

**Report of the Directors and
Financial Statements for the Period 1 May 2012 to 28 February 2013
for
5 Star Computer Systems Limited**

TUESDAY



A23 *A2BQ5L2Q* 02/07/2013 #151
COMPANIES HOUSE

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for the Period 1 May 2012 to 28 February 2013**

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**Company Information
for the Period 1 May 2012 to 28 February 2013**

DIRECTORS	V Muma B Firth P Gibson
SECRETARY	D Williams
REGISTERED OFFICE	Munro House Portsmouth House Cobham KT11 1TF
REGISTERED NUMBER	03346768 (England and Wales)
AUDITORS	KPMG Audit Plc Arlington Business Park Reading Berkshire RG7 4SD
SOLICITORS	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD

**Report of the Directors
for the Period 1 May 2012 to 28 February 2013**

The directors present their report and the audited financial statements of the company for the 10 month period ended 28 February 2013

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of computer consultancy and software development

GOING CONCERN

The Company has considerable financial resources together with long contracts with a number of UK based customers and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current economic outlook.

On 7 March 2013 the Group was acquired by Advanced Computer Software Group plc (ACS) and the Company guaranteed bank borrowings of a fellow group undertaking. The banking facility is structured as £55m term loan and £50m revolving credit facility both falling due for repayment in September 2016. The Directors have reviewed the cashflow forecasts of ACS and consider there to be sufficient resources to allow ACS to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). Therefore the Directors continue to adopt the going concern basis in preparing the annual financial statements.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

The company continued to yield strong profit margins, with gross profit for the period at 76% (2012: 72%). The reported revenue for the 10 month period ended 28 February 2013 is £997,168. This represents a 14% decrease (2012: 2% increase) against revenue of £1,153,250 for a comparable 10 month period in 2012.

The number of customers at 28 February 2013 was 154 (2012: 162).

The average number of staff utilised by the company was 4 (2012: 11).

The directors consider the results to be satisfactory and look forward to continued strong profitability.

DIVIDENDS

There will be no distribution of dividends for the period ended 28 February 2013 (2012: £nil).

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

N Roberts (resigned 7 March 2013)
K Crompton (resigned 7 March 2013)
R I Preedy (resigned 7 March 2013)

Other changes in directors holding office are as follows:

V Muma (appointed 7 March 2013)
B Firth (appointed 7 March 2013)
P Gibson (appointed 7 March 2013)

The directors in place during the period benefit from qualifying third party indemnity provisions provided by the parent undertaking.

The directors holding office at 28 February 2013 did not hold any beneficial interest in the issued share capital of the company at 1 May 2012 or 28 February 2013.

FINANCIAL RISK FACTORS

Credit Risk

The company has no significant concentrations of credit risk. The company has policies in place to ensure that sales of the services are made to clients with an appropriate credit history. Cash and cash equivalents are held with reputable institutions.

Interest risk

The company earns interest on its cash. An intermediate parent company, CSG Bidco Limited, has borrowings through a combination of short and long term fixed and variable rate instruments. CSG Bidco Limited manages its interest rate risk through interest rate hedge instruments.

Foreign Exchange Risk

No material part of the company operates outside of the United Kingdom, yielding minimal exposure to foreign exchange risk arising from currency exposures.

Concentration Risk

For the 10 month period ended 28 February 2013, no income derived from a single customer exceeded 17% of the company's turnover (2012: 12%). The customer with the highest percentage concentration by turnover for the year was L & M Food Group Ltd 17% (2012: Denmaur Independent Papers PLC 12%).

**Report of the Directors
for the Period 1 May 2012 to 28 February 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)[including FRS 101 Reduced Disclosure Framework] [FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland]]

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 profit and loss of the company 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 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, 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

It is proposed that KPMG LLP will be appointed auditors of the company, replacing KPMG Audit Plc. The resolution for this change will be proposed at the Annual General meeting.

ON BEHALF OF THE BOARD



B Firth
Director

26 June 2013

**Report of the Independent Auditors to the Members of
5 Star Computer Systems Limited**

We have audited the financial statements of 5 Star Computer Systems Limited for the 10 month period ended 28 February 2013 set out on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 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.



Paul Gresham (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc
Arlington Business Park
Reading
Berkshire
RG7 4SD

27 June 2013

**Profit and Loss Account
for the Period 1 May 2012 to 28 February 2013**

	Notes	Period 1 5 12 to 28 2 13 £	Year Ended 30 4 12 £
TURNOVER	2	754,468	1,383,900
Cost of sales		<u>(135,172)</u>	<u>(385,672)</u>
GROSS PROFIT		619,296	998,228
Administrative expenses		<u>(271,626)</u>	<u>(547,408)</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	347,670	450,820
Tax on profit on ordinary activities	5	<u>4,231</u>	<u>(73,103)</u>
PROFIT FOR THE FINANCIAL PERIOD	13	<u><u>351,901</u></u>	<u><u>377,717</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year

TOTAL RECOGNISED GAINS AND LOSSES


The company has no recognised gains or losses other than the profits for the current period or previous year

5 Star Computer Systems Limited (Registered number 03346768)

Balance Sheet
28 February 2013

	Notes	2013 £	30 April 2012 £
CURRENT ASSETS			
Stocks	6	-	1,615
Debtors	7	2,778,253	1,418,903
Cash at bank		<u>402</u>	<u>2,849</u>
		2,778,655	1,423,367
CREDITORS			
Amounts falling due within one year	8	<u>(818,888)</u>	<u>(501,099)</u>
NET CURRENT ASSETS		<u>1,959,767</u>	<u>922,268</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,959,767	922,268
CREDITORS			
Amounts falling due after more than one year	9	(686,031)	(22,611)
ACCRUALS AND DEFERRED INCOME	11	<u>(22,178)</u>	<u>-</u>
NET ASSETS		<u>1,251,558</u>	<u>899,657</u>
CAPITAL AND RESERVES			
Called up share capital	12	105	105
Share premium	13	14,245	14,245
Profit and loss account	13	<u>1,237,208</u>	<u>885,307</u>
SHAREHOLDERS' FUNDS	18	<u>1,251,558</u>	<u>899,657</u>

The financial statements were approved by the Board of Directors on 25 June 2013 and were signed on its behalf by



B Firth
Director

**Notes to the Financial Statements
for the Period 1 May 2012 to 28 February 2013**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The significant accounting policies of the company, which have been consistently applied in the current period and preceding year are as follows

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Going concern

The Company has considerable financial resources together with long contracts with a number of UK based customers and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current economic outlook.

On 7 March 2013 the Group was acquired by Advanced Computer Software Group plc (ACS) and the Company guaranteed bank borrowings of a fellow group undertaking. The banking facility is structured as £55m term loan and £50m revolving credit facility both falling due for repayment in September 2016. The Directors have reviewed the cashflow forecasts of ACS and consider there to be sufficient resources to allow ACS to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). Therefore the Directors continue to adopt the going concern basis in preparing the annual financial statements.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Initial fee income is recognised in full on receipt of payment, receipt of a signed software licence and the issue of authorisation codes to activate the software. Software support contracts invoiced in advance are taken to income in monthly instalments over the relevant contract period. Training and consultancy revenue is recognised as it occurs.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date and that results in an obligation to pay more tax in the future or right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Cashflow statements

The ultimate parent company CSG Equityco Limited, which is incorporated in the United Kingdom, prepares consolidated financial statements, in which the company is included. The company has therefore taken advantage of an exemption from preparing a cash flow statement, as provided for in Financial Reporting Standard 1 (revised 1996).

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the shorter of the period of the lease term or until the date the rent is expected to be adjusted to the prevailing rate.

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company, no material part of which is undertaken outside the United Kingdom.

Notes to the Financial Statements - continued
for the Period 1 May 2012 to 28 February 2013

3 STAFF COSTS

	Period 1 5 12 to 28 2 13 £	Year Ended 30 4 12 £
Wages and salaries	240,261	457,012
Other pension costs	<u>5,192</u>	<u>8,925</u>
	<u>245,453</u>	<u>465,937</u>

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

	Period 1 5 12 to 28 2 13	Year Ended 30 4 12
Sales & Marketing	2	2
Software Support & Training	1	6
Software Development	1	1
Administration & Management	<u>-</u>	<u>2</u>
	<u>4</u>	<u>11</u>

Pension costs

The total cost charged to the profit and loss account of £5,192 (2012 £8,925) represents contributions payable to these schemes by the company at rates specified in the rules of the plan. As at 28 February 2013, there were no contributions due to be paid over to the scheme in respect of the current reporting period (2012 £nil)

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Period 1 5 12 to 28 2 13 £	Year Ended 30 4 12 £
Depreciation - owned assets	-	102
Profit on disposal of fixed assets	-	(601)
Auditors' remuneration	<u>5,570</u>	<u>5,408</u>
Directors' remuneration	<u>-</u>	<u>-</u>

Remuneration to Directors in respect of qualifying services attributable to the company were nil (2012 nil)

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent

5 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the period was as follows

	Period 1 5 12 to 28 2 13 £	Year Ended 30 4 12 £
Current tax		
UK corporation tax	-	73,103
Deferred tax	<u>(4,231)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(4,231)</u>	<u>73,103</u>

Notes to the Financial Statements - continued
for the Period 1 May 2012 to 28 February 2013

5 TAXATION - continued

Factors affecting the tax (credit)/charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1 5 12 to 28 2 13 £	Year Ended 30 4 12 £
Profit on ordinary activities before tax	<u>347,670</u>	<u>450,820</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2012 - 25.8%)	83,441	116,312
Effects of: Excess of depreciation over capital allowances	-	(1,597)
Group Relief not paid for	(80,277)	(41,612)
Expenses not deductible for tax purposes	-	-
Capital Allowances	<u>(3,164)</u>	<u>-</u>
Current tax (credit)/charge	<u>-</u>	<u>73,103</u>

Factors that may affect future tax charges

A deferred tax asset of £4,231 has been recognised (2012: unrecognised £5,747) in respect of depreciation in excess of capital allowances.

In the Finance Bill 2012, the Government has announced a reduction in the main rate of corporation tax from 25% to 24% effective from 1 April 2012. This rate reduction has been reflected in the calculation of current and deferred tax at the balance sheet date.

The Government intends to enact further reductions in the main tax rate of 1% each year, down to 23% effective from 1 April 2013 and to 22% by 1 April 2014. As these tax rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

6 STOCKS

	2013 £	2012 £
Stocks	<u>-</u>	<u>1,615</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

7 DEBTORS

	2013 £	2012 £
Amounts falling due within one year		
Trade debtors	299,656	301,096
Other debtors	104,782	19,223
Tax	<u>4,231</u>	<u>-</u>
	<u>408,669</u>	<u>320,319</u>
Amounts falling due after more than one year		
Amounts owed by parent undertakings	<u>2,369,584</u>	<u>1,098,584</u>
Aggregate amounts	<u>2,778,253</u>	<u>1,418,903</u>

The deferred tax asset relates to the difference between the tax written down value and the net book value of qualifying assets.

Interest is charged on the overall average intercompany balance over a de minimis limit at a rate of LIBOR + margin of 5.5% (2012: LIBOR + margin of 3.33% to 5.5%). Parent and group undertakings have agreed in writing that amounts due will not be called upon within eighteen months of the balance sheet date.

Notes to the Financial Statements - continued
for the Period 1 May 2012 to 28 February 2013

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	3,978	23,287
Social security and other taxes	106,682	92,284
Other creditors	99,053	58,677
Accruals and deferred income	<u>609,175</u>	<u>326,851</u>
	<u>818,888</u>	<u>501,099</u>

9 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Amounts owed to parent undertakings	<u>686,031</u>	<u>22,611</u>

Interest is charged on the overall average intercompany balance over a de minimis limit at a rate of LIBOR + margin of 5.5% (2012 LIBOR + margin of 3.33% to 5.5%). Parent and group undertakings have agreed in writing that amounts due will not be called upon within eighteen months of the balance sheet date.

10 OPERATING LEASE COMMITMENTS

The following annual operating lease payments are committed to be paid

	2013 £	2012 £
Expiring		
Between one and five years	<u>4,800</u>	<u>4,800</u>

11 ACCRUALS AND DEFERRED INCOME

	2013 £	2012 £
Accruals and deferred income	(2,154)	-
Software support contracts and training paid in advance	<u>24,332</u>	<u>-</u>
	<u>22,178</u>	<u>-</u>

12 CALLED UP SHARE CAPITAL

Allotted and issued Number	Class	Nominal value £1	2013 £	2012 £
105	Ordinary		<u>105</u>	<u>105</u>

The company has 1,000 authorised shares at a nominal value of £1 each (2012 1000)

13 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 May 2012	885,307	14,245	899,552
Profit for the period	<u>351,901</u>		<u>351,901</u>
At 28 February 2013	<u>1,237,208</u>	<u>14,245</u>	<u>1,251,453</u>

**Notes to the Financial Statements - continued
for the Period 1 May 2012 to 28 February 2013**

14 ULTIMATE CONTROLLING PARTY

According to the register maintained by the company, discretionary fund management clients of HgCapital LLP (holding through a nominee company) held a significant interest in the ordinary shares of the company at 28 February 2013. The directors deem there not to be an ultimate controlling party as none of the individual discretionary fund management clients of HgCapital LLP has an ownership of more than 20% of the issued share capital of the company.

15 CONTINGENT LIABILITIES

The group's bankers rely on a cross guarantee structure between the company's intermediate parent company, CSG Bidco Limited and its subsidiary undertakings. The cross guarantees were executed on 19 January 2012. There were no liabilities to the bank at the period end other than as provided for in the financial statements of CSG Bidco Limited, being £28.575m (2012 £42.75m).

16 RELATED PARTY DISCLOSURES

In accordance with Financial Reporting Standard 8, "Related Party Disclosures", transactions with over 100% owned undertakings within, and investee related parties of, the 5 Star Computer Systems Limited are not disclosed in these financial statements.

17 POST BALANCE SHEET EVENTS

On 7 March 2013 the Company's intermediate parent company was acquired by Advanced Business Software and Solutions Ltd, part of Advanced Computer Software Group plc. The consolidated financial statements of this group are available to the public from the Registrar of Companies or from Munro House, Portsmouth Road, Cobham, Surrey KT11 1TF.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial period	<u>351,901</u>	<u>377,717</u>
Net addition to shareholders' funds	351,901	377,717
Opening shareholders' funds	<u>899,657</u>	<u>521,940</u>
Closing shareholders' funds	<u><u>1,251,558</u></u>	<u><u>899,657</u></u>