

Company Registration No. SC369510 (England and Wales)

APS GROUP (SCOTLAND) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2014

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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

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APS GROUP SCOTLAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2014



"From design and print to social media, APS Group Scotland is a truly focused marketing and communications company. We are based in Edinburgh serving a broad spectrum of widely-acclaimed commercial companies, national government and public bodies as well as third sector organisations.

Both in Scotland and throughout the UK we make more possible through our intelligent deployment of technology, by paying attention to detail, by streamlining processes and by delivering professional account management support and advice. Above all, our aim is to add value, and deliver genuine cost savings. We achieve this by introducing more efficient ways for our clients to interact with their audiences. At a time when the pace of change can create its own challenges, we enable clients to embrace the opportunities that emerge and help them deliver results.

We have an impressive record of delivering innovation and value for money across all markets from financial services to national government, and from major retail organisations to third sector bodies. Above all we support each client individually. Our satisfaction and customer retention dictates that everything we do is client focused...and long may that continue to be our goal"

A handwritten signature in black ink, appearing to read 'Allan F Doyle'.

Allan F Doyle
Managing Director

Performance and Development

This has been a successful year for the APS Group Scotland. As we have grown and diversified into new markets we have also laid important foundations for the future development and expansion of the organisation.

As a business APS Group Scotland has made major strides in recent years in developing new business opportunities following significant investment made in resources, in harnessing new technology and the expansion of our operations in Edinburgh. As a result the company has evolved and grown to become synonymous with the delivery of a diverse range of marketing and communications services both within Scotland and the UK.

APS GROUP SCOTLAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

Today our service offering utilises the resources and expertise of our Edinburgh based team as well as up to 150 SME supplier partner businesses operating principally across Scotland. It is a unique and highly effective operating model which delivers high efficiency, flexibility and significant commercial benefit to clients. We have taken advantage of the latest developments in technology and combined these with personable informed account management teams thereby giving our clients control and choice in the way in which they engage with their audiences.

Our strengths lie in our creativity and our innovative account management capabilities that underpin a defined commitment to customer service. As a consequence we are seeing the benefit of earlier investment and we are pleased to be able to report a number of important financial highlights in respect of this year's performance.

Overall sales increased from £8.4m in the year to January 2013 to £9.9m in the year to January 2014 (+17.8%); gross profit increased in the period from £1.56m to £1.79m in 2014 (+14.2%). All reflecting increases in sales derived from service and fee income alongside that emanating from traditional product sales and manufacturing. Profit before tax increased from £0.6m to January 2013 to £0.7m to January 2014.

Position of the Company

The year was notable for the ongoing development and success of our marketing and information technology platform which supports customers in a more personalised and innovative way, spanning both traditional and digital channels.

We firmly believe that the technical capabilities and innovation provided by APS Group BV (our fellow subsidiary in the Netherlands), when combined with our own technical and creative capabilities, offers considerable potential to achieve future growth and expansion of services across the business. Together with further investment and other operational changes implemented during the year these developments have substantially improved APS Group Scotland's ability to compete in the marketplace.

Principal Risks

Over the last decade, APS Group Scotland has successfully diversified into new customer sectors, using the company's core service offerings and strong customer relationships as a platform for success. Indeed, we have achieved some notable successes. Nevertheless, the ongoing challenge is the management and implementation of change and how we harness new technology for the benefit of all stakeholders whilst continuing to service and retain existing clients.

Managing change is heavily dependent on the people employed in the business and on the introduction of new and complementary skills. We will continue to develop our existing teams within the business whilst seeking to introduce further expertise, technical knowledge and proven capabilities when and where additional skills and input is required.

Client retention continues to command a strong focus across all our business operations. It underpins APS Group Scotland's commitment to customer satisfaction. We also remain committed to enabling our own clients and suppliers to innovate and maintain strong and effective communication with their customers and stakeholders. We believe that it is in all our interests to continue to improve communication and support the achievement of business goals.

Looking Ahead

Above all, the endeavours and hard work of our managers and employees in Edinburgh and across Scotland, has been remarkable and we are indebted to them for making so much possible. APS Group Scotland's vision is to continue to strive to deliver strong performances by creating value, nurturing talent and providing opportunities for all our customers and stakeholders to share in the company's success.

APS GROUP (SCOTLAND) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

The directors present their report and financial statements for the year ended 31 January 2014.

Results and dividends

The results for the year are set out on page 8.

Directors

The following directors have held office since 1 February 2013:

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 Strategic Report, 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.

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.

On behalf of the board



N J Snelson

Director

10 October 2014

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 2014 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic Report and 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.



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

Chartered Accountants
Statutory Auditor

10 October 2014

Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

APS GROUP (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2014

	Notes	2014 £	2013 £
Turnover	2	9,908,163	8,414,963
Cost of sales		(8,122,960)	(6,852,012)
Gross profit		<u>1,785,203</u>	<u>1,562,951</u>
Administrative expenses		(1,078,917)	(957,060)
Operating profit	3	<u>706,286</u>	<u>605,891</u>
Other interest receivable and similar income	4	235	801
Profit on ordinary activities before taxation		<u>706,521</u>	<u>606,692</u>
Tax on profit on ordinary activities	5	(203,003)	(148,115)
Profit for the year	13	<u><u>503,518</u></u>	<u><u>458,577</u></u>

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.

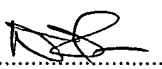
APS GROUP (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	6		153,692		254,416
Current assets					
Stocks	7	312,858		179,158	
Debtors	8	1,442,621		936,871	
Cash at bank and in hand		314,489		8,252	
		<u>2,069,968</u>		<u>1,124,281</u>	
Creditors: amounts falling due within one year	9	<u>(1,430,778)</u>		<u>(1,100,899)</u>	
Net current assets			639,190		23,382
Total assets less current liabilities			<u>792,882</u>		<u>277,798</u>
Provisions for liabilities	10		(11,566)		-
			<u>781,316</u>		<u>277,798</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		781,216		277,698
Shareholders' funds	14		<u>781,316</u>		<u>277,798</u>

Approved by the Board and authorised for issue on 10 October 2014



 N J Snelson
 Director

Company Registration No. SC369510

APS GROUP (SCOTLAND) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2014

	Notes	£	2014 £	£	2013 £
Net cash inflow/(outflow) from operating activities	18		451,999		(150,755)
Returns on investments and servicing of finance					
Interest received		235		801	
Net cash inflow for returns on investments and servicing of finance			235		801
Taxation			(124,395)		(61,154)
Capital expenditure					
Payments to acquire tangible assets		(21,602)		(2,613)	
Net cash outflow for capital expenditure			(21,602)		(2,613)
Net cash inflow/(outflow) before management of liquid resources and financing			306,237		(213,721)
Increase/(decrease) in cash in the year	19, 20		306,237		(213,721)

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2014

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 2014

3	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	122,326	143,078
	Operating lease rentals		
	- Plant and machinery	8,709	10,775
	Auditors' remuneration (including expenses and benefits in kind)	5,500	4,700
		<u> </u>	<u> </u>
4	Investment income	2014	2013
		£	£
	Bank interest	235	801
		<u> </u>	<u> </u>
		<u>235</u>	<u>801</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	179,487	124,396
	Payment in respect of group relief	-	43,136
	Total current tax	<u>179,487</u>	<u>167,532</u>
	Deferred tax		
	Origination and reversal of timing differences	23,018	(19,417)
	Deferred tax adjustments arising in previous periods	498	-
		<u>23,516</u>	<u>(19,417)</u>
		<u>203,003</u>	<u>148,115</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>706,521</u>	<u>606,692</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.16% (2013 - 24.33%)	<u>163,630</u>	<u>147,608</u>
	Effects of:		
	Non deductible expenses	2,045	250
	Depreciation add back	28,331	34,811
	Capital allowances	(13,374)	(16,339)
	Other tax adjustments	(1,145)	1,202
		<u>15,857</u>	<u>19,924</u>
	Current tax charge for the year	<u>179,487</u>	<u>167,532</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 February 2013	100,058	503,906	1,940	605,904
Additions	2,090	17,963	1,549	21,602
At 31 January 2014	102,148	521,869	3,489	627,506
Depreciation				
At 1 February 2013	43,647	306,750	1,091	351,488
Charge for the year	13,922	106,723	1,681	122,326
At 31 January 2014	57,569	413,473	2,772	473,814
Net book value				
At 31 January 2014	44,579	108,396	717	153,692
At 31 January 2013	56,411	197,156	849	254,416

7 Work in progress

	2014 £	2013 £
Work in progress	312,858	179,158

8 Debtors

	2014 £	2013 £
Trade debtors	1,197,366	899,046
Amounts owed by parent and fellow subsidiary undertakings	214,267	-
Called up share capital not paid	100	100
Other debtors	6,096	50
Prepayments and accrued income	24,792	25,725
Deferred tax asset (see note 10)	-	11,950
	1,442,621	936,871

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

9	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	787,619	491,990
	Amounts owed to parent and fellow subsidiary undertakings	271,236	325,585
	Corporation tax	179,488	124,396
	Other taxes and social security costs	48,488	89,506
	Other creditors	3,103	780
	Accruals and deferred income	140,844	68,642
		<u>1,430,778</u>	<u>1,100,899</u>

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 February 2013	(11,452)
Profit and loss account	23,018
Balance at 31 January 2014	<u>11,566</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated/(decelerated) capital allowances	11,566	(10,750)
Other timing differences	-	(1,200)
	<u>11,566</u>	<u>(11,950)</u>

11 Pension and other post-retirement benefit commitments Defined contribution

	2014 £	2013 £
Contributions payable by the company for the year	<u>52,707</u>	<u>55,694</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

12 Share capital	2014	2013
	£	£
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 2013	277,698
Profit for the year	503,518
Balance at 31 January 2014	781,216

14 Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Profit for the financial year	503,518	458,577
Opening shareholders' funds	277,798	(180,779)
Closing shareholders' funds	781,316	277,798

15 Financial commitments

At 31 January 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	4,159
Between two and five years	105,000	90,000	-	3,874
	105,000	90,000	-	8,033

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

16 Employees

Number of employees

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

	2014 Number	2013 Number
Studio and production	54	50
Marketing and sales	22	22
Administration	7	5
	<u>83</u>	<u>77</u>

Employment costs

	2014 £	2013 £
Wages and salaries	1,957,297	1,700,845
Social security costs	183,591	159,298
Other pension costs	52,707	55,694
	<u>2,193,595</u>	<u>1,915,837</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

	2014 £	2013 £
Operating profit	706,286	605,891
Depreciation of tangible assets	122,326	143,078
Increase in stocks	(133,700)	(22,039)
Increase in debtors	(517,700)	(151,559)
Increase/(decrease) in creditors within one year	274,787	(682,990)
Group relief	-	(43,136)
Net cash inflow/(outflow) from operating activities	<u>451,999</u>	<u>(150,755)</u>

APS GROUP (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

19	Analysis of net funds	1 February 2013 £	Cash flow £	Other non- cash changes £	31 January 2014 £
	Net cash:				
	Cash at bank and in hand	8,252	306,237	-	314,489
	Net funds	<u>8,252</u>	<u>306,237</u>	<u>-</u>	<u>314,489</u>

20	Reconciliation of net cash flow to movement in net funds	2014 £	2013 £
	Increase/(decrease) in cash in the year	306,237	(213,721)
	Movement in net funds in the year	306,237	(213,721)
	Opening net funds	8,252	221,973
	Closing net funds	<u>314,489</u>	<u>8,252</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.