

The Appointment Group Limited

Annual report and Financial Statements

Year Ended

31 December 2008

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The Appointment Group Limited

**Annual report and financial statements
for the year ended 31 December 2008**

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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

Elman Wall Limited
5-7 John Princes Street
London
W1G 0JN

The Appointment Group Limited

Report of the directors for the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

Principal activity

The principal activity of the company in the year under review was that of the holding company for the subsidiaries of The Appointment Group Limited.

The principal activity of the group during the year under review was that of a group of travel management agents.

Business Review

The profit and loss account is set out on page 6 and shows the profit for the year. The group profit for the year, after taxation and before other gains and losses, amounted to £109,554 (2007 - £20,779 loss).

We are delighted with the Group's performance throughout the year and of the individual business results that showed good levels of both sales and profitability. We have continued to invest in our two main assets, being staff and technology.

"Travel by Appointment" now has a very good portfolio of clients that reflects its position within the marketplace as a high level service provider. This has resulted in the division having another successful and profitable year. A number of new clients were won during the course of the year, which met the criteria established for new business of having quality travel requirements as opposed to quantity and therefore benefit from the level of service provided. .

"Music by Appointment" has enjoyed another profitable year and continues to handle the touring arrangements for some of the most high-profile music artists in the world. The continued investment made in both our staff and technology continues to pay dividends in the success and smooth running of these tours and has played an important part in the division gaining a wide range of new business. We are delighted to report that MBA's order book for 2009 is looking very strong and we fully expect 2009 to be another successful and profitable year.

"Events by Appointment" has successfully moved to the handling of larger and more complex events, which require a high level of expertise and on-site support. This move has affected turnover and profitability in the short-term, which has been reflected across the Meetings Incentives Conferences and Events industry as a whole. However, we firmly believe this new strategy will result in a far greater return on our investment in the future.

"Leisure by Appointment" has had another very profitable year. Its continued repeat business and loyal clientele reflects the expertise of the staff and the personalised approach taken with every booking made. The same promotion of high service provision which is applied across the group as a whole is ensuring this division continues to prosper in a difficult market.

"The Appointment Group LLC", our new wholly owned US based company, started trading in the later part of the year. It has had a good start in its initial phase of trading and we are again delighted to announce this operation has made a profit in its first four months of trading.

"The Appointment Group" is now firmly established as a well respected brand and recognised as a true market leader in the high quality service provider sector.

The Appointment Group Limited

Report of the directors for the year ended 31 December 2008 (Continued)

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 2008, with the previous years comparatives are set out below:

	2008 £	2007 £
Gross Sale Value	40,115,497	32,636,969
Turnover margin to gross sales	4,769,543	3,900,707
Turnover margin to gross sales margin (%)	11.89	11.96

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 the business. The existence of these instruments exposes the group to a number of financial risks, 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 subsidiaries, 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 (2007 - £Nil).

Directors

The directors of the holding company during the year were:

M A Veronique
J Gianquitto

The Appointment Group Limited

Report of the directors for the year ended 31 December 2008 (Continued)

Auditors

Elman Wall Limited were appointed auditors to the group and in accordance with section 385 of the Companies Act 1985, a resolution proposing that Elman Wall Limited be reappointed as auditors of the group will be put to the Annual General Meeting.

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 the group and of the profit or loss of the group 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 group will continue in business.

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.

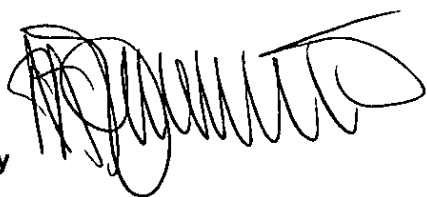
Statement of disclosure to the auditor

So far as the directors are aware, there is no relevant audit information of which the group'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 group's auditors are aware of that information.

On behalf of the Board

A Taiwo

Secretary



Date 11 March 2009

The Appointment Group Limited

Report of the independent auditors To the shareholders of The Appointment Group Limited

We have audited the financial statements of The Appointment Group Limited on pages 6 to 23 for the year ended 31 December 2008. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the group 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.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group'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 financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2008 and of the group's profit for the year then ended;
- 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.



Elman Wall Limited

Chartered Accountants
Registered Auditor

11 March 2009

5-7 John Princes Street
London
W1G 0JN

The Appointment Group Limited

Group profit and loss account for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover: group and share of joint venture		4,769,543	4,131,669
Less: share of joint venture turnover	9	-	(230,962)
		<hr/>	<hr/>
Group turnover	2	4,769,543	3,900,707
Administrative expenses		(4,647,825)	(3,942,746)
		<hr/>	<hr/>
Group operating profit/(loss)	5	121,718	(42,039)
Share of joint venture profit	9	-	11,618
		<hr/>	<hr/>
Total operating profit/(loss) – group and share of joint venture		121,718	(30,421)
Interest receivable and similar income	6	15,648	16,553
Interest payable and similar charges	7	(348)	(1,129)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		137,018	(14,997)
Taxation on profit/(loss) from ordinary activities	8	(45,120)	(43,609)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation		91,898	(58,606)
Minority Interest	16	17,656	37,827
		<hr/>	<hr/>
Profit/(loss) for the financial year		109,554	(20,779)
		<hr/>	<hr/>

Group Statement of Total Recognised Gains And Losses for the year ended 31 December 2008

Profit / (loss) for the financial year		109,554	(20,779)
Currency translation gains and losses		18,617	-
		<hr/>	<hr/>
Total gains and losses recognised since last annual report	15	128,171	(20,779)
		<hr/>	<hr/>

All amounts relate to continuing activities.

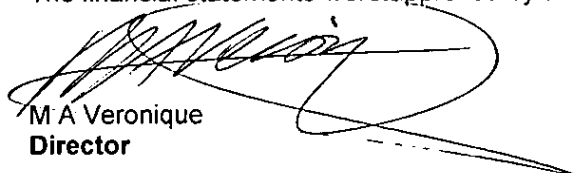
The notes on pages 10 to 23 form part of these financial statements.

The Appointment Group Limited

Group balance sheet at 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Negative Goodwill	9		-		(33,413)
Tangible assets	10		<u>120,208</u>		<u>157,039</u>
			120,208		123,626
Current assets					
Debtors	12	1,358,349		1,103,847	
Cash at bank and in hand		<u>666,129</u>		<u>496,958</u>	
		2,024,478		1,600,805	
Creditors: amounts falling due within one year	13	<u>1,481,458</u>		<u>1,176,371</u>	
Net current assets			543,020		424,434
Total assets less current liabilities			<u>663,228</u>		<u>548,060</u>
			663,228		548,060
Capital and reserves					
Called up share capital	14		50,000		50,000
Capital reserve	15		50,000		50,000
Share premium	15		9,727		9,727
Capital redemption reserve	15		1,031		1,031
Profit and loss account	15		552,231		424,060
Shareholders' funds	15		662,989		534,818
Minority Interest	16		239		13,242
			<u>663,228</u>		<u>548,060</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2009


M A Veronique
Director

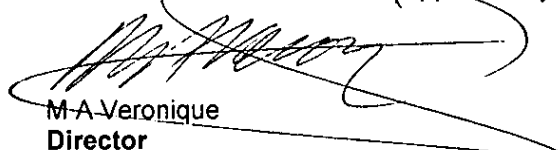
The notes on pages 10 to 23 form part of these financial statements.

The Appointment Group Limited

Company balance sheet at 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Investments	11		132,002		132,002
Creditors: amounts falling due within one year	13	75,810		75,810	
Net current liabilities			(75,810)		(75,810)
Total assets less current liabilities			56,192		56,192
Capital and reserves					
Called up share capital	15		50,000		50,000
Share premium	15		9,727		9,727
Capital redemption reserve	15		1,031		1,031
Profit and loss account	15		(4,566)		(4,566)
Shareholders' funds			56,192		56,192

The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2009


M-A Veronique
Director

The notes on pages 10 to 23 form part of these financial statements.

The Appointment Group Limited

Cash flow statement for the year ended 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
Net cash inflow from operating activities	20		184,093		(212,893)
Returns on investments and servicing of finance					
Interest received		15,648		16,553	
Interest paid		(288)		(745)	
Interest element of finance lease rental payments		(60)		(384)	
Net cash inflow from returns on investments and servicing of finance			15,300		15,424
Taxation					
UK corporation tax paid			(23,680)		(43,733)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(17,483)		(35,871)	
			(17,483)		(35,871)
Acquisitions and disposals					
Cost of investment in subsidiary			-	(12,500)	
Cash acquired on investment in subsidiary			-	123,887	
					111,387
Cash inflow before financing			158,230		(165,686)
Financing					
Share premium and capital redemption reserve					-
Share Option Buy Back					-
Repayments of capital element of finance leases and hire purchase contracts			(2,753)		(4,156)
Increase in cash and cash equivalents	21		155,477		(169,842)

The notes on pages 10 to 23 form part of these financial statements.

The Appointment Group Limited

Notes forming part of the financial statements for the year ended 31 December 2008

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:

1.1 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 profit of £Nil has been made in the year (2007 - £Nil).

1.2 Turnover

Turnover represents the value of total commission receivable less VAT. Turnover is recognised when the supplier is paid.

1.3 Fixed assets

Fixed assets are initially stated at cost less accumulated provisions for depreciation and amortisation.

1.4 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 asset are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 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.

The Appointment Group Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

1 Accounting policies (Continued)

1.6 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.

1.7 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.

1.8 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.

1.9 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.

2.0 Goodwill

Negative goodwill 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 2008 (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:

	2008 £	2007 £
Group and share of joint venture	40,115,497	32,636,969
Less: share of joint venture	-	(230,962)
	<hr/>	<hr/>
Cost of sales	40,115,497 (35,345,954)	32,406,007 (28,505,300)
	<hr/>	<hr/>
Turnover	4,769,543	3,900,707
	<hr/>	<hr/>

These include pay direct bookings, which amount to sales of £13,753,831 (2007 - £9,746,118) with corresponding cost of sales of £12,438,650 (2007 - £8,922,346).

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

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

3 Employees

	2008 £	2007 £
Staff costs consist of:		
Wages and salaries	2,404,303	2,205,121
Social security costs	271,551	251,240
Other pension costs	168,470	165,091
	<hr/>	<hr/>
	2,844,324	2,621,452
	<hr/>	<hr/>

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 *(Continued)*

	2008 Number	2007 Number
The average number of employees during the year was:		
Office and management	63	60
	<hr/>	<hr/>
4 Directors		
	2008 £	2007 £
Directors' remuneration consists of:		
Emoluments	614,220	580,000
	<hr/>	<hr/>
Company contributions paid to money purchase pension schemes	116,200	100,000
	<hr/>	<hr/>
	Number	Number
Members of money purchase pension schemes	5	2
	<hr/>	<hr/>
The amounts in respect of the highest paid director are as follows:	£	£
Emoluments	225,000	290,000
	<hr/>	<hr/>
Company contributions paid to money purchase pension schemes	50,000	50,000
	<hr/>	<hr/>
5 Operating profit		
	2008 £	2007 £
This has been arrived at after charging:		
Depreciation of owned fixed assets	54,314	55,174
Depreciation of assets held under finance leases and hire purchase contracts	-	3,771
Auditors' remuneration - Audit services	14,500	18,000
- Taxation services	3,000	7,200
Operating lease rentals - land and buildings	97,980	97,980
- equipment rentals	26,793	26,793
Amortisation of negative goodwill	(33,413)	(5,156)
	<hr/>	<hr/>

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*Continued*)

6 Interest receivable and similar charges

	2008 £	2007 £
Bank interest	15,648	16,553
	<hr/>	<hr/>

7 Interest payable and similar charges

	2008 £	2007 £
Bank interest	60	745
Finance lease charges and hire purchase interest	288	384
	<hr/>	<hr/>
	348	1,129
	<hr/>	<hr/>

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*Continued*)

8 Taxation on profit from ordinary activities

	2008 £	2007 £
(a) Analysis of charge in year		
<i>Current tax</i>		
UK corporation tax on profits for the period	50,557	30,284
Adjustment in respect of previous periods	-	1,980
US withholding tax	(5,437)	11,345
	<hr/>	<hr/>
Total current tax (note 9(c))	45,120	43,609
	<hr/>	<hr/>
(b) <i>Deferred tax</i>		
The unrecognised deferred taxation asset comprises the following:		
Tax losses	(26,741)	(53,252)
	<hr/>	<hr/>
	(26,741)	(53,252)
	<hr/>	<hr/>
(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:		
	2008 £	2007 £
Profit on ordinary activities before tax	137,018	(14,997)
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30 % (2007 – 30%)	41,105	(4,499)
Effects of:		
Disallowed expenses and non-taxable income	(331)	11,783
Depreciation in (excess)/arrears of capital allowances	2,577	(355)
Difference in tax rates	4,293	(5,521)
Losses not available to group relief	-	53,252
Adjustment to tax charge in respect of previous periods	-	1,980
Marginal relief	(2,524)	(5,535)
Utilisation of prior year losses	-	(7,496)
	<hr/>	<hr/>
Current tax charge for the year	45,120	43,609
	<hr/>	<hr/>

The Appointment Group Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (*Continued*)

9 Goodwill

Group	Negative goodwill £
<i>Cost</i>	
At 1 January 2008	(38,569)
Additions	-
	<hr/>
At 31 December 2008	(38,569)
	<hr/>
<i>Amortisation</i>	
At 1 January 2008	5,156
Charge for year	33,413
	<hr/>
At 31 December 2008	38,569
	<hr/>
<i>Net book value</i>	
At 31 December 2008	-
	<hr/>
At 31 December 2007	(33,413)
	<hr/>

The negative goodwill arose on the purchase of an additional 25% of MAV Travel LLC (*formerly Ascot Travel by Appointment LLC*). The group held 75% of the voting rights at the year end. Following this increase in control, MAV Travel LLC has been treated as a subsidiary within the consolidated financial statements.

Due to the restructuring of MAV LLC during the year and the resultant changes to the business database acquired during the year ended 31 December 2007, the directors consider that the benefit derived from the negative goodwill is fully realised as at 31 December 2008 and hence the sum of £33,413 (2007 - £5,156) has been transferred to the consolidated profit and loss account within administration expenses.

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

10 Tangible assets

Group	Leasehold improvements £	Computer software £	Fixtures and fittings £	Computer equipment £	Total £
Cost:					
At 1 January 2008	78,250	33,308	40,577	613,172	765,307
Additions	-	4,500	-	12,983	17,483
At 31 December 2008	78,250	37,808	40,577	626,155	782,790
Depreciation:					
At 1 January 2008	43,380	21,124	10,822	532,942	608,268
Charge for the year	15,648	10,899	4,464	23,303	54,314
At 31 December 2008	59,028	32,023	15,286	556,245	662,582
Net book value:					
At 31 December 2008	19,222	5,785	25,291	69,910	120,208
At 1 January 2008	34,870	12,184	29,755	80,230	157,039

The net book value of tangible fixed assets includes an amount of £Nil (2007 - £3,471) in respect of assets held under finance leases. The related depreciation charge on these assets for the year was £Nil (2007 - £3,771).

11 Investments

Company	Subsidiary undertakings £
Cost	
At 1 January 2008	132,002
On 31 December 2008	132,002

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (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
The Appointment Group LLC	Ordinary shares	100%	Travel agent
MAV Travel LLC	Ordinary shares	75%	Travel agent

The Appointment Group LLC and MAV Travel LLC (formerly Ascot Travel By Appointment LLC) are both incorporated in the USA. All other subsidiary undertakings are incorporated and registered in England & Wales.

12 Debtors

	Group 2008 £	Group 2007 £
Trade debtors	1,264,862	975,527
Other debtors	55,118	72,635
Prepayments and accrued income	38,369	55,685
	<u>1,358,349</u>	<u>1,103,847</u>

There were no debtors within the individual company accounts (2007 - £Nil)

13 Creditors: amounts falling due within one year

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Bank Overdraft	14,307	613	-	-
Net obligations under finance leases and hire purchase contracts (note 18)	-	2,753	-	-
Amounts owed to group undertakings	-	-	75,808	75,808
Trade creditors	795,648	553,747	-	-
Corporation tax	51,724	30,284	-	-
Other taxes and social security costs	117,153	91,844	-	-
Directors' current accounts	5,676	15	-	-
Other creditors	2	2	2	2
Accruals and deferred income	496,948	497,113	-	-
	<u>1,481,458</u>	<u>1,176,371</u>	<u>75,810</u>	<u>75,810</u>

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

14 Share capital

	2008 Number	Authorised 2007 Number	2008 £	2007 £
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>
	2008 Number	Allotted and called up 2007 Number	2008 £	2007 £
Ordinary shares of 62.5p each	80,000	80,000	50,000	50,000
	<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:

- a right to receive 0.01p per share held on the winding up of the company.
- no right to attend or vote at a general meeting.
- no right to receive any dividend from the company.
- 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.
- 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 2008, options outstanding under this scheme were 4,000 options 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 2008 (Continued)

15 Reconciliation of shareholders' funds and movements on reserves

Group	Share capital £	Share premium £	Capital reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2008	50,000	9,727	50,000	1,031	424,060	534,818
Profit for year	-	-	-	-	109,554	109,554
Other net recognised gains and losses relating to the year	-	-	-	-	18,617	18,617
At 31 December 2008	50,000	9,727	50,000	1,031	552,231	662,989
Company	Share capital £	Share premium £	Capital reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2008	50,000	9,727	-	1,031	(4,566)	56,192
At 31 December 2008	50,000	9,727	-	1,031	(4,566)	56,192

16 Minority Interests

	£
As at 1 January 2008	13,242
Minority Interest share in loss on ordinary activities after taxation	(17,656)
Foreign exchange movements	4,653
As at 31 December 2008	239

The Appointment Group Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

17 Pensions

The pensions charge to the groups defined contributions scheme amounts to £168,470 (2007 - £165,091). There were no outstanding or prepaid contributions at either the beginning or end of the financial year

18 Obligations under finance leases and hire purchase contracts

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

	2008 £	2007 £
Within one year	-	2,753
	-	2,753

19 Commitments under operating leases

As at 31 December 2008, the company had annual commitments under non-cancellable operating leases as set out below:

	2008 Land and buildings £	2008 Computer equipment £	2007 Land and buildings £	2007 Computer equipment £
Operating leases which expire:				
Within one year	-	-	-	14,084
In two to five years	97,982	5,520	33,500	5,520
After more than 5 years	-	-	64,482	-
	97,982	8,771	97,982	19,604

20 Reconciliation of operating profit to net cash inflow from operating activities

	2008 £	2007 £
Operating profit	121,718	(30,421)
Depreciation of tangible fixed assets	54,314	58,945
Amortisation of negative goodwill	(33,413)	(5,156)
(Increase)/decrease in debtors	(231,232)	117,149
Increase/(decrease) in creditors	272,706	(341,792)
Share of joint venture profits	-	(11,618)
Net cash inflow from operating activities	184,093	(212,893)

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

21 Reconciliation of net cash inflow to movement in net debt

	2008 £	2007 £
Increase in cash in the year	155,477	(169,842)
Cash outflow from decrease in debt and lease financing	2,753	4,156
	<hr/>	<hr/>
Change in net debt resulting from cash flows	158,230	(165,686)
	<hr/>	<hr/>
Movement in net debt in the year	158,230	(165,686)
Opening net debt	493,592	659,278
	<hr/>	<hr/>
Closing net debt	651,822	493,592
	<hr/>	<hr/>

22 Analysis of net debt

	At 1 January 2008 £	Other non- cash items £	Cash flow £	At 31 December 2008 £
Cash in hand and at bank	496,958	-	169,171	666,129
Bank overdrafts	(613)	-	(13,694)	(14,307)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash	496,345	-	155,477	651,822
Finance lease obligations	(2,753)	-	2,753	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	493,592	-	158,230	651,822
	<hr/>	<hr/>	<hr/>	<hr/>

The Appointment Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*Continued*)

23 Related parties

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

	2008 £	2007 £
M A Veronique	1,815	1
J Gianquitto	3,861	14
	<hr/>	<hr/>
	5,676	15
	<hr/>	<hr/>