

Reg.

COMPANY REGISTRATION NUMBER 627236

ABBOTTS CREATIVE PRINT LIMITED

FINANCIAL STATEMENTS

30 JUNE 2007

FRIDAY



A46M1X8C

A28

15/02/2008

349

COMPANIES HOUSE

ABBOTTS CREATIVE PRINT LIMITED

Officers and professional advisers

The board of directors

P R Smith
S A Smith

Company secretary

S A Smith

Registered office

East Road
Sleaford
Lincolnshire
NG34 7EH

Auditor

Robertshaw & Myers
Chartered Accountants
& Registered Auditors
Number 3
Acorn Business Park
Keighley Road
Skipton
North Yorkshire
BD23 2UE

Bankers

HSBC Bank plc
PO Box 105
33 Park Row
Leeds
LS1 1LD

ABBOTTS CREATIVE PRINT LIMITED

The directors' report

Period from 1 June 2006 to 30 June 2007

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 June 2006 to 30 June 2007

Principal activities

The principal activity of the company continued to be that of the provision of print solutions

Directors

The directors who served the company during the period were as follows

P R Smith	(Appointed 17 May 2007)
S A Smith	(Appointed 17 May 2007)
G W Carmichael	(Resigned 17 May 2007)
A D Carmichael	(Resigned 17 May 2007)
D V Creese	(Resigned 17 May 2007)
J A Parkin	(Resigned 17 May 2007)
M Pickford	(Resigned 17 May 2007)

Directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ABBOTTS CREATIVE PRINT LIMITED

The directors' report *(continued)*

Period from 1 June 2006 to 30 June 2007

Auditor

A resolution to re-appoint Robertshaw & Myers as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
East Road
Sleaford
Lincolnshire
NG34 7EH

Signed on behalf of the directors



P R Smith

Approved by the directors on 19 December 2007

ABBOTTS CREATIVE PRINT LIMITED

Independent auditor's report to the shareholders of Abbotts Creative Print Limited

Period from 1 June 2006 to 30 June 2007

We have audited the financial statements of Abbotts Creative Print Limited for the period from 1 June 2006 to 30 June 2007 on pages 6 to 16, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 8 to 9

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ABBOTTS CREATIVE PRINT LIMITED

Independent auditor's report to the shareholders of Abbotts Creative Print Limited *(continued)*

Period from 1 June 2006 to 30 June 2007

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 June 2007 and of its profit for the period then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



ROBERTSHAW & MYERS
Chartered Accountants
& Registered Auditors

Number 3
Acorn Business Park
Keighley Road
Skipton
North Yorkshire
BD23 2UE

19 December 2007

ABBOTTS CREATIVE PRINT LIMITED

Profit and loss account

Period from 1 June 2006 to 30 June 2007

	Note	Period from 1 Jun 06 to 30 Jun 07 £	Year to 31 May 06 £
Turnover		4,562,341	4,113,867
Cost of sales		(3,519,272)	(3,087,472)
Gross profit		1,043,069	1,026,395
Distribution costs		(118,009)	(100,547)
Administrative expenses		(724,115)	(583,104)
Operating profit	1	200,945	342,744
Interest receivable		530	184
Interest payable and similar charges		(46,528)	(40,906)
Profit on ordinary activities before taxation		154,947	302,022
Tax on profit on ordinary activities	3	(120,143)	(99,180)
Profit for the financial period		34,804	202,842

The accounting policies and notes on pages 8 to 16 form part of these financial statements.

ABBOTTS CREATIVE PRINT LIMITED


Balance sheet

30 June 2007

	Note	£	30 Jun 07 £	£	31 May 06 £
Fixed assets					
Tangible assets	4		1,166,661		1,418,104
Current assets					
Stocks		85,959		96,719	
Debtors due within one year	5	1,095,290		1,328,730	
Debtors due after one year	5	1,152,970		—	
Cash at bank and in hand		90,087		39	
		<u>2,424,306</u>		<u>1,425,488</u>	
Creditors: Amounts falling due within one year	6	<u>(1,912,208)</u>		<u>(1,054,062)</u>	
Net current assets			<u>512,098</u>		<u>371,426</u>
Total assets less current liabilities			<u>1,678,759</u>		<u>1,789,530</u>
Creditors: Amounts falling due after more than one year	7		<u>(282,623)</u>		<u>(479,341)</u>
			<u>1,396,136</u>		<u>1,310,189</u>
Provisions for liabilities					
Deferred taxation	8		<u>(185,000)</u>		<u>(133,857)</u>
			<u>1,211,136</u>		<u>1,176,332</u>
Capital and reserves					
Called-up equity share capital	12		500		500
Profit and loss account	13		1,210,636		1,175,832
Shareholders' funds			<u>1,211,136</u>		<u>1,176,332</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors and authorised for issue on 19 December 2007, and are signed on their behalf by



P R Smith
Director

The accounting policies and notes on pages 8 to 16 form part of these financial statements.

ABBOTTS CREATIVE PRINT LIMITED

Accounting policies

Period from 1 June 2006 to 30 June 2007

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2005)

The Financial Reporting Standard for Smaller Entities (effective January 2005) adopts the presentation requirements of FRS 25 - Financial Instruments. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 10% - 25% per annum of cost
Fixtures, Fittings & Equipment	- 10% per annum of net book value
Motor Vehicles	- 25% per annum of cost
Computer Equipment	- 25% per annum of cost

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

ABBOTTS CREATIVE PRINT LIMITED

Accounting policies *(continued)*

Period from 1 June 2006 to 30 June 2007

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ABBOTTS CREATIVE PRINT LIMITED

Notes to the financial statements

Period from 1 June 2006 to 30 June 2007

1. Operating profit

Operating profit is stated after charging/(crediting)

	Period from 1 Jun 06 to 30 Jun 07 £	Year to 31 May 06 £
Staff pension contributions	5,041	7,391
Depreciation of owned fixed assets	80,778	184,003
Depreciation of assets held under hire purchase agreements	201,937	101,146
Loss/(Profit) on disposal of fixed assets	6,483	(4,666)
Auditor's fees	<u>6,000</u>	<u>5,880</u>

2. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	Period from 1 Jun 06 to 30 Jun 07 £	Year to 31 May 06 £
Aggregate emoluments	84,632	129,173
Value of company pension contributions to money purchase schemes	<u>7,059</u>	<u>5,714</u>
	<u>91,691</u>	<u>134,887</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Period from 1 Jun 06 to 30 Jun 07 No	Year to 31 May 06 No
Money purchase schemes	<u>2</u>	<u>2</u>

ABBOTTS CREATIVE PRINT LIMITED

Notes to the financial statements

Period from 1 June 2006 to 30 June 2007

3. Taxation on ordinary activities (a) Analysis of charge in the period

	Period from 1 Jun 06 to 30 Jun 07 £	Year to 31 May 06 £
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period at 30% (2006 - 30%)	69,000	108,031
Total current tax	69,000	108,031
Deferred tax		
Origination and reversal of timing differences (note 8)		
Capital allowances	(26,357)	(8,851)
Effect of changed tax rate on opening balance	77,500	-
Total deferred tax (note 8)	51,143	(8,851)
Tax on profit on ordinary activities	120,143	99,180

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	Period from 1 Jun 06 to 30 Jun 07 £	Year to 31 May 06 £
Profit on ordinary activities before taxation	154,947	302,022
Profit/(loss) on ordinary activities by rate of tax	46,484	90,607
Non deductible expenses	1,776	6,974
Excess of depreciation over capital allowances	24,042	13,975
Group relief	(4,890)	-
Sundry tax adjusting items	1,588	(3,525)
Total current tax (note 3(a))	69,000	108,031

ABBOTTS CREATIVE PRINT LIMITED

Notes to the financial statements

Period from 1 June 2006 to 30 June 2007

4. Tangible fixed assets

	Plant & Machinery £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Computer Equipment £	Total £
Cost					
At 1 June 2006	1,802,430	177,919	181,130	201,554	2,363,033
Additions	—	—	55,370	1,929	57,299
Disposals	—	—	(59,233)	—	(59,233)
At 30 June 2007	1,802,430	177,919	177,267	203,483	2,361,099
Depreciation					
At 1 June 2006	639,936	100,751	83,049	121,193	944,929
Charge for the period	185,269	9,200	40,483	47,763	282,715
On disposals	—	—	(33,206)	—	(33,206)
At 30 June 2007	825,205	109,951	90,326	168,956	1,194,438
Net book value					
At 30 June 2007	977,225	67,968	86,941	34,527	1,166,661
At 31 May 2006	1,162,494	77,168	98,081	80,361	1,418,104

Hire purchase agreements

Included within the net book value of £1,166,661 is £962,306 (2006 - £573,712) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £201,937 (2006 - £101,146)

5. Debtors

	30 Jun 07 £	31 May 06 £
Trade debtors	981,453	978,407
Amounts owed by group undertakings	1,152,970	297,407
VAT recoverable	22,111	—
Other debtors	91,726	52,916
	2,248,260	1,328,730

The debtors above include the following amounts falling due after more than one year

	30 Jun 07 £	31 May 06 £
Amounts owed by group undertakings	1,152,970	—

ABBOTTS CREATIVE PRINT LIMITED

Notes to the financial statements

Period from 1 June 2006 to 30 June 2007

6. Creditors: Amounts falling due within one year

	30 Jun 07	31 May 06
	£	£
Bank loans and overdrafts	17,000	207
Trade creditors	669,450	580,036
Other creditors including taxation and social security		
Invoice financing	781,041	—
Corporation tax	69,000	108,031
PAYE and social security	40,270	—
VAT	—	31,082
Hire purchase agreements	270,762	292,263
Accruals and deferred income	64,685	42,443
	<u>1,225,758</u>	<u>473,819</u>
	<u>1,912,208</u>	<u>1,054,062</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	30 Jun 07	31 May 06
	£	£
Bank loans and overdrafts	17,000	207
Invoice financing	781,041	—
Hire purchase agreements	270,762	292,263
	<u>1,068,803</u>	<u>292,470</u>

7. Creditors: Amounts falling due after more than one year

	30 Jun 07	31 May 06
	£	£
Bank loans and overdrafts	33,000	—
Amounts owed to group undertakings	25,000	—
Hire purchase agreements	224,623	479,341
	<u>282,623</u>	<u>479,341</u>

ABBOTTS CREATIVE PRINT LIMITED

Notes to the financial statements

Period from 1 June 2006 to 30 June 2007

7. Creditors: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	30 Jun 07 £	31 May 06 £
Bank loans and overdrafts	33,000	—
Hire purchase agreements	224,623	479,341
	<u>257,623</u>	<u>479,341</u>

8. Deferred taxation

The movement in the deferred taxation provision during the period was

	Period from 1 Jun 06 to 30 Jun 07 £	Year to 31 May 06 £
Provision brought forward	133,857	142,708
Profit and loss account movement arising during the period	51,143	(8,851)
Provision carried forward	<u>185,000</u>	<u>133,857</u>

The provision for deferred taxation at 30% (2006 – 19%) consists of the tax effect of timing differences in respect of

	30 Jun 07 £	31 May 06 £
Excess of taxation allowances over depreciation on fixed assets	185,000	133,857
	<u>185,000</u>	<u>133,857</u>

9. Commitments under operating leases

At 30 June 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	30 Jun 07 £	31 May 06 £
Operating leases which expire Within 2 to 5 years	<u>63,000</u>	<u>—</u>

ABBOTTS CREATIVE PRINT LIMITED

Notes to the financial statements

Period from 1 June 2006 to 30 June 2007

10. Contingencies

A company unlimited multilateral guarantee has been given to HSBC Bank plc by VCS Group Limited, the ultimate parent undertaking, and by the group subsidiary undertakings, VCS (Wayzgoose) Limited, VCS (Clearpoint) Limited, Abbots Creative Print Limited and Wayzgoose Holdings Limited. At the year end the net outstanding commitment for Abbots Creative Print Limited was £1,314,436.

11. Related party transactions

During the period, the company's entire issued share capital was acquired by VCS Group Limited. A loan of £1,152,970 was made by this company to VCS Group Limited to provide Financial Assistance for the acquisition of its shares. This loan was whitewashed under Section 155 - 158 of the Companies Act 1985.

Included within debtors, amounts falling due after one year, is £1,152,970 (2006 - £nil) due from VCS Group Limited. The amount is interest free and there are no set repayment terms.

Included within creditors, amounts falling due after one year, is £15,000 (2006 - £nil) due to VCS (Wayzgoose) Limited and £10,000 (2006 - £nil) due to VCS (Clearpoint) Limited. These amounts are interest free and there are no set repayment terms.

During the period the company paid management charges of £302,477 (2006 - £200,000) to Southesk Holdings Limited, the company's former holding company.

During the period the company paid management charges of £15,000 (2006 - £nil) to VCS (Wayzgoose) Limited and £10,000 (2006 - £nil) to VCS (Clearpoint) Limited, both of these companies are fellow subsidiary undertakings of VCS Group Limited.

12. Share capital

Authorised share capital:

	30 Jun 07 £	31 May 06 £
500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	30 Jun 07		31 May 06	
	No	£	No	£
Ordinary shares of £1 each	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

ABBOTTS CREATIVE PRINT LIMITED

Notes to the financial statements

Period from 1 June 2006 to 30 June 2007

13. Profit and loss account

	Period from 1 Jun 06 to 30 Jun 07 £	Year to 31 May 06 £
Balance brought forward	1,175,832	972,990
Profit for the financial period	34,804	202,842
Balance carried forward	<u>1,210,636</u>	<u>1,175,832</u>

14. Ultimate parent company

The immediate parent company was Southesk Communications Limited and the ultimate holding company was Southesk Holdings Limited. Southesk Holdings Limited was controlled by G W Carmichael by virtue of his shareholding.

On 17 May 2007 the entire issued share capital of Abbotts Creative Print Limited was acquired by VCS Group Limited, a company registered in England & Wales.

VCS Group Limited is under the control of P R Smith.

The financial statements of VCS Group Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.