

COMPANY REGISTRATION NUMBER: 06584936

ACS BUSINESS SUPPLIES LIMITED
Report and Financial Statements
31 December 2017

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ACS BUSINESS SUPPLIES LIMITED

Financial Statements

Year ended 31 December 2017

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ACS BUSINESS SUPPLIES LIMITED

Officers and Professional Advisers

The board of directors

M Hussain
N Gold
R H Stevenson
S Jones-Cawkwell
R Storey (Appointed on 23 April 2018)
M Box (Appointed on 23 April 2018)

Registered office

82 Wandsworth Bridge Road
London
SW6 2TF

Auditor

McKelvie & Co LLP
Chartered Accountants & Statutory Auditor
82 Wandsworth Bridge Road
London
UK
SW6 2TF

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

ACS BUSINESS SUPPLIES LIMITED

Strategic Report

Year ended 31 December 2017

The directors present their strategic report for ACS Business Supplies Limited for the year ended 31 December 2017.

Business review

The company's principal activity during the year continued to be that of the distribution and sale of Information Technology equipment and office products.

The company experienced steady growth in 2017 having consolidated the rapid growth experienced in previous years. Turnover increased by 7% with a resultant increase in profitability. 2017 showed an increase in sales through its corporate and public sector divisions which with its other brands is expected to continue through 2018 onwards.

The company shows a continuing improving Balance Sheet position in terms of liquidity and growth and the directors are seeking to continue their policies to continue this position. The company has adequate facilities in place to take advantage of business opportunities as they arise and consider the state of affairs to be satisfactory.

The company faces a number of risks and uncertainties and the directors believe that the key business risks are in respect of competition and economic climate. In view of these risks and uncertainties, the directors are aware that the development of the company may be affected by factors outside their control.

The directors anticipate the business environment will remain competitive. They believe that the company is in a good financial position and they remain confident that the company will continue to grow at reasonable rates going forward whilst remaining profitable.

Principal risks and uncertainties

The company faces a number of business risks and uncertainties due to competition and economic climate. In view of this, the directors continue to look at both existing and potential new markets.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The company does not enter into any hedging transactions.

Future developments

The company is currently undertaking further development to improve the performance of its trading activities.

This report was approved by the board of directors on 12/09/2018 and signed on behalf of the board by:



M Hussain
Director

ACS BUSINESS SUPPLIES LIMITED

Directors' Report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Principal activities

The principal activity of the company during the year continued to be that of the distribution and sale of Information Technology equipment and office products.

Directors

The directors who served the company during the year were as follows:

M Hussain
N Gold
R H Stevenson
S Jones-Cawkwell

Dividends

Particulars of dividends are detailed in note 11 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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;
- 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.

ACS BUSINESS SUPPLIES LIMITED

Directors' Report *(continued)*

Year ended 31 December 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 12/09/2018 and signed on behalf of the board by:



M Hussain
Director

ACS BUSINESS SUPPLIES LIMITED

Independent Auditor's Report to the Members of ACS BUSINESS SUPPLIES LIMITED

Year ended 31 December 2017

Opinion on financial statements

We have audited the financial statements of ACS BUSINESS SUPPLIES LIMITED (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ACS BUSINESS SUPPLIES LIMITED

Independent Auditor's Report to the Members of ACS BUSINESS SUPPLIES LIMITED (continued)

Year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

ACS BUSINESS SUPPLIES LIMITED

Independent Auditor's Report to the Members of ACS BUSINESS SUPPLIES LIMITED *(continued)*

Year ended 31 December 2017

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

ACS BUSINESS SUPPLIES LIMITED

Independent Auditor's Report to the Members of ACS BUSINESS SUPPLIES LIMITED *(continued)*

Year ended 31 December 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Allan W McKelvie (Senior Statutory Auditor)

For and on behalf of
McKelvie & Co LLP
Chartered Accountants & Statutory Auditor
82 Wandsworth Bridge Road
London
UK
SW6 2TF

DATED: 12 SEPTEMBER 2018

ACS BUSINESS SUPPLIES LIMITED
Statement of Income and Retained Earnings
Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	17,653,637	16,499,183
Cost of sales		(12,210,815)	(11,231,425)
Gross profit		5,442,822	5,267,758
Administrative expenses		(5,132,432)	(4,947,110)
Operating profit	5	310,390	320,648
Other interest receivable and similar income	8	736	2,507
Interest payable and similar expenses	9	(38,653)	(40,429)
Profit before taxation		272,473	282,726
Tax on profit	10	(56,658)	(80,370)
Profit for the financial year and total comprehensive income		<u>215,815</u>	<u>202,356</u>
Dividends paid and payable	11	(100,000)	(200,000)
Retained earnings at the start of the year		410,579	408,223
Retained earnings at the end of the year		<u>526,394</u>	<u>410,579</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

ACS BUSINESS SUPPLIES LIMITED

Statement of Financial Position

31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	209,590	264,156
Investments	14	345	345
		<u>209,935</u>	<u>264,501</u>
Current assets			
Stocks	15	59,332	23,370
Debtors	16	3,857,714	3,489,216
Cash at bank and in hand		111,282	115,792
		<u>4,028,328</u>	<u>3,628,378</u>
Creditors: amounts falling due within one year	17	<u>(3,673,726)</u>	<u>(3,432,639)</u>
Net current assets		<u>354,602</u>	<u>195,739</u>
Total assets less current liabilities		<u>564,537</u>	<u>460,240</u>
Provisions	18	<u>(37,143)</u>	<u>(48,661)</u>
Net assets		<u>527,394</u>	<u>411,579</u>
Capital and reserves			
Called up share capital	21	1,000	1,000
Profit and loss account		<u>526,394</u>	<u>410,579</u>
Members funds		<u>527,394</u>	<u>411,579</u>

These financial statements were approved by the board of directors and authorised for issue on 12/09/2018 and are signed on behalf of the board by:



M Hussain
Director

Company registration number: 06584936

The notes on pages 12 to 22 form part of these financial statements.

ACS BUSINESS SUPPLIES LIMITED

Statement of Cash Flows

Year ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	215,815	202,356
<i>Adjustments for:</i>		
Depreciation of tangible assets	88,350	94,708
Other interest receivable and similar income	(736)	(2,507)
Interest payable and similar expenses	38,653	40,429
Tax on profit	56,658	80,370
<i>Changes in:</i>		
Stocks	(35,962)	16,397
Trade and other debtors	(368,498)	319,241
Trade and other creditors	405,138	547,818
Cash generated from operations	399,418	1,298,812
Interest paid	(38,653)	(40,429)
Interest received	736	2,507
Tax (paid)/received	(181,204)	42,233
Net cash from operating activities	<u>180,297</u>	<u>1,303,123</u>
Cash flows from investing activities		
Purchase of tangible assets	(33,784)	(129,181)
Proceeds from sale of tangible assets	—	462
Net cash used in investing activities	<u>(33,784)</u>	<u>(128,719)</u>
Cash flows from financing activities		
Repayment of cash borrowings	(51,023)	(1,169,130)
Dividends paid	(100,000)	(200,000)
Net cash used in financing activities	<u>(151,023)</u>	<u>(1,369,130)</u>
Net decrease in cash and cash equivalents	(4,510)	(194,726)
Cash and cash equivalents at beginning of year	115,792	310,518
Cash and cash equivalents at end of year	<u>111,282</u>	<u>115,792</u>

The notes on pages 12 to 22 form part of these financial statements.

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 82 Wandsworth Bridge Road, London, SW6 2TF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

In accordance with applicable United Kingdom Accounting Standards. Group accounts have not been prepared as the subsidiary undertakings are non-trading entities and as such would not materially impact on the reported figures. Therefore the accounts present information about the company as an individual undertaking and not about its group.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

The company has entered into an arrangement with its bankers to assign its entitlement to funds receivable from its invoices to its bankers for which the company receives advanced funds. The terms of the agreement are that the company retains the ultimate responsibility for the assigned debt and as such the assigned debtors are included gross as assets and advances received from the company's bankers are included as liabilities within creditors. Interest charged by the bank under this arrangement is accrued and charged to the profit and loss account as interest payable.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Income from operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, is credited to the profit and loss account over the period of the lease on a straight line basis.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible fixed assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property improvement	-	10% straight line
Leased equipment	-	20-33% straight line over lease term
Motor vehicles	-	25% reducing balance
Plant and machinery	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Defined contribution plans

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	17,582,418	16,432,219
Operating lease rentals	71,219	66,964
	<u>17,653,637</u>	<u>16,499,183</u>

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. Turnover *(continued)*

By geographical market:

	2017 £	2016 £
UK	17,643,287	16,462,684
Europe	10,350	36,499
	<u>17,653,637</u>	<u>16,499,183</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	88,350	94,647
Operating lease charges	190,790	166,649
Auditor's remuneration for audit services	14,000	14,000
Carrying amount of stock sold	<u>13,177,020</u>	<u>12,348,708</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Administrative staff	40	41
Sales	60	61
	<u>100</u>	<u>102</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017 £	2016 £
Wages and salaries	3,111,182	3,110,081
Social security costs	382,438	342,748
Other pension costs	158,717	163,432
	<u>3,652,337</u>	<u>3,616,261</u>

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	224,053	230,982
Company contributions to defined contribution pension plans	16,766	15,425
	<u>240,819</u>	<u>246,407</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017 No.	2016 No.
Defined contribution plans	<u>3</u>	<u>3</u>

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

7. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	84,015	86,183
Company contributions to defined contribution pension plans	7,000	5,900
	<u>91,015</u>	<u>92,083</u>

8. Other interest receivable and similar income

	2017	2016
	£	£
Interest on cash and cash equivalents	736	<u>2,507</u>

9. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	33,341	39,090
Other interest payable and similar charges	5,312	1,339
	<u>38,653</u>	<u>40,429</u>

10. Taxation

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	68,176	73,618
Deferred tax:		
Origination and reversal of timing differences	(11,518)	6,752
Tax on profit	<u>56,658</u>	<u>80,370</u>

Reconciliation of tax expense

	2017	2016
	£	£
Profit on ordinary activities before taxation	272,473	282,726
Profit on ordinary activities by rate of tax	52,451	56,545
Adjustment to tax charge in respect of prior periods	(5,978)	–
Effect of expenses not deductible for tax purposes	11,795	17,073
Effect of capital allowances and depreciation	(1,610)	6,752
Tax on profit	<u>56,658</u>	<u>80,370</u>

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

11. Dividends

	2017 £	2016 £
Dividends paid during the year	<u>100,000</u>	<u>200,000</u>

12. Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

13. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2017	11,822	635,060	646,882
Additions	<u>—</u>	<u>33,784</u>	33,784
At 31 December 2017	<u>11,822</u>	<u>668,844</u>	680,666
Depreciation			
At 1 January 2017	9,819	372,907	382,726
Charge for the year	<u>1,182</u>	<u>87,168</u>	88,350
At 31 December 2017	<u>11,001</u>	<u>460,075</u>	471,076
Carrying amount			
At 31 December 2017	<u>821</u>	<u>208,769</u>	209,590
At 31 December 2016	<u>2,003</u>	<u>262,153</u>	<u>264,156</u>

14. Investments

	Investments in subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 January 2017 and 31 December 2017	<u>300</u>	<u>45</u>	345
Impairment			
At 1 January 2017 and 31 December 2017	<u>—</u>	<u>—</u>	—
Carrying amount			
At 31 December 2017	<u>300</u>	<u>45</u>	345
At 31 December 2016	<u>300</u>	<u>45</u>	<u>345</u>

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

14. Investments *(continued)*

The company holds 20% or more of the share capital of the following companies:

Company	Share held Class		Capital and reserves	Profit(loss) for the year
		%	£	£
Registered in Republic of Ireland: Stacked Ltd	Ordinary	25	11,750	(83,080)
Registered in England and Wales: Amalgamated Computer Supplies Ltd	Ordinary	100	100	-
PFS Managed Services Limited	Ordinary	100	100	-
Scribble and Print Limited	Ordinary	100	(3702)	(2,755)

15. Stocks

	2017	2016
	£	£
Finished goods and goods for resale	<u>59,332</u>	<u>23,370</u>

16. Debtors

	2017	2016
	£	£
Trade debtors	3,152,669	2,737,550
Prepayments and accrued income	390,163	395,267
Directors loan account	45,000	325,000
Other debtors	269,882	31,399
	<u>3,857,714</u>	<u>3,489,216</u>

17. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	375,067	426,090
Trade creditors	1,818,898	1,755,625
Accruals and deferred income	900,453	678,477
Corporation tax	75,154	188,182
Social security and other taxes	384,414	284,220
Other creditors	119,740	100,045
	<u>3,673,726</u>	<u>3,432,639</u>

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

17. Creditors: amounts falling due within one year *(continued)*

	2017 £	2016 £
Loans		
Analysis of maturity of debt:		
Within one year or on demand	475,067	526,090
Between two and five years	-	-
	<u>475,067</u>	<u>526,090</u>

The bank facility is secured on the company's book debts and other assets and interest was charged at 2.25% per annum. The £100,000 third party loan matured in October 2017 and is to be repaid.

18. Provisions

	Deferred tax (note 19) £
At 1 January 2017	48,661
Charge against provision	(11,518)
At 31 December 2017	<u>37,143</u>

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017 £	2016 £
Included in provisions (note 18)	<u>37,143</u>	<u>48,661</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017 £	2016 £
Accelerated capital allowances	<u>37,143</u>	<u>48,661</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £158,717 (2016: £163,432).

The amount owing to the company pension scheme at 31 December 2017 was £12,445 (2016: £13,631).

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

21. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
A Ordinary shares of £0.01 each	90,000	900	90,000	900
B Ordinary shares of £0.01 each	10,000	100	10,000	100
	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>

Ordinary shares carry voting rights, rights to distributions and right to a distribution on winding up.

22. Operating leases

As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	102,645	147,495
Later than 1 year and not later than 5 years	178,700	75,786
	<u>281,345</u>	<u>223,281</u>

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	82,114	36,038
Later than 1 year and not later than 5 years	231,806	72,703
	<u>313,920</u>	<u>108,741</u>

ACS BUSINESS SUPPLIES LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

23. Directors' advances, credits and guarantees

Loans to directors are unsecured, interest free and repayable on demand.

	B/fwd £	Paid £	Repaid £	c/fwd £
N Gold Loan	200,000	-	(200,000)	-
R H Stevenson Loan	125,000	-	(100,000)	25,000
S Jones-Cawkwell Loan	-	25,000	(5,000)	20,000
	<u>325,000</u>	<u>25,000</u>	<u>(305,000)</u>	<u>45,000</u>

24. Related party transactions

Stacked Ltd

The company holds a significant interest in Stacked Limited registered in the Republic of Ireland. Sales and fees to the related party amounted to £10,350 (2016: £36,499) and purchases £4,679 (2016: £2,770). There was no outstanding balance at the year end (2016: nil).

Scribble and Print Limited

The company had historically supported its wholly owned subsidiary Scribble and Print Limited on website development cost of £25,000. Following the decision for Scribble and Print Limited to cease trading, the accrued income of £25,000 has been written off during the year. The balance due to Scribble and Print Limited as at 31 December 2017 was £1,213.

Director

The company pays for personal expenses on behalf of Mr N Gold a director of the company, which he reimburses to the company. As at 31 December 2017 there was a balance of £37,950 which was reimbursed after the year end.

25. Controlling party

The directors consider that the company has no controlling party.

26. Presentation currency

The financial statements are presented in sterling.

27. Principal place of business

The address of the company's principal place of business is:

5-6 Aire Valley Park
Wagon Lane
Bingley
BD16 1WA