Companies House

SOLID SOLUTIONS MANAGEMENT GROUP LIMITED

REPORT OF THE DIRECTORS AND

AUDITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 March 2011

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10
Notes to the Consolidated Financial Statements	12
Consolidated Trading and Profit and Loss Account	21

COMPANY INFORMATION
for the Year Ended 31 March 2011

DIRECTORS:	A J Sampson S Turner
SECRETARY:	K R Sampson
REGISTERED OFFICE:	12 Payton Street Stratford upon Avon Warwickshire CV37 6UA
REGISTERED NUMBER:	03656695 (England and Wales)
SENIOR STATUTORY AUDITOR.	Rosalind Adams FCA
AUDITORS.	Cooper Adams Ltd Chartered Accountants and Statutory Auditors 12 Payton Street Stratford upon Avon Warwickshire CV37 6UA

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2011

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2011

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of computer software retail and associated services

REVIEW OF BUSINESS
We aim to present a balanced and comprehensive review of the development and performance of our business during the year and of its position at the year end Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face

The group is engaged in the sale of computer-aided design systems and services It is the largest systems developer of Solidworks in the UK and the third biggest in Europe The business operates four main sales and support offices throughout the UK, as well as a number of satellite training centres in other locations There has been no change in business activities during the year

Key financial performance indicators are considered to be turnover, gross margin and return on capital employed Despite the challenging economic year, turnover rose by approximately 3% to £10 3 million, mainly driven by growth in subscription renewal income from the customer base This continues to be an ongoing focus for the business Gross margin has remained consistent at approximately 53%, although operating profits fell due to increased salary costs Consequently, return on capital employed fell slightly but was still exceptionally high at 90%, with continuing emphasis on running an efficient business

Whilst we do not currently anticipate any significant changes to future development of the business, the economic environment in which we operate remains challenging and we recognise the importance of being able to react quickly and effectively to unforeseen events The key objectives are to continue to grow the business and the team throughout the UK, by increasing market share and employing and retaining talented and highly qualified staff

DIVIDENDS
An interim dividend of £45 per share was paid on 17 November 2010 The directors recommend that no final dividend be paid

The total distribution of dividends for the year ended 31 March 2011 will be £450,000

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report

A J Sampson
J D Perrin (resigned 20 May 2010)
S Turner

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 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

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued
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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information

AUDITORS
The auditors, Cooper Adams Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:



K R Sampson - Secretary

15 November 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOLID SOLUTIONS MANAGEMENT GROUP LIMITED

We have audited the financial statements of Solid Solutions Management Group Limited for the year ended 31 March 2011 on pages six to twenty 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 a Report of the Auditors 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 set out on pages two and three, 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 group's and the parent 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 financial statements 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 of the parent company's affairs as at 31 March 2011 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

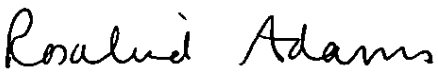
Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOLID SOLUTIONS MANAGEMENT GROUP 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



Rosalind Adams FCA (Senior Statutory Auditor)
for and on behalf of Cooper Adams Ltd
Chartered Accountants
and Statutory Auditors
12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

15 November 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2011

	Notes	2011 £	2010 £
TURNOVER		10,264,799	9,936,027
Cost of sales		4,783,022	4,683,493
GROSS PROFIT		5,481,777	5,252,534
Administrative expenses		4,012,370	3,432,076
OPERATING PROFIT	3	1,469,407	1,820,458
Interest receivable and similar income		656	2,155
		1,470,063	1,822,613
Interest payable and similar charges	4	2,758	7,427
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,467,305	1,815,186
Tax on profit on ordinary activities	5	417,445	445,773
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		1,049,860	1,369,413

CONTINUING OPERATIONS
None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES
The group has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 March 2011

	Notes	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS					
Intangible assets	8		91,316		182,632
Tangible assets	9		150,742		144,343
Investments	10		-		-
			242,058		326,975
CURRENT ASSETS					
Debtors	11	2,630,640		2,830,361	
Cash at bank		682,666		952,016	
		3,313,306		3,782,377	
CREDITORS					
Amounts falling due within one year	12	1,857,687		2,265,535	
NET CURRENT ASSETS			1,455,619		1,516,842
TOTAL ASSETS LESS CURRENT LIABILITIES			1,697,677		1,843,817
CAPITAL AND RESERVES					
Called up share capital	16		74		100
Capital redemption reserve	17		26		-
Profit and loss account	17		1,697,577		1,843,717
SHAREHOLDERS' FUNDS	20		1,697,677		1,843,817

The financial statements were approved by the Board of Directors on 15 November 2011 and were signed on its behalf by

A J Sampson - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 March 2011

	Notes	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS					
Intangible assets	8		91,316		-
Tangible assets	9		150,742		144,343
Investments	10		1		1
			242,059		144,344
CURRENT ASSETS					
Debtors	11	2,630,640		2,770,942	
Cash at bank		682,666		843,457	
		3,313,306		3,614,399	
CREDITORS					
Amounts falling due within one year	12	1,857,688		2,051,522	
NET CURRENT ASSETS			1,455,618		1,562,877
TOTAL ASSETS LESS CURRENT LIABILITIES			1,697,677		1,707,221
CAPITAL AND RESERVES					
Called up share capital	16		74		100
Capital redemption reserve	17		26		-
Profit and loss account	17		1,697,577		1,707,121
SHAREHOLDERS' FUNDS	20		1,697,677		1,707,221

The financial statements were approved by the Board of Directors on 15 November 2011 and were signed on its behalf by

A J Sampson - Director

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Net cash inflow from operating activities	1		1,917,950		1,269,634
Returns on investments and servicing of finance	2		(2,102)		(5,272)
Taxation			(726,959)		(355,740)
Capital expenditure	2		(144,017)		(422,348)
Equity dividends paid			(450,000)		(945,000)
			594,872		(458,726)
Financing	2		(864,222)		118,222
Decrease in cash in the period			(269,350)		(340,504)

Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		(269,350)		(340,504)	
Cash outflow/(inflow) from decrease/(increase) in debt		118,222		(118,222)	
Change in net funds resulting from cash flows			(151,128)		(458,726)
Movement in net funds in the period			(151,128)		(458,726)
Net funds at 1 April			833,794		1,292,520
Net funds at 31 March			682,666		833,794

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	1,469,407	1,820,458
Depreciation charges	245,874	244,971
Profit on disposal of fixed assets	(16,940)	(34,950)
Decrease/(Increase) in debtors	197,957	(1,406,625)
Increase in creditors	21,652	645,780
Net cash inflow from operating activities	1,917,950	1,269,634

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	656	2,155
Interest paid	(2,758)	(7,427)
Net cash outflow for returns on investments and servicing of finance	(2,102)	(5,272)
Capital expenditure		
Purchase of intangible fixed assets	-	(273,948)
Purchase of tangible fixed assets	(163,659)	(207,237)
Sale of tangible fixed assets	19,642	58,837
Net cash outflow for capital expenditure	(144,017)	(422,348)
Financing		
New loans in year	-	118,222
Loan repayments in year	(118,222)	-
Share issue	(26)	-
Share buyback	(746,000)	-
Capital redemption reserve	26	-
Net cash (outflow)/inflow from financing	(864,222)	118,222

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2011

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 4 10 £	Cash flow £	At 31 3 11 £
Net cash			
Cash at bank	952,016	(269,350)	682,666
	952,016	(269,350)	682,666
Debt			
Debts falling due within one year	(118,222)	118,222	-
	(118,222)	118,222	-
Total	833,794	(151,128)	682,666

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 March 2011

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date The financial statements of the subsidiaries are prepared for the same reporting date as the Company

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the group obtains the right to consideration

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of three years

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Motor vehicles	-	50% on cost
Computer equipment	-	50% on cost

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

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 transaction Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	2,519,356	2,137,530
Social security costs	302,174	250,491
Other pension costs	215,825	18,303
	3,037,355	2,406,324

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2011	2010
Sales and administration	47	44

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Other operating leases	51,246	48,799
Depreciation - owned assets	154,557	153,655
Profit on disposal of fixed assets	(16,940)	(34,950)
Goodwill amortisation	91,316	91,316
Auditors' remuneration	6,000	5,250
Directors' remuneration	118,592	126,188
Directors' pension contributions to money purchase schemes	174,562	9,750

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	3	3

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	2,758	7,427

5 TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was as follows

	2011	2010
	£	£
Current tax		
UK corporation tax	415,681	476,959
Deferred tax	1,764	(31,186)
Tax on profit on ordinary activities	417,445	445,773

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

5 **TAXATION - continued**

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	1,467,305	1,815,186
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	410,845	508,252
Effects of		
Expenses not deductible for tax purposes	6,732	4,093
Accelerated capital allowances	2,846	16,037
Profit on disposal of fixed assets	(4,742)	(9,786)
Small companies marginal rate	-	(9,821)
Pensions paid	-	(28,000)
Other timing differences	-	(3,816)
Current tax charge	415,681	476,959

6 **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's profit for the financial year was £1,186,456 (2010 - £1,232,817)

7 **DIVIDENDS**

	2011 £	2010 £
Ordinary shares of 0 01 each		
Final	-	945,000
Interim	450,000	-
	450,000	945,000

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

8 INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 April 2010 and 31 March 2011	273,948
AMORTISATION	
At 1 April 2010	91,316
Amortisation for year	91,316
At 31 March 2011	182,632
NET BOOK VALUE	
At 31 March 2011	91,316
At 31 March 2010	182,632

Company

	Goodwill £
COST	
Reclassification/transfer	273,948
At 31 March 2011	273,948
AMORTISATION	
Amortisation for year	91,316
Reclassification/transfer	91,316
At 31 March 2011	182,632
NET BOOK VALUE	
At 31 March 2011	91,316

Goodwill was transferred from the subsidiary company, Solid Solutions Cadconnect Limited, to its parent company, Solid Solutions Management Limited, on 30 April 2011 Solid Solutions Cadconnect Limited ceased trading on 30 April 2011

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

9 TANGIBLE FIXED ASSETS

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2010	305,266	130,913	436,179
Additions	68,963	94,696	163,659
Disposals	(36,852)	(55,829)	(92,681)
At 31 March 2011	337,377	169,780	507,157
DEPRECIATION			
At 1 April 2010	193,340	98,496	291,836
Charge for year	104,776	49,781	154,557
Eliminated on disposal	(34,149)	(55,829)	(89,978)
At 31 March 2011	263,967	92,448	356,415
NET BOOK VALUE			
At 31 March 2011	73,410	77,332	150,742
At 31 March 2010	111,926	32,417	144,343

Company

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2010	305,266	130,913	436,179
Additions	68,963	94,696	163,659
Disposals	(36,852)	(55,829)	(92,681)
At 31 March 2011	337,377	169,780	507,157
DEPRECIATION			
At 1 April 2010	193,340	98,496	291,836
Charge for year	104,776	49,781	154,557
Eliminated on disposal	(34,149)	(55,829)	(89,978)
At 31 March 2011	263,967	92,448	356,415
NET BOOK VALUE			
At 31 March 2011	73,410	77,332	150,742
At 31 March 2010	111,926	32,417	144,343

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

10 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2010 and 31 March 2011	1
NET BOOK VALUE	
At 31 March 2011	1
At 31 March 2010	1

11 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	2,536,580	2,736,540	2,536,580	2,579,403
Amounts owed by group undertakings	-	-	-	110,596
Other debtors	22,678	24,674	22,678	11,796
Deferred tax asset	29,422	31,186	29,422	31,186
Prepayments	41,960	37,961	41,960	37,961
	2,630,640	2,830,361	2,630,640	2,770,942

Deferred tax asset

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Deferred tax	29,422	31,186	29,422	31,186

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

12 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Other loans (see note 13)	-	118,222	-	-
Trade creditors	768,989	865,710	768,989	833,445
Amounts owed to group undertakings	-	-	1	-
Tax	165,681	476,959	165,681	437,372
Social security and other taxes	136,353	85,410	136,353	85,410
VAT	412,968	401,391	412,968	380,352
Other creditors	1,214	2,307	1,214	2,307
Accrued expenses	372,482	315,536	372,482	312,636
	1,857,687	2,265,535	1,857,688	2,051,522

During the year ended 31 March 2010, two loans totalling £199,899 53 were obtained from Dassault Systemes Solidworks Corporation (incorporated in Delaware, USA) by the subsidiary company, Solid Solutions Cadconnect Limited Interest on the loans was charged at 5% per annum The balances outstanding at 31 March 2010 totalled £118,222 Both loans have been repaid in full during the year to 31 March 2011 and thus there are no amounts outstanding at the balance sheet date

13 LOANS

An analysis of the maturity of loans is given below

	Group	
	2011	2010
	£	£
Amounts falling due within one year or on demand		
Other loans	-	118,222

14 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

Company

	Land and buildings		Other operating leases	
	2011	2010	2011	2010
	£	£	£	£
Expiring				
Within one year	36,517	55,052	8,142	6,021
Between one and five years	103,046	-	22,146	40,383
	139,563	55,052	30,288	46,404

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

15 DEFERRED TAX

Group

	£
Balance at 1 April 2010	(31,186)
Accelerated capital allowances	1,764
Balance at 31 March 2011	(29,422)

Company

	£
Balance at 1 April 2010	(31,186)
Accelerated capital allowances	1,764
Balance at 31 March 2011	(29,422)

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2011 £	2010 £
7,400 (2010 - 100)	Ordinary	0 01	74	100

During the year, the company purchased 26 (2010 nil) of its own £1 ordinary shares for a consideration of £746,000 The remaining 74 shares at £1 each have been re-organised into 7,400 shares of 1p each

17 RESERVES

Group

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 April 2010	1,843,717	-	1,843,717
Profit for the year	1,049,860		1,049,860
Dividends	(450,000)		(450,000)
Purchase of own shares	(746,000)	26	(745,974)
At 31 March 2011	1,697,577	26	1,697,603

Company

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 April 2010	1,707,121	-	1,707,121
Profit for the year	1,186,456		1,186,456
Dividends	(450,000)		(450,000)
Purchase of own shares	(746,000)	26	(745,974)
At 31 March 2011	1,697,577	26	1,697,603

continued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

17 RESERVES - continued

The capital redemption reserve of £26 arose during the year as the company purchased 26 of its own ordinary shares

18 TRANSACTIONS WITH DIRECTORS

During the year, the directors loaned the company an interest free amount of £206,055 to facilitate the company's purchase of it's own shares The amount was fully repaid to the directors during the year

19 ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are the directors by virtue of their combined shareholdings

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2011 £	2010 £
Profit for the financial year	1,049,860	1,369,413
Dividends	(450,000)	(945,000)
	599,860	424,413
Purchase of own shares	(746,000)	-
Net (reduction)/addition to shareholders' funds	(146,140)	424,413
Opening shareholders' funds	1,843,817	1,419,404
Closing shareholders' funds	1,697,677	1,843,817

Company

	2011 £	2010 £
Profit for the financial year	1,186,456	1,232,817
Dividends	(450,000)	(945,000)
	736,456	287,817
Purchase of own shares	(746,000)	-
Net (reduction)/addition to shareholders' funds	(9,544)	287,817
Opening shareholders' funds	1,707,221	1,419,404
Closing shareholders' funds	1,697,677	1,707,221

21 ACQUISITION OF SUBSIDIARY

On 7 April 2009, a new company, Solid Solutions Cadconnect Limited, was incorporated Solid Solutions Management Limited holds 100% of the issued share capital of Solid Solutions Cadconnect Limited, whose principal activity was that of computer software retail and associated services

On 13 May 2009, Solid Solutions Cadconnect Limited purchased the trade and certain assets of Cadconnect Limited

Solid Solutions Cadconnect Limited ceased trading on 30 April 2010 and all its assets and liabilities were transferred to Solid Solutions Management Limited, its ultimate parent company