

COMPANY NUMBER
3201382

OPD GROUP LIMITED

Financial Statements for the year ended 31 December 2011

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OPD GROUP LIMITED

Directors' Report for the year ended 31 December 2011

The Directors present their review of the affairs of the Company, together with the audited financial statements for the year ended 31 December 2011

Principal Activity, Business Reviews and Future Developments

Majority holdings in the Company's two principal operating subsidiaries, Odgers (Group) Limited and PSD Group Limited were purchased by their respective management teams on 8 January 2010 and 30 July 2010 respectively. The Company retained a 49.5 per cent holding in Odgers (Group) Limited and 49.9 per cent holding in PSD Group Limited.

Results and dividends

The Company's profit after taxation for the year was £1.5 million (2010 profit £7.6 million). The Company's profit for the year will be transferred to reserves.

No dividends were paid or are proposed in respect of the year ended 31 December 2011.

Share Capital

The Company's issued share capital as at 31 December 2011 is set out in Note 18 to the Financial Statements.

Company Status

On 21 July 2011 the Company re-registered as a private limited company.

Directors

The Directors who served during the year are:

Peter Hearn

Simon Murphy - appointed 19 June 2011

Political & Charitable donations

The Company made no political or charitable donations during the year (2010: £Nil).

Key Performance Indicators ('KPI')

The KPI's are the net fee income and the profit before tax of the trading business.

Risk Factors

- The future success of the Company is dependent on the continued service of its Directors and senior management and key personnel employed by the trading companies.
- The strength of the markets for executive search and selection and other recruitment services is key to the profitability of the Company.

Financial risk management policies and procedures

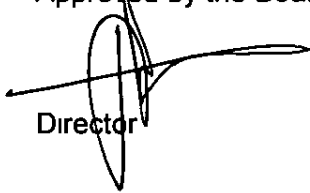
The Company is a subsidiary of Offerco Limited and the risk management policies and procedures are set out in the financial statements of this company.

OPD GROUP LIMITED

Auditors

Grant Thornton UK LLP have indicated their willingness under Section 489 of the Companies Act 2006 to continue in office

Approved by the Board on 14 September 2012 and signed on its behalf by



Director

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 International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 and 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,
- state whether applicable IFRSs 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OPD GROUP LIMITED

We have audited the financial statements of OPD Group Limited for the year ended 31 December 2011 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

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. 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 the profit for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements 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.

OPD GROUP 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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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

Grant Thornton UK LLP

Marc Summers BSc(Hons), FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

27 September 2011

OPD GROUP LIMITED

Statement of comprehensive income for the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Revenue	5	60	43
Gross profit		60	43
Administrative expenses		(339)	(587)
Other income		1,609	2,000
Operating profit before exceptional items		1,330	1,456
Exceptional items			
Write off of amounts due to former Group undertakings	8	-	26,037
Loss on disposal of subsidiaries	8	-	(20,199)
Operating profit	9	1,330	7,294
Finance income	10	182	280
Finance costs	10	-	-
Profit before income tax		1,512	7,574
Income tax expense	11	-	-
Profit for the year		1,512	7,574
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive profit for the year		1,512	7,574

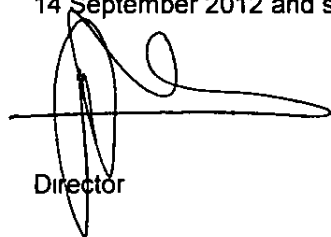
The notes on pages 11 to 20 form part of these financial statements

OPD GROUP LIMITED

Statement of financial position as at 31 December 2011

		2011 £'000	2010 £'000
Assets			
Non-current assets			
Other Investments	13	8,851	8,851
Total non-current assets		8,851	8,851
Current assets			
Trade and other receivables	15	10,872	5,718
Cash and cash equivalents	16	5,741	9,318
Total current assets		16,613	15,036
Total assets		25,464	23,887
Liabilities and equity			
Current liabilities			
Trade and other payables	17	283	242
Total current liabilities		283	242
Total liabilities		283	242
Equity attributable to owners of the parent			
Called up share capital	18	1,336	1,334
Share premium account	18	18,497	18,475
Capital redemption reserve	19	50	50
Merger reserve	19	4,266	4,266
Retained profit/loss	19	1,032	(480)
Total equity		25,181	23,645
Total equity and liabilities		25,464	23,887

The financial statements on pages 7 to 20 were authorised for issue by the Board of Directors on 14 September 2012 and signed on its behalf by



Director

company registration number 3201382

* P.J. HEARN.

The notes on pages 11 to 20 form part of these financial statements

OPD GROUP LIMITED

Statement of changes in equity for the year ended 31 December 2011

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Own shares £'000	Retained earnings £'000	Total equity £'000
At 1 January 2010	1,334	18,475	50	4,266	-	(8,054)	16,071
Profit for the year	-	-	-	-	-	7,574	7,574
Total comprehensive profit for the year	-	-	-	-	-	7,574	7,574
At 31 December 2010	1,334	18,475	50	4,266	-	(480)	23,645
Issue of share capital	2	22	-	-	-	-	24
Profit for the year	-	-	-	-	-	1,512	1,512
Total comprehensive profit for the year	-	-	-	-	-	1,512	1,512
At 31 December 2011	1,336	18,497	50	4,266	-	1,032	25,181

The notes on pages 11 to 20 form part of these financial statements

OPD GROUP LIMITED

Statement of cash flows for the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Cash flows from operating activities			
Cash (utilised)/generated by operations	21	(479)	1,589
Net cash (utilised)/generated by operating activities		(479)	1,589
Cash flows from investing activities			
Proceeds from sale of subsidiary		-	5,050
Investment in associate		-	(373)
Cash deposit		4,875	(4,875)
Loan to holding company		(5,000)	(4,100)
Dividends received		1,609	2,000
Interest received		244	152
Cash flows from investing activities		1,728	(2,146)
Cash flows from financing activities			
Repayment of loan notes		25	5,000
Sale of own shares		24	-
Cash flows from financing activities		49	5,000
Net (decrease)/increase in cash and cash equivalents	22	1,298	4,443
Cash and cash equivalents at 1 January		4,443	-
Cash and cash equivalents at 31 December		5,741	4,443

All cash flows arise from continuing activities

The notes on pages 11 to 20 form part of these financial statements

OPD GROUP LIMITED

Notes to the financial statements for the year ended 31 December 2011

1. General Information and nature of operations

Offerco Limited is the Company's ultimate Parent Company. The Company is a limited liability company incorporated and domiciled in the United Kingdom. Its principal activity is providing management services. The address of OPD Group Limited's registered office and its principal place of business is 98 Cinnabar Wharf, London, E1W 1NG.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of OPD Group Limited have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention and going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

a) International Accounting Standards (IAS/IFRS) and interpretations not yet adopted.

At the date of authorisation of these financial statements, the following Standards and Interpretations that have not yet been applied in these financial statements were in issue but not yet effective or endorsed (unless otherwise stated),

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 19 Employee Benefits (Revised June 2011) (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
- Disclosures - Transfers of Financial Assets - Amendments to IFRS 7 (effective 1 July 2011)
- Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12 Income Taxes (effective 1 January 2012)
- Presentation of Items of Other Comprehensive Income - Amendments to IAS 1 (effective 1 July 2012)
- Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7 (effective 1 January 2013)
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective 1 January 2014)
- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)

The Directors anticipate that the adoption of the remaining Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

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2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

2.3 Impairment of non-financial assets

Assets that have an indefinite useful economic life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4 Financial assets

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are subsequently carried at fair value. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in note 2.5.

2.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'Cost of Sales'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'Cost of Sales' in the statement of comprehensive income.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.8 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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2.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.10 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.11 Revenue recognition

Revenue comprises the fair value of the sale of goods and services net of value added tax, rebates and discounts. Revenue is recognised as follows:

(a) Fee income

The Company has no fee income. The associates recognise gross fee income from retained assignments on completion of defined stages of work. Gross fee income is recognised on non-retained assignments when a client offers a candidate a position, the candidate accepts the position and a start date is determined. A provision is made against gross fee income for the cancellation of placements either prior to or shortly after the commencement of employment based on past experience of this occurring. In respect of temporary assignments, gross fee income is recognised when the service has been provided. Gross fee income is net of value added tax.

Net fee income is derived by deducting from gross fee income direct costs including the cost of temporary staff placed with clients, costs of advertising, costs and charges to clients for artwork.

(b) Interest income

Interest income is recognised on a time-proportioned basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.12 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

2.13 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

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2.14 Exceptional items

Items of income and expense that are unlikely to recur and which merit being separately reported on the face of the Income Statement in order to provide an understanding of the Company's underlying performance are disclosed as exceptional items

3. Financial Risk Management

3.1 Financial Risk factors

The Company's activities expose it to a variety of financial risks, market risk and credit risk. The Company does not use derivative financial instruments to hedge risk exposures

a) Market risk

(i) Price risk

The Company owns unquoted securities. The value of these equities is dependent on the performance of investee companies

(ii) Cash flow and fair value interest rate risk

The Company has interest bearing assets and liabilities and to a limited extent the Company's income and cash flows are independent of changes in market interest rates

b) Credit risk

Credit risk arises from cash and deposits with banks. The Company's principal banker is Barclays Bank and substantially all the Company's cash, cash equivalents and deposits are placed with Barclays Bank. At 31 December 2011 cash and deposits amounting to £5.7 million (31 December 2010 £9.3 million) were placed with Barclays Bank. Funds that are not required for the day to day management of the business are deposited with Barclays Bank and other financial institutions with a maturity of 12 months or less

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain a capital structure appropriate to the nature of the business

In order to maintain or adjust the capital structure, the Company may vary the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, purchase shares for cancellation or sell assets to increase the Company's cash resources

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions in respect of the value of investments has a significant risk of causing a material adjustment to the carrying amounts of assets

The fair value of the Company's investments in its associates have been determined with respect to the value paid by third parties for the majority holdings in these companies

OPD GROUP LIMITED

5. Segmental analysis

The chief operating decision-maker has been identified as the Board. The Board considers that the business comprises of one segment.

6. Directors' emoluments

	2011 £'000	2010 £'000
Emoluments	-	72
	-	72

Emoluments above include the following amount paid to the highest paid director

Emoluments	-	35
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7. Staff costs (Including Directors)

	2011 £'000	2010 £'000
Directors fees	-	72
Social security costs	-	7
	-	79

The Directors consider that other than the Board of Directors, there are no key management as defined by IAS 24.

The Company had no employees during the year (2010 - Nil)

8. Exceptional items

	2011 £'000	2010 £'000
Net write off of balances with former group undertakings	-	26,037
Loss on disposal of subsidiaries	-	(20,199)
	-	5,838

On 30 July 2010, the senior management and certain employees of PSD Group Limited acquired a majority holding in PSD Group Limited by way of subscription for shares. As part of the agreement to acquire a controlling interest in PSD Group Limited from the Company, certain intercompany balances between PSD Group Limited and its subsidiaries were waived.

Following the subscription in PSD Group Limited, certain subsidiaries of OPD Group Limited were sold to PSD Group Limited. The loss on disposal of PSD Group Limited and these subsidiaries was £22,480,000. On 8 January 2010 the Company sold its wholly owned subsidiary International Resources Group Limited to Odgers (Group) Limited, a company owned 49.5% by the Company. This gave rise to a profit on disposal of £2,281,000.

OPD GROUP LIMITED

9. Operating profit/(loss)

	2011 £'000	2010 £'000
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This is stated after charging/(crediting)

Auditors' remuneration	7	5
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10. Finance costs

	2011 £'000	2010 £'000
Interest payable on bank borrowings	-	-
Interest income	182	280
Finance income - net	182	280

11 Taxation

a. Analysis of tax charge for the year

The tax charge arises from continuing operations and is made up as follows

	2011 £'000	2010 £'000
Current tax		
UK corporation tax	-	-
Group relief	-	-
Total income tax expense	-	-

b. Factors affecting current tax charge

The tax assessed on continuing operations for the year is lower (2010 higher) than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The difference is reconciled as follows

	2011 £'000	2010 £'000
Profit/(Loss) on continuing operations multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	401	2,121
Expenses not deductible for tax purposes	10	-
Non-taxable income	(411)	(2,121)
Total tax charge for the year (note 11 (a))	-	-

12. Dividends

	2011 £'000	2010 £'000
Dividends for 2011 of Nil p (2010 Nil p)	-	-

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13. Investments in subsidiaries/associates

Shares in Group undertakings at fair value	2011 £'000	2010 £'000
1 January	8,851	41,345
Disposal	-	(32,867)
Redemption of preference shares	-	(1,000)
Investment in associates	-	1,373
31 December	8,851	8,851

On 8 January 2010 the Company sold its wholly owned subsidiary International Resources Group Limited to Odgers (Group) Limited a Company owned 49.5% by the Company for cash consideration of £5,050,000 and a vendor loan note of £6,000,000. Interest accrues on the loan notes at a rate of 8 percent per annum over Barclays Base Rate and is paid quarterly in arrears. The loan is repayable in equal quarterly instalments between January 2011 and December 2014. The loans notes may be repaid at any time and at 31 December 2011 loan notes to the value of £1,000,000 were outstanding.

On 30 July 2010 preference shares with a fair value of £1,000,000 in PSD Group Limited were redeemed at par. At the same time a further investment of £1,373,000 was made in PSD Group Limited. Following these transactions the management and certain employees of PSD Group Limited subscribed for a new issue of shares in PSD Group Limited. Following this subscription OPD Group Limited's shareholding in PSD Group Limited reduced from 100% to 49.9%.

The investments in PSD Group Limited and Odgers (Group) Limited are now accounted for as associated undertakings.

Principal Group undertakings	Country of Incorporation	Principal Activity	Proportion of Equity and Voting Rights	Description of Shares
PSD Group Limited	England	Recruitment	49.9%	5p Ordinary
Odgers (Group) Limited	England	Recruitment	49.5%	£1 Ordinary
PSD Group SA	France	Dormant	100%	€15 Ordinary

The shareholdings in Portfolio International Limited, PSD Group GmbH, PSD Group (China) Limited and PSD Group Limited (Hong Kong) were sold to PSD Group Limited following the employee share subscription.

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14. Financial assets & liabilities

	Notes	2011 £'000	2010 £'000
Financial assets			
Loans and receivables			
Trade and other receivables	15	10,872	5,718
Cash, cash equivalents and deposits	16	5,741	9,318
		16,613	15,036
Financial liabilities			
Financial liabilities measured at amortised cost			
Trade and other payables	17	283	242
		283	242

A description of the Company's financial instrument risk, including risk management objectives and policies are set out in note 3 to these financial statements

15. Trade and other receivables

	2011 £'000	2010 £'000
Amounts owed by Parent Company	9,100	4,100
Amount owed by PSD Group Limited	433	458
Odgers (Group) Limited loan notes	1,000	1,000
Accrued income and other receivables	339	160
	10,872	5,718

The maximum exposure to credit risk at the reporting date is the fair value of receivables mentioned above. The Group does not hold any collateral as security.

The directors consider that the carrying values of trade and other receivables to be approximately their fair value.

16. Financial instruments

An analysis of cash and cash equivalents is set out below.

Financial Assets	2011 £'000	2010 £'000
Sterling	5,741	9,318
	5,741	9,318

The directors consider that the carrying values of cash and cash equivalents is approximately equal to their fair values.

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17. Trade and other payables

	2011 £'000	2010 £'000
Amounts owed to the Parent Company	201	186
Accruals and other payables	82	56
	283	242

Amounts owed to the Parent Company are payable on demand and are non-interest bearing

The directors consider that the carrying values of trade and other payables are approximately equal to their fair values

18. Share capital

	2011 £'000	2010 £'000
Allotted, called up and fully paid:		
26,727,960 Ordinary shares of 5p each	1,336	1,334
(2010 26,687,564 Ordinary shares of 5p each)		

The share premium reserve comprises share premium on the issued share capital

19. Reserves

The reserves of the Company include a capital redemption reserve of £50,000 (2010 £50,000), a merger reserve of £4,266,000 (2010 £4,266,000) and a retained profit of £1,032,000 (2010 £480,000). The capital redemption reserve arises from the cancellation of the Company's own shares and retained earnings represents the cumulative profit of the Company. The merger reserve arose from a corporate restructuring that took place in 1997.

20. Operating lease commitments

The commitments arise from operating leases for property. The leases require the tenant to keep the property in a good state of repair and are subject to periodic rental review. The following commitments based on current rental amounts existed at 31 December 2011 in respect of non-cancellable operating leases:

	2011 £'000	2010 £'000
Leases expiring:		
Within one year	845	1,068
Later than one year and less than five years	719	1,963
	1,564	3,031

The properties are occupied by PSD Group Limited and its subsidiary companies. These companies are responsible for all rental payments and the liability will only revert to OPD Group Limited should these companies fail to make the necessary payments.

OPD GROUP LIMITED

21. Reconciliation of profit/(loss) before tax to net cash inflow from operating activities

	2011 £'000	2010 £'000
Profit/(loss) before tax	1,512	7,574
Adjustments for		
Impairment of Investment	-	-
Loss on disposal of subsidiaries	-	20,198
Net finance (income)/expense	(182)	(280)
Dividend and other income received	(1,609)	(2,000)
Changes in working capital		
(Increase)/Decrease in trade and other receivables	(241)	40,351
Increase/(Decrease) in trade and other payables	41	(64,254)
Cash flows from operating activities	(479)	1,589

22 Analysis of net funds

	At 1 January 2011 £'000	Cash flow £'000	At 31 December 2011 £'000
Net cash:			
Cash and cash equivalents	4,443	1,298	5,741
Cash deposits	4,875	(4,875)	-
Net funds	9,318	(3,577)	5,741

23. Pensions

The Company has no pension obligations and has not made any pension payments

24. Ultimate controlling party

The Company is a subsidiary of Offerco Limited, a Company controlled by Mr P Hearn

25. Related party transactions

- i) Fees of £60,000 were paid to Terling Partners Limited, a company controlled by Mr S Murphy
- ii) Details of the transactions between the Company and its two former subsidiaries are set out in notes 8 and 13

26. Post balance sheet event

On 6 July 2011 a share consolidation and subsequent share sub-division took place 100,000 Ordinary shares were consolidated into 1 Ordinary share, and then 1 Ordinary share sub-divided into 100,000 Ordinary shares