

Registered number: 04261653

DCS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

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DCS GROUP HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	D C Shortt OBE N R Short
COMPANY SECRETARY	P Murphy
REGISTERED NUMBER	04261653
REGISTERED OFFICE	Timothy's Bridge Road Stratford-upon-Avon Warwickshire CV37 9YL
INDEPENDENT AUDITOR	Crowe Clark Whitehill LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
BANKERS	Barclays Bank plc PO Box 3333 1 Snow Hill Birmingham B3 2WN

DCS GROUP HOLDINGS LIMITED

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DCS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT for the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing 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 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 judgments 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,
- 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.

PRINCIPAL ACTIVITIES

The Company is principally engaged as a property holding Company.

BUSINESS REVIEW

This Company is a member of a Group, and a full Business Review is included in the parent Company's financial statements. The trading activities of this company are closely linked to other Group Companies' trading activities, and the Directors believe the consolidated results of the Group provides a better understanding of its performance during the period. The Business Review contained in the parent Company's financial statements therefore provides a detailed explanation of both this Company's and of the Group's performance for the period.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £364,000 (2011 - £347,000)

Dividends of £208,000 were paid during the year (2011 - £208,000)

DIRECTORS

The Directors who served during the year were

D C Shortt OBE
N R Short

DCS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT for the year ended 31 December 2012

LAND AND BUILDINGS

The freehold land and buildings were valued at £6,300,000 in April 2008. The net book value as at 31 December 2012 was £5,767,000 (2011 - £5,805,000).

EMPLOYEE INVOLVEMENT

The directors recognise the importance of good communications with all employees. The group has several divisions and each division is responsible for ensuring employee participation to its own particular needs.

In addition, employees are kept well informed of the performance and objectives of the Group through personal briefings, regular meetings, email and Chairman broadcasts at key points in the year to all employees.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 June 2013 and signed on its behalf



D C Shortt OBE
Director

DCS GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DCS GROUP HOLDINGS LIMITED

We have audited the financial statements of DCS Group Holdings Limited for the year ended 31 December 2012, set out on pages 5 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

DCS GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DCS GROUP HOLDINGS LIMITED

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

Martin Regan (Senior Statutory Auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

GL50 2QJ

Date 25 June 2013

DCS GROUP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Note	2012 £000	2011 £000
TURNOVER	1,2	456	456
Administrative expenses		<u>(78)</u>	<u>(75)</u>
OPERATING PROFIT	3	378	381
Income from other fixed asset investments		208	208
Interest payable and similar charges	6	<u>(202)</u>	<u>(218)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		384	371
Tax on profit on ordinary activities	7	<u>(20)</u>	<u>(24)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>364</u>	<u>347</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements


DCS GROUP HOLDINGS LIMITED
Registered number 04261653

BALANCE SHEET
as at 31 December 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Tangible assets	8		5,767		5,805
Investments	9		50		50
			<u>5,817</u>		<u>5,855</u>
CURRENT ASSETS					
Cash at bank		-		92	
CREDITORS , amounts falling due within one year	10	(1,176)		(1,131)	
NET CURRENT LIABILITIES			<u>(1,176)</u>		<u>(1,039)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,641</u>		<u>4,816</u>
CREDITORS , amounts falling due after more than one year	11		(3,844)		(4,175)
PROVISIONS FOR LIABILITIES					
Deferred tax	12		(103)		(103)
NET ASSETS			<u>694</u>		<u>538</u>
CAPITAL AND RESERVES					
Called up share capital	13		42		42
Capital redemption reserve	14		8		8
Profit and loss account	14		644		488
SHAREHOLDERS' FUNDS	15		<u>694</u>		<u>538</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 June 2013.



D C Shortt OBE
Director

The notes on pages 7 to 13 form part of these financial statements

DCS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Company is itself a subsidiary Company and is exempt from the requirement to prepare Group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

1.2 GOING CONCERN

The Company depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the company expects to be able to operate within these facilities for the whole of the foreseeable future. These facilities are renewed annually and are not guaranteed for the period covered by the going concern review. The Directors are not aware however, of any circumstance that may adversely affect the renewal of these facilities. Accordingly, the Directors believe it is appropriate to prepare the financial statements on the going concern basis.

1.3 CASH FLOW

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the Group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 TURNOVER

Turnover comprises rental income exclusive of Value Added Tax.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
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1.6 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

DCS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1 ACCOUNTING POLICIES (continued)

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

2 TURNOVER

An analysis of turnover by class of business is as follows

	2012	2011
	£000	£000
Rent receivable	456	456

All turnover arose within the United Kingdom

3 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£000	£000
Depreciation of tangible fixed assets - owned by the company	72	71

4. AUDITORS' REMUNERATION

	2012	2011
	£000	£000
Fees payable to the company's auditor in respect of		
Auditors remuneration	2	2
Taxation compliance services	1	1

DCS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

5. STAFF COSTS

The Company has no employees other than the Directors, who did not receive any remuneration (2011 - £NIL)

6. INTEREST PAYABLE

	2012 £000	2011 £000
On bank loans and overdrafts	202	218

7. TAXATION

	2012 £000	2011 £000
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	20	-
DEFERRED TAX (see note 12)		
Origination and reversal of timing differences	-	24
TAX ON PROFIT ON ORDINARY ACTIVITIES	20	24

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 20 25%) The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	384	371
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20 25%)	77	75
EFFECTS OF		
Capital allowances for year less than/(in excess of) depreciation	5	4
Dividends from UK companies	(42)	(42)
Group relief	(20)	(42)
Marginal relief	-	5
CURRENT TAX CHARGE FOR THE YEAR (see note above)	20	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

DCS GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012**

8 TANGIBLE FIXED ASSETS

	Freehold property £000
COST	
At 1 January 2012	6,320
Additions	34
At 31 December 2012	<u>6,354</u>
DEPRECIATION	
At 1 January 2012	515
Charge for the year	72
At 31 December 2012	<u>587</u>
NET BOOK VALUE	
At 31 December 2012	<u>5,767</u>
At 31 December 2011	<u>5,805</u>

9 FIXED ASSET INVESTMENTS

	Investment in subsidiary company £000
COST OR VALUATION	
At 1 January 2012 and 31 December 2012	<u>50</u>
NET BOOK VALUE	
At 31 December 2012	<u>50</u>
At 31 December 2011	<u>50</u>

SUBSIDIARY UNDERTAKING

The following is a subsidiary undertaking of the company

Name	Class of shares	Holding
DCS Europe Plc	Ordinary shares	100%

DCS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

9. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 31 December 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
DCS Europe Plc	8,758	2,203

10 CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £000	2011 £000
Bank loans and overdrafts	331	300
Amounts owed to group undertakings	715	720
Corporation tax	20	-
Other taxes	91	91
Accruals and deferred income	19	20
	<u>1,176</u>	<u>1,131</u>

The bank loans and overdrafts and payments on account, which relate to amounts advanced under an invoice discounting arrangement for DCS Europe Plc, a subsidiary Company, are secured by the following

- Cross guarantee between DCS Group Holdings Limited and DCS Europe Plc, and
- Debenture creating a fixed and floating charge over all of the Group's current and future assets

11 CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £000	2011 £000
Bank loans	3,844	4,175

The bank loan is secured on the freehold property held by the Company. The bank loan is due to be repaid by installments of £22,222 per month. The remaining balance is due to be repaid by a single payment on 1 June 2017. Interest is charged at 2.35% above LIBOR.

DCS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

12 DEFERRED TAXATION

	2012	2011
	£000	£000
At beginning of year	103	79
Charge for year	-	24
At end of year	<u>103</u>	<u>103</u>

The provision for deferred taxation is made up as follows

	2012	2011
	£000	£000
Accelerated capital allowances	<u>103</u>	<u>103</u>

13. SHARE CAPITAL

	2012	2011
	£000	£000
ALLOTTED, CALLED UP AND FULLY PAID		
420,000 Ordinary shares of £0.10 each	<u>42</u>	<u>42</u>

14 RESERVES

	Capital redemption reserve £000	Profit and loss account £000
At 1 January 2012	8	488
Profit for the year		364
Dividends - Equity capital		(208)
At 31 December 2012	<u>8</u>	<u>644</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£000	£000
Opening shareholders' funds	538	399
Profit for the year	364	347
Dividends (Note 16)	(208)	(208)
Closing shareholders' funds	<u>694</u>	<u>538</u>

DCS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

16 DIVIDENDS

	2012	2011
	£000	£000
Dividends paid on equity capital	208	208

17. CONTINGENT LIABILITIES

The Company is party to a cross guarantee given to the Group's bankers and as such there is a contingent liability at the balance sheet date for the bank borrowing of all Group undertakings

18 RELATED PARTY TRANSACTIONS

On 4th January 2011 the entire share issued share capital of DCS Group Holdings Limited was acquired by DCS Inc Limited, a Company which has certain common Directors, as part of a Group reorganisation

As a 100% subsidiary of DCS Inc Limited, the Company is exempt from disclosing transactions with entities that are part of the Group, in accordance with the requirements of Financial Reporting Standard 8, paragraph 3(c)

19 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent Company is DCS Inc Limited, a Company registered in England and Wales. A copy of the consolidated financial statements are available from Companies House, Cardiff

The ultimate controlling party is deemed to be D C Shortt, by virtue of his beneficial shareholding in the ultimate parent Company