

COMPANY REGISTRATION NUMBER 4199184

ABC DIGITAL SOLUTIONS LIMITED
UNAUDITED ABBREVIATED ACCOUNTS
31 MAY 2007



DEAN STATHAM LLP

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ABC DIGITAL SOLUTIONS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2007

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ABC DIGITAL SOLUTIONS LIMITED

ABBREVIATED BALANCE SHEET

31 MAY 2007

	Note	2007	2006
		£	£
FIXED ASSETS	2		
Intangible assets		147,485	124,484
Tangible assets		494,726	524,212
Investments		100	100
		<u>642,311</u>	<u>648,796</u>
CURRENT ASSETS			
Stocks		105,296	100,461
Debtors		377,702	609,913
Cash at bank and in hand		47	492
		<u>483,045</u>	<u>710,866</u>
CREDITORS: Amounts falling due within one year	3	<u>629,217</u>	<u>784,075</u>
NET CURRENT LIABILITIES		<u>(146,172)</u>	<u>(73,209)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>496,139</u>	<u>575,587</u>
CREDITORS: Amounts falling due after more than one year	4	315,724	369,774
PROVISIONS FOR LIABILITIES		<u>5,813</u>	<u>5,813</u>
		<u>174,602</u>	<u>200,000</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	1,000	1,000
Share premium account		4,830	-
Other reserves		230	-
Profit and loss account		168,542	199,000
SHAREHOLDERS' FUNDS		<u>174,602</u>	<u>200,000</u>

The Balance sheet continues on the following page.

The notes on pages 3 to 9 form part of these abbreviated accounts

ABC DIGITAL SOLUTIONS LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

31 MAY 2007

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 and authorised for issue on *11/9/07*, and are signed on their behalf by



S B BURGESS
Director

The notes on pages 3 to 9 form part of these abbreviated accounts

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2007

1. ACCOUNTING POLICIES

Basis of accounting

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

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

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

Amortisation

Amortisation 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

Goodwill - 10% straight line

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

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NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2007

1 ACCOUNTING POLICIES *(continued)*

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

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 within 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

ABC DIGITAL SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2007

1. ACCOUNTING POLICIES *(continued)*

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.

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST				
At 1 June 2006	124,484	664,023	125,000	913,507
Additions	40,000	7,166	–	47,166
Disposals	–	(5,519)	–	(5,519)
At 31 May 2007	<u>164,484</u>	<u>665,670</u>	<u>125,000</u>	<u>955,154</u>
DEPRECIATION AND AMOUNTS WRITTEN OFF				
At 1 June 2006	–	139,811	124,900	264,711
Charge for year	16,999	34,815	–	51,814
On disposals	–	(3,682)	–	(3,682)
At 31 May 2007	<u>16,999</u>	<u>170,944</u>	<u>124,900</u>	<u>312,843</u>

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NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2007

2. FIXED ASSETS *(continued)*

NET BOOK VALUE

At 31 May 2007	<u>147,485</u>	<u>494,726</u>	<u>100</u>	<u>642,311</u>
At 31 May 2006	<u>124,484</u>	<u>524,212</u>	<u>100</u>	<u>648,796</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,

	2007 £	2006 £
Aggregate capital and reserves		
ABC Inoffice Technology Limited	<u>100</u>	<u>100</u>
Profit and (loss) for the year		
ABC Inoffice Technology Limited	<u>—</u>	<u>113,988</u>

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

	2007 £	2006 £
Bank loans and overdrafts	106,374	74,832
Hire purchase and finance leases	<u>11,375</u>	<u>18,014</u>
	<u>117,749</u>	<u>92,846</u>

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

	2007 £	2006 £
Bank loans and overdrafts	312,224	354,899
Hire purchase and finance leases	<u>3,500</u>	<u>14,875</u>
	<u>315,724</u>	<u>369,774</u>

Included within creditors falling due after more than one year is an amount of £215,130 (2006 - £233,283) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

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YEAR ENDED 31 MAY 2007

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 2007 £	Balance at 31 May 2006 £	Maximum balance £
S B Burgess	16,455	34,591	34,591
P S Beetham	-	13,307	13,307
C Bakewell	-	311	311
	<u>16,455</u>	<u>48,209</u>	<u>48,209</u>

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NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2007

6. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
73,000 A Ordinary shares of £0 01 each	730	500
11,500 B Ordinary shares of £0 01 each	115	115
11,500 C Ordinary shares of £0 01 each	-	115
11,500 D Ordinary shares of £0 01 each	-	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	35
900,000 Ordinary shares of £0 01 each	<u>9,000</u>	<u>9,000</u>
	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
A Ordinary shares of £0 01 each	73,000	730	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
D Ordinary shares of £0 01 each	-	-	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>

	2007	2006
	£	£
A Ordinary shares of £0 01 each	730	500
B Ordinary shares of £0 01 each	115	115
C Ordinary shares of £0 01 each	-	115
D Ordinary shares of £0 01 each	-	115
E Ordinary shares of £0 01 each	35	35
F Ordinary shares of £0 01 each	35	35
G Ordinary shares of £0 01 each	20	20
H Ordinary shares of £0 01 each	30	30
I Ordinary shares of £0 01 each	35	35
	<u>1,000</u>	<u>1,000</u>

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NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2007

6. SHARE CAPITAL *(continued)*

All shares rank pari passu except discretionary rights to dividends

On 11 May 2007 the director S Burgess took the opportunity to subscribe for 23,000 new A ordinary shares of £0 01p each at an issue price of £0 22p per share

On 24 April 2007 the company purchased 11,500 of its own £0 01p C ordinary shares for a consideration of £54,625 and 11,500 of its £0 01p D ordinary shares for a consideration of £54,625 This represents 23% of the total share capital