

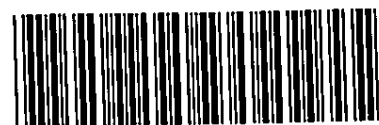
Company No 1594411

# AccessPlus Marketing Services Limited

Annual Report

*Year ended 31 December 2007*

THURSDAY



\*AUSEP29A\*

A26

14/08/2008

205

COMPANIES HOUSE

## Contents of the Annual Report

	<b>Page</b>
Company information	1
Chief Executive's review	2-3
Report of the Directors	4-9
Independent auditors' report	10-11
Consolidated profit and loss account	12
Consolidated balance sheet	13
Company balance sheet	14
Notes to the financial statements	15-29

## Company information

Directors	JCE Cromack DPA Emerson
Secretary	D Rodwell
Registered office	Dorcan 300 Murdock Road Dorcan Swindon Wiltshire SN3 5HY
Registered number	1594411
Auditors	Grant Thornton UK LLP Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	HSBC Bank Plc 49 Corn Street Bristol BS99 7PP
Solicitors	Hammonds Rutland House 148 Edmund Street Birmingham B3 2JR

## Chief Executive's Review

Year ended 31 December 2007

### Operational Overview

AccessPlus provides Business Process Outsourcing ("BPO") services to companies seeking to reduce costs for printed and corporate communication

Printed communication is a major element of many companies operating costs and the procurement of print is complex, fragmented and costly. As a result, customers with a large print spend will almost certainly be able to save money from an outsourced print management solution.

Businesses are looking to reduce headcount and external spend as well as maximising the effectiveness of their corporate messages. A corporate message can be embodied in many forms of communication including brochures, direct mail, point of sale materials, emails, report and accounts, and customer statements. More channels are becoming readily available, through which a company can maximise the efficiency of its communication. These additional channels provide a huge opportunity for those companies to re-engineer their business processes so that they can take full advantage of the efficiencies and the cost savings that can be delivered.

In 2006, the Group redefined its BPO service offering under five core banners, Print Management, Data Solutions, Document Management, Logistics and Campaign Delivery. This made communicating the service offering to customers easier, allowing us to tender for new contracts more successfully and to cross sell more effectively leading to enhanced account development.

It is the Group's intent to win the trust and respect of its customers and earn the right to guide them towards getting even greater benefits from the full portfolio of the Group's services. To do this the Group must be able to demonstrate that it is competent and capable of delivering the benefits it claims and has therefore embarked on an operational improvement programme to train and educate its people in its portfolio of services and solutions.

In July 2007, as part of the operational improvement programme the Group introduced a new Customer Service Charter which will not only deliver 'best in class' customer service but also ensure we are constantly seeking new opportunities that will deliver benefits to our customers and increased revenues to the Group. To date, 80% of all customer-facing personnel have been on a tailored training programme that is being rolled out across the Group.

Daniel Emerson was appointed to the Board in August 2007 as Group Operations Officer to provide focus and the operational delivery of the change programme, which includes the enhancement of our consultative account management offering, the launch of our Skills Academy and on-going improvement of our processes and service offering.

AccessPlus is well positioned to take advantage of the growing demand for BPO services due to the positioning and change programme it has adopted over the past 18 months. This has been ratified by the diverse nature of the contracts awarded to the Group in 2007 many of which are far removed from the standard print management sector. The Citroën Fulfilment contract for example was awarded in early 2007 and the service offered covers the fulfilment of customer data, and the management of customer leads throughout its dealer network.

Since the start of 2008 we have been awarded a 3 year outsourced document management contract with Home Learning College for the on-demand production and fulfilment of their core product, the course material. The Group was able to demonstrate that it could not only deliver a quality product but could also streamline the process and reporting visibility to the customer. This work is fulfilled within the Groups owned facility.

In addition, since the start of 2008 the Group has appointed a new Group Business Development Director, Trevor Weldon. Trevor has joined the operational board and has a huge amount of experience in winning and implementing large contracts within both the public and private sectors. Trevor is responsible for the growth of new business sales and the development of a new sales team capable of strategic and solution selling.

## Chief Executive's review (Continued)

Year ended 31 December 2007

### Staff

AccessPlus differentiates itself through the skills and talent of its staff and the expertise and service that they can provide its customers, they are the resource that underpins the Group's vision. We will continue to invest in the development and training of our staff through the Groups dedicated Skills Academy to ensure that the solutions and customer service that they provide are of the highest quality.

The Board would like to take this opportunity to thank our staff for their continued hard work and effort.

### Current Trading & Outlook

The Board is pleased with the progress the AccessPlus has made in 2007 and is seeing positive signs from the implementation of its key strategies.

The increased contracted revenue base gives the AccessPlus far greater visibility of revenue and a solid customer platform across which it can cross sell its full suite of products.

The conversion of ad hoc revenue to contracted revenue may in the short term partially offset the growth in gross profit achieved through account development of contracted customers and further contract wins, as higher legacy gross margin is exchanged for longer-term relationships.



J Cromack  
Chief Executive Officer  
25<sup>th</sup> July 2008

## Report of the Directors

The Directors present their annual report on the affairs of the Group, together with the financial statements for the year ended 31 December 2007

### Principal Activities and Business Review

A description of the Group's principal activities, and a business review for the year, are given in the Chief Executives' review on page 2

On 15<sup>th</sup> May 2008, TripleArc plc was acquired by Olive 1 Limited, a subsidiary of office2office plc. From that date, office2office became the group's ultimate parent undertaking.

### Results and dividends

The consolidated profit after tax for the year amounted to £2,443,235 (2006: £4,684,623). The Directors do not recommend the payment of a dividend (2006: £Nil).

Details of the results for the year are set out in the profit and loss account on page 12 and in the related notes forming part of the financial statements.

### Principal activities and business review

The principal activity of the group in the year was the provision of print related marketing services.

### Key performance indicators

Key performance indicator	Target	2007	2006
Gross Profit Margins <sup>1</sup>	30%	28%	32.6%
Operating profit Margins <sup>2</sup>	10%	9%	11.5%
Working Capital (Debtor days) <sup>3</sup>	60	56	56
Number of long term contracts signed <sup>4</sup>	7	6	7

### Notes to KPIs

<sup>1</sup>Gross profit Margins = total gross profit as a percentage of total turnover

AccessPlus Marketing Services Limited aims to increase shareholder value and measures performance against this objective by measuring gross profit margin. Source data is taken from the audited financial statements. The reduction in the gross profit margin in the year is attributable to the increase in revenue from contracted customers as opposed to ad-hoc or non-contracted customers, which attracts a lower profit margin.

<sup>2</sup>Operating profit margins = Profit before exceptional items, intra-group recharges, interest and similar charges and corporation tax as a percentage of total turnover

AccessPlus Marketing Services Limited aims to increase shareholder value and measures performance against this objective by measuring operating profit margin. Source data is taken from the audited financial statements. Operating profit margins were reduced in the year due to the full year impact of the investments in sales and marketing made in 2006 and the mix between contracted and non-contracted customer margins as mentioned above.

## Report of the Directors (continued)

<sup>3</sup>Working Capital (Debtors days) = Average number of days sales outstanding

AccessPlus Marketing Services Limited aims to maximise working capital available in the group and this is measured by monitoring debtors days. Source data is taken from the audited financial statements. Debtor days have been maintained at 56 days in 2007, (56 days – 2006), principally due to a continued focus around improved working practices in areas of debt collections and accurate and timely invoicing.

<sup>4</sup>Number of long term contracts signed = Customer contracts for a period in excess of twelve months with expected annualised revenue in excess of £250k

AccessPlus Marketing Services Limited aims to secure new long term contracts which enables it to drive organic growth and to develop its existing customer relationships by providing additional value added services to those it was first contracted to provide. This not only delivers revenue growth, but also strengthens the partnership we have with our customers, as we are able to provide them with other services that can deliver further cost savings.

### Principal risks and uncertainties facing the business

The principal risks facing the business are changes in the way our customers communicate which may lead to lower orders being placed, advances in technology that lead to this and contracts not being renewed at full term.

### Financial risk management

The Group has entered into cross-guarantees in respect of the group banking facilities of TripleArc plc. The main facilities are organised through TripleArc plc.

The Group's sources of finance include bank borrowings and cash, agreed and managed within the overall Group facility and to which attaches some interest rate risk for the Company.

A small number of the Group's customers and suppliers are outside the UK, with some sales and expenses arising in foreign currency, though within short-term timescales. There is therefore also a limited degree of foreign exchange risk.

The Group's other principal financial assets are trade debtors, and the group's credit risk is primarily attributable to its trade debtors.

The credit risk on liquid funds is limited, because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. It is also the group's current policy that no trading in financial instruments shall be undertaken.

## Report of the Directors (continued)

The Group's policies for managing risks are summarised as follows

### **Foreign exchange risk**

The Group manages the foreign exchange risk arising on transactions with customers and suppliers by agreeing exchange rate ranges with suppliers and customers

### **Interest rate risk**

The Group has not entered into arrangements whereby it would be exposed to long-term interest rate risk. No derivative instruments are used by the group.

### **Credit risk**

Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on current circumstances, prior experience and their assessment of the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### **Directors and their interests**

The Directors who held office during the year were as follows

JCE Cromack  
DPA Emerson  
R Hodgson (resigned 26 June 2008)  
FC McGoldrick (resigned 9 January 2008)

None of the Directors had any interest in the share capital of AccessPlus Marketing Services Limited or its subsidiaries.

The Directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of the ultimate parent company, TripleArc plc

Ordinary shares of 5p each	31 December 2007	31 December 2006
JCE Cromack	4,617,705	4,617,705
DPA Emerson	-	-
FG McGoldrick*	588,015	588,015
R Hodgson *	-	-

\* These directors have resigned after the year end



## Report of the Directors (continued)

### DIRECTORS' SHARE OPTIONS

Details of the Directors' beneficial interests in TripleArc plc's share options are as follows

	At the beginning of the year. No. of shares under option	At the end of the year. No. of the shares under option	Weighted average Exercise price per share	First date exercisable	Last date exercisable
JCE Cromack	5,116,238	3,937,500	5 00p	-	December 2016
R Hodgson	3,740,000	3,740,000	5 00p	October 2008	December 2016
DPA Emerson	80,000	680,000	6 30p	April 2008	November 2017
FC McGoldrick	-	-	16 00p	-	Lapsed in year

According to the register of Directors' interests, no other rights (save those shown above) to subscribe for shares or debentures of the Company, or any other Group company, were granted to any Director or their immediate families, or exercised by them during the financial year or in the period up to the date of this report

### Creditor payment policy and practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with

At 31 December 2007, the Company had an average of 66 days' (2006 75 days') purchases outstanding in trade creditors

### Corporate Social Responsibility

#### Environment

The AccessPlus policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business. During the period covered by this report, the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations

We recognise that the pursuit of economic growth and a healthy environment must be closely linked. Our environmental management is based upon continuous improvement and continues to be a corporate priority

We encourage our staff to be environmentally aware and work on behalf of our customers to ensure we can provide a wide range of eco-friendly materials. We actively source suppliers who have or are working towards the ISO140001 accreditation

#### Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment continues and that appropriate training is arranged. It is our policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees

## Report of the Directors (continued)

### Employees

AccessPlus is committed to employment policies, which follow best practice, based on equal opportunities for all employees. Employees are kept closely involved with major changes affecting them, through such measures as team meetings, briefings and internal communications. There are well-established procedures to ensure that the views of employees are taken into account in reaching decisions.

### Community & Charitable Support

AccessPlus actively supports the local community in a variety of ways including sponsorship of local sports clubs, provision of work experience places and charity fundraising activities.

During the year, the group made charitable donations amounting to £2,100 (2006 £3,763). Over and above this, staff also raised in excess of £2,500 (2006 £3,000), which was distributed amongst a number of charities.

### Statement of Directors' responsibilities for the financial statements

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 which give a true and fair view of the state of affairs of the group and of the company as at the end of the financial year and of the profit or loss of the group for the financial year. Under that law the directors are required to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 each of the directors is aware

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

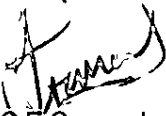
## Report of the Directors (continued)

### Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting

### Approval

The report of the directors was approved by the Board on 25<sup>th</sup> July 2008 and signed on its behalf by



J C-E Cromack  
Director

# **Report of the Independent Auditor to the Members of Access Plus Marketing Services Limited**

We have audited the financial statements of AccessPlus Marketing Services Limited for the year ended 31 December 2007 which comprise the consolidated profit and loss account, the consolidated and company balance sheets and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and 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.

# Report of the Independent Auditor to the Members of Access Plus Marketing Services Limited

(continued)

## Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and parent company's affairs as at 31 December 2007 and of its profit for the year 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

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITOR AND  
CHARTERED ACCOUNTANTS  
Birmingham  
25 July 2008

## Consolidated profit and loss account

for the year ended 31 December 2007

	Note	2007 £	2006 £
<b>Turnover – continuing operations</b>	2	43,866,174	42,366,758
Cost of sales		<u>(31,368,318)</u>	<u>(28,540,712)</u>
<b>Gross profit</b>		12,497,856	13,826,046
Administrative expenses excluding exceptional administrative costs		(8,227,924)	(8,941,464)
Exceptional administrative costs	3	<u>(315,548)</u>	<u>(132,605)</u>
<b>Total administrative expenses</b>		(8,543,472)	(9,074,069)
<b>Operating profit - continuing operations</b>			
Before exceptional administrative costs		4,269,932	4,884,582
Exceptional administrative costs	3	<u>(315,548)</u>	<u>(132,605)</u>
<b>Total operating profit</b>	3	3,954,384	4,751,977
Interest receivable		-	22,306
Interest payable and similar charges	5	<u>(167,149)</u>	<u>(28,390)</u>
<b>Profit on ordinary activities before taxation</b>		3,787,235	4,745,893
Tax on profit on ordinary activities	6	<u>(1,344,000)</u>	<u>(61,270)</u>
<b>Retained profit for the financial year</b>	16	2,443,235	4,684,623
Profit and loss account at the beginning of the year		<u>10,102,383</u>	<u>5,417,760</u>
<b>Profit and loss account at the end of the year</b>		<u>12,545,618</u>	<u>10,102,383</u>

The Group had no recognised gains or losses in the financial year other than those dealt with in the profit and loss account

# Consolidated balance sheet

at 31 December 2007

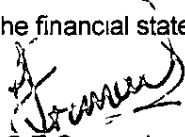
	Note	2007 £	2006 £
<b>Fixed assets</b>			
Investments	7	4,969	17,395
Intangible assets	8	939,764	999,845
Tangible assets	9	1,290,973	1,588,247
		<u>2,235,706</u>	<u>2,605,487</u>
<b>Current assets</b>			
Stocks	10	752,776	921,801
Debtors	11	31,047,973	26,419,898
Cash at bank and in hand		1,360	1,360
		<u>31,802,109</u>	<u>27,343,059</u>
<b>Creditors: amount falling due within one year</b>	12	(21,302,071)	(19,456,411)
		<u>10,500,038</u>	<u>7,886,648</u>
<b>Net current assets</b>			
		<u>12,735,744</u>	<u>10,492,135</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amount falling due after one year</b>	13	(189,126)	(388,752)
		<u>12,546,618</u>	<u>10,103,383</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	16	12,545,618	10,102,383
		<u>12,546,618</u>	<u>10,103,383</u>
<b>Equity shareholders' funds</b>	17	<u>12,546,618</u>	<u>10,103,383</u>

# Company balance sheet

at 31 December 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Investments	7	1,062,822	1,075,248
Intangible assets	8	9,093	18,177
Tangible assets	9	<u>1,036,192</u>	<u>1,247,237</u>
		2,108,107	2,340,662
<b>Current assets</b>			
Stocks	10	740,115	904,380
Debtors	11	30,238,119	25,414,802
Cash at bank and in hand		-	-
		<u>30,978,234</u>	<u>26,319,182</u>
<b>Creditors:</b> amount falling due within one year	12	(21,526,164)	(19,121,073)
		<u>9,452,070</u>	<u>7,198,109</u>
<b>Net current assets</b>			
		9,452,070	7,198,109
<b>Total assets less current liabilities</b>		11,560,177	9,538,771
<b>Creditors</b> amount falling due after one year	13	(13,377)	(13,377)
		<u>11,546,800</u>	<u>9,525,394</u>
<b>Net assets</b>			
		11,546,800	9,525,394
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	16	<u>11,545,800</u>	<u>9,524,394</u>
<b>Equity shareholders' funds</b>	17	<u>11,546,800</u>	<u>9,525,394</u>

The financial statements were approved by the Board on 25<sup>th</sup> July 2008 and signed on its behalf by

  
J C E Cromack  
Director



## Notes to the financial statements

31 December 2007

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the financial statements

#### **Basis of consolidation**

The consolidated financial statements include the Company and all its subsidiaries (as defined by s258 of the Companies Act 1985) at 31 December 2007. Intra group sales and profits have been eliminated on consolidation and all sales and profit figures relate to external transactions only.

#### **Tangible fixed assets and depreciation**

Depreciation is provided on the cost of tangible fixed assets, to write them down to their estimated residual value over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount.

Leasehold improvements have been depreciated, using the straight-line method, over the period of the lease to the date of the next option-to-break clause.

The principal annual rates used for other assets are:

Freehold land	- Nil
Freehold buildings	- 40 years straight line
Computers, associated equipment and software	- 3-10 years straight line
Fixtures and fittings	- 4-10 years straight line
Motor Vehicles	- 3-5 years straight line

#### **Investments**

Investments in subsidiaries are stated at cost less provision for impairment where necessary to reduce book value to recoverable amount.

#### **Intangible assets and goodwill**

Intangible assets represent intellectual property and goodwill. Purchased goodwill arising on the acquisition of a business (representing the excess of the fair value of the consideration given over the fair value of the separable assets and liabilities acquired) is capitalised. Positive goodwill is amortised on a straight-line basis over its estimated useful life. Purchased goodwill is being amortised over 15-20 years. Intellectual property acquired (together with the related costs of acquisition) is being amortised over three years.

Where events or circumstances indicate that the carrying amount of intangible assets may not be recoverable, the Company estimates the recoverable amount based on the present value of future cash flows expected to result from the use of the asset and its eventual disposal. Where this amount is less than the carrying amount of the asset, the Company will recognise an impairment loss.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date that the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date or at forward purchase contract rates where such contracts exist. Exchange differences are taken to the profit and loss account.

## Notes to the financial statements

31 December 2007

### 1. ACCOUNTING POLICIES (continued)

#### **Stocks**

Stocks are stated at the lower of cost, on a first-in, first-out basis and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### **Deferred taxation**

Deferred tax is provided on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences in the treatment of certain items for accounting and taxation purposes.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

#### **Pensions**

The Company contributes to a number of defined contribution personal pension plans held for the benefit of individual employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

#### **Leasing commitments**

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the group's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### **Government grants**

Government grants received are allocated pro-rata against the qualifying expenditure. Amounts relating to revenue expenditure in respect of job creation are credited to the profit and loss account immediately upon receipt. Amounts in respect of capital expenditure are treated as deferred income and released to profit and loss account over the lives of the qualifying assets.

#### **Cash flow statement**

The Company claims exemption from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of TripleArc plc which has prepared a group cash flow statement for the year ended 31 December 2007.

## Notes to the financial statements

31 December 2007

### 2. SEGMENTAL ANALYSIS

Turnover represents the amount derived from the provision of goods and services during the year, stated net of value added tax. The turnover and pre-tax profit is attributable to one continuing activity, the provision of print related management services within the United Kingdom.

Analysis of turnover by geographical market	2007 £	2006 £
United Kingdom	43,420,642	41,833,711
Other	445,532	533,047
	<hr/>	<hr/>
	43,866,174	42,366,758
	<hr/>	<hr/>

### 3. OPERATING PROFIT

This is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of owned fixed assets	276,030	249,610
Depreciation of fixed assets held under finance leases	60,888	29,309
Amortisation of intangible assets	60,081	47,330
(Profit)/loss on disposal of tangible fixed assets	-	(6,595)
Operating lease rentals – other	507,538	565,712
	<hr/>	<hr/>

Auditors' remuneration is borne by other group companies

# Notes to the financial statements

31 December 2007

## 3. OPERATING PROFIT (continued)

Exceptional administrative costs charged against operating profit comprise

	2007 £	2006 £
Recruitment, reorganisation and integration costs	303,122	-
Impairment of investment in TripleArc plc shares (note 7)	12,426	132,605
	<u>315,548</u>	<u>132,605</u>

## 4. STAFF COSTS

	2007 £	2006 £
Wages, salaries and fees	4,713,256	5,103,073
Social security costs	472,354	467,941
Other pension costs	126,996	104,828
	<u>5,312,606</u>	<u>5,675,842</u>

The average monthly number of employees during the year was 164 (2006 151) All employees are engaged in print management and support

### Directors' remuneration

	2007 £	2006 £
Remuneration to Directors (including company pension contributions) during the year	217,713	203,924

	2007 £	2006 £
Company contributions paid to money purchase pension schemes	-	-
	<u>No</u>	<u>No</u>
Members of money purchase pension schemes	-	-

## Notes to the financial statements

31 December 2007

### 4. STAFF COSTS (continued)

The amounts in respect of the highest paid Director are as follows

	2007	2006 £
Emoluments	144,000	108,000
Company contributions paid to money purchase pension schemes	-	-

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank loans and overdrafts	136,106	10,046
Finance charges payable under finance leases	31,043	18,344
	167,149	28,390

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) The taxation charge for the year is analysed below

	2007 £	2006 £
<b>Current taxation</b>		
UK corporation tax	-	117,429
Adjustment in respect of prior year	(280,000)	(125,734)
	(280,000)	(8,305)
<b>Group relief payable</b>		
Current year	806,407	-
Adjustment in respect of prior year	900,593	-
<b>Total current tax charge/(credit)</b>	1,427,000	(8,305)
<b>Deferred taxation (note 14)</b>		
Origination and reversal of timing differences	(57,859)	66,353
Adjustment in respect of prior years	(25,141)	3,222
	(83,000)	69,575
<b>Tax on profit on ordinary activities</b>	1,344,000	61,270

The £900,593 adjustment to group relief in respect of the prior year relates to the change in policy to charge group relief in the current year at £1 £1 in relation to losses utilised

## Notes to the financial statements

31 December 2007

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

#### b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 30% (2006 – 30%) The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before tax	3,787,235	4,745,893
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 – 30%)	1,136,171	1,423,768
Effects of		
Adjustments in respect of prior years	620,593	(125,734)
Expenses not deductible for tax purposes	65,172	(690,144)
Accelerated capital allowances	59,059	3,882
Other short term timing differences	-	(70,235)
Loss relief surrendered from group companies	-	(541,163)
Losses	(2,557)	(2,079)
Transfer pricing adjustments	(460,500)	-
Corporation tax rate change	9,315	(6,600)
	1,427,253	(8,305)

### 7. INVESTMENTS

Group	Investment in TripleArc plc shares £
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	150,000
<b>Provision for impairment</b>	
At 1 January 2007	(132,605)
Provided during the year	(12,426)
	(145,031)
<b>Net book value</b>	
At 31 December 2007	4,969
At 31 December 2006	17,395

## Notes to the financial statements

31 December 2007

### 7. INVESTMENTS (continued)

Company	Investment in TripleArc plc shares £	Shares in group undertakings £	Total £
<b>Cost</b>			
At 1 January 2007 and 31 December 2007	<u>150,000</u>	<u>1,146,453</u>	<u>1,296,453</u>
<b>Provision for impairment</b>			
At 1 January 2007	(132,605)	(88,600)	(221,205)
Provided during the year	(12,426)	-	(12,426)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	(145,031)	(88,600)	(233,631)
	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>			
At 31 December 2007	4,969	1,057,853	1,062,822
	<hr/>	<hr/>	<hr/>
At 31 December 2006	17,395	1,057,853	1,075,248
	<hr/>	<hr/>	<hr/>

## Notes to the financial statements

31 December 2007

### 7. INVESTMENTS (continued)

The shares in Group undertakings held by the Company comprise

Subsidiary	Country of registration	Principal Activity	Class of Share held	% Holding
West Riding Business Forms Limited	England & Wales	Dormant	Ordinary Shares	100%
Software Stationery Holdings Limited	England & Wales	Dormant	Ordinary Shares	100%
Software Stationery Specialists Limited	England & Wales	Dormant	Ordinary Shares	100%
GI2 Limited	England & Wales	Dormant	Ordinary Shares	100%
Godfrey Lang Limited	England & Wales	Dormant	Ordinary Shares	100%
AccessPlus Marketing Logistics Limited	England & Wales	Print solutions and support	Ordinary Shares	100%

The registered office for all subsidiary undertakings, is Dorcan 300, Murdock Road, Dorcan, Swindon, Wiltshire, SN3 5HY

### 8. INTANGIBLE ASSETS

Group	Goodwill £	Other intangibles £	Total £
<b>Cost</b>			
At 1 January 2007 and 31 December 2007	<u>1,019,915</u>	<u>90,861</u>	<u>1,110,776</u>
<b>Amortisation</b>			
At 1 January 2007	38,247	72,684	110,931
Amortisation for the year	50,997	9,084	60,081
	<hr/>	<hr/>	<hr/>
At 31 December 2007	<u>89,244</u>	<u>81,768</u>	<u>171,012</u>
<b>Net book value</b>			
At 31 December 2007	<u>930,671</u>	<u>9,093</u>	<u>939,764</u>
	<hr/>	<hr/>	<hr/>
At 31 December 2006	<u>981,668</u>	<u>18,177</u>	<u>999,845</u>
	<hr/>	<hr/>	<hr/>



## Notes to the financial statements

31 December 2007

### 8. INTANGIBLE ASSETS (continued)

#### Company

Intellectual property (copyrights and trademarks)

**Total**  
**£**

#### Cost

At 1 January 2007 and 31 December 2007

90,861

#### Amortisation

At 1 January 2007

72,684

Charged in year

9,084

At 31 December 2007

81,768

#### Net book value

At 31 December 2007

9,093

At 31 December 2006

18,177

## Notes to the financial statements

31 December 2007

### 9. TANGIBLE ASSETS

Group	Freehold Property £	Leasehold Improve- ments £	Plant and Machinery £	Office and computer equipment £	Fixtures and fittings £	Motor Vehicles £	Total £
<b>Cost</b>							
At 1 January 2007	1,026,342	331,081	360,905	969,759	495,510	107,206	3,290,803
Additions	37,107	23,673	3,783	10,224	4,461	5,099	84,347
Disposals	-	(23,197)	-	(1,040)	(46,242)	-	(70,479)
At 31 December 2007	1,063,449	331,557	364,688	978,943	453,729	112,305	3,304,671
<b>Depreciation</b>							
At 1 January 2007	143,932	189,256	43,628	852,135	388,047	85,558	1,702,556
Charged in year	16,425	69,559	81,922	118,232	42,919	7,861	336,918
Disposals	-	(12,565)	-	(550)	(12,661)	-	(25,776)
At 31 December 2007	160,357	246,250	125,550	969,817	418,305	93,419	2,013,698
<b>Net book value</b>							
At 31 December 2007	903,092	85,307	239,138	9,126	35,424	18,886	1,290,973
At 31 December 2006	882,410	141,825	317,277	117,624	107,463	21,648	1,588,247

The net book value of assets held under finance leases amounted to £214k (2006 £275k) at the balance sheet date. Depreciation charged on these assets during the year was £61k (2006 £29k).

## Notes to the financial statements

31 December 2007

### 9. TANGIBLE ASSETS (continued)

Company	Freehold Property £	Leasehold Improve- ments £	Office and computer equipment £	Fixtures and fittings £	Motor Vehicles £	Total £
<b>Cost</b>						
At 1 January 2007	1,026,342	315,081	956,559	489,709	107,206	2,894,897
Additions	37,107	-	-	2,662	5,100	44,869
Disposals	-	(23,197)	(1,040)	(46,242)	-	(70,479)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	1,063,449	291,884	955,519	446,129	112,306	2,869,287
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 January 2007	143,932	185,355	846,163	386,652	85,558	1,647,660
Charged in year	16,425	35,958	109,906	41,061	7,861	211,211
Disposals	-	(12,565)	(550)	(12,661)	-	(25,776)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	160,357	208,748	955,519	415,052	93,419	1,833,095
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>						
At 31 December 2007	903,092	83,136	-	31,077	18,887	1,036,192
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	882,410	129,726	110,396	103,057	21,648	1,247,237
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 10. STOCKS

	2007 £	Group 2006 £	2007 £	Company 2006 £
Work in progress	752,776	921,801	740,115	904,380
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the financial statements

31 December 2007

### 11. DEBTORS

	2007 £	Group 2006 £	2007 £	Company 2006 £
Trade debtors	7,694,696	8,542,139	6,963,397	7,541,500
Amounts owed by parent undertaking	1,191,216	1,191,216	1,191,216	1,191,216
Amounts owed by ultimate parent undertaking	18,659,673	15,218,153	18,659,673	15,218,153
Amounts owed by other group undertakings	1,909,208	661,796	1,909,208	661,796
Prepayments and accrued income	1,499,755	796,169	1,442,371	785,883
Deferred tax (note 14)	93,425	10,425	72,254	16,254
	<u>31,047,973</u>	<u>26,419,898</u>	<u>30,238,119</u>	<u>25,414,802</u>

### 12 CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	Group 2006 £	2007 £	Company 2006 £
Bank overdrafts	1,472,669	686,507	1,232,790	382,490
Obligations under finance leases	57,126	49,603	-	-
Trade creditors	9,705,709	9,073,275	9,253,924	8,723,390
Amounts due to subsidiary undertakings	-	-	9,202,440	8,516,330
Amounts due to parent undertaking	6,672,389	6,672,389	-	-
Amounts due to ultimate parent undertaking	1,192,886	877,293	-	-
Amounts due to other group undertakings	226,091	221,035	206,817	206,817
Corporation tax	116,099	379,299	10,070	273,270
Other taxes and social security costs	1,045,498	711,463	985,057	630,296
Other creditors	417,303	4,116	417,303	4,116
Accruals	396,301	781,431	217,763	384,364
	<u>21,302,071</u>	<u>19,456,411</u>	<u>21,526,164</u>	<u>19,121,073</u>

# Notes to the financial statements

31 December 2007

## 13. CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	Group 2006 £	2007 £	Company 2006 £
Obligations under finance leases	175,749	232,875	-	-
Other Creditors	13,377	155,877	13,377	13,377
	<u>189,126</u>	<u>388,752</u>	<u>13,377</u>	<u>13,377</u>

## 14. DEFERRED TAXATION

	2007 £	Group 2006 £	2007 £	Company 2006 £
Deferred taxation				
At 1 January	(10,425)	(80,000)	(16,254)	(80,000)
Adjustment to prior period	(25,141)	3,222	-	3,222
Movement in the year	(57,859)	66,353	(56,270)	60,524
	<u>(93,425)</u>	<u>(10,425)</u>	<u>(72,524)</u>	<u>(16,254)</u>
At 31 December	(93,425)	(10,425)	(72,524)	(16,254)
Short term timing differences	-	(15,000)	-	(15,000)
Capital allowances in advance of depreciation	(93,425)	4,575	(72,524)	(1,254)
	<u>(93,425)</u>	<u>(10,425)</u>	<u>(72,524)</u>	<u>(16,254)</u>

All timing differences are expected to reverse in the foreseeable future. Deferred tax assets have been included within debtors (note 11)

## 15. SHARE CAPITAL

	2007 £	2006 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Issued, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000

## Notes to the financial statements

31 December 2007

### 16. RESERVES

	Group Profit and loss account £	Company Profit and loss account £
At 1 January 2007	10,102,383	9,524,394
Profit for the year	2,443,235	2,021,406
	<hr/>	<hr/>
At 31 December 2007	12,545,618	11,545,800
	<hr/>	<hr/>

### 17. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Group £	Company £
Equity shareholders' funds at 1 January 2007	10,103,383	9,525,394
Profit for the financial year	2,443,235	2,021,406
	<hr/>	<hr/>
Equity shareholders' funds at 31 December 2007	12,546,618	11,546,800
	<hr/>	<hr/>

### 18. PENSION COMMITMENTS

The group complies with the requirements of the Stakeholder Pension provisions through a defined contribution group personal pension scheme. A number of employees choose to make contributions to this scheme. The total contributions of the group during the year were £68,726 (2006 £58,559). The Company also administers and contributes to another defined contribution group personal pension plan on behalf of qualifying employees. The total contributions of the group during the year to this plan were £58,270 (2006 £46,269). There were no contributions remaining unpaid at 31 December 2007.

### 19. CONTINGENT LIABILITIES

The group has entered into cross guarantees in respect of the group banking facilities of TripleArc plc.

### 20. OTHER FINANCIAL COMMITMENTS

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as set out below:

	2007		2006	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire				
- within one year	69,990	8,892	250,617	-
- in two to five years	132,025	109,347	330,646	44,492
- + five years	225,165	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the financial statements

31 December 2007

### 21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in "FRS 8 Related Party Disclosures" (FRS 8) from disclosing transactions with other related parties which form part of the TripleArc plc Group of companies

### 22. ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

The group's immediate parent undertaking is Access Plus Limited. The company's ultimate parent undertaking is TripleArc plc. Copies of the group financial statements of TripleArc plc, being the largest group preparing group financial statements which includes AccessPlus Marketing Services Limited, may be obtained from Dorcan 300, Murdock Road, Dorcan, Swindon, Wiltshire, SN3 5HY

On 15<sup>th</sup> May 2008, TripleArc plc was acquired by Olive 1 Limited, a subsidiary of office2office plc. From that date, office2office became the group's ultimate parent undertaking