

Company Registration No. SC369510 (England and Wales)

**APS GROUP (SCOTLAND) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2015**



# **APS GROUP (SCOTLAND) LIMITED**

## **COMPANY INFORMATION**

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### **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

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# **APS GROUP (SCOTLAND) LIMITED**

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# APS GROUP LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2015

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*"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 of 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"*



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**Allan F Doyle**  
Managing Director  
*23/10/2015*

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### Performance and Development

This year has seen the continued growth and diversification for APS Group Scotland. We have also successfully renewed contractual relationships with existing customers, broadened the range of services offered to them and increased our exposure in new marketplaces. This success has galvanised our position as a leading provider of marketing and communications services offering strategic input and creative solutions for customers. Increasingly these services are provided using digital platforms and with the benefit of the company's significant investment in information technology.

Our service offering utilises the resources and expertise of teams based in Edinburgh and from a new office in Glasgow, coupled with up to 250 SME supplier partner businesses, operating principally in Scotland. This is a unique and highly effective operating model which continues to deliver high efficiency, flexibility and significant commercial benefit to clients.

# **APS GROUP LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2015**

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Our strengths lie in our creativity and our innovative account management capabilities, underpinned by a broad spectrum of multi-channel communications delivery which is clearly focussed on delivering excellent customer service and return on customer investment.

Innovative service models have been developed throughout the year which have developed the company's publishing credentials, formed the basis for new contractual relationships and improved margin.

As a consequence 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 £9.9m in the year to January 2015 to £10.4m in the year to January 2015 (+5.1%); gross profit increased in the period from £1.79m to £1.97m (+10.6%). This reflects a continued movement towards turnover based on service and fee income alongside that emanating from product sales and manufacturing. Profit before tax increased from £706k to £848k (+20%) in the year to January 2015.

#### **Position of Group**

Perhaps most notable in this year has been our success in renewing and continuing relationships, particularly in the public sector where open market tendering is mandatory. Success in this area provides a significant platform for continued growth. This, coupled with the company's success in embracing digital delivery channels and innovative service delivery models positions the company well for future profitable growth.

#### **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 2015**

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The directors present their report and financial statements for the year ended 31 January 2015.

### Results and dividends

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

### Directors

The following directors have held office since 1 February 2014:

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

23/10/2015

# **APS GROUP (SCOTLAND) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF APS GROUP (SCOTLAND) LIMITED**

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We have audited the financial statements of APS Group (Scotland) Limited for the year ended 31 January 2015 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 page 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 2015 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

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#### 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 Bullen (Senior Statutory Auditor)  
for and on behalf of Booth Ainsworth LLP

Chartered Accountants  
Statutory Auditor

*26 October 2015*

Alpha House  
4 Greek Street  
Stockport  
Cheshire  
SK3 8AB



# APS GROUP (SCOTLAND) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2015

	Notes	2015 £	2014 £
Turnover	2	10,416,518	9,908,163
Cost of sales		(8,442,432)	(8,122,960)
<b>Gross profit</b>		<b>1,974,086</b>	<b>1,785,203</b>
Administrative expenses		(1,125,994)	(1,078,917)
<b>Operating profit</b>	3	<b>848,092</b>	<b>706,286</b>
Other interest receivable and similar income	4	567	235
Interest payable and similar charges	5	(991)	-
<b>Profit on ordinary activities before taxation</b>		<b>847,668</b>	<b>706,521</b>
Tax on profit on ordinary activities	6	(151,355)	(203,003)
<b>Profit for the year</b>	14	<b>696,313</b>	<b>503,518</b>

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 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	7		96,006		153,692
<b>Current assets</b>					
Stocks	8	200,835		312,858	
Debtors	9	2,303,077		1,442,621	
Cash at bank and in hand		108,872		314,489	
		<u>2,612,784</u>		<u>2,069,968</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,231,161)</u>		<u>(1,430,778)</u>	
<b>Net current assets</b>			1,381,623		639,190
<b>Total assets less current liabilities</b>			<u>1,477,629</u>		<u>792,882</u>
<b>Provisions for liabilities</b>	11		-		(11,566)
			<u>1,477,629</u>		<u>781,316</u>
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Profit and loss account	14		1,477,529		781,216
<b>Shareholders' funds</b>	15		<u>1,477,629</u>		<u>781,316</u>

Approved by the Board and authorised for issue on 23/01/2015



N J Snelson  
Director

Company Registration No. SC369510

# APS GROUP (SCOTLAND) LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2015

	£	2015 £	£	2014 £
<b>Net cash inflow from operating activities</b>		8,060		451,999
<b>Returns on investments and servicing of finance</b>				
Interest received	567		235	
Interest paid	(991)		-	
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>		(424)		235
<b>Taxation</b>		(179,488)		(124,395)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(33,765)		(21,602)	
<b>Net cash outflow for capital expenditure</b>		(33,765)		(21,602)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(205,617)		306,237
<b>(Decrease)/increase in cash in the year</b>		(205,617)		306,237

# APS GROUP (SCOTLAND) LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2015

1	Reconciliation of operating profit to net cash inflow from operating activities	2015	2014		
		£	£		
	Operating profit	848,092	706,286		
	Depreciation of tangible assets	91,451	122,326		
	Decrease/(increase) in stocks	112,023	(133,700)		
	Increase in debtors	(830,512)	(517,700)		
	(Decrease)/Increase in creditors within one year	(212,994)	274,787		
	<b>Net cash inflow from operating activities</b>	<b>8,060</b>	<b>451,999</b>		
2	Analysis of net funds	1 February 2014	Cash flow	Other non-cash changes	31 January 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	314,489	(205,617)	-	108,872
	Bank deposits	-	-	-	-
	<b>Net funds</b>	<b>314,489</b>	<b>(205,617)</b>	<b>-</b>	<b>108,872</b>
3	Reconciliation of net cash flow to movement in net funds	2015	2014		
		£	£		
	(Decrease)/increase in cash in the year	(205,617)	306,237		
	<b>Movement in net funds in the year</b>	<b>(205,617)</b>	<b>306,237</b>		
	Opening net funds	314,489	8,252		
	<b>Closing net funds</b>	<b>108,872</b>	<b>314,489</b>		

# APS GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2015

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### 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

Raw material stock is held at the lower of cost and realisable value.

Revenue from work in progress is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of the work performed. Work in progress and finished goods are therefore valued at selling price.

#### 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 2015

<b>3</b>	<b>Operating profit</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	91,451	122,326
	Operating lease rentals		
	- Plant and machinery	7,405	8,709
	Auditors' remuneration (including expenses and benefits in kind)	6,000	5,500
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Bank interest	567	235
		<u>          </u>	<u>          </u>
		567	235
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	991	-
		<u>          </u>	<u>          </u>

# APS GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

6	Taxation	2015 £	2014 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	192,865	179,487
	<b>Total current tax</b>	<u>192,865</u>	<u>179,487</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(41,510)	23,018
	Deferred tax adjustments arising in previous periods	-	498
		<u>(41,510)</u>	<u>23,516</u>
		<u>151,355</u>	<u>203,003</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>847,668</u>	<u>706,521</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.32% (2014 - 23.16%)	<u>180,723</u>	<u>163,630</u>
	Effects of:		
	Non deductible expenses	4,006	2,045
	Depreciation add back	19,500	28,331
	Capital allowances	(11,393)	(13,374)
	Other tax adjustments	29	(1,145)
		<u>12,142</u>	<u>15,857</u>
	<b>Current tax charge for the year</b>	<u>192,865</u>	<u>179,487</u>

# APS GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

### 7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 February 2014	102,148	521,869	3,489	627,506
Additions	-	30,934	2,830	33,764
At 31 January 2015	102,148	552,803	6,319	661,270
<b>Depreciation</b>				
At 1 February 2014	57,569	413,473	2,772	473,814
Charge for the year	9,864	78,840	2,746	91,450
At 31 January 2015	67,433	492,313	5,518	565,264
<b>Net book value</b>				
At 31 January 2015	34,715	60,490	801	96,006
At 31 January 2014	44,579	108,396	717	153,692

8	Work in progress	2015 £	2014 £
	Work in progress	200,835	312,858
9	Debtors	2015 £	2014 £
	Trade debtors	1,244,927	1,197,366
	Amounts owed by parent and fellow subsidiary undertakings	945,780	214,267
	Called up share capital not paid	100	100
	Other debtors	25,008	6,096
	Prepayments and accrued income	57,318	24,792
	Deferred tax asset (see note 11)	29,944	-
		2,303,077	1,442,621



# APS GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

10 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	510,498	787,619
Amounts owed to parent and fellow subsidiary undertakings	271,236	271,236
Corporation tax	192,865	179,488
Other taxes and social security costs	56,368	48,488
Other creditors	4,304	3,103
Accruals and deferred income	195,890	140,844
	<u>1,231,161</u>	<u>1,430,778</u>

### 11 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2015 £	
Balance at 1 February 2014	11,566	
Profit and loss account	(41,510)	
	<u>(29,944)</u>	
Balance at 31 January 2015		
	2015 £	2014 £
(Decelerated)/accelerated capital allowances	<u>(29,944)</u>	<u>11,566</u>

### 12 Retirement Benefits

	2015 £	2014 £
Contributions payable by the company for the year	<u>57,240</u>	<u>52,707</u>

### 13 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

# APS GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2015

### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2014	781,216
Profit for the year	696,313
Balance at 31 January 2015	<u>1,477,529</u>

### 15 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	696,313	503,518
Opening Shareholders' funds	<u>781,316</u>	<u>277,798</u>
Closing Shareholders' funds	<u>1,477,629</u>	<u>781,316</u>

### 16 Financial commitments

At 31 January 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2016:

	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
Within one year	17,688	-
Between two and five years	-	105,000
In over five years	<u>95,833</u>	<u>-</u>
	<u>113,521</u>	<u>105,000</u>

# APS GROUP (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

### 17 Employees

#### Number of employees

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

	2015 Number	2014 Number
Studio and production	51	54
Marketing and sales	26	22
Administration	10	7
	<u>87</u>	<u>83</u>

#### Employment costs

	2015 £	2014 £
Wages and salaries	2,205,149	1,957,297
Social security costs	206,680	183,591
Other pension costs	57,240	52,707
	<u>2,469,069</u>	<u>2,193,595</u>

### 18 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.

### 19 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.