

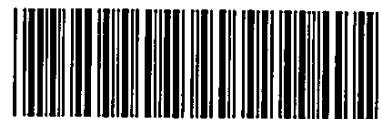
**Company Registration No. 3871086**

**Rippleffect Studio Ltd**

**Report and Financial Statements**

**52 weeks ended 2 January 2011**

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**Rippleeffect Studio Ltd (Registration No. 3871086)**

**Report and financial statements for the 52 weeks ended  
2 January 2011**

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**Rippleffect Studio Ltd (Registration No. 3871086)**

**Report and financial statements for the 52 weeks ended  
2 January 2011**

**Officers and registered office**

**Directors**

Vijay Vaghela (appointed 17 March 2010)

Paul Vickers

T M Directors Limited

**Secretary**

T M Secretaries Limited

**Registered office**

One Canada Square

Canary Wharf

London

E14 5AP

## **Rippleffect Studio Ltd (Registration No. 3871086)**

### **Directors' report**

The directors present their annual report and the audited financial statements for the 52 weeks ended 2 January 2011

#### **Principal activity**

The principal activity of the company in the period was the provision of web-related IT services, and is part of the Regionals division of Trinity Mirror plc. The ultimate parent company at 2 January 2011 was Trinity Mirror plc.

#### **Review of developments, future prospects and financial position**

The company's profit before taxation was £613,675 (53 weeks ended 3 January 2010 £275,073 profit). The financial position of the company is set out on page 8. The directors expect the company to perform satisfactorily during 2011.

#### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend for the 52 weeks ended 2 January 2011 (53 weeks ended 3 January 2010 £nil). The retained profit for the period of £433,389 (53 weeks ended 3 January 2010 £241,824 profit) has been transferred to reserves.

#### **Principal risks and uncertainties**

There is an ongoing process for the identification, evaluation and management of the significant risks faced by the company. The key risk facing the company is the impact the economy has on the company's revenues and on the group financing facilities. The principal risks and uncertainties of the group which include those of the company are discussed on pages 29 to 30 of the Trinity Mirror plc annual report which does not form part of this report.

#### **Key performance indicators**

The key performance indicators that the company uses to review and monitor its businesses are primarily financial. These include revenue, operating profit and operating margin. The company seeks to target performance in line with or ahead of competitors or comparators taking account of the company's strategy. The development, performance and position of Trinity Mirror plc, which includes the company, is discussed in the Business Review set out on pages 20 to 30 of the Trinity Mirror plc annual report which does not form part of this report.

#### **Financial risk management**

The company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider are relevant to the company are credit risk and liquidity risk. These risks are mitigated by the credit control procedures in place.

#### **Directors**

The directors who served during the 52 weeks ended 2 January 2011 were

Vijay Vaghela (appointed 17 March 2010)  
Paul Vickers  
T M Directors Limited

The present membership of the Board is set out on page 1.

## **Rippleffect Studio Ltd (Registration No. 3871086)**

### **Directors' report (continued)**

#### **Directors' and officers' liability insurance**

During the 52 weeks ended 2 January 2011, the company has maintained adequate cover for its directors and officers under a directors' and officers' liability insurance policy

#### **Creditor payment policy**

It is the policy of the company to agree suitable terms and conditions for its business transactions with suppliers. These terms and conditions range from standard written terms to individually drafted contracts. Once such terms are agreed it is the company's policy to fully adhere to them, including payment schedules, provided the supplier has also complied with the terms and conditions. The average payment period for the 52 weeks ended 2 January 2011 was 36 days (52 weeks ended 3 January 2010: 20 days).

#### **Employee related matters**

**Disabled persons** - the company policy is to give fair and equal consideration to the recruitment, employment and career development of disabled persons where suitable opportunities arise, and to provide such training and other assistance as may be necessary and practicable. Employees who become disabled and are unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

**Employee involvement** - communication and participation of employees is achieved through both formal and informal channels. The means of communication range from formal union procedures to staff briefings and formal and informal management briefings where appropriate, communication is by personal letter or circular to employees individually.

**Employee share award scheme** - the company participates in the employee share award scheme of Trinity Mirror plc.

**Pension schemes** - the company participates in the pension schemes of the group as described in note 2.

#### **Political and charitable donations**

During the 52 weeks ended 2 January 2011 contributions for charitable purposes were £554 (53 weeks ended 3 January 2010: £1,114). No direct political donations were made during either period.

#### **Auditors**

The directors at the date of this report confirm that

- so far as each of the directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and
- each of the directors has taken all steps he should have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved and signed on behalf of the Board of Directors



Vijay Vaghela  
30 March 2011

## **Rippleffect Studio Ltd (Registration No. 3871086)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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.

### **Going concern basis**

In determining whether the company's financial statements can be prepared on a going concern basis the directors have considered the factors likely to affect future development, performance and financial position including the matters disclosed in the Directors' report. The company is part of the Trinity Mirror group and the going concern review completed at the date of signing of the group accounts is set out on page 43 of the Trinity Mirror plc annual report which does not form part of this report. The going concern of the company is dependent on the going concern of the Trinity Mirror group.

In particular the company has considered

- the implications of the challenging economic environment on the company's revenue and profits,
- the impact on the business of key suppliers being unable to meet their obligation to the company,
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected, and
- the reliance on the group financing facilities.

At the date of signing of these financial statements the directors have considered all the factors impacting the company's and group's business, including downside sensitivities. The directors therefore 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 company's financial statements.

## **Independent auditors' report to the members of Rippleffect Studio Ltd**

We have audited the financial statements of Rippleffect Studio Ltd for the period ended 2 January 2011 which comprise of the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 2 January 2011 and of its profit for the 52 weeks then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



Alan Fendall (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

Manchester, United Kingdom

30 March 2011

**Rippleffect Studio Ltd (Registration No. 3871086)**

**Profit and loss account**  
**52 weeks ended 2 January 2011**

	Note	52 weeks ended 2 January 2011 £	53 weeks ended 3 January 2010 £
Turnover	1	4,072,753	3,766,845
Cost of sales		(2,230,291)	(1,613,709)
Gross profit		1,842,462	2,153,136
Administrative expenses		(1,228,787)	(1,878,063)
Operating profit and profit on ordinary activities before taxation	3	613,675	275,073
Tax on profit on ordinary activities	4	(180,286)	(33,249)
Profit on ordinary activities after taxation	10	433,389	241,824

All results relate solely to continuing operations

There were no recognised gains or losses during the current period and prior year other than those shown in the profit and loss account. Consequently, a separate statement of recognised gains or losses has not been presented.



**Rippleffect Studio Ltd (Registration No. 3871086)**

**Reconciliation of movements in shareholders' funds  
52 weeks ended 2 January 2011**

	<b>52 weeks ended 2 January 2011 £</b>	<b>53 weeks ended 3 January 2010 £</b>
Profit on ordinary activities after taxation for the financial period	433,389	241,824
Net increase to shareholders' funds	433,389	241,824
Opening shareholders' funds	598,286	356,462
Closing shareholders' funds	1,031,675	598,286

# Rippleffect Studio Ltd (Registration No. 3871086)

## Balance sheet 2 January 2011

	Note	2 January 2011 £	3 January 2010 £
<b>Fixed assets</b>			
Tangible fixed assets	5	23,371	28,585
<b>Current assets</b>			
Debtors	6	1,443,022	1,482,761
Cash at bank and in hand		549,883	520,908
		1,992,905	2,003,669
<b>Creditors: amounts falling due within one year</b>	7	(984,601)	(1,251,835)
<b>Net current assets</b>		1,008,304	751,834
<b>Total assets less current liabilities</b>		1,031,675	780,419
Provisions for liabilities	8	-	(182,133)
<b>Net assets</b>		1,031,675	598,286
<b>Capital and reserves</b>			
Called up share capital	9	50,325	50,325
Share premium account		49,470	49,470
Capital redemption reserve	10	265	265
Capital contribution reserve	10	44,915	44,915
Profit and loss account	10	886,700	453,311
<b>Shareholders' funds</b>		1,031,675	598,286

These financial statements were approved by the Board of Directors on 30 March 2011

Signed on behalf of the Board of Directors



Vijay Vaghela

## **Rippleffect Studio Ltd (Registration No. 3871086)**

### **Notes to the accounts**

**52 weeks ended 2 January 2011**

#### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and Accounting Standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current period and the preceding period.

##### **Basis of preparation**

The financial statements have been prepared on a going concern basis as set out on page 4

##### **Basis of accounting**

The financial statements are prepared under the historical cost convention

##### **Turnover**

Turnover, which excludes value added tax, arises wholly from the company's principal activity carried out within the United Kingdom. Turnover is measured at the fair value of sales net of applicable discounts. Revenue is recognised at the time of the sale or the provision of the service. Deferred income can also arise where payment is received in advance of the performance of service. The portion of such income relating to periods after the balance sheet date has been deferred.

##### **Taxation**

Current tax comprising UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full at the anticipated tax rates on timing differences arising from the different treatment of items for accounting and taxation purposes. No provision is made for deferred tax on investment revaluations. A deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The company has elected not to discount the deferred tax assets and liabilities.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	- 20% on reducing balance basis
Fixtures, fittings and office equipment	- 20% on reducing balance basis

##### **Pension scheme arrangements**

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Finance and operating leases**

Assets held under finance leases are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### **Cash flow statement**

The company is a wholly owned subsidiary, and the cash flows of the company are included in the consolidated cash flow statement of its ultimate parent company which is publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard 1, "Cash Flow Statements", from publishing a separate cash flow statement.

## **Rippleffect Studio Ltd (Registration No. 3871086)**

### **Notes to the accounts**

#### **52 weeks ended 2 January 2011**

#### **2. Information regarding directors and employees**

The directors received no remuneration in respect of services to the company (53 weeks ended 3 January 2010 £nil)

	<b>52 weeks ended 2 January 2011 £</b>	<b>53 weeks ended 3 January 2010 £</b>
<b>Staff costs during the financial period</b>		
Wages and salaries	1,492,813	1,498,946
Social security costs	177,579	161,724
Pension costs	21,180	21,208
	<u>1,691,572</u>	<u>1,681,878</u>
<b>Average number of persons employed</b>	<b>No.</b>	<b>No.</b>
Production	38	37
Sales and distribution	11	8
Administration	4	4
	<u>53</u>	<u>49</u>

#### **Pensions**

The company contributes to two defined contribution schemes for which the pension cost for the 52 weeks ended 2 January 2011 was £21,180 (53 weeks ended 3 January 2010 £21,208) At 2 January 2011 there were no outstanding/prepaid contributions (3 January 2010 £nil)

#### **3. Operating profit**

	<b>52 weeks ended 2 January 2011 £</b>	<b>53 weeks ended 3 January 2010 £</b>
<b>Operating profit is after charging:</b>		
Depreciation – owned assets	5,214	6,386
Operating leases - other	62,961	86,267

The auditors' remuneration of £4,000 for the 52 weeks ended 2 January 2011 (53 weeks ended 3 January 2010 £4,000) for the audit of the statutory accounts of this company has been borne and not recharged by another group company

# Rippleffect Studio Ltd (Registration No. 3871086)

## Notes to the accounts

### 52 weeks ended 2 January 2011

#### 4. Tax on profit on ordinary activities

	52 weeks ended 2 January 2011 £	53 weeks ended 3 January 2010 £
Profit on ordinary activities before taxation	613,675	275,073
<b>Current tax</b>		
Corporation tax charge for the period	130,209	85,165
Adjustment to prior period	(650)	(49,992)
<b>Deferred tax</b>		
Deferred tax charge/(credit) in the period	48,969	(1,461)
Change in tax rate	1,758	-
Adjustment to prior period	-	(463)
<b>Tax charge in period</b>	<b>180,286</b>	<b>33,249</b>

#### Reconciliation of current tax charge

The rate of corporation tax in the UK is 28% (53 weeks ended 3 January 2010 28%) The actual rate of current tax for the period is less than 28% (53 weeks ended 3 January 2010 less than 28%) for the reasons set out in the following reconciliation.

	52 weeks ended 2 January 2011 %	53 weeks ended 3 January 2010 %
UK standard rate of corporation tax	28.0	28.0
Expenses not deducted for tax purposes	1.5	2.9
Capital allowances in excess of depreciation	-	0.1
Other short-term timing differences	(8.3)	-
Adjustment to prior period	(0.1)	(18.2)
<b>Actual rate of current tax for the period</b>	<b>21.1</b>	<b>12.8</b>

# Rippleffect Studio Ltd (Registration No. 3871086)

## Notes to the accounts 52 weeks ended 2 January 2011

### 5. Tangible fixed assets

	Plant, machinery, fixtures and fittings £
<b>Cost</b>	
At beginning of period	187,624
At end of period	187,624
<b>Accumulated depreciation</b>	
At beginning of period	159,039
Charge for the period	5,214
At end of period	164,423
<b>Net book value</b>	
At 2 January 2011	23,371
At 3 January 2010	28,585

### 6. Debtors

	2 January 2011 £	3 January 2010 £
Trade debtors	1,058,472	980,253
Amounts owed by ultimate parent company	166,217	360,700
Amounts owed by immediate parent company	44,915	44,915
Amounts owed by fellow subsidiaries	163,918	38,940
Prepayments and accrued income	9,500	8,734
Deferred tax asset	-	49,219
	1,443,022	1,482,761

### 7 Creditors: amounts falling due within one year

	2 January 2011 £	3 January 2010 £
Trade creditors	57,768	81,390
Taxation and social security	301,104	309,250
Accruals and deferred income	179,823	144,006
Corporation tax	65,104	42,685
Amounts owed to fellow subsidiaries	379,294	674,504
Deferred tax liability	1,508	-
	984,601	1,251,835

# Rippleffect Studio Ltd (Registration No. 3871086)

## Notes to the accounts

### 52 weeks ended 2 January 2011

#### 7. Creditors: amounts falling due within one year (continued)

The deferred tax (liability)/asset included in the accounts comprises

	2 January 2011 £	3 January 2010 £
Other timing differences	-	50,998
Depreciation in excess of capital allowances	(1,508)	(1,779)
	<u>(1,508)</u>	<u>49,219</u>
The movement in the deferred tax asset was as follows		
At beginning of period	49,219	47,295
Deferred tax (charge)/credit in the period	(48,969)	1,924
Change in tax rate	(1,758)	-
At end of the period	<u>(1,508)</u>	<u>49,219</u>

#### 8. Provisions for liabilities

	Management bonus £
At beginning of period	182,133
Utilised in the period	(25,848)
Released during the period	(156,285)
At end of period	<u>-</u>

The management bonus provision related to the Sale and Purchase Agreement

#### 9. Called up share capital

	2 January 2011 £	3 January 2010 £
<b>Authorised:</b>		
51,120 ordinary shares of £1 each	<u>51,120</u>	<u>51,120</u>
<b>Called up, allotted and fully paid:</b>		
50,325 ordinary shares of £1 each	<u>50,325</u>	<u>50,325</u>

## Rippleffect Studio Ltd (Registration No. 3871086)

### Notes to the accounts

52 weeks ended 2 January 2011

#### 10. Reserves

	Capital redemption reserve £	Capital contribution reserve £	Profit and loss account £	Total £
At beginning of period	265	44,915	453,311	498,491
Profit for the financial period	-	-	433,389	433,389
At end of period	<u>265</u>	<u>44,915</u>	<u>886,700</u>	<u>931,880</u>

#### 11. Operating lease commitments

At 2 January 2011, the company was committed to making the following payments during the next period in respect of non-cancellable operating leases on motor vehicles

	2 January 2011 £	3 January 2010 £
Leases which expire		
Between two and five years	<u>54,730</u>	<u>56,621</u>
	<u>54,730</u>	<u>56,621</u>

#### 12. Ultimate parent company and immediate parent undertaking

In the opinion of the directors, the company's ultimate parent company and controlling entity at 2 January 2011 was Trinity Mirror plc, a company incorporated and registered in England and Wales. Trinity Mirror plc is the parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared. Copies of the group financial statements are available from its registered office at One Canada Square, Canary Wharf, London, E14 5AP.

The company's immediate parent undertaking is Trinity Mirror Digital Limited, a company registered in England and Wales.

#### 13. Related party transactions

The company is a wholly owned subsidiary within the group, and utilises the exemption contained in Financial Reporting Standard 8, "Related Party Disclosures", not to disclose any transactions with entities that are part of the group. The address at which the group consolidated financial statements are publicly available is shown in note 11.