

Registered number: 04261653

**DCS GROUP HOLDINGS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**DCS GROUP HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

D C Shortt OBE  
N R Shortt (resigned 31 December 2014)  
R D Jorden  
P Murphy  
M J S Lorimer (appointed 1 January 2015)

**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

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**DCS GROUP HOLDINGS LIMITED**

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## **DCS GROUP HOLDINGS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

#### **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 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.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £441,000 (2013 - £1,327,000).

Dividends of £208,000 were paid during the year (2013 - £1,117,000).

#### **DIRECTORS**

The directors who served during the year were:

D C Shortt OBE  
N R Shortt (resigned 31 December 2014)  
R D Jorden  
P Murphy

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**DCS GROUP HOLDINGS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**MATTERS COVERED IN THE STRATEGIC REPORT**

Under s414C(11), the strategic report contains a fair review of the business; the principal risks and uncertainties faced by the business; and the key financial and non-financial performance indicators as considered by the board of directors. This information is therefore excluded from the Directors' report.

**DISCLOSURE 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 relevant audit information 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 15<sup>th</sup> July 2015 and signed on its behalf.



**D C Shortt OBE**  
Director

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**DCS GROUP HOLDINGS LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**INTRODUCTION**

The directors present their Strategic report for the year ended 31 December 2014.

**BUSINESS REVIEW**

The company continues to own the property at Timothy's Bridge Road, Stratford Upon Avon, Warwickshire.

The company acted as a lessor to its subsidiary company, DCS Group (UK) Limited during the year. It is of the directors opinion that this arrangement will not change in the foreseeable future and there are no future developments to report.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the company's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company. The principal business risks affecting the company are set out below.

Interest rate risk - the company is part funded via a loan secured on the freehold property owned by the company. Interest is payable on this loan, as disclosed in note 11, linked to the LIBOR rate. The directors monitor this to ensure cash flow demands are met for the repayment of the loan.

Property market - covenants attached to the loan monitor the loan to value (LTV) ratio of the freehold property. The directors monitor the general property market conditions and maintain correspondance with the bank to ensure LTV covenants are met.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The board monitors the progress on the overall company's strategy and the individual strategic elements by reference to the monthly management accounts.

Due to the nature of the business there are no specific KPI's monitored by the directors in the day to day running of the company.

This report was approved by the board on 15<sup>th</sup> July 2015 and signed on its behalf.



**D C Shortt OBE**  
Director

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## DCS GROUP HOLDINGS LIMITED

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

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We have audited the financial statements of DCS Group Holdings Limited for the year ended 31 December 2014, set out on pages 6 to 14. 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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**DCS GROUP HOLDINGS LIMITED**

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

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**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

20 July 2015

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**DCS GROUP HOLDINGS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Note	2014 £000	2013 £000
<b>TURNOVER</b>	1,2	456	456
Administrative expenses		(71)	(81)
<b>OPERATING PROFIT</b>	3	385	375
Income from other fixed asset investments		208	1,117
Interest payable and similar charges	6	(105)	(147)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		488	1,345
Tax on profit on ordinary activities	7	(47)	(18)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	441	1,327

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

**DCS GROUP HOLDINGS LIMITED**  
**REGISTERED NUMBER: 04261653**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Tangible assets	8	5,667	5,703
Investments	9	50	50
		<u>5,717</u>	<u>5,753</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(1,160)</u>	<u>(1,147)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,557</u>	<u>4,606</u>
<b>CREDITORS: amounts falling due after more than one year</b>	11	<u>(3,333)</u>	<u>(3,600)</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	12	<u>(86)</u>	<u>(101)</u>
<b>NET ASSETS</b>		<u><u>1,138</u></u>	<u><u>905</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	42	42
Capital redemption reserve	14	8	8
Profit and loss account	14	<u>1,088</u>	<u>855</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u><u>1,138</u></u>	<u><u>905</u></u>

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



**D C Shortt OBE**  
 Director

15<sup>th</sup> Dec 2015

The notes on pages 8 to 14 form part of these financial statements.

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## DCS GROUP HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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 financial statements 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.

##### 1.7 LESSOR ACCOUNTING - OPERATING LEASES

Assets acquired and held for use under operating lease are recorded as fixed assets and are depreciated on a straight line basis to their estimated residual values over their estimated useful lives. Operating lease income is recognised on a straight line basis to the date of the next rent review.

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## DCS GROUP HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 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:

	2014 £000	2013 £000
Rent receivable	456	456

All turnover arose within the United Kingdom.

#### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	64	63

#### 4. AUDITOR'S REMUNERATION

	2014 £000	2013 £000
Fees payable to the company's auditor in respect of:		
Auditor's remuneration	2	2
Taxation compliance services	1	1

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**DCS GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**5. STAFF COSTS**

The company has no employees other than the directors, who did not receive any remuneration (2013 - £Nil).

**6. INTEREST PAYABLE**

	2014 £000	2013 £000
On bank loans and overdrafts	105	147

**7. TAXATION**

	2014 £000	2013 £000
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	62	20
<b>DEFERRED TAX</b> (see note 12)		
Origination and reversal of timing differences	(15)	(2)
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	47	18

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	488	1,345
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	105	313
<b>EFFECTS OF:</b>		
Capital allowances for year in excess of depreciation	(9)	6
Fixed asset differences	12	-
Dividends from UK companies	(45)	(260)
Other differences leading to an increase (decrease) in the tax charge	-	(3)
Group relief	-	(36)
Marginal relief	(1)	-
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	62	20

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DCS GROUP HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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7. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are no factors that may affect future tax charges.

8. TANGIBLE FIXED ASSETS

	Freehold property £000
<b>COST</b>	
At 1 January 2014	6,353
Additions	28
At 31 December 2014	<u>6,381</u>
<b>DEPRECIATION</b>	
At 1 January 2014	650
Charge for the year	64
At 31 December 2014	<u>714</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>5,667</u>
At 31 December 2013	<u>5,703</u>

DCS Group Holdings Limited acts as a lessor for its subsidiary company. The entire freehold property is held for use in operating leases.

9. FIXED ASSET INVESTMENTS

	Investment in subsidiary company £000
<b>COST OR VALUATION</b>	
At 1 January 2014 and 31 December 2014	<u>50</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>50</u>
At 31 December 2013	<u>50</u>

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**DCS GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**9. FIXED ASSET INVESTMENTS (continued)**

**SUBSIDIARY UNDERTAKING**

The following is a subsidiary undertaking of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
DCS Group (UK) Limited	Ordinary shares	100%

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £000</b>	<b>Profit/(loss) £000</b>
DCS Group (UK) Limited	<u>11,184</u>	<u>1,879</u>

**10. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2014 £000</b>	<b>2013 £000</b>
Bank loans	267	267
Amounts owed to group undertakings	729	759
Corporation tax	62	20
Other taxes	91	91
Accruals and deferred income	11	10
	<u>1,160</u>	<u>1,147</u>

The bank loan is secured over the freehold property owned by the company at Timothy's Bridge Road, Stratford Upon Avon, Warwickshire.

There also exists a cross guarantee between the group companies, details of which can be found in note 17.

**11. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2014 £000</b>	<b>2013 £000</b>
Bank loans	<u>3,333</u>	<u>3,600</u>

The bank loan is secured on the freehold property held by the company. The bank loan is due to be repaid by instalments 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 2014**

**12. DEFERRED TAXATION**

	2014 £000	2013 £000
At beginning of year	101	103
Released during year (P&L)	(15)	(2)
At end of year	<u>86</u>	<u>101</u>

The provision for deferred taxation is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	<u>86</u>	<u>101</u>

**13. SHARE CAPITAL**

	2014 £000	2013 £000
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
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 2014	8	855
Profit for the financial year		441
Dividends		(208)
At 31 December 2014	<u>8</u>	<u>1,088</u>

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £000	2013 £000
Opening shareholders' funds	905	695
Profit for the financial year	441	1,327
Dividends (Note 16)	(208)	(1,117)
Closing shareholders' funds	<u>1,138</u>	<u>905</u>

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**DCS GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**16. DIVIDENDS**

	<b>2014 £000</b>	<b>2013 £000</b>
Dividends paid on equity capital	<b>208</b>	<b>1,117</b>

**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. At 31 December 2014 this amounted to £20,057,000 (2013 - £16,362,000)

**18. RELATED PARTY TRANSACTIONS**

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 parent undertaking of the smallest and largest group for which consolidated financial statements are prepared is DCS Inc Limited. A copy of this company's consolidated financial statements is 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.