors, it would be prejudicial to the interests of the group.

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

3 Operating profit

	30 June 2012	30 June 2011
	£	£
Operating profit is stated after charging/(crediting):		
Auditor's remuneration - Audit services	12,000	12,000
Auditor's remuneration – Non audit services	8,763	5,000
Amortisation of intangible assets	212,547	260,715
Depreciation of owned fixed assets	454,510	276,936
Depreciation of assets held under hire purchase agreements	-	9,281
Directors' emoluments	1,000,357	812,971
Loss /(profit) on disposal of fixed assets	63,748	(28,274)
Research and development costs	2,542,249	2,304,439
Property operating lease costs	130,942	134,643
Equipment operating lease costs	25,747	-
Net gain on foreign currency translation	(18,205)	(16,154)

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

4 Staff numbers and costs

	30 June 2012	30 June 2011
	£	£
Staff costs (including Directors)		
Wages and salaries	7,961,147	6,577,631
Social security costs	830,333	655,620
Other pension costs	192,209	182,323
	8,983,689	7,415,574
Directors' remuneration		
Aggregate emoluments	1,000,357	812,971
Aggregate pension contributions	40,375	37,573
Emoluments of highest paid director	264,807	157,816
Pension contributions of highest paid director	-	-

R Hammond also received fees of £6,000 (2011: £6,000) during the year ended 30 June 2012 in respect of his role as Non Executive Director of Zonal Retail Data Systems Limited.

Average number of employees (including Directors) was:

Administration	44	41
Manufacturing, installation and maintenance	138	113
Research and development	48	38
Total	230	192

Four directors (2011: 4) were accruing benefits under pension schemes at the year end.

5 Interest payable and similar charges

	30 June 2012	30 June 2011
	£	£
On hire purchase	490	3,429
	490	3,429

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

6 Interest receivable

	30 June 2012	30 June 2011
	£	£
Bank interest receivable	2,960	4,979
Other interest receivable	388	-
	3,348	4,979

7 Taxation

(a) Analysis of charge in the year	30 June 2012	30 June 2011
	£	£
In respect of the year:		
UK Corporation tax based on the results for the year at 25.5% (2011: 27.5%)	420,417	721,146
Under/(over) provision in prior year	1,666	(52,551)
	422,083	668,595
Deferred tax:		
Origination and reversal of timing differences (note 16)	(55,000)	85,000
Tax on profit on ordinary activities	367,083	753,595

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

7 Taxation (continued) to be updated once tax is finalised

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%)

	30 June 2012	30 June 2011
	£	£
Profit on ordinary activities before taxation	989,388	2,725,511
Profit on ordinary activities by rate of tax	252,294	749,515
Effects of:		
Expenses not deductible for tax purposes	27,559	56,283
Depreciation charge for year in excess of capital allowances/(capital allowances for year in excess of depreciation charge)	117,501	(47,084)
Amounts not subject to UK tax	23,063	(28,371)
Utilisation of tax losses brought forward on acquisition of subsidiary undertaking	-	(9,197)
Adjustments to tax charge in respect of previous periods	1,666	(52,551)
Total current tax	422,083	668,595

8. Dividends

Dividends on equity shares	30 June 2012	30 June 2011
	£	£
Paid during the year:		
Equity dividends on ordinary shares	221,002	267,631
Proposed after the year end (not recognised as a liability):		
Equity dividends on ordinary shares	-	209,000

9. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company, after tax and before dividends, was £712,749 (2011: £1,757,056).

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

10 Intangible assets

Group	Trademarks	Purchased goodwill	Total
	£	£	£
Cost			
At 30 June 2011 and 30 June 2012	36,350	637,098	673,448
Amortisation			
At 30 June 2011	31,371	257,269	288,640
Charge for year	3,636	208,911	212,547
At 30 June 2012	35,007	466,180	501,187
Net book value			
At 30 June 2012	1,343	170,918	172,261
Net book value			
At 30 June 2011	4,979	379,829	384,808

Company	Trademarks	Purchased goodwill	Total
	£	£	£
Cost			
At 30 June 2011 and 30 June 2012	36,350	316,544	352,894
Amortisation			
At 30 June 2011	31,371	-	31,371
Charge for year	3,636	208,911	212,547
At 30 June 2012	35,007	208,911	243,918
Net book value			
At 30 June 2012	1,343	107,633	108,976
Net book value			
At 30 June 2011	4,979	316,544	321,523

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

11 Tangible assets

Group	Land and buildings	Motor vehicles	Equipment	Fixtures & fittings	Assets in the course of construction	Total
	£	£	£	£	£	£
Cost						
At 30 June 2011	3,873,773	863,192	852,240	1,514,597	681,236	7,785,038
Additions	161,463	382,629	144,688	324,617	-	1,013,397
Foreign currency loss	-	-	-	5,670	-	5,670
Reclassification	681,236	-	157,092	(157,092)	(681,236)	-
Disposals	(473,242)	(141,447)	(59,428)	(340,015)	-	(1,014,132)
At 30 June 2012	4,243,230	1,104,374	1,094,592	1,347,777	-	7,789,973
Depreciation						
At 30 June 2011	514,852	495,413	687,613	1,340,736	-	3,038,614
Charge for year	73,284	224,064	98,174	58,988	-	454,510
Reclassification	-	-	155,737	(155,737)	-	-
On disposals	(68,974)	(137,113)	(59,430)	(337,414)	-	(602,931)
At 30 June 2012	519,162	582,364	882,094	906,573	-	2,890,193
Net book value						
At 30 June 2012	3,724,068	522,010	212,498	441,204	-	4,899,780
Net book value						
At 30 June 2011	3,358,921	367,779	164,627	173,861	681,236	4,746,424

Included within the net book value of £4,899,780 (2011: £4,746,424) is £nil (2011: £783) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2011: £9,281).

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

11 Tangible assets (continued)

Company	Land and buildings	Motor vehicles	Equipment	Fixtures & fittings	Assets in the course of construction	Total
	£	£	£	£	£	£
Cost						
At 30 June 2011	3,873,773	800,707	852,240	1,332,685	681,236	7,540,641
Additions	161,463	382,629	144,688	318,314	-	1,007,094
Reclassification	681,236	-	157,092	(157,092)	(681,236)	-
Disposals	(473,242)	(123,097)	(59,428)	(328,971)	-	(984,738)
At 30 June 2012	4,243,230	1,060,239	1,094,592	1,164,936	-	7,562,997
Depreciation						
At 30 June 2011	514,852	495,413	687,613	1,256,497	-	2,954,375
Charge for year	73,284	224,064	98,174	50,950	-	446,472
Reclassification	-	-	155,737	(155,737)	-	-
On disposals	(68,974)	(118,763)	(59,430)	(328,971)	-	(576,138)
At 30 June 2012	519,162	600,714	882,094	822,739	-	2,824,709
Net book value						
At 30 June 2012	3,724,068	459,525	212,498	342,197	-	4,738,288
Net book value						
At 30 June 2011	3,358,921	305,294	164,627	76,188	681,236	4,586,266

Included within the net book value of £4,738,288 (2011: £4,586,266) is £nil (2011: £783) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2011: £9,281).

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

12 Investments

Group

<u>Other investments</u>	Country of registration	Class of shares held	30 June 2012 £	Repayments £	Additions £	30 June 2011 £
Exterity Limited	Scotland	Ordinary 5.2%	150,203	-	-	150,203
Siva Corporation Inc	USA	Ordinary 5.1%	-	-	-	-
AdMargin Limited	Scotland	Ordinary 30%	100,000	-	100,000	-
Total			250,203	-	100,000	150,203

Company

<u>Other investments</u>	Country of registration	Class of shares held	30 June 2012 £	Repayments £	Additions £	30 June 2011 £
Exterity Limited	Scotland	Ordinary 5.2%	150,203	-	-	150,203
Siva Corporation Inc	USA	Ordinary 5.1%	-	-	-	-
AdMargin Limited	Scotland	Ordinary 30%	100,000	-	100,000	-
Sub-total			250,203	-	100,000	150,203

Subsidiary undertakings

Holdings in subsidiaries, shown at cost adjusted for provisions and currency fluctuations, are as follows:

		Country of registration	Class of shares held	30 June 2012 £	Transfer £	Additions £	30 June 2011 £
Zonal Hospitality Systems Inc		USA	Common Paid in capital 100%	-	-	-	-
Freshnet Limited	Systems	England	Ordinary 100%	2	-	-	2
				2	-	-	2

Loans to subsidiary undertakings

Zonal Hospitality Systems Inc				-	-	-	-
Sub-total				-	-	-	-
Total				250,205	-	100,000	150,205

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

12 Investments (continued)

Zonal Hospitality Systems Inc trades in United States of America as a supplier and installer of retail data systems for the hospitality industry. Freshnet Systems Limited is a dormant company.

During the year, the company acquired a 30% interest in the ordinary share capital of AdMargin Limited, a company which provides a digital signage product for the hospitality industry.

13 Stocks

	<i>Group</i>		<i>Company</i>	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	£	£	£	£
Raw materials and consumables	2,621,163	1,184,827	2,535,058	1,058,210
Finished goods	349,695	503,755	349,695	503,755
	2,970,858	1,688,582	2,884,753	1,561,965

14 Debtors

	<i>Group</i>		<i>Company</i>	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	6,347,708	6,187,060	6,196,925	5,996,813
Deferred tax asset (note 16)	95,000	40,000	95,000	40,000
Other debtors	9,641	65,717	9,641	65,717
Prepayments and accrued income	500,907	484,650	500,907	484,650
	6,953,256	6,777,427	6,802,473	6,587,180

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

15 Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	£	£	£	£
Hire purchase	-	1,179	-	1,179
Trade creditors	3,629,328	3,186,119	3,637,014	3,133,345
Other creditors	216,759	162,163	216,759	202,019
Corporation tax	47,635	168,210	47,635	168,210
Other taxes and social security	916,995	680,027	912,527	672,522
Accruals and deferred income	4,235,287	4,360,798	4,080,396	4,244,694
	9,046,004	8,558,496	8,894,331	8,421,969

Amounts due under hire purchase agreements were secured on the assets held under these agreements.

16 Deferred tax

Deferred taxation provided for in the financial statements is set out below. The asset has been provided for as it is anticipated that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. The deferred tax asset has been calculated using a tax rate of 24% (2011: 26%).

	<i>Group</i>		<i>Company</i>	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	£	£	£	£
Fixed asset timing differences	66,500	27,000	66,500	27,000
Other timing differences	28,500	13,000	28,500	13,000
	95,000	40,000	95,000	40,000

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

17 Called-up share capital

	30 June 2012	30 June 2011
	£	£
Authorised		
1,045 Ordinary shares of £1 each	1,045	1,045
Issued, called up and fully paid		
1,045 Ordinary shares of £1 each	1,045	1,045

18 Reconciliation of operating profit to cash inflow from operating activities

	30 June 2012	30 June 2011
	£	£
Operating profit	986,530	2,723,961
Depreciation charges	454,510	286,217
Amortisation of goodwill	208,911	257,269
Amortisation of trademarks	3,636	3,446
Foreign exchange movements	8,287	(8,358)
Loss /(profit) on sale of tangible fixed assets	63,748	(28,274)
Increase in stocks	(1,282,276)	(96,832)
Increase in debtors	(120,829)	(2,260,626)
Increase in creditors	609,262	2,007,265
Net cash inflow from operating activities	931,779	2,884,068

19 Analysis of changes in funds

	At 1 July 2011	Cash Flows	Other Changes	At 30 June 2012
	£	£	£	£
Cash at bank and in hand	4,465,632	(596,146)	-	3,869,486
Hire purchase creditors	(1,179)	1,179	-	-
	4,464,453	(594,967)	-	3,869,486

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

20 Reserves

Group	Foreign exchange reserve	Profit and loss account	Total
	£	£	£
At 1 July 2010	59,304	7,905,595	7,964,899
Profit for the year	-	1,971,916	1,971,916
Equity dividends paid	-	(267,631)	(267,631)
Exchange differences arising on translation	(15,649)	-	(15,649)
At 1 July 2011	43,655	9,609,880	9,653,535
Profit for the year	-	622,305	622,305
Equity dividends paid	-	(221,002)	(221,002)
Exchange differences arising on translation	13,957	-	13,957
At 30 June 2012	57,612	10,011,183	10,068,795

Company	Profit and loss account
	£
At 1 July 2010	7,683,283
Equity dividends paid	(267,631)
Profit for the year	1,757,056
At 1 July 2011	9,172,708
Equity dividends paid	(221,002)
Profit for the year	712,749
At 30 June 2012	9,664,455

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

21 Reconciliation of movement in shareholders' funds

Group	30 June 2012	30 June 2011
	£	£
Profit for the financial year	622,305	1,971,916
Exchange differences arising on translation	13,957	(15,649)
Equity dividends paid	(221,002)	(267,631)
	415,260	1,688,636
Opening shareholders' funds	9,654,580	7,965,944
At 30 June 2012	10,069,840	9,654,580

Company	30 June 2012	30 June 2011
	£	£
Profit for the financial year	712,749	1,757,056
Equity dividends paid	(221,002)	(267,631)
	491,747	1,489,425
Opening shareholders' funds	9,173,753	7,684,328
At 30 June 2012	9,665,500	9,173,753

22 Capital commitments

At 30 June 2012 the group had commitments as follows:

Group	30 June 2012	30 June 2011
	£	£
Future capital expenditure contracted but not provided for	42,294	216,000

At 30 June 2012 the company had commitments as follows:

Company	30 June 2012	30 June 2011
	£	£
Future capital expenditure contracted but not provided for	42,294	216,000

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2012 (continued)

23 Commitments under operating leases

At 30 June 2012 the group had annual commitments under non-cancellable operating leases as set out below:

Group	30 June 2012		30 June 2011	
	Equipment	Land and Buildings	Equipment	Land and Buildings
Operating leases which expire:				
Within 2 to 5 Years	98,923	-	-	-
After 5 years	-	123,059	-	134,643

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as set out below:

Company	30 June 2012		30 June 2011	
	Equipment	Land and Buildings	Equipment	Land and Buildings
Operating leases which expire:				
Within 2 to 5 Years	98,923	-	-	-
After 5 years	-	123,059	-	134,643

24 Derivatives

The group has no financial instruments that fall to be classed as derivatives.

25 Related party transactions

Advantage has been taken of the exemption granted by Financial Reporting Standard No 8, Related Party Disclosures, not to report details of transactions with entities which are more than 100% controlled by a common parent undertaking.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard No 8.

26 Ultimate controlling party

In the opinion of the Directors, Morton Fraser Trustees Limited who were appointed on the 6 July 2010 as Trustees on behalf of the McLean Family Trust are considered to be the ultimate controlling party by virtue of the McLean Family Trust's majority shareholding in the company.