

Company Registration No. 02505963 (England and Wales)

AMULET HOTKEY LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

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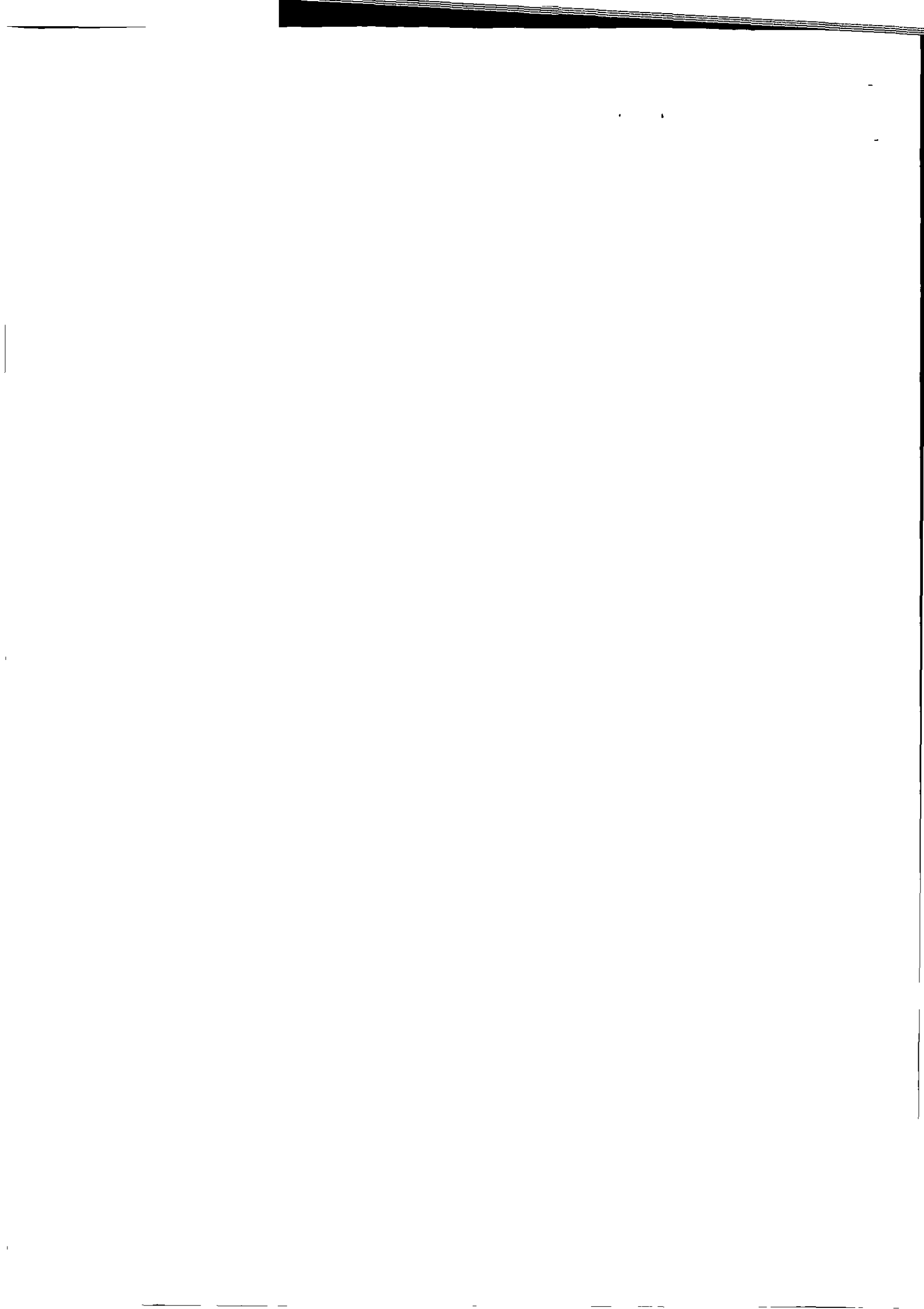
*Simpkins
Edwards*

CHARTERED ACCOUNTANTS
BUSINESS ADVISERS
TAX CONSULTANTS

AMULET HOTKEY LIMITED

DIRECTORS AND ADVISERS

Directors	Mrs V G Summerfield Mr C M Bartholomew (Appointed 19 October 2012) Mr A Jackson Mr A J Summerfield (Appointed 5 June 2013) Mr K R Grundon Mr A P Hiliard (Appointed 5 June 2013)
Secretary	Mr C M Bartholomew
Company number	02505963
Registered office	Cavalier Road Heathfield Industrial Estate Heathfield Devon TQ12 6TQ
Registered auditors	Simpkins Edwards LLP Michael House Castle Street Exeter Devon EX4 3LQ



AMULET HOTKEY LIMITED

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AMULET HOTKEY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and financial statements for the year ended 30 June 2013

Principal activities and review of the business

The principal activity of the Group is the design and manufacture of technology solutions for a Business to Business client base

As predicted in last year's report, 2012 - 2013 was a challenging year with 2 major new developments reaching conclusion, one in February the other in late June

Although we did not see the new products until February we experienced a very significant upturn in revenue in our traditional markets and a 40% increase in Defence Sales in the last three months up to 30th June. In spite of a slow start we increased turnover to £10.4m (2012: £10.1m) and finished the year with a very strong order book

The investment in new technology, products and equipment during the year has resulted in significant growth in turnover and profitability in the period since the year end and the directors are forecasting a very successful 2013-14

The Group has grown in size and is investing heavily in experienced management to assist in the development of our existing staff as well as additions to our growing sales, support and manufacturing teams. Anticipating continuous growth going forward we have also invested in additional equipment to scale up production and we are investing in the facilities in both factories to provide expansion capability

CESG approvals will be completed by the end of November for a key product and the major initiative for the coming year will be continuing our penetration of the ever growing VDI market, particularly for high security and classified environments. Specialist staff have already been recruited and the Group is already engaged in several major new initiatives that will lead to long term contracts within the Defence sector to add to those we already have

The Company recently voted two new members to the Board in June 2013, Antony Summerfield, Director of Defence and Tony Hilliard, Global Sales Director. These are key positions that will drive business in sectors that enable us to build a stronger platform for growth and help us to maintain a spread of business, both in sector and technology, to counteract any economic uncertainty

The Directors have examined the risks associated with the business and believe the risk mitigation programme we follow to be robust

Financial instruments

The Group's principal financial instruments comprise bank balances, trade creditors and trade debtors

Due to the nature of the financial instruments used by the Group there is no exposure to price risk. The Group's approach to managing other risks applicable to the financial instruments concerned is shown below

The bank balance is maintained at a level considered to be appropriate for the Group's requirements. Excess funds are placed on short term deposit in order to maximise the interest earned

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due

AMULET HOTKEY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

Results and dividends

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

The directors do not recommend payment of an ordinary dividend

Purchase of own shares

During the year the company repurchased 25 £1 ordinary shares, representing 19.2% of the company's issued share capital, for a total consideration of £500,000. The shareholder in question, Hotkey Hold Co Limited, applied the proceeds in repayment of a balance of £489,000 owed to this company.

Directors

The following directors have held office since 1 July 2012

Mrs V G Summerfield

Mr C M Bartholomew

(Appointed 19 October 2012)

Mr A Jackson

Mr A J Summerfield

(Appointed 5 June 2013)

Mr K R Grundon

Mr A P Hilliard

(Appointed 5 June 2013)

Auditors

The auditors, Simpkins Edwards LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of 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 of the group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AMULET HOTKEY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



Mrs V G Summerfield

Director

23/02/2014

AMULET HOTKEY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AMULET HOTKEY LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Amulet Hotkey Limited for the year ended 30 June 2013 set out on pages 6 to 30. 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 auditors' 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 Directors' Responsibilities Statement set out on pages 1 - 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

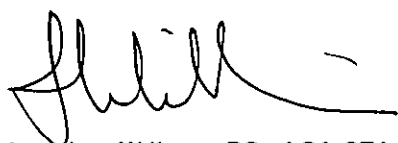
AMULET HOTKEY LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF AMULET HOTKEY 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 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



Jonathan Williams BSc ACA CTA (Senior Statutory Auditor)
for and on behalf of Simpkins Edwards LLP

27/02/14

Chartered Accountants
Statutory Auditor

Michael House
Castle Street
Exeter
Devon
EX4 3LQ

AMULET HOTKEY LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 £	2012 £
Turnover	2	10,384,865	10,111,963
Cost of sales		<u>(6,557,551)</u>	<u>(6,318,393)</u>
Gross profit		3,827,314	3,793,570
Administrative expenses		<u>(3,967,826)</u>	<u>(4,112,495)</u>
Operating loss	3	(140,512)	(318,925)
Other interest receivable and similar income		44	2
Interest payable and similar charges	4	<u>(6,713)</u>	<u>(11,236)</u>
Loss on ordinary activities before taxation	3	(147,181)	(330,159)
Tax on loss on ordinary activities	5	<u>180,485</u>	<u>287,163</u>
Profit/(loss) on ordinary activities after taxation		<u>33,304</u>	<u>(42,996)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

AMULET HOTKEY LIMITED**STATEMENT OF RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	£	£
Profit/(loss) for the financial year	33,304	(42,996)
Currency translation differences on foreign currency net investments	(7,370)	3,376
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	25,934	(39,620)

AMULET HOTKEY LIMITED

BALANCE SHEETS

AS AT 30 JUNE 2013

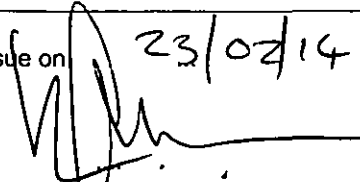
	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
Fixed assets					
Intangible assets	7	1,889,913	1,777,738	1,889,913	1,777,738
Tangible assets	8	396,687	409,907	388,031	401,355
Investments	9	-	-	5,400	5,400
		<u>2,286,600</u>	<u>2,187,645</u>	<u>2,283,344</u>	<u>2,184,493</u>
Current assets					
Stocks	10	1,313,191	1,189,781	1,179,543	1,097,312
Debtors amounts falling due within one year	11	2,615,450	2,389,948	1,335,168	1,461,714
Cash at bank and in hand		435,653	653,198	317,468	42,528
		<u>4,364,294</u>	<u>4,232,927</u>	<u>2,832,179</u>	<u>2,601,554</u>
Creditors: amounts falling due within one year	12	<u>(3,228,786)</u>	<u>(2,565,728)</u>	<u>(2,085,667)</u>	<u>(914,289)</u>
Net current assets		<u>1,135,508</u>	<u>1,667,199</u>	<u>746,512</u>	<u>1,687,265</u>
Total assets less current liabilities		<u>3,422,108</u>	<u>3,854,844</u>	<u>3,029,856</u>	<u>3,871,758</u>
Creditors amounts falling due after more than one year	13	(2,731)	(4,732)	(2,731)	(4,732)
Provisions for liabilities	14	(214,619)	(341,298)	(236,110)	(507,172)
Accruals and deferred income	15	<u>(638,364)</u>	<u>(468,379)</u>	<u>(237,225)</u>	<u>(235,575)</u>
		<u>2,566,394</u>	<u>3,040,435</u>	<u>2,553,790</u>	<u>3,124,279</u>
Capital and reserves					
Called up share capital	16	105	130	105	130
Other reserves	17	38	13	38	13
Profit and loss account	17	2,566,251	3,040,292	2,553,647	3,124,136
Shareholders' funds	18	<u>2,566,394</u>	<u>3,040,435</u>	<u>2,553,790</u>	<u>3,124,279</u>

AMULET HOTKEY LIMITED

BALANCE SHEETS (CONTINUED)

AS AT 30 JUNE 2013

Approved by the Board and authorised for issue on

23/02/14




Mrs V G Summerfield
Director

Mr K R Grundon
Director

Company Registration No. 02505963

AMULET HOTKEY LIMITED**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 30 JUNE 2013**

	£	2013 £	£	2012 £
Net cash inflow from operating activities		1,026,216		779,992
Returns on investments and servicing of finance				
Interest received	44		2	
Interest paid	(6,713)		(11,236)	
Net cash outflow for returns on investments and servicing of finance		(6,669)		(11,234)
Taxation		202,796		(138,889)
Capital expenditure				
Payments to acquire intangible assets	(797,556)		(547,022)	
Payments to acquire tangible assets	(120,148)		(54,907)	
Receipts from sales of tangible assets	-		8,167	
Net cash outflow for capital expenditure		(917,704)		(593,762)
Net cash inflow before management of liquid resources and financing		304,639		36,107
Financing				
Purchase of own shares	(499,975)		-	
Other new short term loans	-		20,208	
Repayment of other short term loans	(20,208)		-	
Capital element of hire purchase contracts	(2,001)		(2,891)	
Net cash (outflow)/inflow from financing		(522,184)		17,317
(Decrease)/increase in cash in the year		217,545		53,424

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

1	Reconciliation of operating loss to net cash inflow from operating activities		2013	2012	
			£	£	
	Operating loss		(140,512)	(318,925)	
	Depreciation of tangible assets		133,598	137,112	
	Amortisation of intangible assets		685,381	501,803	
	Loss on disposal of tangible assets		82	1,088	
	Increase in stocks		(123,410)	(139,450)	
	Increase in debtors		(397,572)	(224,585)	
	Increase in creditors within one year		683,266	843,090	
	Net effect of foreign exchange differences		(7,682)	3,278	
	Increase in deferred income		169,985	65,372	
	Increase / (decrease) in warranty provision		23,080	(88,791)	
	Net cash inflow from operating activities		1,026,216	779,992	
2	Analysis of net funds	1 July 2012	Cash flow	Other non-cash changes	30 June 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	653,198	(217,545)	-	435,653
	Debt				
	Finance leases	(6,835)	2,001	-	(4,834)
	Debts falling due within one year	(20,208)	20,208	-	-
		(27,043)	22,209	-	(4,834)
	Net funds	626,155	(195,336)	-	430,819
3	Reconciliation of net cash flow to movement in net funds		2013	2012	
			£	£	
	(Decrease)/increase in cash in the year		(217,545)	53,424	
	Cash outflow/(inflow) from decrease/(increase) in debt		22,209	(17,317)	
	Movement in net funds in the year		(195,336)	36,107	
	Opening net funds		626,155	590,048	
	Closing net funds		430,819	626,155	

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2013. Intra-group sales and profits are eliminated fully on consolidation.

The financial statements of the US incorporated subsidiary company have been converted from US Dollars into Pounds Sterling using the foreign currency translation policy detailed below.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the 10 year term of the lease
Plant and machinery	25% per annum on written down value
Fixtures, fittings & equipment	25% per annum on written down value
Motor vehicles	25% per annum on written down value

1.7 Leasing and hire purchase commitments

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

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

1 Accounting policies (continued)

1.9 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Finished goods stocks include an apportionment of labour and overhead costs.

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.13 Warranties

Where a warranty is included within the sales price of a product, the revenue is recognised at the point of product sale and provision is made for the estimated future costs to be incurred by the company under that warranty.

Where an extended warranty is sold and the income can be separated from the selling price of the product concerned, the income is spread over the warranty term on a straight line basis.

1.14 Maintenance contracts

Income in respect of maintenance contracts is spread over the term of those contracts on a straight line basis.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

(continued)

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below

	2013 £	2012 £
Geographical segment		
UK	1,728,440	1,123,675
USA	5,474,984	4,350,703
Other countries	3,181,441	4,637,585
	<u>10,384,865</u>	<u>10,111,963</u>
3 Operating loss	2013 £	2012 £
Operating loss is stated after charging		
Amortisation of intangible assets	685,381	501,803
Depreciation of tangible assets	133,598	137,112
Loss on disposal of tangible assets	82	1,088
Loss on foreign exchange transactions	-	6,656
Operating lease rentals		
- Plant and machinery	7,773	9,732
- Other assets	372,426	394,144
	-	-
and after crediting		
Profit on foreign exchange transactions	(958)	-
	<u> </u>	<u> </u>
Auditors' remuneration		
Fees payable to the group's auditor for the audit of the group's annual accounts (company £14,000, 2012 £14,000)	14,000	14,000
Tax advisory services	-	835
Other services	15,429	8,220
	<u>29,429</u>	<u>23,055</u>

AMULET HOTKEY LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2013**

4 Interest payable	2013	2012
	£	£
On bank loans and overdrafts	64	422
Hire purchase interest	660	737
Other interest	5,989	10,077
	<u>6,713</u>	<u>11,236</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

5 Taxation	2013 £	2012 £
Domestic current year tax		
U K corporation tax	-	(34,365)
Adjustment for prior years	-	(102,081)
	-	(136,446)
Foreign corporation tax		
Foreign corporation tax	81,028	(99,260)
Total current tax	81,028	(235,706)
Deferred tax		
Effects of changes in tax rates and laws	-	(58,100)
Deferred tax charge/credit current year	(261,513)	6,643
	(180,485)	(287,163)
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(147,181)	(330,159)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%)	(29,436)	(66,032)
Effects of		
Non deductible expenses	2,231	(531)
Depreciation add back	161,995	125,914
Capital allowances	(23,083)	(22,272)
Tax losses utilised	-	140,987
Capitalised development expenditure deductible as incurred	(159,511)	(109,404)
Adjustments to previous periods	-	(102,081)
Unutilised tax losses	-	(34,365)
Foreign tax adjustments	37,533	(51,680)
Marginal relief	276,502	-
Enhanced expenditure reliefs	(185,203)	(116,242)
	110,464	(169,674)
Current tax charge for the year	81,028	(235,706)

The company has estimated losses of £ 1,400,000 (2012 - £ nil) available for carry forward against future trading profits

AMULET HOTKEY LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013**

6 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2013	2012
	£	£
Holding company's (loss)/profit for the financial year	<u>(70,514)</u>	<u>80,795</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

7 Intangible fixed assets Group

	Development Costs £
Cost	
At 1 July 2012	3,152,422
Additions	797,556
	<u>3,949,978</u>
At 30 June 2013	3,949,978
Amortisation	
At 1 July 2012	1,374,684
Charge for the year	685,381
	<u>2,060,065</u>
At 30 June 2013	2,060,065
Net book value	
At 30 June 2013	<u>1,889,913</u>
At 30 June 2012	<u>1,777,738</u>

Company

	Development Costs £
Cost	
At 1 July 2012	3,152,422
Additions	797,556
	<u>3,949,978</u>
At 30 June 2013	3,949,978
Amortisation	
At 1 July 2012	1,374,684
Charge for the year	685,381
	<u>2,060,065</u>
At 30 June 2013	2,060,065
Net book value	
At 30 June 2013	<u>1,889,913</u>
At 30 June 2012	<u>1,777,738</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

8 Tangible fixed assets

Group	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2012	11,746	510,395	452,000	87,394	1,061,535
Exchange differences	-	-	312	-	312
Additions	-	14,566	105,582	-	120,148
Disposals	-	-	(703)	-	(703)
At 30 June 2013	<u>11,746</u>	<u>524,961</u>	<u>557,191</u>	<u>87,394</u>	<u>1,181,292</u>
Depreciation					
At 1 July 2012	7,799	247,760	335,416	60,653	651,628
On disposals	-	-	(621)	-	(621)
Charge for the year	1,175	68,131	57,606	6,686	133,598
At 30 June 2013	<u>8,974</u>	<u>315,891</u>	<u>392,401</u>	<u>67,339</u>	<u>784,605</u>
Net book value					
At 30 June 2013	<u>2,772</u>	<u>209,070</u>	<u>164,790</u>	<u>20,055</u>	<u>396,687</u>
At 30 June 2012	<u>3,947</u>	<u>262,635</u>	<u>116,584</u>	<u>26,741</u>	<u>409,907</u>

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 30 June 2013	-	4,683	-	4,683
At 30 June 2012	-	6,244	-	6,244
Depreciation charge for the year				
30 June 2013	-	1,561	-	1,561
30 June 2012	-	2,081	-	2,081

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

Tangible fixed assets

Company

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2012	11,746	510,395	390,034	87,394	999,569
Additions	-	14,566	96,706	-	111,272
Disposals	-	-	(703)	-	(703)
At 30 June 2013	11,746	524,961	486,037	87,394	1,110,138
Depreciation					
At 1 July 2012	7,799	247,760	282,002	60,653	598,214
On disposals	-	-	(621)	-	(621)
Charge for the year	1,175	68,131	48,522	6,686	124,514
At 30 June 2013	8,974	315,891	329,903	67,339	722,107
Net book value					
At 30 June 2013	2,772	209,070	156,134	20,055	388,031
At 30 June 2012	3,947	262,635	108,032	26,741	401,355

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 30 June 2013	-	4,683	-	4,683
At 30 June 2012	-	6,244	-	6,244
Depreciation charge for the year				
30 June 2013	-	1,561	-	1,561
30 June 2012	-	2,081	-	2,081

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

9 Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 July 2012 & at 30 June 2013	5,500
Provisions for diminution in value	
At 1 July 2012 & at 30 June 2013	100
Net book value	
At 30 June 2013	5,400
At 30 June 2012	5,400

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	%
		Class	
Subsidiary undertakings			
Amulet Hotkey Incorporated	USA	Ordinary	100
Hotkey Systems Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Amulet Hotkey Incorporated	Sale of electronic business systems
Hotkey Systems Limited	Dormant

The results and financial position of each of the above subsidiaries are reflected in these consolidated financial statements

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

10 Stocks and work in progress

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials and consumables	522,799	491,380	522,799	491,380
Work in progress	285,898	231,674	285,898	231,674
Finished goods and goods for resale	504,494	466,727	370,846	374,258
	<u>1,313,191</u>	<u>1,189,781</u>	<u>1,179,543</u>	<u>1,097,312</u>

11 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	2,109,697	1,646,693	857,003	616,066
Amounts owed by group undertakings	-	-	302,324	184,075
Corporation tax	2,851	174,921	-	136,446
Other debtors	130,521	543,451	96,400	513,664
Prepayments and accrued income	372,381	24,883	79,441	11,463
	<u>2,615,450</u>	<u>2,389,948</u>	<u>1,335,168</u>	<u>1,461,714</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

12 Creditors : amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	-	20,208	-	20,208
Net obligations under finance lease and hire purchase contracts	2,103	2,103	2,103	2,103
Trade creditors	2,165,922	2,048,397	1,189,285	653,694
Other taxes and social security costs	102,441	251,057	56,292	79,297
Directors current accounts	103,406	107,776	103,406	107,776
Other creditors	42,691	41,741	11,457	12,540
Accruals and deferred income	812,223	94,446	723,124	38,671
	<u>3,228,786</u>	<u>2,565,728</u>	<u>2,085,667</u>	<u>914,289</u>
Debt due in one year or less	<u>-</u>	<u>20,208</u>	<u>-</u>	<u>20,208</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned

At the balance sheet date there was a balance of £nil (2012 £20,208) on the company's invoice discounting facility

13 Creditors : amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Net obligations under finance leases and hire purchase agreements	<u>2,731</u>	<u>4,732</u>	<u>2,731</u>	<u>4,732</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	2,103	2,103	2,103	2,103
Repayable between one and five years	2,731	4,732	2,731	4,732
	<u>4,834</u>	<u>6,835</u>	<u>4,834</u>	<u>6,835</u>
Included in liabilities falling due within one year	<u>(2,103)</u>	<u>(2,103)</u>	<u>(2,103)</u>	<u>(2,103)</u>
	<u>2,731</u>	<u>4,732</u>	<u>2,731</u>	<u>4,732</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

14 Provisions for liabilities Group

	Deferred tax liability £	Other £	Total £
Balance at 1 July 2012	452,077	55,095	507,172
Profit and loss account	(315,633)	23,080	(292,553)
Balance at 30 June 2013	<u>136,444</u>	<u>78,175</u>	<u>214,619</u>

Company

Balance at 1 July 2012	452,077	55,095	507,172
Profit and loss account	(294,142)	23,080	(271,062)
Balance at 30 June 2013	<u>157,935</u>	<u>78,175</u>	<u>236,110</u>

The other provision is in respect of warranties. The provision represents the estimated cost to the group and company of dealing with corrective works under the group and company's standard warranties.

The deferred tax liability is made up as follows

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Accelerated capital allowances	508,541	452,077	475,912	452,077
Other timing differences	(54,120)	(92,365)	-	-
Tax losses available	(317,977)	(73,509)	(317,977)	-
	<u>136,444</u>	<u>286,203</u>	<u>157,935</u>	<u>452,077</u>

At the year end the balance on the retained reserves of the US subsidiary company was £66,000. No deferred tax liability has been recognised in the parent company financial statements in connection with the future remittance of accumulated profits by the subsidiary company as the amount involved is not considered to be material.

15 Accruals and deferred income

The deferred income figure of the company and group comprises maintenance contract and extended warranty income which relates to future periods.

AMULET HOTKEY LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2013**

16 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
105 Ordinary shares of £1 each	105	130
	<u>105</u>	<u>130</u>

During the year, the company repurchased 25 £1 ordinary shares for a total consideration of £500,000

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

17 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2012	13	3,040,292
Profit for the year	-	33,304
Purchase of own shares	-	(499,975)
Movement during the year	25	-
Foreign currency translation differences	-	(7,370)
Balance at 30 June 2013	<u>38</u>	<u>2,566,251</u>

Other reserves

Capital redemption reserve

Balance at 1 July 2012	13
Capital redemption reserve movement	25
Balance at 30 June 2013	<u>38</u>

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2012	13	3,124,136
Loss for the year	-	(70,514)
Purchase of own shares	-	(499,975)
Movement during the year	25	-
Balance at 30 June 2013	<u>38</u>	<u>2,553,647</u>

Other reserves

Capital redemption reserve

Balance at 1 July 2012	13
Capital redemption reserve movement	25
Balance at 30 June 2013	<u>38</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

18 Reconciliation of movements in shareholders' funds	2013	2012
Group	£	£
Profit/(Loss) for the financial year	33,304	(42,996)
Other recognised gains and losses	(7,370)	3,376
Purchase of own shares	(499,975)	-
	<u>(474,041)</u>	<u>(39,620)</u>
Net depletion in shareholders' funds	(474,041)	(39,620)
Opening shareholders' funds	3,040,435	3,080,055
	<u>3,040,435</u>	<u>3,040,435</u>
Closing shareholders' funds	<u>2,566,394</u>	<u>3,040,435</u>
	<u>2,566,394</u>	<u>3,040,435</u>
	2013	2012
	£	£
Company		
(Loss)/Profit for the financial year	(70,514)	80,795
Purchase of own shares	(499,975)	-
	<u>(570,489)</u>	<u>80,795</u>
Net (depletion in)/addition to shareholders' funds	(570,489)	80,795
Opening shareholders' funds	3,124,279	3,043,484
	<u>3,124,279</u>	<u>3,043,484</u>
Closing shareholders' funds	<u>2,553,790</u>	<u>3,124,279</u>
	<u>2,553,790</u>	<u>3,124,279</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

19 Financial commitments

At 30 June 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
Expiry date	£	£	£	£
Within one year	3,854	9,250	-	-
Between two and five years	352,225	194,225	8,000	11,250
In over five years	-	144,000	-	-
	<u>356,079</u>	<u>347,475</u>	<u>8,000</u>	<u>11,250</u>

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
Expiry date	£	£	£	£
Within one year	3,854	9,250	-	-
Between two and five years	194,225	194,225	8,000	11,250
	<u>198,079</u>	<u>203,475</u>	<u>8,000</u>	<u>11,250</u>

20 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	<u>379,992</u>	<u>383,119</u>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	<u>137,572</u>	<u>136,874</u>

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Directors	3	3
Production and installation	23	23
Research and development	11	10
Sales and marketing	6	9
Administration	16	19
	<u>59</u>	<u>64</u>

Employment costs

	2013 £	2012 £
Wages and salaries	2,397,155	2,401,624
Social security costs	230,597	238,097
	<u>2,627,752</u>	<u>2,639,721</u>

22 Control

The group is controlled by Mrs V G Summerfield by virtue of her shareholding

AMULET HOTKEY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

23 Related party relationships and transactions

Loans to directors

Transactions in relation to loans with directors during the year are outlined in the table below

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr K R Grundon	-	12,652	29,943	-	32,395	10,200
Mr A Jackson	-	5,500	-	-	4,388	1,112
		<u>18,152</u>	<u>29,943</u>	<u>-</u>	<u>36,783</u>	<u>11,312</u>

Other related party transactions - Group and company

Hotkey Hold Co Limited

At the year end, the company was owed £nil (2012 489,474) by Hotkey Hold Co Limited, a company which owned 19% of the issued shares of this company and has directors in common with this company. That interest free loan was repaid following the repurchase of shares from that company.

Mrs V G Summerfield

At the year end, the company owed £103,406 (2012 £107,776) to director and shareholder, Mrs V G Summerfield. Interest is payable at a fixed rate of 5% in connection with that balance.

Mr A J Summerfield

During the year, services totalling £87,771 (2012 £92,924) were invoiced to the company by AJS Executive Search, a business of which Mrs V G Summerfield's son, Mr A J Summerfield is proprietor. On 5 June 2013, Mr A J Summerfield was appointed as director of the company.

Mr C M Bartholomew

During the year, services totalling £21,453 were invoiced to the company by director, Mr C M Bartholomew. At the year end, Mr Bartholomew was owed £600.