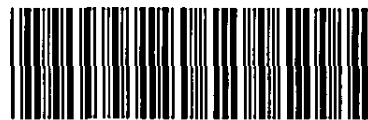


Company Registration No. SC080982 (Scotland)

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

TUESDAY



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CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
COMPANY INFORMATION

Directors

Tom Flockhart
Andrew R Aikman
Gordon Affleck
Richard Smith
W Shields Henderson

Secretary

Gordon Affleck

Company number

SC080982

Registered office

101 McDonald Road
Edinburgh
EH7 4NW

Auditors

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

CAPITAL COPIERS (EDINBURGH) LIMITED

TRADING AS CAPITAL DOCUMENT SOLUTIONS

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CAPITAL COPIERS (EDINBURGH) LIMITED

TRADING AS CAPITAL DOCUMENT SOLUTIONS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011.

Principal activities and review of the business

The principal activity of the company continues to be the sale and maintenance of digital Multi-Functional Devices (MFDs), network copy/print/fax/scan and Electronic Document Management solutions.

The company has achieved an excellent result for the year to 31 December 2011, reflecting strong retention of existing customers and returns on the investment made in new business areas in 2010. These new business areas include managed print services (MPS), professional services (PS) and the Scottish National Procurement Framework agreement where the company is one of the approved suppliers for Public Sector contracts in Scotland.

The overall result was an increase in Turnover of 11% to £14.5m for the year and the directors are pleased to report that revenue growth has continued into 2012. During 2011 a number of actions were taken to reduce costs and these, combined with the growth in revenue, resulted in an operating profit of £1.2m which equates to a return on sale of 8.3%, a level above the forecast made by the directors in last year's report.

The company continues to invest in its staff and products and this, combined with our belief in "old fashioned" service values, has continued to benefit the company in terms of key client retention and a consistent growth in service revenues.

Principal risks and uncertainties

The principal risks and uncertainties affecting the business include the following:

- Product, consumables and parts availability and prices: the company monitors these on a regular basis and negotiates purchase contracts where appropriate with key suppliers.
- Environmental risks: the company places considerable emphasis on environmental compliance in its business and not only seeks to ensure ongoing compliance with relevant legislation but also strives to ensure that best practice is incorporated into its key Environmental Management Systems (EMS). All of the company's branches are ISO14001:2004 accredited and our focus remains on continued improvement in this area.
- Debtors: the company maintains strong relationships with each of its key customers and operates well established credit control parameters. Appropriate credit terms are agreed with all customers and these are closely managed.
- Disruption / disaster: business continuity planning is reviewed regularly, and a comprehensive Disaster Recovery Plan was updated during the year. The necessary infrastructure is to be deployed and tested in the near future. The directors will ensure this plan is reviewed and updated on an ongoing basis.
- The effect of legislation or other regulatory activities: the company monitors forthcoming and current legislation regularly.

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Key areas of strategic development and performance of the business include:

- Sales and Marketing: new and replacement business is continually being won with new markets such as electronic document management and managed print services being developed in line with the company's strategy. Key customer relationships are managed on a regular basis and investment in marketing activity is prioritised within overall expenditure programmes.

- Capital Investment: the company continues to invest heavily in improving its facilities in order to present its people, premises and products in the best possible light, whilst offering world class working conditions for its employees. The company continues to invest in IT and communications infrastructure as demonstrated by the investment in the new Enterprise Resource Planning system (ERP) which will go live within the next 12 months, to ensure its people have the latest technology to deliver the very highest levels of customer service.

- Health and Safety: the company continues to seek ways of ensuring that a safe and healthy working environment is progressively improved.

- Public sector contracts: the company was successful in being awarded approved supplier status on the Scottish National Procurement Framework Agreement for its products and services. It has invested in personnel and infrastructure to maximise this business opportunity and has been successful in winning many Public Sector contracts in Scotland.

- Key financial performance indicators include the monitoring of profitability, return on capital, current ratio, stock turnover and the management of working capital.

Results and dividends

The results for the year are set out on page 6.

The profit on ordinary activities after taxation for the year is £869,331 (2010: £373,604). The directors have paid a dividend of £1.75 per share (2010:£3.50).

Directors

The following directors have held office since 1 January 2011:

Tom Flockhart
Andrew R Aikman
Gordon Affleck
Richard Smith
W Shields Henderson

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

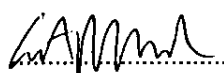
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Gordon Affleck

Secretary

18th April 2012

CAPITAL COPIERS (EDINBURGH) LIMITED

TRADING AS CAPITAL DOCUMENT SOLUTIONS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAPITAL COPIERS (EDINBURGH) LIMITED

We have audited the financial statements of Capital Copiers (Edinburgh) Limited for the year ended 31 December 2011 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, included in the Directors' Report set out on pages 1 - 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

**CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF CAPITAL COPIERS (EDINBURGH) LIMITED**

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.

Johnston Carmichael LLP

David Holmes (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

20 April 2012

**Chartered Accountants
Statutory Auditor**

7-11 Melville Street
Edinburgh
EH3 7PE

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	14,528,824	13,135,977
Cost of sales		(5,990,674)	(4,978,557)
Gross profit		8,538,150	8,157,420
Distribution costs		(651,379)	(596,817)
Administrative expenses		(6,694,297)	(7,013,666)
Operating profit	3	1,192,474	546,937
Profit on sale of tangible fixed assets		15,487	-
Profit on ordinary activities before interest		1,207,961	546,937
Other interest receivable and similar income	4	3,096	1,896
Interest payable and similar charges	5	(21,600)	(34,347)
Profit on ordinary activities before taxation		1,189,457	514,486
Tax on profit on ordinary activities	6	(320,126)	(140,882)
Profit for the year	17	869,331	373,604

The profit and loss account has been prepared on the basis that all operations are continuing operations.

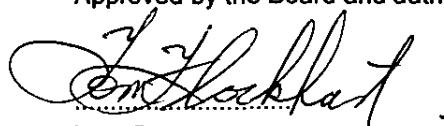
There are no recognised gains and losses other than those passing through the profit and loss account.

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
BALANCE SHEET

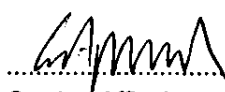
AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	8	130,873		180,873	
Tangible assets	9	2,914,840		2,952,333	
		<u>3,045,713</u>		<u>3,133,206</u>	
Current assets					
Stocks	10	903,839		875,194	
Debtors	11	2,536,237		1,687,038	
Cash at bank and in hand		1,414,372		884,210	
		<u>4,854,448</u>		<u>3,446,442</u>	
Creditors: amounts falling due within one year	12	<u>(3,846,037)</u>		<u>(3,167,654)</u>	
Net current assets		<u>1,008,411</u>		<u>278,788</u>	
Total assets less current liabilities		<u>4,054,124</u>		<u>3,411,994</u>	
Creditors: amounts falling due after more than one year	13	(586,542)		(738,763)	
Provisions for liabilities	14	<u>(84,662)</u>		<u>(39,797)</u>	
		<u>3,382,920</u>		<u>2,633,434</u>	
Capital and reserves					
Called up share capital	16	168,719		168,719	
Share premium account	17	88,292		88,292	
Other reserves	17	(165,393)		(254,668)	
Profit and loss account	17	3,291,302		2,631,091	
Shareholders' funds	18	<u>3,382,920</u>		<u>2,633,434</u>	

Approved by the Board and authorised for issue on th 18 April 2012



Tom Flockhart
Director



Gordon Affleck
Director

Company Registration No. SC080982

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		1,123,656		1,458,408
Returns on investments and servicing of finance				
Interest received	3,096		1,896	
Interest paid	(21,600)		(34,347)	
Net cash outflow for returns on investments and servicing of finance		(18,504)		(32,451)
Taxation		(116,078)		(222,444)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(333,453)		(330,736)	
Receipts from sales of tangible assets	193,825		-	
Net cash inflow for capital expenditure		(139,628)		(330,736)
Equity dividends paid		(209,120)		(404,940)
Net cash inflow/(outflow) before management of liquid resources and financing		640,326		467,837
Financing				
Sale and purchase of own shares	89,275		26,320	
Other new short term loans	25,178		-	
Repayment of long term bank loan	(193,078)		(180,298)	
Capital element of hire purchase contracts	(31,539)		(54,528)	
Decrease in debt	(110,164)		(208,506)	
Net cash outflow from financing		(110,164)		(208,506)
Increase/(decrease) in cash in the year		530,162		259,331

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating profit to net cash inflow from operating activities	2011	2010
		£	£
	Operating profit	1,207,961	546,937
	Depreciation of tangible assets	205,953	271,709
	Amortisation of intangible assets	50,000	50,000
	Increase in stocks	(28,645)	(150,249)
	(Increase)/decrease in debtors	(849,199)	643,818
	Increase in creditors within one year	566,422	71,828
	(Gain) / Loss on disposal of fixed assets	(28,836)	15,565
	Loss on disposal of investments	-	8,800
	Net cash inflow from operating activities	1,123,656	1,458,408

2	Analysis of net funds/(debt)	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	884,210	530,162	-	1,414,372
	Debt:				
	Hire purchase contracts	(31,539)	31,539	-	-
	Debts falling due within one year	(171,593)	15,680	-	(155,913)
	Debts falling due after one year	(738,763)	152,221	-	(586,542)
		(941,895)	199,440	-	(742,455)
	Net (debt)/funds	(57,685)	729,602	-	671,917

3	Reconciliation of net cash flow to movement in net funds/(debt)	2011	2010
		£	£
	Increase in cash in the year	530,162	259,331
	Cash outflow from decrease in debt and lease financing	199,440	234,829
	Movement in net funds/(debt) in the year	729,602	494,160
	Opening net debt	(57,685)	(551,845)
	Closing net funds/(debt)	671,917	(57,685)

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover is generated from both sales and service activities. Sales revenue derives from the sale of new and second hand machines to customers, including equipment which is financed by third party lessors. Where equipment is financed, customers may contract directly with the lessor or alternatively customers may contract with the company and give permission for the rentals to be assigned with all the risks and rewards transferring to the lessor. The company also provides machines to customers through rental agreements and recognises the resulting income on a straight line basis over the terms of the agreement. Service revenue is principally generated from metered copy contracts with customers. All revenues are stated after deducting returns, allowances and VAT.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% per annum (straight line)
Leasehold improvements	4% - 5% per annum (straight line)
Fixtures, fittings & equipment	20% - 33.33% per annum (straight line)
Motor vehicles	25% per annum (reducing balance)

1.6 Leasing and hire purchase commitments

Assets which are acquired on hire purchase are recorded on the balance sheet as tangible fixed assets. Future instalments under such agreements, net of hire purchase charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. No value is placed on stocks of copier supplies in the field.

1.8 Pensions

The company operated a number of defined contribution pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds.

1.9 Deferred taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting for deferred taxation is made for all timing differences as they arise, except as otherwise required by FRS 19.

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(continued)

1.10 Own shares held by employee benefit trust

Transactions of the Company-sponsored employee benefit trust are treated as being those of the Company and are therefore reflected in the Company's financial statements. In particular, the trust's purchases and sales of shares in the Company are debited and credited directly to equity.

1.11 Maintenance agreements

Annual maintenance is paid for in advance and the income is credited to the profit and loss account on an accruals basis over the life of the agreement.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

2011

2010

£

£

Operating profit is stated after charging:

Amortisation of intangible assets

50,000

50,000

Depreciation of tangible assets

205,953

271,709

Loss on disposal of tangible assets

-

15,901

Operating lease rentals

- Plant and machinery

231,717

255,959

- Other assets

248,400

269,400

Auditors' remuneration Audit

14,550

14,900

Other

14,220

9,700

4 Investment income

2011

2010

£

£

Bank interest

3,096

1,896

3,096

1,896

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

5	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	13,106	15,110
	Hire purchase interest	8,494	19,237
		<u>21,600</u>	<u>34,347</u>
6	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U.K. corporation tax	281,306	116,228
	Adjustment for prior years	(6,045)	(9,870)
	Total current tax	<u>275,261</u>	<u>106,358</u>
	Deferred tax		
	Deferred tax charge current year	44,865	34,524
		<u>320,126</u>	<u>140,882</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,189,457</u>	<u>514,486</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.49% (2010 - 28.00%)	<u>315,087</u>	<u>144,056</u>
	Effects of:		
	Non deductible expenses	-	11,049
	Depreciation add back	32,980	35,822
	Capital allowances	(51,649)	(37,669)
	Tax losses utilised	-	(18,609)
	Marginal relief	(6,462)	-
	Adjustments to previous periods	(6,045)	(9,870)
	Other tax adjustments	(8,650)	(18,421)
		<u>(39,826)</u>	<u>(37,698)</u>
	Current tax charge for the year	<u>275,261</u>	<u>106,358</u>

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

7	Dividends	2011	2010
		£	£
	Dividend paid in the year	<u>209,120</u>	<u>404,940</u>
8	Intangible fixed assets		
			Goodwill
			£
	Cost		
	At 1 January 2011 & at 31 December 2011		<u>230,873</u>
	Amortisation		
	At 1 January 2011		50,000
	Charge for the year		<u>50,000</u>
	At 31 December 2011		<u>100,000</u>
	Net book value		
	At 31 December 2011		<u>130,873</u>
	At 31 December 2010		<u>180,873</u>

Goodwill is amortised over a period of 5 years, being the estimated useful life.

The company purchased West End Business Limited on 30 November 2009. Immediately following the acquisition of West End Business Limited the trade and assets of the company were transferred to Capital Copiers (Edinburgh) Limited. As a result of this transfer, the value of the company's investment in this subsidiary fell to below the amount at which it was stated in the company's records. However, rather than write down the investment, the directors consider there has been no overall loss to the company and that such a write down would fail to give a true and fair view. As such the directors have elected to re-allocate the investment carrying value to goodwill.

A further consequence of the transfer of trade and assets of West End Business Limited is that, with the trade now in Capital Copiers (Edinburgh) Limited, the company holds an investment in an immaterial subsidiary which qualifies for exemption for consolidation under section 405 of the Companies Act 2006.

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

9 Tangible fixed assets

	Land and buildings Freehold	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2011	2,162,749	775,445	2,307,192	308,625	5,554,011
Additions	-	-	326,744	6,709	333,453
Disposals	-	-	(1,314,862)	(134,831)	(1,449,693)
At 31 December 2011	2,162,749	775,445	1,319,074	180,503	4,437,771
Depreciation					
At 1 January 2011	184,910	474,477	1,725,639	216,652	2,601,678
On disposals	-	-	(1,180,603)	(104,097)	(1,284,700)
Charge for the year	44,481	30,097	105,049	26,326	205,953
At 31 December 2011	229,391	504,574	650,085	138,881	1,522,931
Net book value					
At 31 December 2011	1,933,358	270,871	668,989	41,622	2,914,840
At 31 December 2010	1,977,839	300,968	581,553	91,973	2,952,333

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2011	-	-	-
At 31 December 2010	37,967	14,716	52,683
Depreciation charge for the year			
At 31 December 2011	-	-	-
At 31 December 2010	49,762	9,112	58,874

Included in equipment are assets with a net book value of £100,366 (2010: £95,900) held for rental under operating leases. Depreciation of £27,687 (2010: £75,558) was charged in the year.

Fixtures, fittings and equipment include assets under development of £402,403 (2010: £275,734) which are not currently being depreciated as they are not fully operational within the current period.

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Stocks and work in progress	2011	2010
	£	£
Spare parts for office equipment	130,975	208,295
Supplies for office equipment	262,854	129,206
Office equipment	510,010	537,693
	<u>903,839</u>	<u>875,194</u>
11 Debtors	2011	2010
	£	£
Trade debtors	2,237,256	1,385,022
Other debtors	-	7
Prepayments and accrued income	298,981	302,009
	<u>2,536,237</u>	<u>1,687,038</u>
12 Creditors: amounts falling due within one year	2011	2010
	£	£
Term loan	155,913	171,593
Net obligations under hire purchase contracts	-	31,539
Trade creditors	1,496,584	1,082,834
Corporation tax	275,401	116,221
Other taxes and social security costs	702,205	550,913
Other creditors	167,265	329,959
Accruals and deferred income	1,048,669	884,595
	<u>3,846,037</u>	<u>3,167,654</u>
Net obligations under hire purchase contracts		
Repayable within one year	-	31,539
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>31,539</u>

The term loan is secured by a charge over the property owned by the company.

CAPITAL COPIERS (EDINBURGH) LIMITED
TRADING AS CAPITAL DOCUMENT SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

13 Creditors: amounts falling due after more than one year	2011	2010
	£	£
Bank loans	586,542	738,763
Analysis of loans		
Not wholly repayable within five years by instalments:	687,500	797,500
Wholly repayable within five years	54,955	112,856
	742,455	910,356
Included in current liabilities	(155,913)	(171,593)
	586,542	738,763
Instalments not due within five years	137,500	247,500
Loan maturity analysis		
In more than one year but not more than two years	119,042	161,263
In more than two years but not more than five years	330,000	330,000
In more than five years	137,500	247,500

The bank loan not wholly repayable within five years by instalments relates to the purchase of the Aberdeen premises and is repayable in quarterly instalments and interest accrues at a rate of 1.25% above the bank base rate.

14 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 January 2011	39,797
Profit and loss account	44,865
Balance at 31 December 2011	84,662

The deferred tax liability is made up as follows:

	2011	2010
	£	£
Accelerated capital allowances	84,662	39,797

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

15 Pension and other post-retirement benefit commitments

Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	129,391	139,878

16 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
168,719 Ordinary shares of £1 each	168,719	168,719

17 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2011	88,292	(254,668)	2,631,091
Profit for the year	-	-	869,331
Dividends paid	-	-	(209,120)
Movement during the year	-	89,275	-
Balance at 31 December 2011	88,292	(165,393)	3,291,302

Other reserves

Capital redemption reserve

Balance at 1 January 2011 & at 31 December 2011	33,354
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Reserves for own shares

Balance at 1 January 2011	(288,022)
Reserve for own shares other movement	89,275

Balance at 31 December 2011	(198,747)
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The investment in own shares represents 36,072 (2010: 49,222) ordinary shares (with a nominal value of £1.00) of the company held by the company's Employee Benefit Trust. The purchase of these shares was funded by contributions from the company. The dividend rights in respect of these shares have been waived. All costs of administering the Trust have been met by the company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

18 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Profit for the financial year	869,331	373,604
Dividends	(209,120)	(404,940)
	<u>660,211</u>	<u>(31,336)</u>
Movements on other reserves	89,275	26,320
	<u>749,486</u>	<u>(5,016)</u>
Net addition to/(depletion in) shareholders' funds	2,633,434	2,638,450
Opening shareholders' funds	<u>2,633,434</u>	<u>2,638,450</u>
Closing shareholders' funds	<u>3,382,920</u>	<u>2,633,434</u>

19 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012:

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	24,173	110,828
Between two and five years	248,400	269,400	162,592	67,683
	<u>248,400</u>	<u>269,400</u>	<u>186,765</u>	<u>178,511</u>

20 Capital commitments	2011	2010
	£	£
At 31 December 2011 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>165,000</u>	<u>228,285</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

21 Directors' remuneration	2011	2010
	£	£
Remuneration for qualifying services	501,783	589,852
Company pension contributions to defined contribution schemes	25,338	31,676
	<u>527,121</u>	<u>621,528</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2010 - 5).

The number of directors who exercised share options during the year was 2 (2010 - 0).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>228,854</u>	<u>238,880</u>
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CAPITAL COPIERS (EDINBURGH) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2011 Number	2010 Number
Administration	30	31
Maintenance	74	80
Sales and distribution	43	49
	<u>147</u>	<u>160</u>

Employment costs

	2011 £	2010 £
Wages and salaries	4,625,983	4,716,236
Social security costs	522,471	549,498
Other pension costs	129,391	139,878
	<u>5,277,845</u>	<u>5,405,612</u>

Employees and directors hold 34,800 options (2010: 32,450) to subscribe for ordinary shares at an exercise price range of £6.00 to £12.25. In the year 13,150 (2010: 3,800) options were exercised and nil (2010: 8,250) options lapsed during the year. In the year 15,500 (2010: nil) options were granted.

Options lapse on the holder leaving the company.

The options granted and in issue at the year end have the following conditions attached:

Option Price £	Exercisable Dates	Opening	Granted	Exercised	Forfeited	Closing
6.00	01/02/2002-31/01/2012	12,850	500	(4,400)	-	8,950
7.40	12/09/2003-11/09/2013	8,100	500	(2,600)	-	6,000
7.75	21/08/2005-20/08/2015	11,500	500	(6,150)	-	5,850
12.25	25/11/2011-30/04/2017	-	14,000	-	-	14,000
		<u>32,450</u>	<u>15,500</u>	<u>(13,150)</u>	<u>-</u>	<u>34,800</u>

There are no other vesting conditions.

The option exercise prices were set at the fair value of the shares at the grant date. The directors consider that the exercise prices are not materially different to the current fair value of the shares and that for the purposes of the provision of FRS 20 "Share-based payments" the fair value of the options is immaterial. Therefore no charge to the profit and loss account has been recognised in this respect.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

23 Control

The company is controlled by Tom Flockhart, director.

24 Post balance sheet events

On 15 March 2012 the company changed its registered name to Capital Document Solutions Limited.

25 Related party relationships and transactions

Transactions with directors

Included within other creditors at the year end is an amount due to Tom Flockhart, director, of £167,265 (2010: £299,600), Richard Smith, director, of £nil (2010: £3,175) and Andrew Aikman, director, £nil (2010: £19,527).

The company leases two properties on an arms length basis from Tom Flockhart, director and his family. Tom Flockhart received an annual rent of £190,650 (2010: £211,650) and Tom Flockhart's family received an annual rent of £57,750 (2010: £57,750).