Access Plus Marketing Services Limited

Annual Report

For the year ended 31 December 2015

Access Plus Marketing Services Limited

Registered number 01594411

Access Plus Marketing Services Limited

Contents

Access Plus Marketing Services Limited

Company Details

Directors
S. Haworth
A. P. Gale
M. Kenny
C. Malkin

Company secretary
L. Mendelsöhn

Independent auditor
Deloitte LLP
Chartered Accountants & Statutory Auditor
Leeds

Banker
The Royal Bank of Scotland plc
2 Whitehall Quays
Leeds
LS1 4HR

Registered office
St Crispins
Duke Street
Norwich
NR3 1PD

Registered in England and Wales
01594411

Access Plus Marketing Services Limited

Strategic Report

Principal activities

The principal activity of the Company is delivering goods and services under the trading name Banner Managed Communication (BMC) to organisations seeking to improve their customer communications by streamlining delivery, reducing costs and enhancing innovation. Largely this is the design and execution of Direct and Multichannel Marketing, Creative Services, Print Management, Fulfilment Services and the provision of Technical solutions and applications to underpin these processes.

The Company is a subsidiary of EVO Business Supplies Limited and is the holding company for the following subsidiaries:

- Access Plus Marketing Logistics Limited – non-trading.
- Adversion Limited – non-trading.
- Software Stationery Holdings Limited – non-trading.
- Software Stationery Specialists Limited – non-trading.
- gl2 Limited – non-trading.
- Godfrey Lang Limited – non-trading.

Business review and result

The profit for the year amounted to £3,626,000 (2014: £2,702,000) with revenue of £58,374,000 (2014: £76,769,000).

The Company is an indirect subsidiary of EVO Business Supplies Limited. The EVO Business Supplies Limited group's ("the Group") strategy, objectives and likely future developments in the business are reviewed in the Annual Report and Financial Statements of EVO Business Supplies Limited which do not form part of this report.

Where the Annual Report contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of the report. Consequently, such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking statements or information.

Future Prospects

The external commercial environment is expected to remain challenging in 2016 and while we are cautiously optimistic that the UK and Irish economic environment is improving we are proceeding on the basis that the overall markets we serve will not improve. This is fully built into our growth strategy, which will see us focus on emerging product categories, areas where our share is low and with a strong focus on customer and product profitability.

The Brexit decision is clearly a matter of some significance for the UK. In terms of our Group the decision in the UK will have implications regardless of the outcome as a significant proportion of our EOS purchases are in Euros and we have seen significant exchange volatility and a decline in sterling since the end of November 2015.

We believe that our end user customers will increasingly use tenders and competitive bids as a way of reducing their prices and, therefore, costs. We remain confident, however, that we will improve on our 2015 level of performance in the year ahead as we work through the final pieces of the integration of the Vasanta and o2o businesses, and leverage our Group infrastructure.

We are maintaining market share in existing sales channels with some specific targeted gains, which we expect to deliver in 2016, while developing strongly in emerging sales channels and evolving our product range offering to meet market demand.

Access Plus Marketing Services Limited

Strategic Report

Future Prospects (continued)
Combined with the benefits of integration, tight cost control and a steadily improving operational platform, we believe this will drive significant improvement in our 2016 financial results.

Key Performance Indicators (KPIs)
The most significant KPIs used by the Group are financial. Management monitors the performance of the business against budget and prior year results.

The key operating KPIs are revenue, margin, (both at a screen and net level), trading contribution, (profit after buying costs, rebates, sales overheads and logistics costs), and Underlying Profit (equivalent to profit before tax before goodwill amortisation and exceptional items). Our results against these measures are set out in the Income Statement and related notes. Management also monitors profitability by customer account and by product category.

Management receive daily, weekly and monthly performance reports that include both financial and non-financial measures. The key non-financial KPIs are order fill rates and a variety of statistics on our cost to serve.

Principal Risks
The Group, headed by EVO Business Supplies Limited, and the Company face a number of risks:

Price / customer risk – the market for business supplies remains highly competitive and by focussing on customer service, the high availability of products, maintaining a low cost to serve and developing strong relationships with customers and suppliers, the Company seeks to minimise the risk of sales / customer loss.

Credit risk – a significant financial exposure faced by the Company relates to credit risk, primarily to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual terms. In 2015 we have again been able to secure further year on year increases in credit insurance cover on our customer base, but the backbone of our credit risk management remains our in-house credit risk review processes and monitoring, which are crucial to managing credit risk in an informed manner. This involves making hundreds of customer visits each year and regular reviews at various levels of management. Where customers require support our approach involves taking security through personal guarantees, property charges etc and adjusting commercial terms to ensure that we appropriately manage risk. We are seeking to build long term relationships with our customers and our approach is one of partnership, but this has to be balanced by sensible commercial judgements.

Liquidity / cash flow risk – subsequent to our refinancing on 26th February 2016 the Group and Company are financed by an invoice finance and inventory facility led by PNC Business Credit, (a trading style of PNC Financial Services Limited), and an RCF facility from Endless LLP, our majority shareholder. As a result of this refinancing we are now operating with no bank loans and very limited covenants and significant cash headroom, (£17.5m Group headroom at the end of February 2016).

The appropriateness of the respective financing facilities will continue to be reviewed periodically by management and the Group Board. The Invoice Finance and Inventory facilities are secured against the Group debtor book and inventory, with a second charge over the other assets of the business. We have established a strong working relationship with PNC Business Credit over the last few years and we are pleased to be able to extend this relationship. We are also very pleased that ABN and now Lloyds Bank have each acquired 20% of our £100m IF and Stock facility.

As a result the Directors believe that the financing in place is both appropriate to the needs of the business and provides the necessary headroom to support our expansion plans.

Access Plus Marketing Services Limited

Strategic Report

Principal Risks (continued)
Supplier credit – this provides a further key source of funding for the Group and Company. This is influenced by the credit view of the credit insurance community and the credit rating agencies. Management update the credit insurance community monthly and monitor the ongoing cash headroom of the business on a daily basis. Management will continue to hold regular update meetings with suppliers and credit insurers and will continue with our open style of communication, which we believe has been and remains fundamental to our way of working with our supplier partners. The Directors are pleased with the positive developments in this area during 2015, where we have seen some significant improvements in both supplier terms and increases in credit insurance coverage accorded to our supplier partners.

The Board has strategies to manage and mitigate all of the above risks and remains confident of the continued success of the Company.

Going Concern
Economic conditions create uncertainty, particularly over (i) the level of demand where our industry has been particularly sensitive to the underlying national economic position and (ii) the availability of credit insurance, which has an impact on the level of credit our suppliers are able to offer us.

The company has prepared a forecast that shows, taking account of reasonably possible changes in trading performance and the factors noted in the Strategic Report above, that the company is capable of operating within the level of its current facilities, including external and shareholder funding, for a period of at least twelve months from the date of signature of these financial statements.

After making enquiries, the directors of the company have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

For and on behalf of the Board,

A. P. Gale
Director
29 April 2016

Access Plus Marketing Services Limited

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2015. The Company has chosen, in accordance with s414C(11) of the Companies Act, to set out in the Strategic Report, information that would otherwise be required to be contained in the Directors' Report.

Directors
The following Directors held office during the year and as at the date of signing the financial statements:-

S. Haworth (appointed 13 April 2016)
A. P. Gale
M. Kenny
C. Malkin
R. R. Baldrey (resigned 13 April 2016)

The Group has taken out directors and officers liability insurance on behalf of all Directors and Officers of the Company.

Dividends
No dividends were paid during the year (2014: £nil).

Employees
The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion wherever appropriate.

During the year, employees have been provided with information about the Company through our internal intranet. Regular meetings are held between local management and employees to allow a free flow of information and these are complemented by periodic briefings from the Chief Executive Officer. In addition, we have again undertaken a staff survey in January 2016, which provided positive feedback for management. Finally, in January 2016 we held an event for employees to recap on 2015 and set the scene for the year ahead.

Political Contributions
There were no political contributions in either year.

Environmental policy
The Company ensures that, in satisfying its customers' requirements, both the goods and services supplied and its own housekeeping comply with legislation and best practice. The Company continually reviews its environmental performance across the business.

Disclosure of information to auditor
The Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Access Plus Marketing Services Limited

Directors' Report (continued)

Independent auditor
Deloitte LLP was appointed as auditor during the year. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board

A. P. Gale
Director
29 April 2016

Access Plus Marketing Services Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU 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;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

We have audited the financial statements of Access Plus Marketing Services Limited for the year ended 31 December 2015 set out on pages 10 to 36. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of Access Plus Marketing Services Limited (continued)

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.

Kate Darlison

Kate Darlison (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

29 April 2016

Access Plus Marketing Services Limited

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Revenue		**58,374**	76,769
Cost of sales	3	**(38,896)**	(54,796)
Gross profit		**19,478**	21,973
Distribution costs	3	**(1,458)**	(1,676)
Administrative expenses	3	**(14,405)**	(17,261)
Operating profit		**3,615**	3,036
Finance costs	7	**(173)**	(213)
Profit before income tax		**3,442**	2,823
Analysed as:			
Underlying profit before income tax[1]		**3,436**	5,023
Share option expense	23	**-**	(9)
Amortisation	10	**(594)**	(648)
Non-recurring credit/(costs)	4	**600**	(1,543)
Profit before income tax		**3,442**	2,823
Income tax charge	8	**184**	(121)
Profit and total comprehensive income for the year attributable to owners of the Company		**3,626**	2,702

[1] *Profit before income tax, amortisation of intangibles, non-recurring costs and share option expense.*

All amounts relate to continuing operations.

The notes on pages 14 to 36 form part of the financial statements

Access Plus Marketing Services Limited

Balance Sheet
as at 31 December 2015

	Note	2015 £000	2014 £000
Assets			
Non-current assets			
Intangible assets	10	2,469	3,063
Property, plant and equipment	9	883	946
Investments	11	1,058	1,058
Deferred tax assets	19	115	142
		4,525	5,209
Current assets			
Inventories	12	647	731
Trade and other receivables	13	52,986	51,985
Cash and cash equivalents	14	462	613
		54,095	53,329
Total assets		58,620	58,538
Equity			
Capital and reserves attributable to the owners of the Company			
Ordinary shares	22	1	1
Retained earnings		19,737	16,111
Total equity		19,738	16,112
Current liabilities			
Trade and other payables	15	33,039	40,307
Borrowings	16	5,375	1,365
Current income tax liabilities	18	-	211
Provisions	20	105	180
		38,519	42,063
Non-current liabilities			
Provisions	20	363	363
		363	363
Total liabilities		38,882	42,426
Total equity and liabilities		58,620	58,538

The financial statements comprising the statement of profit or loss and other comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows, the significant accounting policies and the notes to the financial statements, on pages 14 to 36, were approved for issue by the Board of Directors on 29th April 2015.

A. P. Gale
Director

Registered number 01594411

Access Plus Marketing Services Limited

Statement of Changes in Equity
for the year ended 31 December 2015

	Note	Ordinary Shares £000	Retained earnings £000	Total equity £000
Balance at 1 January 2015		1	16,111	16,112
Profit for the year		-	3,626	3,626
Total recognised profit for the year ended 31 December 2015		-	3,626	3,626
Balance at 31 December 2015		**1**	**19,737**	**19,738**

	Note	Ordinary Shares £000	Retained earnings £000	Total equity £000
Balance at 1 January 2014		1	13,399	13,400
Profit for the year		-	2,702	2,702
Total recognised profit for the year ended 31 December 2014		-	2,702	2,702
Employee share options:				
- value of employee services	23	-	10	10
Balance at 31 December 2014		**1**	**16,111**	**16,112**

The notes on pages 14 to 36 form part of the financial statements.

Statement of Cash Flows
for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
Cash (used in)/generated from operations	24	**(3,947)**	2,857
Interest paid	7	**(173)**	(213)
Income tax received	8	**-**	289
Net cash (used in)/generated from operating activities		**(4,120)**	2,933
Cash flows from investing activities			
Purchase of property, plant and equipment	9	**(41)**	(12)
Purchase of intangible assets	10	**-**	(16)
Net cash used in investing activities		**(41)**	(28)
Net (decrease)/increase in cash and cash equivalents		**(4,161)**	2,905
Cash and cash equivalents and bank overdraft at 1 January		**(752)**	(3,657)
Cash and cash equivalents and bank overdraft at 31 December	14	**(4,913)**	(752)

Net funds debt at 31 December comprises:			
Cash and cash equivalents and bank overdrafts		**(4,913)**	(752)
Net debt at 31 December	25	**(4,913)**	(752)

The notes on pages 14 to 36 form part of the financial statements.

Significant Accounting Policies (continued)
for the year ended 31 December 2015

General information

Access Plus Marketing Services Limited ("the Company") provides business critical services, being the provision of innovative business solutions to organisations seeking to reduce costs and streamline business process outsourcing.

The Company is a limited company and is incorporated and domiciled in the UK. The address of its registered office is St Crispins, Duke Street, Norwich, NR3 1PD.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Access Plus Marketing Services Limited have been prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Company is a wholly-owned subsidiary of AccessPlus Limited and is included in the consolidated financial statements of EVO Business Supplies Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. Future detail is provided in the strategic report

Revenue

Revenue is measured by reference to the fair value of consideration received by the Company from goods and services provided to external customers. Revenue is stated after deducting rebates, returns and other similar discounts, and is exclusive of value added tax. Revenue is recognised upon the performance of services or when the significant risks and rewards of ownership are transferred to a customer.

Supply of services

Services form an integral part of the solutions provided to customers.

The value attributed to services is determined through prices agreed prior to the commencement of the work with the customer. Where there are retained customer arrangements and a range of services are provided, the revenue for each separate service is recognised when all the elements of that service are complete, with amounts accrued or deferred on the balance sheet as appropriate.

Supply of software licences and related maintenance services
A small part of the Company's revenue relates to the sale of software licences and related support and maintenance services. Revenue is recognised over the contractual term of the agreement with the customer, with amounts accrued or deferred on the balance sheet as appropriate.

Supplier admin fees
Supplier admin fees are recognised as a supplier management charge and recognised as income against the period to which purchasing relates.

Significant Accounting Policies (continued)
for the year ended 31 December 2015

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those operating in other economic environments.

Based on risks and returns the Directors consider that the primary reporting format is by business segment. The Directors consider that there is only one business segment, being business critical services. Therefore the disclosures for the primary segment have already been given in the financial statements. The Company trades with a number of territories, particularly other European countries and the United States of America, with all revenues by destination attributable to the United Kingdom.

Foreign currency translation

The financial information in this report is presented in Sterling, the functional and presentational currency of the Company, rounded to the nearest thousand.

Transactions denominated in foreign currencies are translated into Sterling (the functional currency of the Company) at the rate of exchange ruling at the date of transaction. All realised foreign exchange differences are taken to the income statement. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date and are recognised as a separate component of equity.

Non-recurring costs

Non-recurring costs are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance. Transactions which may give rise to non-recurring costs are principally restructuring related, costs in respect of key management changes, and transaction costs incurred in respect of business combinations.

Business combinations and goodwill

The Group recognises intangible assets as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets acquired and the selection of an appropriate cost of capital. The useful lives of intangible assets are estimated and amortisation charged on a straight-line basis.

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets/net liabilities of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the Group's share of the net assets/net liabilities of the acquired entity (i.e. a discount on acquisition) then the difference is credited to the income statement in the period of acquisition. Goodwill is allocated to cash generating units for the purposes of impairment testing and is tested annually for impairment (refer to impairment of assets policy) and carried at cost less accumulated impairment losses.

At the acquisition date of a subsidiary, goodwill acquired is recognised as an asset and is allocated to each of the cash-generating units expected to benefit from the business combination's synergies and to the lowest level at which management monitors the goodwill.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill acquired up to 31 December 2003 was capitalised and amortised over its useful economic life. As permitted by IFRS1, 'First-time Adoption of International Financial Reporting Standards', the classification and accounting treatment of business combinations made prior to 1 January 2004 has not been amended on transition to IFRS.

Significant Accounting Policies (continued)
for the year ended 31 December 2015

Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Impairment losses recognised in respect of goodwill are not subsequently reversed.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the items. The assets' residual values and useful lives are reviewed annually for impairment, and adjusted as appropriate.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation commences in the month that the assets are fully installed and commissioned and is provided on a straight line basis at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold land and buildings - over 40 years

Short leasehold land and buildings - over the lease term

Plant and machinery - over 4 to 15 years

Office equipment - over 3 to 10 years

Investments

In the Company's financial statements, investments in subsidiary undertakings are initially stated at cost, being the fair value of the consideration given. Investments are reviewed annually where an indication of impairment exists. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Leased assets

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter a lease are spread evenly over the lease term.

Inventories

Inventories comprise of work in progress, finished goods and goods held for resale and are stated at the lower of cost or net realisable value. Cost includes all expenditure directly attributable to bringing each product to its present location and condition on a first in first out method. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Access Plus Marketing Services Limited

Significant Accounting Policies (continued)
for the year ended 31 December 2015

Cash and cash equivalents

Cash and cash equivalents shown on the balance sheet comprise cash balances and deposits with banks that have a maturity of three months or less from the date of inception.

Bank overdrafts are shown within borrowings and loans in current liabilities on the balance sheet, but are included as a component of cash and cash equivalents for the purposes of the cash flow statement as they form an integral part of the Company's cash management.

Bank overdrafts include cash book overdrafts and confidential invoice discounting arrangements whereby the amount borrowed is limited to a proportion of the trade receivables.

Provisions

The Company makes provision for liabilities when it has a legal or constructive obligation arising from a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not discounted on the basis of materiality.

Retirement benefit costs

The Company makes contributions to a defined contribution personal pension plan held for the benefit of individual employees. The costs are charged to the income statement in the period to which they relate in accordance with the rules of the scheme.

Share-based compensation

office2office Limited, of which the Company is a subsidiary, operated, prior to its acquisition by EVO Business Supplies Limited, a number of share based compensation schemes including a SAYE scheme which were open to all employees.

The fair value of the employee services received in exchange for the grant of options over the shares of office2office Limited (approximated by reference to the fair value of the option granted) was recognised as an expense. The fair value of the option was measured at grant date and spread over the vesting period (which is the period over which all of the specified vesting conditions are to be satisfied) through the income statement with a corresponding increase in equity (other reserves). The fair value of the share options and awards were measured using an option-pricing model taking into account the terms and conditions of the individual schemes. The fair value of options awarded under schemes with market based performance conditions were estimated using a Monte-Carlo model. The fair value of options awarded under schemes with non-market based performance conditions were estimated using a Black-Scholes model.

The Company makes charges to the income statement for any potential employer's national insurance liability on options granted, based on the Company's best estimate of the fair value of the options granted at the balance sheet date and spread over the vesting period of the option.

At each balance sheet date, the Company revises its estimate of the number of options that are going to vest. The Company recognises the impact of any revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity (other reserves).

Significant Accounting Policies (continued)
for the year ended 31 December 2015

Current and deferred income tax

The tax charge for the year comprises both current and deferred tax. Tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years, and is calculated on the basis of tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying value for accounting purposes.

Deferred tax is determined on a non-discounted basis using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference.

Financial assets and liabilities

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company classifies its financial assets and liabilities in the following categories: at fair value through profit and loss, loans and receivables, and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of its financial assets at initial recognition.

Trade receivables: Trade receivables are recognised initially at fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within cost of sales. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against cost of sales in the income statement.

Borrowings: Borrowings are recognised initially at fair value. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade payables Trade payables are not interest bearing and are recognised initially at fair value and subsequently measured at amortised cost.

Equity instruments: Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Significant Accounting Policies (continued)
for the year ended 31 December 2015

Dividends

Distributions to equity holders are disclosed as a component of the movement in shareholders' equity. A liability is recorded for a final dividend when the dividend is approved by the Company's shareholders. Interim dividends are recognised in the year they are paid.

Use of non-GAAP profit measures

The Directors believe that the use of underlying profit before income tax provides a clearer understanding of the performance of the Company. These measures are used for internal performance analysis. Underlying profit is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute for, or superior to IFRS measurements of profit.

Underlying profit is calculated as follows:

	2015	2014
	£000	£000
Profit before income tax	3,442	2,823
Add:		
Amortisation	594	648
Share option expense	-	9
Non-recurring (credit)/costs (note 4)	(600)	1,543
Underlying profit before income tax	3,436	5,023

1. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including commodity price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

(i) Commodity price risk

The Company has exposure to changes in commodity prices such as oil and paper, which form a constituent part of many of the products sold. It is the policy of the Company to pass on these unavoidable cost price increases to customers as appropriate.

The Company does not currently hedge its exposure to commodity prices but continues to keep this policy under review.

(ii) Cash flow and fair value interest rate risk

The Company does not currently hedge its exposure to interest rate movements but continues to keep this policy under review..

For the year ended 31 December 2015 management have considered and conclude that a movement of 100 basis points would be a reasonable benchmark over which to determine the sensitivity of the Company's performance to interest rate risk , if interest rates on currency-denominated borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the period would have been £49,000 (2014: £47,000) lower/higher, as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is managed on a Group basis by the ultimate parent undertaking, EVO Business Supplies Limited. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions and transactions with third party customers as well as credit exposure to customers, including outstanding receivables and committed transactions.

For banks and financial institutions only independently rated parties with a minimum rating of 'A' are accepted in normal circumstances.

Internally, customers are rated according to financial position, history of trading and other factors. Individual credit limits are based on internal and external ratings, in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Concentrations of credit risk with respect to trade receivables are limited due to the Company's diverse customer base.

(c) Liquidity risk

The table below analyses the Company's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Notes to the Financial Statements (continued)
for the year ended December 2015

1. Financial risk management (continued)

The amounts shown are contractual (including interest), undiscounted cash flows.

At 31 December 2015 £'000	Less than 1 year
Borrowings	5,375
Trade and other payables	33,039
	38,414

At 31 December 2014 £'000	Less than 1 year
Borrowings	1,365
Trade and other payables	35,576
	36,941

Risk management is carried out centrally headed by the Group and where appropriate under policies approved by the Board of Directors of the parent undertaking. The policies adopted are described above.

There have been no breaches in the contractual terms of the amounts shown above.

Interest rate risk profile of financial liabilities

The interest rate risk profile of financial liabilities was as follows:

	2015 £000	2014 £000
Variable borrowings	5,375	1,365
	5,375	1,365

Maturity profile of financial liabilities

	2015 £000	2014 £000
Within one year	5,375	1,365
	5,375	1,365

Currency risk profile of financial assets/liabilities

The Company did not have a material profit and loss account exposure to foreign exchange gains or losses on monetary assets and liabilities denominated in foreign currencies at 31 December 2015 and has not used any instruments to hedge foreign currency transactions.

Notes to the Financial Statements (continued)
for the year ended December 2015

1. Financial risk management (continued)

Financial assets/liabilities relating to cash balances and overdrafts held at financial institutions are at floating rates denominated in the currency held below:

Financial assets/liabilities relating to cash balances held at financial institutions are at floating rates denominated in the currency held below:

	2015 £000	2014 £000
Sterling - deposits	412	453
Sterling - bank overdrafts	(5,059)	(1,365)
	(4,647)	(912)
Euro - deposits	29	37
Euro – bank overdrafts	(214)	-
	(185)	37
Dollars – deposits	1	44
Dollars – bank overdrafts	(102)	-
	(101)	44
Swedish Krona - deposits	20	79
	(4,913)	(752)

There is no currency risk relating to other financial assets or liabilities.

Fair values of financial instruments

See note 16 for consideration of the differences between the carrying amount and the fair value of borrowings. The fair value of other financial assets and liabilities is not materially different to their book value due to the short term maturity of the instruments.

Committed undrawn facilities

The Company has the following undrawn borrowing facilities:

	2015 £000	2014 £000
Gross undrawn committed confidential invoice discounting facility	76	9,364
Bank balances	462	613
Available liquidity	538	9,977

As at 31 December 2015, the Company had drawn £5,678,000 (2014: £1,336,000) against its committed invoice discounting facility. At that date the Company had a cash book overdraft of £nil (2014: £nil) and bank balances of £462,000 (2014: £613,000). If all payments had cleared on the day of issue the Company would have had net undrawn facilities of £76,000 (2014: £9,977,000).

The confidential invoice discounting facility is a committed facility, subject to sufficient security from trade receivables, expiring in March 2018.

The Company has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Company has sufficient working capital and undrawn financing facilities to service its operating activities.

There have been no breaches in the covenants on borrowings in the year ended 31 December 2015 and up to the date of signing the financial statements.

Embedded derivatives

Management have undertaken a review of the Company for embedded derivatives and none have been identified (2014: £nil).

Notes to the Financial Statements (continued)
for the year ended December 2015

Capital risk management

Capital risk management is managed on a Group basis by the ultimate parent undertaking, EVO Business Supplies Limited. The Group's policy is to maintain a strong capital base, defined as facilities plus total shareholders' equity, so as to maintain investor, creditor and market confidence and to sustain future development of the business. Within this overall policy, the Group seeks to maintain an optimum capital structure by a mixture of debt and retained earnings. Funding needs are reviewed periodically and also each time a significant acquisition is made. A number of factors are considered which include the net debt/EBITDA ratio, future funding needs (usually potential acquisitions) and Group banking arrangements. There were no changes to the Group's approach to capital management during the year.

The primary source of funding for the Group is bank borrowings.

Notes to the Financial Statements (continued)
for the year ended December 2015

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income tax

The Company is subject to income tax in the United Kingdom. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (see note 8).

Assets and liabilities

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Impairment of inventories

Where necessary, provision is made for obsolete, slow-moving and damaged stock. This provision represents the difference between the cost of the stock and its estimated market value, based upon stock turn rates, market conditions and trends in consumer demand (see note 12).

Allowances for doubtful receivables

Allowances are made for doubtful receivables for estimated losses resulting from the subsequent inability of customers to make required payments. If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods.

3. Expenses by nature

	2015 £000	2014 £000
Changes in inventories of finished goods and consumption of goods held for resale	38,896	54,796
Employee benefit expense (note 5a)	9,070	9,273
Depreciation of property, plant and equipment (note 9)	104	131
Non-recurring (credit)/costs (note 4)	(600)	1,543
Amortisation of intangible assets (note 10)	594	648
Operating lease payments	880	877
Other operating costs	5,815	6,465
Total cost of sales, distribution costs and administrative expenses	54,759	73,733

Notes to the Financial Statements (continued)
for the year ended December 2015

4. Non-recurring credit / (costs)

The amounts recognised as non-recurring costs are as follows:

	2015 £000	2014 £000
Compensation payments	-	(428)
Business and strategic review costs	600	(1,115)
	600	(1,543)

Compensation payments relate to amounts paid to ex-employees of the Company. These costs are considered to be exceptional in nature and not reflective of the underlying operating performance of the Company. Business and strategic review costs relate to costs incurred by the Company in relation to management's commitment to improve operational efficiency. Business and strategic review costs were a credit in 2015 due to the release of an accrual made in 2014 whereby the costs were lower than expected.

5a. Employee benefit expense

	2015 £000	2014 £000
Wages and salaries	7,924	8,200
Social security costs	912	822
Share based payments (note 23)	-	9
Pension costs - defined contribution (note 21)	234	242
	9,070	9,273

Included within the above figures are compensation payments to ex-employees of £7,000 (2014: £428,000).

Directors' remuneration

	2015 £000	2014 £000
Aggregate emoluments	535	278
Company pension contributions to money purchase scheme	25	25
	560	303

Two of the Directors (2014: two) did not receive any remuneration in respect of their services to the Company, as they are also Directors of the parent company or a fellow subsidiary company, and are remunerated by these companies. Although they do receive remuneration from these companies in respect of their services to various Group companies, including this company, it is not possible to allocate their remuneration to individual companies in the Group. Therefore, their remuneration has been disclosed in the financial statements of the relevant company from which remuneration is received.

Four (2014: six) Directors accrued benefits under company money purchase pension schemes.

Highest paid Director

	2015 £000	2014 £000
Aggregate emoluments	363	150
Company pension contributions to money purchase scheme	17	17
	380	167

5b. Average number of people employed

	2015 Number	2014 Number
Average monthly number of people (including Directors) employed:		
Sales and marketing	216	234

Notes to the Financial Statements (continued)
for the year ended December 2015

6. Auditor's remuneration

The remuneration of the auditor amounts to £12,000 (2014: £12,000).

7. Finance costs

	2015 £000	2014 £000
Interest expense:		
- bank borrowings	160	197
- customer procurement card charges	13	16
Finance costs	173	213

8. Income tax charge

	2015 £000	2014 £000
Current tax		
United Kingdom corporation tax on profits for the year	-	-
Adjustments in respect of prior years	211	-
	211	-
Deferred tax (note 19)		
Origination and reversal of timing differences	(38)	22
Deferred tax in respect of rate change	(17)	-
Adjustment in respect of prior years	28	(143)
	(27)	(121)
Total tax credit/(charge) for the year	184	(121)

The Company tax charge for the year differs from the standard rate of corporation tax of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit before income tax	3,442	2,823
Income tax at the standard rate of UK corporation tax of 20.25% (2014: 21.5%)	(697)	(607)
Tax effects of:		
Expenses not deductible for tax purposes	(30)	(33)
Transfer pricing adjustments	(177)	(66)
Group relief	866	728
Re-measurement of deferred tax – change in the UK tax rate	(17)	-
Adjustment in respect of prior years	239	(143)
Total tax credit/(charge) for the year	184	(121)

Factors affecting future tax charges

The effective tax rate in the near future is anticipated to be similar to the standard rate of corporation tax.

The change in the corporation tax rate to 19% from April 2017 and then to 18% from April 2020, will not materially affect the future tax charge.

Notes to the Financial Statements (continued)
for the year ended December 2015

9. Property, plant and equipment

2015	Freehold land and buildings £000	Short leasehold land and buildings £000	Plant and machinery £000	Office equipment £000	Total £000
Cost					
At 1 January 2015	1,092	278	56	259	1,685
Additions at cost	-	-	6	35	41
At 31 December 2015	1,092	278	62	294	1,726
Accumulated depreciation					
At 1 January 2015	(343)	(139)	(49)	(208)	(739)
Charge for the year	(27)	(23)	(7)	(47)	(104)
At 31 December 2015	(370)	(162)	(56)	(255)	(843)
Net book amount					
At 31 December 2015	722	116	6	39	883

2014	Freehold land and buildings £000	Short leasehold land and buildings £000	Plant and machinery £000	Office equipment £000	Total £000
Cost					
At 1 January 2014	949	391	68	265	1,673
Additions at cost	-	-	-	12	12
Transfers	143	(113)	(12)	(18)	-
At 31 December 2014	1,092	278	56	259	1,685
Accumulated depreciation					
At 1 January 2014	(173)	(248)	(43)	(144)	(608)
Transfers	(143)	143	-	-	-
Charge for the year	(27)	(34)	(6)	(64)	(131)
At 31 December 2014	(343)	(139)	(49)	(208)	(739)
Net book amount					
At 31 December 2014	749	139	7	51	946

Notes to the Financial Statements (continued)
for the year ended December 2015

10. Intangible assets

2015	Goodwill £000	Customer Relationships £000	Software £000	Total £000
Cost				
At 1 January 2015	982	2,577	1,347	4,906
At 31 December 2015	982	2,577	1,347	4,906
Accumulated amortisation				
At 1 January 2015	-	(1,256)	(587)	(1,843)
Amortisation for the year	-	(258)	(336)	(594)
At 31 December 2015	-	(1,514)	(923)	(2,437)
Net book amount				
At 31 December 2015	982	1,063	424	2,469

2014	Goodwill £000	Customer Relationships £000	Software £000	Total £000
Cost				
At 1 January 2014	982	2,577	1,331	4,890
Additions	-	-	16	16
At 31 December 2014	982	2,577	1,347	4,906
Accumulated amortisation				
At 1 January 2014	-	(998)	(197)	(1,195)
Amortisation for the year	-	(258)	(390)	(648)
At 31 December 2014	-	(1,256)	(587)	(1,843)
Net book amount				
At 31 December 2014	982	1,321	760	3,063

Impairment of goodwill
In accordance with IAS 36, 'Impairment of Assets', the Group regularly monitors the carrying value of its goodwill and reviews it annually or more regularly if there are indications that goodwill may be impaired. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) and goodwill is allocated to these cash-generating units. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

A review was undertaken at 31 December 2015 to assess whether the carrying value of goodwill was impaired by reference to value in use calculations. The value in use calculations use cash flow projections based on financial budgets and forecasts as approved by the Board of Directors for a five year period and then into perpetuity based on no changes to the underlying strategy of the business. Cash flow projections beyond the five year period are extrapolated using the estimated growth rate referred to below, and are considered appropriate as it is expected that there will be no significant changes in the operation of these businesses.

The key assumptions in the value-in-use calculation were:

- cash flow projections for the five year period are based upon recent observable performance of the Group, including budgeted gross margin and expected operating cash inflows;
- the pre-tax weighted average cost of capital (WACC) for the Group is 10.2% (2014: 10.2%). The Group believes that the risk profiles relating to each business segment are not significantly different, hence the same WACC is universally applied across all cash-generating units; and
- long-term growth rate of 1% has been used as a prudent growth assumption.

Notes to the Financial Statements (continued)
for the year ended December 2015

10. Intangible assets (continued)

Whilst management believe the assumptions are realistic, it is possible an impairment would be identified if any of the above key assumptions were changed significantly. For instance, factors which could cause impairment are:

- significant underperformance relative to the forecast results;
- a further deterioration in the wider economy; and
- an increase in the Group's WACC.

The value-in-use is based upon anticipated discounted future cash flows. Management believe the assumptions used are appropriate, but in addition have conducted sensitivity analysis to determine the changes in assumptions that would result in an impairment.

Based on the results of the current period impairment review, no impairment charges have been recognised by the Company in the year ended 31 December 2015. Having assessed the anticipated future cash flows the Directors do not consider there to be any reasonably possible changes in assumptions that would lead to such an impairment charge in the year ended 31 December 2016.

11. Investments

	Shares in subsidiaries £000
2015	
Cost:	
As at 1 January 2015 and 31 December 2015	1,296
Provisions for impairment	
As at 1 January 2015 and 31 December 2015	(238)
Net book value	
As at 31 December 2015	**1,058**

	Shares in subsidiaries £000
2014	
Cost:	
At 1 January 2014 and 31 December 2014	1,296
Provisions for impairment	
At 1 January 2014 and 31 December 2014	(238)
Net book amount	
At 31 December 2014	**1,058**

The shares in subsidiary undertakings held by the Company comprise:

Name of Company	Nature of business	Country of incorporation	% Holding
Access Plus Marketing Logistics Limited	Non trading	England	100%
Adversion Limited	Non trading	England	100%
gl2 Limited	Non trading	England	100%
Godfrey Lang Limited	Non trading	England	100%
Software Stationery Holdings Limited	Non trading	England	100%
Software Stationery Specialists Limited	Non trading	England	100%

Notes to the Financial Statements (continued)
for the year ended December 2015

12. Inventories

	2015 £000	2014 £000
Work in progress and finished goods	647	731

The Company consumed £38,896,000 (2014: £54,796,000) of inventories during the year.

The provision to reflect net realisable value being less than cost increased by £3,000 (2014: decreased by £7,000) during the year.

13. Trade and other receivables

	2015 £000	2014 £000
Trade receivables	7,809	10,410
Less: provision for impairment	(69)	(223)
Trade receivables net	7,740	10,187
Prepayments and accrued income	2,271	2,744
Receivables from related parties	42,975	39,054
	52,986	51,985

All of the above amounts are due within one year.

There is no difference between the amounts disclosed above and their fair values.

Receivables from related parties are repayable on demand.

Credit risk in respect to trade receivables is limited due to the Company's customers being predominantly comprised of large companies. As a result, the Directors consider that no further credit risk provision is required in excess of the normal provision for doubtful receivables.

The carrying amounts of trade and other receivables are denominated in Sterling.

Trade receivables that are less than 2 months past due, amounting to £7,241,000 (2014: £9,519,000) are not considered impaired. As of 31 December 2015, trade receivables of £568,000 (2014: £630,000) were past due but not impaired. The ageing analysis of these trade receivables (by reference to due date) is as follows:

	2015 £000	2014 £000
Up to 1 month past due	175	205
Over 1 month past due	393	425
	568	630

As of 31 December 2015, trade receivables of £172,000 (2014: £261,000) were impaired and partially provided for. The amount of the provision against such impaired trade receivables was £69,000 as of 31 December 2015 (2014: £223,000). The individually impaired receivables mainly relate to issues arising from the current economic climate.

Notes to the Financial Statements (continued)
for the year ended December 2015

13. Trade and other receivables (continued)

The ageing of these receivables is as follows:

	2015 £000	2014 £000
0 to 3 months overdue	-	3
3 to 6 months overdue	-	1
Over 6 months overdue	172	257
	172	261

Movements on the Company provision for impairment of trade receivables are as follows:

	2015 £000	2014 £000
At 1 January	223	89
(Decrease)/increase in provision for receivables impairment	(97)	162
Receivables written off during the year as uncollectable	(57)	(28)
At 31 December	69	223

The creation and release of provision for impaired receivables have been included in 'cost of sales' in the income statement. Amounts charged to the provision are written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

14. Cash and cash equivalents

	2015 £000	2014 £000
Cash at bank and in hand	462	613

Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

	2015 £000	2014 £000
Cash at bank and in hand	462	613
Bank overdraft (note 16)	(5,375)	(1,365)
	(4,913)	(752)

15. Trade and other payables

	2015 £000	2014 £000
Trade payables	8,446	8,764
Social security and other taxes	944	1,708
Accrued expenses and deferred income	4,965	10,681
Payables to related parties	18,684	19,154
	33,039	40,307

Payables to related parties are repayable on demand.

Notes to the Financial Statements (continued)
for the year ended December 2015

16. Borrowings

	2015 £000	2014 £000
Current		
Bank overdraft	5,375	1,365
Total borrowings	5,375	1,365

Bank overdraft

The bank overdraft represents cash book overdrafts and amounts drawn against a confidential invoice discounting facility that is committed to 2018.

The bank overdraft is repayable on demand and denominated in Sterling.

The fair value of the current borrowings equals their carrying amounts, as the impact of discounting is not significant.

17. Financial instruments by category

The fair values of financial assets and financial liabilities, together with the carrying amounts in the balance sheet, are as follows:

	Carrying amount		Fair value	
	2015 £000	2014 £000	2015 £000	2014 £000
Current financial liabilities				
Trade and other payables	33,039	40,307	33,039	40,307
Borrowings	5,375	1,365	5,375	1,365
	38,414	41,672	38,414	41,672
Current financial assets				
Trade and other receivables	52,986	51,985	52,986	51,985
Cash and cash equivalents	462	613	462	613
	53,448	52,598	53,448	52,598

Cash and cash equivalents and trade and other receivables (excluding prepayments) are classified as loans and receivables for the purpose of IFRS 7 'Financial Instruments: Disclosures'.
Borrowings and trade and other payables (excluding statutory liabilities) are classified as other financial liabilities at amortised cost for the purpose of IFRS 7.

The fair values of financial assets, together with the carrying amount recognised directly through to retained earnings, are as follows:

	Carrying amount		Fair value	
	2015 £000	2014 £000	2015 £000	2014 £000
Financial assets designated as fair value through profit or loss (note 23)				
SAYE share options	-	13	-	13
	-	13	-	13

All Share options are deemed to be level 3.

18. Current income tax liabilities

	2015 £000	2014 £000
Current income tax liabilities	-	211

Notes to the Financial Statements (continued)
for the year ended December 2015

19. Deferred income tax asset

The deferred income tax asset recognised in the financial statements is as follows:

	2015 £000	2014 £000
Tax effect of timing differences:		
Excess of qualifying depreciation over tax allowances	75	75
Provisions	40	67
At 31 December	115	142

	Asset 2015 £000	2014 £000
At 1 January	142	263
Charged to the income statement	(27)	(121)
At 31 December	115	142

The deferred income tax asset is estimated to be recovered as follows:

	2015 £000	2014 £000
Deferred tax asset:		
- to be recovered after more than 1 year	115	182
- to be recovered within 1 year	-	(40)
	115	142

Deferred income tax liabilities are only offset where there is a legally enforceable right to offset and there is an intention to settle the balances net.

20. Provisions

	Property dilapidations £000	Other provisions £000	Total £000
1 January 2015	(368)	(175)	(543)
Credited to the income statement	-	75	75
31 December 2015	(368)	(100)	(468)

Maturity profile of provisions

	2015 £000	2014 £000
Current	(105)	(180)
Non-current	(363)	(363)
31 December	(468)	(543)

The property dilapidation provision relates to various property leases held by Access Plus Marketing Services Limited. The provision is expected to fully utilised by 2024.

Other provisions relate to expected legal costs to be incurred in 2016.

21. Retirement benefits

The Company contributes to a defined contribution pension plan held for the benefit of individual employees. In the year the contribution due was £234,000 (2014: £242,000).

22. Share capital

	2015 Number	2015 £	2014 Number	2014 £
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

23. Options over the shares of office2office Limited (formerly office2office plc)

	Number 1 Jan 15	Number granted	Number exercised	Number expired	Number 31 Dec 15	Exercise price per share	Exercisable from	Expiry date
SAYE Scheme								
Date granted								
December 2011 (3yr)	18,491	-	(18,391)	-	-	116.8p	01.01.15	01.01.15
December 2011 (5yr)	3,424	-	(3,424)	-	-	116.8p	01.01.17	01.07.17
October 2013 (3yr)	76,427	-	(76,427)	-	-	45.4p	01.11.16	01.05.17
October 2013 (5yr)	11,894	-	(11,894)	-	-	45.4p	01.11.18	01.05.19
	110,236	-	(110,236)	-	-			

	Number 1 Jan 14	Number granted	Number exercised	Number expired	Number 31 Dec 14	Exercise price per share	Exercisable from	Expiry date
SAYE Scheme								
Date granted								
December 2011 (3yr)	22,805	-	-	(4,314)	18,491	116.8p	01.01.15	01.01.15
December 2011 (5yr)	6,163	-	-	(2,739)	3,424	116.8p	01.01.17	01.07.17
October 2013 (3yr)	294,962	-	(28,081)	(190,454)	76,427	45.4p	01.11.16	01.05.17
October 2013 (5yr)	39,646	-	-	(27,752)	11,894	45.4p	01.11.18	01.05.19
	363,576	-	(28,081)	(225,259)	110,236			

At 31 December 2015, there were no members (2014: nil) of the performance share plan and no members (2014: 25) with a nil average option holding (2014: 4,409) of the Save-As-You-Earn (SAYE) scheme.

The SAYE scheme was first introduced in October 2004. The exercise price is determined at a 20% discount to the closing mid-market price on the date of invitation. The schemes have either a three or five year vesting period. Following the acquisition of office2office Limited (formerly office2office plc) by EVO Business Supplies Limited, the SAYE schemes continued to run until April 2015 when all outstanding options vested automatically at the purchase price of 51p per option.

The IFRS 2 and associated national insurance costs, before tax, incurred in relation to the above schemes were as follows:

	2015 IFRS2 £000	2015 NI £000	2014 IFRS2 £000	2014 NI £000
Performance Share Plan				
Date granted				
September 2010	-	-	-	(1)
SAYE scheme				
Date granted				
December 2011 (3yr)	-	-	2	-
October 2013 (3yr)	-	-	7	-
October 2013 (5yr)	-	-	1	-
	-	-	10	(1)

Notes to the Financial Statements (continued)
for the year ended December 2015

24. Cash (used in) / generated from operations

	2015 £000	2014 £000
Profit before income tax	3,442	2,823
Adjustments for:		
Depreciation of property, plant and equipment	104	131
Amortisation of intangible assets	594	648
Interest and similar charges payable	173	213
Share option expense	-	10
Decrease in inventories	84	265
(Increase)/decrease in trade and other receivables	(1,000)	874
Decrease in trade and other payables	(7,344)	(2,107)
Total net cash (outflow) / inflow from operations	(3,947)	2,857

25. Analysis of movement in net debt

	At 1 January 2015 £000	Cash flow £000	At 31 December 2015 £000
Cash and cash equivalents	(752)	(4,161)	(4,913)
	(752)	(4,161)	(4,913)

26. Guarantees and other financial commitments

Capital commitments

There are no amounts contracted for but not provided in the financial statements (2014: £nil).

Operating lease commitments

	Land & buildings		Other	
	2015 £000	2014 £000	2015 £000	2014 £000
Amounts payable under non-cancellable operating leases:				
No later than one year	460	499	206	218
Later than one year and no later than five years	1,711	1,686	317	509
Later than five years	1,201	1,618	-	-
	3,372	3,803	523	727

Notes to the Financial Statements (continued)
for the year ended December 2015

27. Related parties

Access Plus Marketing Services Limited is a wholly owned subsidiary of AccessPlus Limited, a wholly owned subsidiary of AccessPlus Holdings Limited which is a wholly owned subsidiary of Olive 1 Limited, a wholly owned subsidiary of EVO Business Supplies Limited

As at the 31 December the following amounts were due to/(from) the Company from/(to) EVO Business Supplies Limited and its subsidiaries:

	2015	2014
	£000	£000
EVO Business Supplies Limited	(421)	(421)
AccessPlus Holdings Limited	21,765	21,765
Vow Europe Limited	2,945	-
TripleArc Limited	(5,521)	(5,725)
AccessPlus Limited	1,191	1,191
Access Plus Marketing Logistics Limited	(4,199)	(4,199)
AccessPlus Print Management Limited	(207)	(207)
Accord Office Supplies Limited	1	-
Banner Business Services Limited	17,073	15,798
Banner Business Services Ireland Limited	(34)	-
Software Stationery Holdings Limited	(470)	(470)
Adversion Limited	(3,881)	(3,881)
gl2 Limited	(596)	(596)
Software Stationery Specialists Limited	(3,355)	(3,355)
	24,291	19,900

All movements in amounts due to and from related parties relate to the movement of cash between Group companies.

28. Immediate and Ultimate controlling party

The Company's immediate parent company is AccessPlus Limited and the Directors consider that the Company's ultimate parent undertaking is EVO Business Supplies Limited, a company registered in England and Wales. EVO Business Supplies Limited is both the smallest and largest company for which group financial statements are drawn up. These consolidated financial statements are available from K House, Sheffield Business Park, Europa Link, Sheffield, S9 1XU.

At the balance sheet date, the ultimate controlling party of the Group was Endless Fund II A Limited Partnership, Endless Fund II B Limited Partnership, Endless Fund III A Limited Partnership, Endless Fund III B Limited Partnership and Endless Fund III C Limited Partnership who own 89% of the Group.