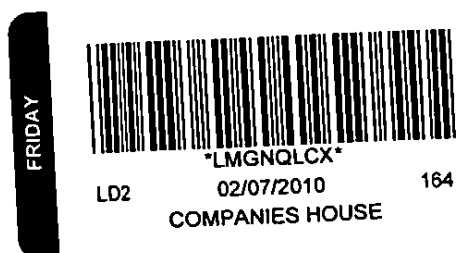


## **The Appointment Group Limited**

Annual report and Financial Statements

Year Ended

31 December 2009



# **The Appointment Group Limited**

**Annual report and financial statements  
for the year ended 31 December 2009**

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## **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

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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 2009**

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The directors present their report together with the audited financial statements for the year ended 31 December 2009

### **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 £288,858 (2008 - £109,554 profit)

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. Staff and Technology continues to be the main assets that we have invested in.

"Travel by Appointment" (TBA) now has a very good portfolio of clients that reflects its position within the market place 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" (MBA) 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 2010 is looking very strong and we fully expect 2010 to be another successful and profitable year.

"Events by Appointment" (EBA) 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" (LBA) 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", (TAG LLC) our wholly owned US based company, is now well established in the market place. We are delighted to announce that it has had a profitable full year of trading. We are also delighted to announce that we plan to open a branch in Los Angeles by the end of the first quarter of 2010.

"The Appointment Group" continues to be known 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 2009 (*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 2009, with the previous years comparatives are set out below

	2009 £	2008 £
Gross Sale Value	43,653,151	40,115,497
Turnover margin to gross sales	5,292,237	4,769,543
Turnover margin to gross sales margin (%)	12.12	11.89

### 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 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 risks 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 approved a dividend of £3.75 per share (2008: £nil per share) which leaves a retained profit of £498,969 (2008: £552,231)

### Purchase of own shares

During the year the company purchased 4,000 of its own 'B' ordinary £0.625p shares for a total amount of £42,120 which represented 100% of the issued share capital of that class. The maximum number of shares held during the year was 4,000 with a total nominal value of £2,500

# **The Appointment Group Limited**

## **Report of the directors for the year ended 31 December 2009 (Continued)**

### **Directors**

The directors of the holding company during the year were

M A Veronique  
J Gianquitto

### **Auditors**

The Auditors, Elman Wall Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006

### **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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 the group 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.

### **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

26/05/2010

# **The Appointment Group Limited**

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

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We have audited the group and parent company financial statements (the "financial statements") of The Appointment Group Limited for the year ended 31 December 2009 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 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.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# **The Appointment Group Limited**

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

---

### **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 parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent 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

*Elman Wall Limited*

**Ian Palmer (Senior Statutory Auditor)**  
**for and on behalf of Elman Wall Limited**

*26/05/2010*

**Chartered Accountants**  
**Statutory Auditor**

**5 - 7 John Prince's Street**  
**London**  
**W1G 0JN**

# The Appointment Group Limited

## Group Profit and Loss Account for the year ended 31 December 2009

	Note	2009 £	2008 £
<b>Group turnover</b>	2	5,292,237	4,769,543
Administrative expenses		(4,939,160)	(4,647,825)
<b>Group operating profit</b>	5	353,077	121,718
Interest receivable and similar income	6	1,565	15,648
Interest payable and similar charges	7	(40)	(348)
<b>Profit on ordinary activities before taxation</b>		354,602	137,018
Taxation on profit from ordinary activities	8	(65,830)	(45,120)
<b>Profit on ordinary activities after taxation</b>		288,772	91,898
Minority Interest	15	86	17,656
<b>Profit for the financial year</b>		288,858	109,554

All amounts relate to continuing activities

### Group Statement of Total Recognised Gains and Losses for the year ended 31 December 2009

Profit for the financial year		288,858	109,554
Currency translation gains and losses		-	18,617
<b>Total gains and losses recognised since last annual report</b>	14	288,858	128,171

The notes on pages 10 to 20 form part of these financial statements



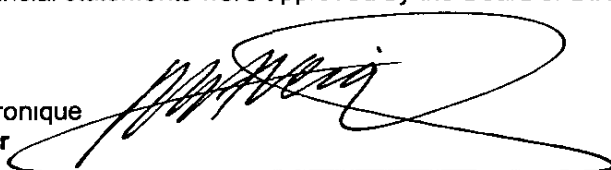
# The Appointment Group Limited

## Group Balance Sheet at 31 December 2009

	Note	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible assets	9		94,172		120,208
<b>Current assets</b>					
Debtors	11	1,932,875		1,358,349	
Cash at bank and in hand		<u>820,729</u>		<u>666,129</u>	
		2,753,604		2,024,478	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,234,976)</u>		<u>(1,481,458)</u>	
<b>Net current assets</b>			518,628		543,020
<b>Total assets less current liabilities</b>			612,800		663,228
			<u>612,800</u>		<u>663,228</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,000		50,000
Capital reserve	14		50,000		50,000
Share premium	14		10,147		9,727
Capital redemption reserve	14		3,531		1,031
Profit and loss account	14		498,969		552,231
<b>Shareholders' funds</b>	14		612,647		662,989
<b>Minority Interest</b>	15		153		239
			<u>612,800</u>		<u>663,228</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26/05/2010

M A Veronique  
Director



Company Registration No 3228538

The notes on pages 10 to 20 form part of these financial statements

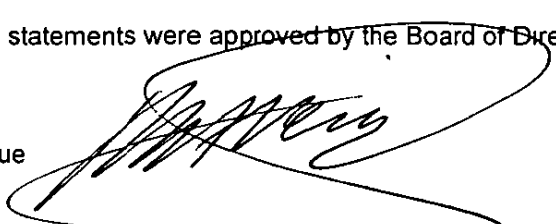
# The Appointment Group Limited

## Company Balance Sheet at 31 December 2009

	Note	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Investments	10		132,002		132,002
<b>Current assets</b>					
Debtors	11	5,112		-	
<b>Creditors, amounts falling due within one year</b>	12	(2)		(75,810)	
<b>Net current assets / (liabilities)</b>			5,110		(75,810)
<b>Total assets less current liabilities</b>			137,112		56,192
<b>Capital and reserves</b>					
Called up share capital	13		50,000		50,000
Share premium	14		10,147		9,727
Capital redemption reserve	14		3,531		1,031
Profit and loss account	14		73,434		(4,566)
<b>Shareholders' funds</b>			137,112		56,192

The financial statements were approved by the Board of Directors and authorised for issue on 26/05/2010

M A Veronique  
Director



Company Registration No 3228538

The notes on pages 10 to 20 form part of these financial statements

# The Appointment Group Limited

## Cash Flow Statement for the year ended 31 December 2009

	Note	2009 £	2009 £	2008 £	2008 £
<b>Net cash inflow from operating activities</b>	18		578,491		184,093
<b>Returns on investments and servicing of finance</b>					
Interest received		1,565		15,648	
Interest paid		(40)		(288)	
Interest element of finance lease rental payments		-		(60)	
<b>Net cash inflow from returns on investments and servicing of finance</b>			1,525		15,300
<b>Taxation</b>					
UK corporation tax paid			(23,401)		(23,680)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(48,508)		(17,483)	
			(48,508)		(17,483)
<b>Equity dividends paid</b>			(300,000)		-
<b>Cash inflow before financing</b>			208,107		158,230
<b>Financing</b>					
Exercise of share options			2,920		-
Share Option Buy Back			(42,120)		-
Repayments of capital element of finance leases and hire purchase contracts			-		(2,753)
<b>Increase in cash and cash equivalents</b>	19		168,907		155,477

The notes on pages 10 to 20 form part of these financial statements

# **The Appointment Group Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2009**

---

### **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 consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2009. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### *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 provision for impairment.

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 2009 (*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

#### **1 10 *Employee Benefit Trusts (EBTs)***

Trusts have been established for the benefit of certain Group employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion. Where the group retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the group until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals. Where monies held in a trust are determined by the group on the basis of employees' past services to the business and the group can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the group are charged to the profit and loss account in the period to which they relate

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 2 Turnover

The gross sales value of all bookings made through the group are

	2009 £	2008 £
Gross Turnover	43,653,151	40,115,497
Cost of sales	(38,360,914)	(35,345,954)
	<hr/>	<hr/>
Turnover	5,292,237	4,769,543
	<hr/>	<hr/>

These include pay direct bookings, which amount to sales of £15,779,354 (2008 - £13,753,831) with corresponding cost of sales of £15,456,569 (2008 - £12,438,650)

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

	2009 £	2008 £
Staff costs consist of		
Wages and salaries	2,407,611	2,404,303
Social security costs	199,650	271,551
Other pension costs	169,872	168,470
	<hr/>	<hr/>
	2,777,133	2,844,324
	<hr/>	<hr/>

	2009 Number	2008 Number
The average number of employees during the year was		
Office and management	61	63
	<hr/>	<hr/>

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 4 Directors

	2009 £	2008 £
Directors' remuneration consists of		
Emoluments	856,875	614,220
Company contributions paid to money purchase pension schemes	74,438	116,200
	<b>Number</b>	<b>Number</b>
Members of money purchase pension schemes	5	5
The amounts in respect of the highest paid director are as follows	£	£
Emoluments	350,000	225,000
Company contributions paid to money purchase pension schemes	30,000	50,000

## 5 Operating profit

	2009 £	2008 £
This has been arrived at after charging		
Depreciation of owned fixed assets	46,758	54,314
Auditors' remuneration – Holding company	3,000	3,000
- Other services	14,517	14,500
Operating lease rentals - land and buildings	97,980	97,980
- equipment rentals	16,128	26,793
Amortisation of negative goodwill	-	(33,413)
Loss on disposal of tangible fixed assets	27,785	-

## 6 Interest receivable and similar charges

	2009 £	2008 £
Bank interest	1,565	15,648

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 7 Interest payable and similar charges

	2009 £	2008 £
Bank interest	40	60
Finance lease charges and hire purchase interest	-	288
	<u>40</u>	<u>348</u>

## 8 Taxation on profit from ordinary activities

	2009 £	2008 £
(a) Analysis of charge in year		
<i>Current tax</i>		
UK corporation tax on profits for the period	95,542	50,557
Adjustment in respect of previous periods	(4,132)	-
US withholding tax	(25,580)	(5,437)
	<u>65,830</u>	<u>45,120</u>
Total current tax (note 9(c))	65,830	45,120

### (b) *Deferred tax*

The unrecognised deferred taxation asset comprises the following

Tax losses	-	(26,741)
	<u>-</u>	<u>(26,741)</u>

### (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

	2009 £	2008 £
Profit on ordinary activities before tax	354,602	137,018
	<u>354,602</u>	<u>137,018</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 30%)	99,289	41,105
Effects of		
Disallowed expenses and non-taxable income	12,918	(331)
Depreciation in (excess)/arrears of capital allowances	177	2,577
Difference in tax rates	(9,869)	4,293
Marginal relief	(8,359)	(2,524)
Foreign taxes payable	1,386	-
Foreign taxes refunded in the year	(25,580)	-
Prior year adjustments	(4,132)	-
Current tax charge for the year	<u>65,830</u>	<u>45,120</u>



# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 9 Tangible assets

Group	Leasehold improvements £	Computer software £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2009	78,250	37,808	40,577	626,155	782,790
Additions				48,508	48,508
Disposals		(3,603)		(527,333)	(530,936)
<b>At 31 December 2009</b>	<b>78,250</b>	<b>34,205</b>	<b>40,577</b>	<b>147,330</b>	<b>300,362</b>
Depreciation					
At 1 January 2009	59,028	32,023	15,286	556,245	662,582
Disposal		(2,103)		(501,047)	(503,151)
Charge for the year	15,648	4,285	3,792	23,033	46,758
<b>At 31 December 2009</b>	<b>74,676</b>	<b>34,205</b>	<b>19,078</b>	<b>78,231</b>	<b>206,189</b>
Net book value					
<b>At 31 December 2009</b>	<b>3,574</b>	<b>-</b>	<b>21,499</b>	<b>69,099</b>	<b>94,172</b>
<b>At 1 January 2009</b>	<b>19,222</b>	<b>5,785</b>	<b>25,291</b>	<b>69,910</b>	<b>120,208</b>

## 10 Investments

Company	Subsidiary undertakings £
Cost	
At 1 January 2009	132,002
On 31 December 2009	132,002

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 10 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 are both incorporated and registered in the USA. All other subsidiary undertakings are incorporated and registered in England & Wales.

## 11 Debtors

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Trade debtors	1,803,338	1,264,862	-	-
Amounts due from group undertakings	-	-	5,112	-
Other debtors	85,750	55,118	-	-
Prepayments and accrued income	43,787	38,369	-	-
	<u>1,932,875</u>	<u>1,358,349</u>	<u>5,112</u>	<u>-</u>

## 12 Creditors: amounts falling due within one year

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Bank Overdraft	-	14,307	-	-
Amounts owed to group undertakings	-	-	-	75,808
Trade creditors	1,542,974	795,648	-	-
Corporation tax	94,155	51,724	-	-
Other taxes and social security costs	58,594	117,153	-	-
Directors' current accounts	70,031	5,676	-	-
Other creditors	2	2	2	2
Accruals and deferred income	469,220	496,948	-	-
	<u>2,234,976</u>	<u>1,481,458</u>	<u>2</u>	<u>75,810</u>

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (Continued)

## 13 Share capital

	Group	Company	Group	Company
	2009	Authorised	2009	2008
	Number	2008	£	£
		Number		
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>
<b>Allotted, issued, called up and fully paid</b>				
	2009	2008	2009	2008
	Number	Number	£	£
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

- 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 1 January 2009, there were 4,000 options outstanding under this scheme 4,000 which were exercisable between 1 July 2008 and 30 June 2015.

These options were exercised in full and bought back by the company during the year (see the director's report on page 2 for further details).

At 31 December 2009, there were no options outstanding under this scheme.

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (Continued)

## 14 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 2009	50,000	9,727	50,000	1,031	552,231	662,989
Profit for year	-	-	-	-	288,858	288,858
Dividend Paid	-	-	-	-	(300,000)	(300,000)
Exercise of share options	2,500	420	-	-	-	2,920
Share buyback	(2,500)	-	-	2,500	(42,120)	(42,120)
<b>At 31 December 2009</b>	<b>50,000</b>	<b>10,147</b>	<b>50,000</b>	<b>3,531</b>	<b>498,969</b>	<b>612,647</b>

Company	Share capital £	Share premium £	Capital reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2009	50,000	9,727	-	1,031	(4,566)	56,192
Profit for the year	-	-	-	-	25,580	25,580
Exercise of share options	2,500	420	-	-	-	2,920
Share buyback	(2,500)	-	-	2,500	(42,120)	(42,120)
Dividend received	-	-	-	-	394,540	394,540
Dividend paid	-	-	-	-	(300,000)	(300,000)
<b>At 31 December 2009</b>	<b>50,000</b>	<b>10,147</b>	<b>-</b>	<b>3,531</b>	<b>73,434</b>	<b>137,112</b>

## 15 Minority Interests

	£
As at 1 January 2009	239
Minority Interest share in loss on ordinary activities after taxation	(86)
<b>As at 31 December 2009</b>	<b>153</b>

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 16 Pensions

The pensions charge to the groups defined contributions scheme amounts to £169,872 (2008 - £168,470)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

## 17 Commitments under operating leases

As at 31 December 2009, the company had annual commitments under non-cancellable operating leases as set out below

	2009 Land and buildings £	2009 Computer equipment £	2008 Land and buildings £	2008 Computer equipment £
Operating leases which expire				
Within one year	70,905	2,760	-	-
In two to five years	-		97,982	5,520
	<u>70,905</u>	<u>2,760</u>	<u>97,982</u>	<u>5,520</u>

## 18 Reconciliation of operating profit to net cash inflow from operating activities

	2009 £	2008 £
Operating profit	353,077	121,718
Depreciation of tangible fixed assets	46,758	54,314
Provision for impairment of negative goodwill	-	(33,413)
Loss on disposal of tangible fixed asset	27,785	-
(Increase)/decrease in debtors	(574,524)	(231,232)
Increase/(decrease) in creditors	725,395	272,706
	<u>578,491</u>	<u>184,093</u>
Net cash inflow from operating activities		

# The Appointment Group Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (Continued)

## 19 Reconciliation of net cash inflow to movement in net debt

	2009 £	2008 £
Increase in cash in the year	168,907	155,477
Cash outflow from decrease in debt and lease financing	-	2,753
Change in net debt resulting from cash flows	168,907	158,230
Movement in net debt in the year	168,907	158,230
Opening net debt	651,822	493,592
Closing net debt	820,729	651,822

## 20 Analysis of net debt

	At 1 January 2009 £	Other non- cash items £	Cash flow £	At 31 December 2009 £
Cash in hand and at bank	666,129	-	154,600	820,729
Bank overdrafts	(14,307)	-	14,307	-
Cash	651,822	-	168,907	820,729
Finance lease obligations	-	-	-	-
Total	651,822	-	168,907	820,729

## 21 Transactions with directors

During the year M Veronique was voted a dividend of £150,000 (2008 £nil) and made drawings of £141,880 (2008 £1,829) At the year end the company owed M Veronique an amount of £9,935 (2008 £1,815)

During the year J Gianquitto was voted a dividend of £150,000 (2008 £nil) and made drawings of £93,766 (2008 £nil) At the year end the company owed J Gianquitto an amount of £60,095 (2008 £3,861)

## 22 Profits of the holding company

The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its profit and loss account in these financial statements The group profit for the year includes a profit after tax of £378,000 (2008 £nil) which is dealt with in the financial statements of the parent company

## 23 Ultimate controlling party

There was no ultimate controlling party for this or the preceding year.