

Company Registration No. SC369510 (England and Wales)

APS GROUP (SCOTLAND) LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JANUARY 2013

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COMPANIES HOUSE

APS GROUP (SCOTLAND) LIMITED

COMPANY INFORMATION

Directors

N J Snelson
G Jones
A Doyle
B Blakeman

Company number

SC369510

Registered office

21 Tennant Street
Edinburgh
Scotland
EH6 5NA

Auditors

Booth Ainsworth LLP
Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

APS GROUP (SCOTLAND) LIMITED

CONTENTS

	Page
Managing Director's statement	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 16

APS GROUP (SCOTLAND) LIMITED

MANAGING DIRECTOR'S STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2013

Since December 2009, when the company was first incorporated to serve the needs of Scottish businesses, government departments and public sector bodies, APS Group (Scotland) Limited has successfully strived to deliver high quality customer service and optimum value for all its stakeholders. In this regard our financial year to 31 January 2013 has been no exception.

As demonstrated by our latest set of results, the company has delivered a strong financial performance. This has been allied to an increase in turnover, improved profitability and the acquisition of a number of new customers. In what continues to be a difficult economic climate our turnover for the year increased by 7.75% and profit before tax, as a percentage of turnover, was 7.2% compared with 2.7% in the previous year. Overall this has been a satisfactory year's performance. As a consequence, these results will undoubtedly allow us to continue our programme of innovation and investment whilst providing a strong platform that will enable us to build for the future.

Our philosophy over the last three years has been to deliver exceptional value for money for our customers through product and service innovation and by offering our employees and managers the scope to develop their own skills and capabilities. In addition we have improved our operational capabilities by streamlining processes, by investing in new technology and by actively supporting our supply chain partners, the majority of which are SME businesses and other enterprises located throughout Scotland.

Whilst the company's financial performance is important, so too is our commitment to the wider community. Against this background I am pleased to report that APS Group (Scotland) Limited has provided input and resources (financial, managerial, operational and technological) to a number of schemes that are committed to improving and transforming the lives and wellbeing of socially disadvantaged individuals and communities within Scotland. This commitment to the company's corporate social responsibility goals is now firmly established and as a result has engendered strong interest and participation by many individual employees.

APS Group (Scotland) Limited will, as far as is possible, continue to offer all its stakeholders - customers, suppliers, employees and shareholders - genuine opportunities for long-term stability and financial certainty. Importantly, we expect to achieve these aims within an efficient operational environment which is both ethically and environmentally sustainable. To further strengthen our offering to customers we have, in the last twelve months, extended the platform from which our services are delivered through a small number of key managerial appointments. At the same time we have introduced some additional skill sets. Within this context we have taken the opportunity to extend our range of expertise and specialist knowledge; attributes that we believe will be required to meet the future requirements of customers whilst at the same time providing the kind of capabilities that will be necessary to help take the business forward.

I have no doubt that the year ahead will present a number of challenges. However, I am also confident that through the relationships that we have already established with our customers and supply chain partners, and through the efforts of our employees and the management team in Edinburgh, we will continue to make important progress and meet the growing and developing needs and expectations of our customers with efficiency, commitment and purpose.



Allan Doyle

APS GROUP (SCOTLAND) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2013

The directors present their report and financial statements for the year ended 31 January 2013.

Principal activities and review of business

The principal activities of the company are the delivery of design, print, publications and associated services.

The company has delivered a strong financial performance. This has been allied to an increase in turnover, improved profitability and the acquisition of a number of new customers. In what continues to be a difficult economic climate our turnover for the year increased by 7.75% and profit before tax, as a percentage of turnover, was 7.2% compared with 2.7% in the previous year. Overall this has been a satisfactory year's performance.

We have no doubt that the year ahead will present a number of challenges. However, we are also confident that we will continue to make important progress and meet the growing and developing needs and expectations of our customers with efficiency, commitment and purpose.

Directors

The following directors have held office since 1 February 2012:

N J Snelson
G Jones
A Doyle
B Blakeman

Auditors

The auditors, Booth Ainsworth 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 profit or 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

APS GROUP (SCOTLAND) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company'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 company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



.....
N J Snelson

Director

16/10/13
.....

APS GROUP (SCOTLAND) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF APS GROUP (SCOTLAND) LIMITED

We have audited the financial statements of APS Group (Scotland) Limited for the year ended 31 January 2013 set out on pages 6 to 16. 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 2 - 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 Directors' 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 company's affairs as at 31 January 2013 and of its 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.

APS GROUP (SCOTLAND) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF APS GROUP (SCOTLAND) 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 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.



Stephen Pullen (Senior Statutory Auditor)
for and on behalf of Booth Ainsworth LLP

Chartered Accountants
Statutory Auditor

22 April 2013

Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

APS GROUP (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	2013 £	2012 £
Turnover	2	8,414,963	7,809,807
Cost of sales		(6,852,012)	(6,564,134)
Gross profit		1,562,951	1,245,673
Administrative expenses		(957,060)	(1,041,961)
Other operating income		-	5,004
Operating profit	3	605,891	208,716
Other interest receivable and similar income	4	801	863
Profit on ordinary activities before taxation		606,692	209,579
Tax on profit on ordinary activities	5	(148,115)	(48,266)
Profit for the year	13	458,577	161,313

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

There are no recognised gains and losses other than those passing through the profit and loss account.

APS GROUP (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	6		254,416		394,881
Current assets					
Stocks	7	179,158		157,119	
Debtors	8	936,871		773,362	
Cash at bank and in hand		8,252		221,973	
		<u>1,124,281</u>		<u>1,152,454</u>	
Creditors: amounts falling due within one year	9	<u>(1,100,899)</u>		<u>(1,720,647)</u>	
Net current assets/(liabilities)			<u>23,382</u>		<u>(568,193)</u>
Total assets less current liabilities			<u>277,798</u>		<u>(173,312)</u>
Provisions for liabilities	10		-		<u>(7,467)</u>
			<u>277,798</u>		<u>(180,779)</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		<u>277,698</u>		<u>(180,879)</u>
Shareholders' funds	14		<u>277,798</u>		<u>(180,779)</u>

Approved by the Board and authorised for issue on 16/10/13



N J Snelson
Director

Company Registration No. SC369510

APS GROUP (SCOTLAND) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	2013 £	£	2012 £
Net cash (outflow)/inflow from operating activities	18		(150,755)		189,743
Returns on investments and servicing of finance					
Interest received		801		863	
Net cash inflow for returns on investments and servicing of finance			801		863
Taxation			(61,154)		-
Capital expenditure					
Payments to acquire tangible assets		(2,613)		(39,087)	
Net cash outflow for capital expenditure			(2,613)		(39,087)
Net cash (outflow)/inflow before management of liquid resources and financing			(213,721)		151,519
(Decrease)/increase in cash in the year	19, 20		(213,721)		151,519

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 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 Turnover

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

1.4 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:

Plant and machinery	33% and 20% straight line
Fixtures, fittings & equipment	33% and 20% straight line
Motor vehicles	100% straight line

1.5 Leasing

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

1.6 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.7 Pensions

The company 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.

1.8 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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

3	Operating profit	2013 £	2012 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	143,078	136,768
	Operating lease rentals		
	- Plant and machinery	10,775	13,615
	Auditors' remuneration (including expenses and benefits in kind)	4,700	4,600
		<u> </u>	<u> </u>
4	Investment income	2013 £	2012 £
	Bank interest	801	863
		<u> </u>	<u> </u>
		<u>801</u>	<u>863</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

5	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	124,396	61,154
	Payment in respect of group relief	43,136	-
	Total current tax	<u>167,532</u>	<u>61,154</u>
	Deferred tax		
	Origination and reversal of timing differences	(19,417)	(12,888)
		<u>148,115</u>	<u>48,266</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>606,692</u>	<u>209,579</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.33% (2012 - 26.32%)	<u>147,608</u>	<u>55,161</u>
	Effects of:		
	Non deductible expenses	250	57
	Depreciation add back	34,811	35,997
	Capital allowances	(16,339)	(25,052)
	Other tax adjustments	1,202	(5,009)
		<u>19,924</u>	<u>5,993</u>
	Current tax charge for the year	<u>167,532</u>	<u>61,154</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 February 2012	100,058	502,466	767	603,291
Additions	-	1,440	1,173	2,613
At 31 January 2013	100,058	503,906	1,940	605,904
Depreciation				
At 1 February 2012	26,408	181,554	448	208,410
Charge for the year	17,239	125,196	643	143,078
At 31 January 2013	43,647	306,750	1,091	351,488
Net book value				
At 31 January 2013	56,411	197,156	849	254,416
At 31 January 2012	73,650	320,912	319	394,881

7 Work in progress

	2013 £	2012 £
Work in progress	179,158	157,119

8 Debtors

	2013 £	2012 £
Trade debtors	899,046	633,311
Called up share capital not paid	100	100
Other debtors	50	80,424
Prepayments and accrued income	25,725	59,527
Deferred tax asset (see note 10)	11,950	-
	936,871	773,362

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2013

9 Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	491,990	1,010,795
Amounts owed to parent and fellow subsidiary undertakings	325,585	512,449
Corporation tax	124,396	61,154
Other taxes and social security costs	89,506	40,099
Other creditors	780	-
Accruals and deferred income	68,642	96,150
	<u>1,100,899</u>	<u>1,720,647</u>

10 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2013 £
Balance at 1 February 2012	7,467
Profit and loss account	(19,417)
Balance at 31 January 2013	<u>(11,950)</u>

	2013 £	2012 £
(Decelerated)/accelerated capital allowances	(10,750)	7,467
Other timing differences	(1,200)	-
	<u>(11,950)</u>	<u>7,467</u>

11 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	<u>55,694</u>	<u>60,434</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

12 Share capital	2013 £	2012 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2012	(180,879)
Profit for the year	458,577
Balance at 31 January 2013	277,698

14 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	458,577	161,313
Opening shareholders' funds	(180,779)	(342,092)
Closing shareholders' funds	277,798	(180,779)

15 Financial commitments

At 31 January 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2014:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Within one year	-	-	4,159	-
Between two and five years	90,000	90,000	3,874	8,318
	90,000	90,000	8,033	8,318

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2013

16 Employees

Number of employees

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

	2013 Number	2012 Number
Studio and production	50	40
Marketing and sales	22	15
Administration	5	7
	<u>77</u>	<u>62</u>

Employment costs

	2013 £	2012 £
Wages and salaries	1,700,845	1,366,243
Social security costs	159,298	129,616
Other pension costs	55,694	60,434
	<u>1,915,837</u>	<u>1,556,293</u>

17 Control

The company is a wholly owned subsidiary of APS Group Limited, and its results are included in the consolidated accounts of that company. APS Group Limited is itself controlled by N J Snelson, a director of both companies.

18 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2013 £	2012 £
Operating profit	605,891	208,716
Depreciation of tangible assets	143,078	136,768
(Increase)/decrease in stocks	(22,039)	88,743
Increase in debtors	(151,559)	(143,870)
Decrease in creditors within one year	(682,990)	(100,614)
Group relief	(43,136)	-
Net cash (outflow)/inflow from operating activities	<u>(150,755)</u>	<u>189,743</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

19	Analysis of net funds	1 February 2012	Cash flow	Other non- cash changes	31 January 2013
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	221,973	(213,721)	-	8,252
		<u>221,973</u>	<u>(213,721)</u>	<u>-</u>	<u>8,252</u>
	Net funds	<u>221,973</u>	<u>(213,721)</u>	<u>-</u>	<u>8,252</u>
20	Reconciliation of net cash flow to movement in net funds			2013	2012
				£	£
	(Decrease)/increase in cash in the year			(213,721)	151,519
	Movement in net funds in the year			(213,721)	151,519
	Opening net funds			221,973	70,454
	Closing net funds			<u>8,252</u>	<u>221,973</u>

21 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.