

**REGISTRAR OF  
COMPANIES**

3228538

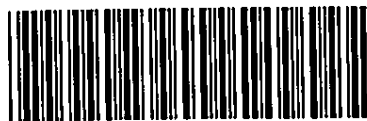
**The Appointment Group  
Limited**

Report and Financial Statements

Year Ended

31 December 2007

SATURDAY



\*AIPLV0YV\*

A61

28/06/2008

163

COMPANIES HOUSE

**IBDO**

**BDO Stoy Hayward**  
Chartered Accountants

# **The Appointment Group Limited**

**Annual report and financial statements  
for the year ended 31 December 2007**

---

## **Contents**

### **Page:**

|    |  |
|----|--|
| 1  | Report of the directors                        |
| 4  | Report of the independent auditors             |
| 6  | Group profit and loss account                  |
| 7  | Group balance sheet                            |
| 8  | Company balance sheet                          |
| 9  | Cash flow statement                            |
| 10 | Notes forming part of the financial statements |

---

## **Directors**

M A Veronique  
J Gianquitto

## **Secretary and registered office**

A Taiwo, The Linen House, 253 Kilburn Lane, London, W10 4BQ

## **Company number**

3228538

## **Auditors**

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU

# **The Appointment Group Limited**

## **Report of the directors for the year ended 31 December 2007**

The directors present their report together with the audited financial statements for the year ended 31 December 2007

### **Principal activity**

The principal activity of the company in the year under review was that of a travel management group of companies

### **Business Review**

The profit and loss account is set out on page 6 and shows the loss for the year. The group loss for the year, after taxation, amounted to £20,779 (2006 – profit £24,821)

We are delighted with the group's performance throughout the year and of the individual business results that show some significant increases in both sales and profitability

Our corporate business travel division Travel By Appointment now has a streamlined client base which reflects the strategic move away from a volume driven business to a more high level service provider. The continued investment in our technology, systems and, most importantly, our staff has resulted in us providing our clients with an exceptionally high quality of service

Music By Appointment continues to be acknowledged as the best tour management company in the United Kingdom. The professionalism of our staff is recognised across the country and extends to continental Europe

The continued investment in our technology, systems and, most importantly, our staff has resulted in us providing our clients with an exceptionally high quality of service. This is reflected in the profitability of the company increasing significantly over the previous year

The strategic approach of Events By Appointment continues to be to concentrate on the handling of larger and more complex events, which require a high level of expertise and on-site support

Leisure By Appointment continues to grow its turnover, profitability and its reputation in the industry. The client database is growing all the time and the personalised approach results in many referrals from satisfied customers

During the year, we acquired an extra 25% of the US joint venture, Ascot Travel By Appointment LLC, taking our holding up to 75%. We aim to restructure the business to give the clients a higher quality of service which would result in it being more profitable in the medium term

### **Key Performance Indicators**

The group uses a range of performance measures to monitor and manage the business

The key performance indicators used are gross sales value, turnover and turnover to gross sales margin

The key performance indicators for the year ended 31 December 2007, with the previous years comparatives are set out below

|   | <b>2007</b> | <b>2006</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Gross Sale Value                          | 32,636,969  | 31,599,742  |
| Turnover margin to gross sales            | 3,900,707   | 3,768,897   |
| Turnover margin to gross sales margin (%) | 11.96       | 11.97       |

# **The Appointment Group Limited**

## **Report of the directors for the year ended 31 December 2007 (Continued)**

---

### **Financial risk management objectives and policies**

The group mainly uses cash, trade debtors and trade creditors that arise directly from its operations to finance the day to day running of the business. The existence of these instruments exposes the group to a number of financial risk, which are described in more detail below.

The main risks are currency risk, credit risk and liquidity risks. The directors review and agree policies for managing these risk and they are summarised below.

#### ***Currency risk.***

The group has a minimal exposure to translation and transaction foreign exchange risk. This is achieved by charging all client transactions in Sterling apart from the US subsidiary, whose functional currency is US Dollars.

#### ***Credit risk.***

The group's main credit risk relates to the recovery of amounts owed by trade debtors. The directors set credit limits and terms for all trade debtors based on third party references and payment history of the new and existing trade debtors. These are reviewed on a day to day basis.

#### ***Liquidity risk.***

Current and projected working capital demand is periodically reviewed in conjunction with existing bank balances to determine cash requirements as part of the routine reporting process.

### **Dividends**

The directors do not recommend the payment of a dividend (2006 - £Nil).

### **Directors**

The directors of the company during the year were

M A Veronique  
J Gianquitto

### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 Appointment Group Limited

## Report of the directors for the year ended 31 December 2007 (Continued)

---

### Directors' responsibilities (Continued)


The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

### By order of the Board

A Taiwo



Secretary

Date 26/06/2008

# **The Appointment Group Limited**

## **Report of the independent auditors**

---

### **To the shareholders of The Appointment Group Limited**

We have audited the group and parent company financial statements (the "financial statements") of The Appointment Group Limited for the year ended 31 December 2007 which comprise the group profit and loss account, the group and company balance sheets, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# The Appointment Group Limited

## Report of the independent auditors (*Continued*)

---

### *Opinion*

#### In our opinion

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2007 and of its loss for the year then ended,
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*BDO — LLP*

**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
London

Date *26 June 2008*

# The Appointment Group Limited

## Group profit and loss account for the year ended 31 December 2007

|   | Note | 2007<br>£        | 2006<br>£   |
|---|------|------------------|-------------|
| Turnover: group and share of joint venture                                  |      | 4,131,669        | 4,060,068   |
| Less share of joint venture turnover  |      | (230,962)        | (291,171)   |
| <b>Group turnover</b>   | 2    | <b>3,900,707</b> | 3,768,897   |
| Administrative expenses   |      | (3,942,746)      | (3,777,856) |
| <b>Group operating loss</b>   | 5    | <b>(42,039)</b>  | (8,959)     |
| Share of joint venture profit   |      | 11,618           | 45,709      |
| <b>Total operating (loss)/profit<br/>– group and share of joint venture</b> |      | <b>(30,421)</b>  | 36,750      |
| Interest receivable and similar income                                      | 6    | 16,553           | 11,842      |
| Interest payable and similar charges  | 7    | (1,129)          | (1,471)     |
| <b>(Loss)/profit on ordinary activities before taxation</b>                 |      | <b>(14,997)</b>  | 47,121      |
| Taxation on loss from ordinary activities                                   | 8    | (43,609)         | (22,300)    |
| <b>Loss on ordinary activities after taxation</b>                           |      | <b>(58,606)</b>  | (22,300)    |
| <b>Minority Interest</b>  | 17   | <b>37,827</b>    | -           |
| <b>(Loss)/profit for the financial year</b>                                 |      | <b>(20,779)</b>  | 24,821      |

All amounts relate to continuing activities

There are no recognised gains or losses other than the result for the year

The notes on pages 10 to 22 form part of these financial statements



# The Appointment Group Limited

## Group balance sheet at 31 December 2007

|  | Note | 2007<br>£        | 2007<br>£      | 2006<br>£        | 2006<br>£      |
|--|------|------------------|----------------|------------------|----------------|
| <b>Fixed assets</b>  |      |                  |                |                  |                |
| Negative goodwill  | 9    |                  | (33,413)       |                  | -              |
| Tangible assets  | 10   |                  | 157,039        |                  | 180,113        |
|  |      |                  | <u>123,626</u> |                  | <u>180,113</u> |
| Investment in joint venture                                    |      |                  |                |                  |                |
| Share of gross assets  |      | -                |                | 115,133          |                |
| Share of gross liabilities                                     |      | <u>-</u>         | <u>-</u>       | <u>(7,887)</u>   |                |
|  |      |                  |                |                  | 107,246        |
| <b>Current assets</b>  |      |                  |                |                  |                |
| Debtors  | 12   | 1,103,847        |                | 1,206,764        |                |
| Cash at bank and in hand                                       |      | <u>496,958</u>   |                | <u>666,187</u>   |                |
|  |      | 1,600,805        |                | 1,867,951        |                |
| <b>Creditors: amounts falling due within one year</b>          | 13   | <u>1,176,371</u> |                | <u>1,601,957</u> |                |
| <b>Net current assets</b>                                      |      |                  | <u>424,434</u> |                  | <u>270,994</u> |
| <b>Total assets less current liabilities</b>                   |      |                  | <u>548,060</u> |                  | <u>558,353</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 14   |                  | <u>-</u>       |                  | <u>2,756</u>   |
|  |      |                  | <u>548,060</u> |                  | <u>555,597</u> |
| <b>Capital and reserves</b>                                    |      |                  |                |                  |                |
| Called up share capital  | 15   | 50,000           |                | 50,000           |                |
| Capital reserve  | 16   | 50,000           |                | 50,000           |                |
| Share premium  | 16   | 9,727            |                | 9,727            |                |
| Capital redemption reserve                                     | 16   | 1,031            |                | 1,031            |                |
| Profit and loss account  | 16   | 424,060          |                | 444,839          |                |
| <b>Shareholders' funds</b>                                     | 16   | 534,818          |                | 555,597          |                |
| <b>Minority Interest</b>                                       | 17   | 13,242           |                | -                |                |
|  |      |                  | <u>548,060</u> |                  | <u>555,597</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2008

M A Veronique  
Director

The notes on pages 10 to 22 form part of these financial statements

# The Appointment Group Limited

## Company balance sheet at 31 December 2007

|   | Note | 2007<br>£ | 2007<br>£ | 2006<br>£ | 2006<br>£ |
|---|------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |           |           |
| Investments   | 11   |           | 132,002   |           | 119,502   |
| <b>Creditors: amounts falling due within one year</b> | 13   | 75,810    |           | 51,964    |           |
| <b>Net current liabilities</b>                        |      |           | (75,810)  |           | (51,964)  |
| <b>Total assets less current liabilities</b>          |      |           | 56,192    |           | 67,538    |
| <b>Capital and reserves</b>                           |      |           |           |           |           |
| Called up share capital                               | 15   |           | 50,000    |           | 50,000    |
| Share premium   | 16   |           | 9,727     |           | 9,727     |
| Capital redemption reserve                            | 16   |           | 1,031     |           | 1,031     |
| Profit and loss account                               | 16   |           | (4,566)   |           | 6,780     |
| <b>Shareholders' funds</b>                            |      |           | 56,192    |           | 67,538    |

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2008

M A Veronique  
Director

The notes on pages 10 to 22 form part of these financial statements

# The Appointment Group Limited

## Cash flow statement for the year ended 31 December 2007

|   | Note | 2007<br>£ | 2007<br>£ | 2006<br>£ | 2006<br>£ |
|---|------|-----------|-----------|-----------|-----------|
| <b>Net cash (outflow)/inflow from operating activities</b>                  | 21   |           | (212,893) |           | 499,872   |
| <b>Returns on investments and servicing of finance</b>                      |      |           |           |           |           |
| Interest received   |      | 16,553    |           | 11,842    |           |
| Interest paid   |      | (745)     |           | (595)     |           |
| Interest element of finance lease rental payments                           |      | (384)     |           | (876)     |           |
| Dividend received   |      | -         |           | 1,997     |           |
| <b>Net cash inflow from returns on investments and servicing of finance</b> |      |           | 15,424    |           | 12,368    |
| <b>Taxation</b>   |      |           |           |           |           |
| UK corporation tax paid   |      |           | (43,733)  |           | (16,861)  |
| <b>Capital expenditure and financial investment</b>                         |      |           |           |           |           |
| Payments to acquire tangible fixed assets                                   |      | (35,871)  |           | (102,880) |           |
| Repayment of capital from joint venture                                     |      | -         |           | 21,500    |           |
|   |      |           | (35,871)  |           | (81,380)  |
| <b>Acquisitions and disposals</b>   |      |           |           |           |           |
| Additional investment in joint venture in subsidiary                        |      | (12,500)  |           | -         |           |
| Cash acquired as part of additional investment in subsidiary                |      | 123,887   |           | -         |           |
|   |      |           | 111,387   |           | -         |
| <b>Cash (outflow)/inflow before financing</b>                               |      |           | (165,686) |           | 413,999   |
| <b>Financing</b>  |      |           |           |           |           |
| Repayments of capital element of finance leases and hire purchase contracts |      |           | (4,156)   |           | (7,515)   |
| <b>(Decrease)/increase in cash and cash equivalents</b>                     | 22   |           | (169,842) |           | 406,484   |

The notes on pages 10 to 22 form part of these financial statements

# **The Appointment Group Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2007**

---

### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of The Appointment Group Limited and all its subsidiary undertakings.

No profit and loss account is presented for The Appointment Group Limited as permitted by section 230 of the Companies Act 1985. The company does not trade in its own right, a loss of £11,346 has been made in the year (2006 - £Nil).

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax.

#### *Fixed assets*

Fixed assets are initially stated at cost.

#### *Depreciation*

Depreciation is provided at the following annual rates in order to write off each tangible fixed asset over its useful life:

|                        |   |  |
|------------------------|---|--|
| Computer software      | - | 33% per annum on a straight line basis |
| Leasehold improvements | - | 20% per annum on a straight line basis |
| Computer equipment     | - | 25% per annum on written down value    |
| Fixtures and fittings  | - | 15% per annum on written down value    |

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Investments*

Investments held as fixed assets are stated at cost less provisions for permanent diminution in value.

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Goodwill*

Goodwill arising on acquisition of a subsidiary is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired.

Negative goodwill arising on the acquisition of a subsidiary is credited to the profit and loss account as the benefit is derived.

# **The Appointment Group Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)**

---

### **1 Accounting policies (Continued)**

#### *Deferred taxation*

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

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

#### *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred

#### *Pensions*

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. These contributions are invested separately from the group's assets

#### *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 retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

## 2 Turnover

Turnover has been stated net on the face of the profit and loss per the requirements of FRS 5. The gross sales value of all bookings made through the group are

|                                  | 2007<br>£                | 2006<br>£                |
|----------------------------------|--------------------------|--------------------------|
| Group and share of joint venture | 32,636,969               | 31,599,742               |
| Less: share of joint venture     | (230,962)                | (291,171)                |
|                                  | <hr/>                    | <hr/>                    |
| Cost of sales                    | 32,406,007<br>28,505,300 | 31,308,571<br>27,539,674 |
|                                  | <hr/>                    | <hr/>                    |
| Turnover                         | 3,900,707                | 3,768,897                |
|                                  | <hr/>                    | <hr/>                    |

These include pay direct bookings, which amount to sales of £9,746,118 (2006 - £10,226,212) with corresponding cost of sales of £8,922,346 (2006 - £9,410,653)

The income from the joint venture is generated in the United States of America. All other income is generated in the United Kingdom.

In the opinion of the directors, the disclosure of separate segmental information would be prejudicial to the interests of the company.

## 3 Employees

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| Staff costs consist of                              |           |           |
| Wages and salaries                                  | 2,205,121 | 2,184,480 |
| Social security costs                               | 251,240   | 239,357   |
| Other pension costs                                 | 165,091   | 161,013   |
|   | <hr/>     | <hr/>     |
|   | 2,621,452 | 2,584,850 |
|   | <hr/>     | <hr/>     |
| The average number of employees during the year was | Number    | Number    |
| Office and management                               | 60        | 59        |
|   | <hr/>     | <hr/>     |

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

## 4 Directors

|  | 2007<br>£ | 2006<br>£ |
|--|-----------|-----------|
| Directors' remuneration consists of                                |           |           |
| Emoluments   | 580,000   | 614,238   |
| Company contributions paid to money purchase pension schemes       | 100,000   | 100,500   |
|  | Number    | Number    |
| Members of money purchase pension schemes                          | 2         | 2         |
| The amounts in respect of the highest paid director are as follows | £         | £         |
| Emoluments   | 290,000   | 307,119   |
| Company contributions paid to money purchase pension schemes       | 50,000    | 50,000    |

## 5 Operating loss

|  | 2007<br>£ | 2006<br>£ |
|--|-----------|-----------|
| This has been arrived at after charging                                      |           |           |
| Depreciation of owned fixed assets   | 55,174    | 57,273    |
| Depreciation of assets held under finance leases and hire purchase contracts | 3,771     | 2,758     |
| Amortisation of negative goodwill  | (5,156)   | -         |
| Auditors' remuneration - audit expenses                                      | 18,000    | 17,000    |
| - taxation services  | 7,200     | 13,075    |
| Operating lease rentals - land and buildings                                 | 97,980    | 97,979    |
| - equipment rentals  | 26,793    | 31,168    |
| Loss on disposal of fixed assets   | -         | 46,198    |

## 6 Interest receivable and similar charges

|               | 2007<br>£ | 2006<br>£ |
|---------------|-----------|-----------|
| Bank interest | 16,553    | 11,842    |

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (*Continued*)

## 7 Interest payable and similar charges

|  | 2007<br>£    | 2006<br>£    |
|--|--------------|--------------|
| Bank interest                                    | 745          | 595          |
| Finance lease charges and hire purchase interest | 384          | 876          |
|  | <u>1,129</u> | <u>1,471</u> |

## 8 Taxation on loss from ordinary activities

|  | 2007<br>£       | 2006<br>£      |
|--|-----------------|----------------|
| (a) Analysis of charge in year                                   |                 |                |
| <i>Current tax</i>   |                 |                |
| UK corporation tax on profits for the period                     | 30,284          | 12,301         |
| Adjustment in respect of previous periods                        | 1,980           | (3,646)        |
| US withholding tax   | 11,345          | 13,645         |
|  | <u>43,609</u>   | <u>22,300</u>  |
| (b) <i>Deferred tax</i>  |                 |                |
| The unrecognised deferred taxation asset comprises the following |                 |                |
| Capital allowances in advance of depreciation                    | -               | 912            |
| Tax losses   | (53,252)        | (7,496)        |
|  | <u>(53,252)</u> | <u>(6,584)</u> |

A deferred tax asset has not been recognised for the tax losses in line with the accounting policy



# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

## 8 Taxation on loss from ordinary activities (Continued)

### (c) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| (Loss)/profit on ordinary activities before tax   | (14,997)  | 47,121    |
| (Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 30 % (2006 – 30%) | (4,499)   | 14,136    |
| Effects of  |           |           |
| Disallowed expenses and non-taxable income  | 11,783    | 12,575    |
| Depreciation in (excess)/arrear of capital allowances   | (355)     | 6,499     |
| Difference in tax rates   | (5,521)   | (608)     |
| Losses not available for group relief   | 53,252    | -         |
| Adjustment to tax charge in respect of previous periods   | 1,980     | (3,646)   |
| Marginal relief   | (5,535)   | (6,656)   |
| Utilisation of prior year losses  | (7,496)   | -         |
| Current tax charge for the year   | 43,609    | 22,300    |

## 9 Goodwill

### Group

#### Cost

At 1 January 2007

Additions

At 31 December 2007

#### Amortisation

At 1 January 2007

Charge for year

At 31 December 2007

#### Net book value

At 31 December 2007

At 31 December 2006

Negative  
goodwill  
£

-  
(38,569)

(38,569)

-  
5,156

5,156

(33,413)

-

The negative goodwill arose on the purchase of an additional 25% of Ascot Travel by Appointment LLC. The net assets acquired by the group were £51,069, settled by a cash consideration of £12,500 (see note 11). The group held 75% of the voting rights of Ascot Travel by Appointment LLC at the year end. Following this increase in control, Ascot Travel by Appointment LLC has been treated as a subsidiary within the consolidated financial statements.

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (*Continued*)

## 10 Tangible assets

| Group                 | Leasehold<br>improvements<br>£ | Computer<br>software<br>£ | Fixtures<br>and fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£     |
|-----------------------|--------------------------------|---------------------------|-------------------------------|----------------------------|----------------|
| <i>Cost</i>           |                                |                           |                               |                            |                |
| At 1 January 2007     | 78,250                         | 24,951                    | 37,138                        | 589,097                    | 729,436        |
| Additions             | -                              | 8,357                     | 3,439                         | 24,075                     | 35,871         |
|                       | <hr/>                          | <hr/>                     | <hr/>                         | <hr/>                      | <hr/>          |
| At 31 December 2007   | <b>78,250</b>                  | <b>33,308</b>             | <b>40,577</b>                 | <b>613,172</b>             | <b>765,307</b> |
|                       | <hr/>                          | <hr/>                     | <hr/>                         | <hr/>                      | <hr/>          |
| <i>Depreciation</i>   |                                |                           |                               |                            |                |
| At 1 January 2007     | 27,732                         | 9,821                     | 5,571                         | 506,199                    | 549,323        |
| Charge for the year   | 15,648                         | 11,303                    | 5,251                         | 26,743                     | 58,945         |
|                       | <hr/>                          | <hr/>                     | <hr/>                         | <hr/>                      | <hr/>          |
| At 31 December 2007   | <b>43,380</b>                  | <b>21,124</b>             | <b>10,822</b>                 | <b>532,942</b>             | <b>608,268</b> |
|                       | <hr/>                          | <hr/>                     | <hr/>                         | <hr/>                      | <hr/>          |
| <i>Net book value</i> |                                |                           |                               |                            |                |
| At 31 December 2007   | <b>34,870</b>                  | <b>12,184</b>             | <b>29,755</b>                 | <b>80,230</b>              | <b>157,039</b> |
|                       | <hr/>                          | <hr/>                     | <hr/>                         | <hr/>                      | <hr/>          |
| At 1 January 2007     | 50,518                         | 15,130                    | 31,567                        | 82,898                     | 180,113        |
|                       | <hr/>                          | <hr/>                     | <hr/>                         | <hr/>                      | <hr/>          |

The net book value of tangible fixed assets includes an amount of £4,502 (2006 - £8,273) in respect of assets held under finance leases. The related depreciation charge on these assets for the year was £3,771 (2006 - £2,758).

## 11 Investments

| Company             | Subsidiary<br>undertakings<br>£ |
|---------------------|---------------------------------|
| <i>Cost</i>         |                                 |
| At 1 January 2007   | 119,502                         |
| Additions           | 12,500                          |
|                     | <hr/>                           |
| On 31 December 2007 | <b>132,002</b>                  |
|                     | <hr/>                           |

During the year, the company purchased an additional 25% share in Ascot Travel by Appointment LLC

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

## 11 Investments (Continued)

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

| Name                            | Holding         | Proportion of voting rights and shares held | Nature of business |
|---------------------------------|-----------------|---|--------------------|
| <i>Subsidiaries</i>             |                 |   |                    |
| Travel By Appointment Limited   | Ordinary shares | 100%  | Travel agent       |
| Events By Appointment Limited   | Ordinary shares | 100%  | Travel agent       |
| Leisure By Appointment Limited  | Ordinary shares | 100%  | Travel agent       |
| Music By Appointment Limited    | Ordinary shares | 100%  | Travel agent       |
| Ascot Travel By Appointment LLC | Ordinary shares | 75%   | Travel agent       |

Ascot Travel By Appointment LLC is incorporated in the USA

## 12 Debtors

|                                | Group<br>2007<br>£ | Group<br>2006<br>£ |
|--------------------------------|--------------------|--------------------|
| Trade debtors                  | 975,527            | 966,221            |
| Other debtors                  | 72,635             | 148,687            |
| Prepayments and accrued income | 55,685             | 91,856             |
|                                | <b>1,103,847</b>   | <b>1,206,764</b>   |

The company has no debtors (2006 - £Nil)

## 13 Creditors: amounts falling due within one year

|  | Group<br>2007<br>£ | Group<br>2006<br>£ | Company<br>2007<br>£ | Company<br>2006<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| Bank overdraft   | 613                | -                  | -                    | -                    |
| Net obligations under finance leases and hire purchase contracts (note 19) | 2,753              | 4,153              | -                    | -                    |
| Amounts owed to group undertakings   | -                  | -                  | 75,808               | 51,962               |
| Trade creditors  | 553,747            | 877,815            | -                    | -                    |
| Corporation tax  | 30,284             | 30,408             | -                    | -                    |
| Other taxes and social security costs                                      | 91,844             | 86,178             | -                    | -                    |
| Directors' current accounts  | 15                 | 390                | -                    | -                    |
| Other creditors  | 2                  | 2                  | 2                    | 2                    |
| Accruals and deferred income   | 497,113            | 603,011            | -                    | -                    |
|  | <b>1,176,371</b>   | <b>1,601,957</b>   | <b>75,810</b>        | <b>51,964</b>        |

The bank overdrafts are secured by unlimited debentures over all the group's assets and are repayable upon demand

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

## 14 Creditors: amounts falling due after more than one year

|  | Group<br>2007<br>£ | Group<br>2006<br>£ |
|--|--------------------|--------------------|
| Net obligations under finance leases and hire purchase contracts (note 19) | -                  | 2,756              |

## 15 Share capital

|                                   | 2007<br>Number | Authorised<br>2006<br>Number | 2007<br>£     | 2006<br>£     |
|-----------------------------------|----------------|------------------------------|---------------|---------------|
| Ordinary shares of 62 5p each     | 80,000         | 80,000                       | 50,000        | 50,000        |
| 'B' ordinary shares of 62 5p each | 20,000         | 20,000                       | 12,500        | 12,500        |
|                                   | <u>100,000</u> | <u>100,000</u>               | <u>62,500</u> | <u>62,500</u> |

|                                   | 2007<br>Number | Allotted and called up<br>2006<br>Number | 2007<br>£     | 2006<br>£     |
|-----------------------------------|----------------|--|---------------|---------------|
| Ordinary shares of 62 5p each     | 80,000         | 80,000                                   | 50,000        | 50,000        |
| 'B' ordinary shares of 62 5p each | -              | -  | -             | -             |
|                                   | <u>80,000</u>  | <u>80,000</u>                            | <u>50,000</u> | <u>50,000</u> |

The rights attaching to the 'B' ordinary shares differ from the ordinary shares and are subject to the following restrictions

- i) a right to receive 0.01p per share held on the winding up of the company
- ii) no right to attend or vote at a general meeting
- iii) no right to receive any dividend from the company
- iv) the shares are non-transferable except immediately prior to and conditional upon a change of control of the company or upon the holder ceasing to hold employment
- v) the shares shall not be convertible into ordinary shares

As regards any 'B' ordinary share, the above rights shall cease to have effect on the date on which a 'B' ordinary share becomes registered in the name of any person other than employee. Upon this coming into effect the 'B' ordinary shares shall rank pari passu with the ordinary shares except that a 'B' ordinary share shall have 0.99 of a vote for each one vote attached to an ordinary share.

The company has a share option scheme under which options to subscribe for the Company's shares have been granted to senior management.

At 31 December 2007 there were 4,000 options outstanding under this scheme which are exercisable between 1 July 2008 and 30 June 2015.

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

## 16 Reconciliation of shareholders' funds and movements on reserves

| Group               | Share<br>capital<br>£ | Share<br>premium<br>£ | Capital<br>reserve<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ | Total<br>£ |
|---------------------|-----------------------|-----------------------|-------------------------|---------------------------------------|------------------------------------|------------|
| At 1 January 2007   | 50,000                | 9,727                 | 50,000                  | 1,031                                 | 444,839                            | 555,597    |
| Loss for year       | -                     | -                     | -                       | -                                     | (20,779)                           | (20,779)   |
| At 31 December 2007 | 50,000                | 9,727                 | 50,000                  | 1,031                                 | 424,060                            | 534,818    |
| Company             | Share<br>capital<br>£ | Share<br>premium<br>£ | Share<br>premium<br>£   | Capital<br>redemption<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ | Total<br>£ |
| At 1 January 2007   | 50,000                | 9,727                 | 9,727                   | 1,031                                 | 6,780                              | 67,538     |
| Loss for year       | -                     | -                     | -                       | -                                     | (11,346)                           | (11,346)   |
| At 31 December 2007 | 50,000                | 9,727                 | 9,727                   | 1,031                                 | (4,566)                            | 56,192     |

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

|           |   |               |
|-----------|---|---------------|
| <b>17</b> | <b>Minority interests</b>   | <b>£</b>      |
|           | At 1 January 2007   | -             |
|           | Minority interest share of net assets of subsidiary at acquisition date | 51,069        |
|           | Minority interest share in loss on ordinary activities after taxation   | (37,827)      |
|           |   | <u>13,242</u> |

During the period, the group purchased an additional 25% of the share capital of Ascot Travel by Appointment LLC (note 9)

## 18 Pensions

The pensions charge to the groups defined contributions scheme amounts to £165,091 (2006 - £161,013)  
There were no outstanding or prepaid contributions at either the beginning or end of the financial year

## 19 Obligations under finance leases and hire purchase contracts

The company's net obligations under finance leases and hire purchase contracts are repayable as follows

|                      | <b>2007</b><br><b>£</b> | <b>2006</b><br><b>£</b> |
|----------------------|-------------------------|-------------------------|
| Within one year      | <b>2,753</b>            | 4,153                   |
| In two to five years | -                       | 2,756                   |
|                      | <u><b>2,753</b></u>     | <u>6,909</u>            |

## 20 Commitments under operating leases

As at 31 December 2007, the company had annual commitments under non-cancellable operating leases as set out below

|                               | <b>2007</b><br><b>Land and</b><br><b>buildings</b><br><b>£</b> | <b>2007</b><br><b>Computer</b><br><b>equipment</b><br><b>£</b> | <b>2006</b><br><b>Land and</b><br><b>buildings</b><br><b>£</b> | <b>2006</b><br><b>Computer</b><br><b>equipment</b><br><b>£</b> |
|-------------------------------|--|--|--|--|
| Operating leases which expire |  |  |  |  |
| Within one year               | -  | <b>14,084</b>  | -  | -  |
| In two to five years          | <b>33,500</b>  | <b>5,520</b>   | 33,500   | 23,182   |
| In more than five years       | <b>64,482</b>  | -  | 64,482   | -  |
|                               | <u><b>97,982</b></u>   | <u><b>19,604</b></u>   | <u>97,982</u>  | <u>23,182</u>  |

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (Continued)

## 21 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| Operating (loss)/profit                             | (30,421)  | 36,750    |
| Depreciation of tangible fixed assets               | 58,945    | 57,273    |
| Amortisation of negative goodwill                   | (5,156)   | -         |
| Loss on disposal of fixed asset                     | -         | 46,198    |
| Decrease/(increase) in debtors                      | 117,149   | (107,745) |
| (Decrease)/increase in creditors                    | (341,792) | 513,105   |
| Share of joint venture profits                      | (11,618)  | (45,709)  |
| Net cash (outflow)/inflow from operating activities | (212,893) | 499,872   |

## 22 Reconciliation of net cash outflow to movement in net debt

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| (Decrease)/increase in cash in the year                         | (169,842) | 406,484   |
| Cash inflow/(outflow) from decrease in debt and lease financing | 4,156     | (7,515)   |
| Change in net debt resulting from cash flows                    | (165,686) | 402,968   |
| Inception of finance leases                                     | -         | (11,031)  |
| Movement in net debt in the year                                | (165,686) | 402,968   |
| Opening net debt  | 659,278   | 256,310   |
| Closing net debt  | 493,592   | 659,278   |

## 23 Analysis of net debt

|                           | At<br>1 January<br>2007<br>£ | Cash<br>flow<br>£ | At<br>31 December<br>2007<br>£ |
|---------------------------|------------------------------|-------------------|--------------------------------|
| Cash in hand and at bank  | 666,187                      | (169,229)         | 496,958                        |
| Bank overdraft            | -                            | (613)             | (613)                          |
| Cash                      | 666,187                      | (169,842)         | 496,345                        |
| Finance lease obligations | (6,909)                      | 4,156             | (2,753)                        |
| Total                     | 659,278                      | (165,686)         | 493,592                        |

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (*Continued*)

## 24 Related parties

The directors (owed)/were owed the following amounts in respect of their current accounts

|   | 2007<br>£'000 | 2006<br>£'000 |
|---|---------------|---------------|
| M A Veronique                                   | (1)           | 193           |
| J Gianquitto                                    | (1)           | 197           |
|   | (2)           | 390           |
|   |               | £             |
| During the year, the highest balances owed were |               |               |
| M A Veronique                                   |               | -             |
| J Gianquitto                                    |               | -             |
|   |               | -             |



# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2007 (*Continued*)

## 24 Related parties

At 31 December 2007, the joint venture owed The Appointment Group Limited £Nil (2006 - £Nil) in relation to funds advanced

The directors were owed the following amounts in respect of their current accounts

|               | 2007<br>£ | 2006<br>£ |
|---------------|-----------|-----------|
| M A Veronique | 1         | 193       |
| J Gianquitto  | 14        | 197       |
|               | <hr/>     | <hr/>     |
|               | 15        | 390       |
|               | <hr/>     | <hr/>     |

During the year, the highest balances owed were

|               |       |
|---------------|-------|
|               | £     |
| M A Veronique | -     |
| J Gianquitto  | -     |
|               | <hr/> |
|               | -     |
|               | <hr/> |