

publicservice.co.uk Ltd
(Formerly known as PSCA International Limited)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Registered number: 04521155



publicservice.co.uk Ltd
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

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publicservice.co.uk Ltd

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2010

Board of directors

G Warrender
W Yilmaz
J Cooling
J K Turner

Company secretary

J K Turner

Registered office

Ebenezer House
Ryecroft
Newcastle under Lyme
Staffordshire
ST5 2UB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbrolli Square
Lower Mosley Street
Manchester
M2 3PW

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

Principal activities

The principal activity of the company is the provision of business information for central and local government. It delivers this information across a number of platforms, including quarterly, half-yearly and annual magazines, conferences and forums, and websites.

Business Review & Name Change

During the year the company continued with the publication of a number of magazines whilst at the same time expanding its online offering and running more conferences and forums.

In order to reflect the progression of the business into more online activities, the company name was changed on 8 March 2011 to publicservice.co.uk Ltd.

Turnover increased by 2% (2009: 15%) in the year but operating profit fell to 10.3% (2009: 14.7%) of turnover. The profit before tax was £1,334,294 compared with £1,789,696 in 2009.

At the year end the company had shareholders' funds of £5,905,088 (2009: £4,718,580) including distributable profits of £3,870,622 (2009: £2,684,114). The directors therefore believe the company's position to be satisfactory.

Future developments

The business is continuing its transition from being mainly print based to one that is able to interact with its audience across a number of new platforms – online and at conferences and through forums.

The directors believe that the wider range of platforms offered by the company will help mitigate risks and are confident that the coming year will see further growth in revenues and a satisfactory trading outcome.

Financial risk management

The company makes little use of financial instruments other than operational bank accounts and loans. Its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

The directors have assessed the main risks facing the company as being a down-turn in the economy impacting on advertising generally or from an impact following the reduction in government spending. However, the directors have found in the past that advertising targeted at the public sector, on which the business is focused, has not necessarily followed the general trend when commercial advertising revenues have fallen.

Results and dividends

The trading result for the year under review and the company's financial position at the year end are shown in the attached financial statements. No dividends were paid in the year (2009: £nil).

Donations

During the year, the company made charitable donations of £10,300 (2009: £8,911).

DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2010

Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows

G Warrender
W Yilmaz
J Cooling
J K Turner

Qualifying third party indemnity provision

The company has in place directors' and officers' liability insurance, insuring past, present and future directors and officers of the company against certain liabilities incurred in that capacity. The premium payable for 2010 was £4,887 (year ended 31 December 2009 £5,040). The qualifying third party indemnity was in force during the financial year and at the date of approval of the financial statements.

Statement of directors' responsibilities

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 prepared 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 judgements 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, and
- 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.

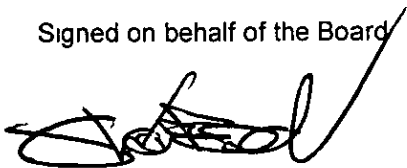
Disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

publicservice.co.uk Ltd
DIRECTORS' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2010

Signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'G Warrender', with a long, sweeping flourish extending upwards and to the right.

G Warrender
Director

30 August 2011

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
publicservice.co.uk Limited**

YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of publicservice co uk Ltd for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, set out on page 3, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 2010 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
publicservice.co.uk Limited

YEAR ENDED 31 DECEMBER 2010

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 Heath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

30 August 2011

publicservice.co.uk Ltd
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Turnover	2	12,158,625	11,905,224
Cost of sales		(7,841,928)	(7,248,122)
Gross profit		<u>4,316,697</u>	<u>4,657,102</u>
Administrative expenses		(2,779,973)	(2,570,047)
Distribution expenses		(286,173)	(336,633)
Operating profit	3	<u>1,250,551</u>	<u>1,750,422</u>
Bank and other interest receivable	6	83,743	39,274
Profit on ordinary activities before taxation		<u>1,334,294</u>	<u>1,789,696</u>
Tax on profit on ordinary activities	7	(147,786)	(216,396)
Profit for the financial year	17	<u><u>1,186,508</u></u>	<u><u>1,573,300</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the years stated above and their historical cost equivalents

The accounting policies and notes on pages 9 to 18 form part of these financial statements

BALANCE SHEET

YEAR ENDED 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible assets	8		3,154,969		3,418,417
Tangible assets	9		80,805		105,876
Investment	10		1		1
			<u>3,235,775</u>		<u>3,524,294</u>
Current assets					
Work in progress		302,590		305,562	
Debtors	11	4,038,928		2,524,981	
Cash at bank and in hand		672,456		586,848	
			<u>5,013,974</u>	<u>3,417,391</u>	
Creditors: amounts falling due within one year	12	(2,052,761)		(1,931,205)	
Net current assets			2,961,213		1,486,186
Total assets less current liabilities			6,196,988		5,010,480
Creditors: amounts falling due after more than one year	13		(291,900)		(291,900)
Net assets			5,905,088		4,718,580
Capital and reserves					
Called up share capital	15		10,000		10,000
Share premium account	16		1,439,466		1,439,466
Capital redemption reserve	16		585,000		585,000
Profit and loss reserve	16		3,870,622		2,684,114
Total shareholders' funds	17		5,905,088		4,718,580

These financial statements on pages 7 to 18 were approved by the board of directors on 30 August 2011 and were signed on its behalf by



G Warrender
Director

Registered no 04521155

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies are summarised below, they have all been applied consistently throughout the period.

The directors are of the opinion that the company is a going concern.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax. Turnover is recognised on publication or running of events.

Goodwill

Goodwill arising on acquisition represents the excess of fair value of consideration over the fair value of identifiable net assets acquired and is amortised over 20 years, which is considered to be the useful economic life of goodwill. The company evaluates the carrying value of goodwill when there is an indicator of impairment.

Tangible fixed assets

Tangible fixed assets are stated at historical purchase cost, net of accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of items. Depreciation is calculated so as to write off the cost of fixtures and fittings net of anticipated disposal proceeds, evenly over their useful economic life at 33% per annum.

Investment

The investment held as a fixed asset is stated at cost.

Work in progress

Work in progress is valued on the basis of direct cost. Provision is made for any foreseeable losses where appropriate. All basic salary cost and associated national insurance costs are charged to the profit and loss account as incurred. Only commission based salary costs are deferred.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

Taxation

Corporation tax is provided on the assessable profits of the company at the appropriate current tax rates

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

Cash flow statements

The company is a wholly owned subsidiary of PSCA Holdings Limited, which produces consolidated financial statements that are publicly available. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 "Cash flow statements" (Revised 1996) to prepare a cash flow statement

Related party transactions

The directors have taken advantage of FRS 8 and have not chosen to disclose transactions with entities that are part of the PSCA Holdings Group

2. Turnover

The turnover is attributable to the principal activity of the company which is carried out from the UK. A geographical analysis of turnover is given below

	2010	2009
	£	£
United Kingdom	8,785,265	8,674,714
Europe	3,242,868	2,823,567
North America	92,715	63,601
Rest of the World	37,777	343,342
	<u>12,158,625</u>	<u>11,905,224</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

3. Operating profit

Operating profit is stated after charging/(crediting):

	2010	2009
	£	£
Amortisation of intangibles	263,448	263,448
Depreciation of owned tangible fixed assets	55,404	41,308
Net loss/(profit) on foreign currency translation	13,644	(92,806)
Operating lease costs	279,215	252,432
Services provided by the company's auditor		
Fees payable for the audit	22,500	41,317
Fees payable for other services – tax compliance	22,550	11,400
	<u>279,215</u>	<u>252,432</u>

4. Particulars of employees

The average monthly number of persons (including executive directors) employed by the company, analysed by category, during the year was

	2010	2009
	No	No
Distribution staff	137	143
Administration staff	50	50
	<u>187</u>	<u>193</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	6,074,123	5,507,503
Social security costs	638,336	588,382
Other pension costs (note 18)	91,257	82,201
	<u>6,803,716</u>	<u>6,178,086</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2010	2009
	£	£
Emoluments receivable	405,750	428,250
Value of company pension contributions to money purchase schemes	11,076	9,988
	<u>416,826</u>	<u>438,238</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

5. Directors' emoluments (continued)

Emoluments of the highest paid director

	2010 £	2009 £
Emoluments receivable	200,000	215,250
Value of company pension contributions to money purchase schemes	3,852	3,294
	<u>203,852</u>	<u>218,544</u>

The number of directors who accrued benefits under company pension schemes during the year was 3 (2009 3)

6. Bank and other interest receivable

	2010 £	2009 £
Bank interest	2,185	7,458
Interest receivable from parent undertaking	81,000	31,816
Corporation tax interest receivable	558	-
	<u>83,743</u>	<u>39,274</u>

7. Taxation on the profit for the year

	2010 £	2009 £
Current tax		
UK corporation tax on profits of the period	148,173	213,103
Adjustment in respect of previous periods	(1,218)	1,213
Total current tax	<u>146,955</u>	<u>214,316</u>
Deferred tax		
Origination and reversal of timing differences	(442)	5,178
Change in tax rate	54	-
Adjustment in respect of previous periods	1,219	(3,098)
Total deferred tax (note 11)	<u>831</u>	<u>2,080</u>
Tax on profit on ordinary activities	<u>147,786</u>	<u>216,396</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

7. Taxation on profit on ordinary activities (continued)

The tax assessed for the period is lower (2009 lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2010 of 28% (2009 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	1,334,294	1,789,696
Profit on ordinary activities multiplied by the standard rate in the UK of 28% (2009 28%)	373,602	501,115
Effects of		
Other permanent differences	84,940	73,705
Accelerated capital allowances	351	(4,685)
Other timing differences	91	(493)
Impact of change in tax rate	16	
Group relief claimed	(310,827)	(356,539)
Adjustment in respect of previous period	(1,218)	1,213
Total current tax charge	146,955	214,316

Factors that may affect future tax charges:

Based on current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future periods at a similar level to the current year

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were initially announced in the June 2010 budget and were subsequently amended in the March 2011 budget. These changes, which are expected to be enacted separately each year, propose to reduce the rate of corporation tax to 26% for the tax year beginning 1 April 2011 and the rates will reduce by three further one percent cuts to 23% by the tax year beginning 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

8. Intangible assets

	Goodwill £
Cost	
At 1 January and 31 December 2010	<u><u>5,268,954</u></u>
Amortisation	
At 1 January 2010	1,850,537
Charge for the year	<u>263,448</u>
At 31 December 2010	<u><u>2,113,985</u></u>
Net book value	
At 31 December 2010	<u><u>3,154,969</u></u>
At 31 December 2009	<u><u>3,418,417</u></u>

9. Tangible assets

	Fixtures & fittings £
Cost	
At 1 January 2010	363,424
Additions	<u>30,333</u>
At 31 December 2010	<u><u>393,757</u></u>
Accumulated depreciation	
At 1 January 2010	257,548
Charge for the year	<u>55,404</u>
At 31 December 2010	<u><u>312,952</u></u>
Net book value	
At 31 December 2010	<u><u>80,805</u></u>
At 31 December 2009	<u><u>105,876</u></u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

10. Fixed asset investment

Subsidiary undertaking	£
Cost and net book value	
At 1 January 2010 and 31 December 2010	<u>1</u>

The company owns 100% of the ordinary share capital of Public Servant Limited, a company incorporated in England and Wales. On 31 October 2009, the business and assets of Public Servant Limited were transferred to the company, and it ceased to trade from that date. At the year end, net assets of Public Servant Limited were £291,901 (2009 £291,901)

The directors believe that the carrying value of the investments is supported by their underlying net assets

11. Debtors

	2010	2009
	£	£
Trade debtors	1,790,798	1,457,956
Amounts owed by group undertakings	2,058,506	878,945
Amounts owed by related parties (note 19)	23,344	-
Corporation tax recoverable	-	36,598
Deferred tax asset	1,906	2,737
Other debtors, prepayments and accrued income	164,374	148,745
	<u>4,038,928</u>	<u>2,524,981</u>

Deferred tax asset

	£
1 January 2010	2,737
Taxation charge for the year	(831)
31 December 2010	<u>1,906</u>

Analysis of deferred tax balance	2010	2009
	£	£
Depreciation in excess of capital allowances	(84)	(451)
Pensions	1,990	3,188
Deferred tax asset	<u>1,906</u>	<u>2,737</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

12. Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	454,910	619,677
Taxation and social security	640,143	489,129
Other creditors	246,917	213,714
Accruals and deferred income	710,791	608,685
	<u>2,052,761</u>	<u>1,931,205</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

13. Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Amounts owed to group undertakings	291,900	291,900
	<u>291,900</u>	<u>291,900</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

14. Commitments under operating leases

At 31 December 2010, the company had annual commitments under non-cancellable operating leases in respect of land and buildings as set out below

	2010	2009
	£	£
Operating leases which expire		
Within one year	44,000	44,000
Within two to five years	235,215	82,775
After more than five years	-	152,440
	<u>279,215</u>	<u>279,215</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

15. Called up share capital

Authorised share capital:

	2010	2009
	£	£
10,000 (2009 10,000) ordinary shares of £1 00 each	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

15. Called up share capital (continued)

Allotted, called up and fully paid:

	Number	2010	Number	2009
		£		£
Classified as shareholders' funds				
10,000 (2009 10,000) ordinary shares of £1 00 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

The rights and restrictions attaching to each class of share can be found in the Articles of Association of the company

16. Reserves

	Share Premium Account £	Capital Redemption Reserve £	Profit & Loss Reserve £
1 January 2010	1,439,466	585,000	2,684,114
Profit for the financial year (note 17)	-	-	1,186,508
31 December 2010	<u>1,439,466</u>	<u>585,000</u>	<u>3,870,622</u>

17. Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	1,186,508	1,573,300
Opening shareholders' funds	<u>4,718,580</u>	<u>3,145,280</u>
Closing shareholders' funds	<u>5,905,088</u>	<u>4,718,580</u>

18. Pensions

The company operates a defined contribution scheme. The pension cost for the year was £91,257 (2009 £82,201). At year end there was £7,371 (2009 £11,386) of contributions outstanding.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

19. Related party transactions

Between June and December 2010, a director, G Warrender, borrowed a total of £23,344 from publicservice.co.uk Ltd and this amount remained outstanding at the year end. The loan was unsecured and interest of 5% pa was charged. The loan was repaid in full, including interest totalling £1,009, on 30 June 2011.

20. Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking is PSCA Holdings Limited, a company incorporated in England and Wales, and this is the largest and smallest undertaking to consolidate the results of PSCA International Limited.

Copies of PSCA Holdings Limited financial statements can be obtained from the registered office at Ebenezer House, Ryecroft, Newcastle under Lyme, Staffordshire, ST5 2UB.