

COMPANY REGISTRATION NUMBER 4199184

ABC DIGITAL SOLUTIONS LIMITED
UNAUDITED ABBREVIATED ACCOUNTS
31 MAY 2006



DEAN STATHAM LLP

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ABC DIGITAL SOLUTIONS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2006

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ABC DIGITAL SOLUTIONS LIMITED

ABBREVIATED BALANCE SHEET

31 MAY 2006

		2006		2005 <i>(restated)</i>	
	Note	£	£	£	£
FIXED ASSETS	2				
Intangible assets			124,484		-
Tangible assets			524,212		542,537
Investments			100		-
			648,796		542,537
 CURRENT ASSETS					
Stocks		100,461		108,225	
Debtors		609,913		377,933	
Cash at bank and in hand		492		38,836	
			710,866		524,994
CREDITORS: Amounts falling due within one year	3	784,075		398,277	
NET CURRENT (LIABILITIES)/ASSETS			(73,209)		126,717
TOTAL ASSETS LESS CURRENT LIABILITIES			575,587		669,254
 CREDITORS: Amounts falling due after more than one year	4		369,774		374,015
 PROVISIONS FOR LIABILITIES AND CHARGES			5,813		6,300
			200,000		288,939
 CAPITAL AND RESERVES					
Called-up equity share capital	6		1,000		1,000
Profit and loss account			199,000		287,939
SHAREHOLDERS' FUNDS			200,000		288,939

The Balance sheet continues on the following page.

The notes on pages 3 to 8 form part of these abbreviated accounts.

ABC DIGITAL SOLUTIONS LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

31 MAY 2006

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on14/12/06..... and are signed on their behalf by:



S B BURGESS
Director

The notes on pages 3 to 8 form part of these abbreviated accounts.

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date (IAS 10)'; and

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. For year ended 31 May 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £73,871. The balance sheet at 31 May 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £88,939. For year ended 31 May 2006, the change in accounting policy has resulted in a net decrease in retained profit for the year of £88,939.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The adoption of FRS 25 has resulted in a change of presentation in respect of dividends which are shown as a movement on profit and loss account reserves.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES *(continued)*

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Freehold Property	- 2% on cost
Plant & Machinery	- 25% reducing balance
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance
Equipment	- 50% on cost

Depreciation is charged on assets from the month of acquisition to the month of disposal.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost represents the purchase price of goods and services.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2006

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST				
At 1 June 2005	–	642,070	–	642,070
Additions	124,484	26,743	125,000	276,227
Disposals	–	(4,790)	–	(4,790)
At 31 May 2006	<u>124,484</u>	<u>664,023</u>	<u>125,000</u>	<u>913,507</u>
DEPRECIATION AND AMOUNTS WRITTEN OFF				
At 1 June 2005	–	99,533	–	99,533
Charge for year	–	41,687	124,900	166,587
On disposals	–	(1,409)	–	(1,409)
At 31 May 2006	<u>–</u>	<u>139,811</u>	<u>124,900</u>	<u>264,711</u>
NET BOOK VALUE				
At 31 May 2006	<u>124,484</u>	<u>524,212</u>	<u>100</u>	<u>648,796</u>
At 31 May 2005	<u>–</u>	<u>542,537</u>	<u>–</u>	<u>542,537</u>

The investment in ABC Inoffice Technology Limited has been included at a directors valuation of £100 which equates to cost.

The company owns 100% of the issued share capital of the companies listed below,

Aggregate capital and reserves

ABC Inoffice Technology Limited	<u>100</u>	<u>11,012</u>
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Profit and (loss) for the year

ABC Inoffice Technology Limited	<u>113,988</u>	<u>29,227</u>
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Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2006 £	2005 (restated) £
Bank loans and overdrafts	74,832	22,955
Hire purchase and finance leases	<u>18,014</u>	<u>24,807</u>
	<u>92,846</u>	<u>47,762</u>

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2006

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2006	2005 (restated)
	£	£
Bank loans and overdrafts	354,899	341,126
Hire purchase and finance leases	14,875	32,889
	<u>369,774</u>	<u>374,015</u>

Included within creditors falling due after more than one year is an amount of £233,283 (2005 - £256,974) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

5. TRANSACTIONS WITH THE DIRECTORS

The following directors had interest free loans during the year. The movement on these loans are as follows:-

	Balance at 31 May 2006	Balance at 31 May 2005	Maximum balance
	£	£	£
S B Burgess	34,591	8,833	34,591
P S Beetham	13,307	-	13,307
C Bakewell	311	-	311
I McIntyre	-	554	554
	<u>48,209</u>	<u>9,387</u>	<u>48,763</u>

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2006

6. SHARE CAPITAL

Authorised share capital:

	2006	2005 <i>(restated)</i>
	£	£
50,000 A Ordinary shares of £0.01 each	500	500
11,500 B Ordinary shares of £0.01 each	115	115
11,500 C Ordinary shares of £0.01 each	115	115
11,500 D Ordinary shares of £0.01 each	115	115
3,500 E Ordinary shares of £0.01 each	35	35
3,500 F Ordinary shares of £0.01 each	35	35
2,000 G Ordinary shares of £0.01 each	20	20
3,000 H Ordinary shares of £0.01 each	30	30
3,500 I Ordinary shares of £0.01 each	35	30
900,000 Ordinary shares of £0.01 each	9,000	9,000
	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
A Ordinary shares of £0.01 each	50,000	500	50,000	500
B Ordinary shares of £0.01 each	11,500	115	11,500	115
C Ordinary shares of £0.01 each	11,500	115	11,500	115
D Ordinary shares of £0.01 each	11,500	115	11,500	115
E Ordinary shares of £0.01 each	3,500	35	3,500	35
F Ordinary shares of £0.01 each	3,500	35	3,500	35
G Ordinary shares of £0.01 each	2,000	20	2,000	20
H Ordinary shares of £0.01 each	3,000	30	3,000	30
I Ordinary shares of £0.01 each	3,500	35	3,500	35
	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>

Equity shares

A Ordinary shares of £0.01 each	50,000	500	50,000	500
B Ordinary shares of £0.01 each	11,500	115	11,500	115
C Ordinary shares of £0.01 each	11,500	115	11,500	115
D Ordinary shares of £0.01 each	11,500	115	11,500	115
E Ordinary shares of £0.01 each	3,500	35	3,500	35
F Ordinary shares of £0.01 each	3,500	35	3,500	35
G Ordinary shares of £0.01 each	2,000	20	2,000	20
H Ordinary shares of £0.01 each	3,000	30	3,000	30
I Ordinary shares of £0.01 each	3,500	35	3,500	35
	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>

All shares rank pari passu except discretionary rights to dividends.