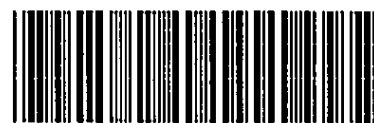

SUGARMAN GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2013



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SUGARMAN GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	M Sugarman T Wheeler
COMPANY SECRETARY	P Sugarman
REGISTERED NUMBER	03545071
REGISTERED OFFICE	Haslers Old Station Road Loughton Essex IG10 4PL
TRADING ADDRESS	5th Floor 120 Moorgate London EC2M 6UR
INDEPENDENT AUDITORS	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL
BANKERS	HSBC The Helican 1 South Place London EC2M 6UR

SUGARMAN GROUP LIMITED

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SUGARMAN GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2013

The directors present their report and the financial statements for the year ended 30 April 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of recruitment consultants.

BUSINESS REVIEW

The Sugarman Group has delivered another year of strong growth, again outstripping our sectors trends. Our UK businesses have again achieved growth in times of sustained cost cutting and austerity across many of our clients. The success reported for this financial period is founded on competitive together with the financial rewards which motivate the levels of unrelenting dedication & expertise which support our service.

Looking to year ending 2014, we are again forecasting similar levels of growth. We feel our approach to pricing will continue to stand us in good stead as the eventual consequences of unsustainable pricing are experienced by some UK clients.

We consider our key performance indicators as those that communicate the financial performance and strength of the group as a whole, these being turnover and gross margin. The period saw strong turnover of £24.7 million (2012: £18.5 million) achieving a gross margin of 25.6% (2012: 25.4%) which is within the Board's acceptable range.

Financial Instruments

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk.

The group has in place a risk management programme that seeks to limit the possible adverse effects on the financial performance of the company by monitoring levels of cash. The group does not use derivative financial instruments or manage interest rate costs and, as such, no hedge accounting is applied.

SUGARMAN GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2013

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The group's finance department implements the policies set by the board of directors.

Credit risk

The group's policy requires appropriate credit checks on potential customers before new accounts are accepted, and also continually monitors the credit facilities of existing customers.

Interest rate risk

The group has interest bearing assets and liabilities. Interest bearing assets include only cash balances that earn interest at a floating rate. Interest bearing liabilities include only debt factoring facilities.

Liquidity and cash flow risk

The group actively maintains short-term debt finance that is designed to ensure that the group has sufficient available funds for operations. Any new debt finance would have to be approved by the board of directors before it was taken on.

RESULTS

The profit for the year, after taxation, amounted to £2,120,507 (2012 - £1,449,952)

DIRECTORS

The directors who served during the year were

M Sugarman
T Wheeler

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made charitable donations of £2,288 (2012 £2,786)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

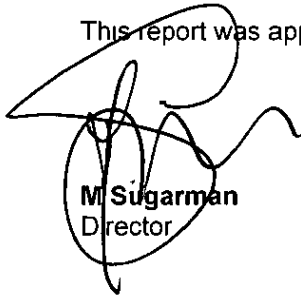
SUGARMAN GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2013**

AUDITORS

The auditors, Haslers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 20 January 2014 and signed on its behalf



M Sugarman
Director

SUGARMAN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUGARMAN GROUP LIMITED

We have audited the financial statements of Sugarman Group Limited for the year ended 30 April 2013, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2013 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 year for which the financial statements are prepared is consistent with the financial statements.

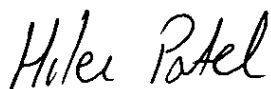
SUGARMAN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUGARMAN GROUP LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the 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



Hiten Patel (Senior statutory auditor)

for and on behalf of

Haslers

Chartered Accountants

Statutory Auditor

Old Station Road

Loughton

Essex

IG10 4PL

20 January 2014

SUGARMAN GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2013

	Note	2013 £	2012 £
TURNOVER	1,2	24,725,661	18,529,190
Cost of sales		(18,403,072)	(13,817,883)
GROSS PROFIT		6,322,589	4,711,307
Administrative expenses		(3,274,663)	(2,734,341)
OPERATING PROFIT	3	3,047,926	1,976,966
Interest receivable and similar income		77,379	1,054
Interest payable and similar charges	6	(168)	(233)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,125,137	1,977,787
Tax on profit on ordinary activities	7	(1,004,630)	(527,835)
PROFIT FOR THE FINANCIAL YEAR	14	2,120,507	1,449,952

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 10 to 21 form part of these financial statements

SUGARMAN GROUP LIMITED
03545071

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		116,644		87,004
CURRENT ASSETS					
Debts factored with recourse	10				
Gross debts (after provision for charges)		3,380,683		1,897,490	
Other debtors	10	3,359,432		1,897,786	
Cash at bank and in hand		1,043,762		910,299	
		7,783,877		4,705,575	
CREDITORS amounts falling due within one year	11	(2,821,558)		(1,743,573)	
NET CURRENT ASSETS			4,962,319		2,962,002
NET ASSETS			5,078,963		3,049,006
CAPITAL AND RESERVES					
Called up share capital	13		125,313		125,313
Foreign exchange reserve	14		33,319		5,869
Profit and loss account	14		4,920,331		2,917,824
SHAREHOLDERS' FUNDS	15		5,078,963		3,049,006

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 January 2014


M Sugarman
Director

The notes on pages 10 to 21 form part of these financial statements

SUGARMAN GROUP LIMITED
03545071

COMPANY BALANCE SHEET
AS AT 30 APRIL 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		64,241		69,492
Investments	9		49		49
			<u>64,290</u>		<u>69,541</u>
CURRENT ASSETS					
Debts factored with recourse	10				
Gross debts (after provision for charges)		3,380,683		1,897,490	
Other debtors	10	3,356,623		1,917,130	
Cash at bank and in hand		650,937		470,851	
		<u>7,388,243</u>		<u>4,285,471</u>	
CREDITORS * amounts falling due within one year	11	<u>(2,608,955)</u>		<u>(1,615,328)</u>	
NET CURRENT ASSETS			<u>4,779,288</u>		<u>2,670,143</u>
NET ASSETS			<u><u>4,843,578</u></u>		<u><u>2,739,684</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		125,313		125,313
Profit and loss account	14		<u>4,718,265</u>		<u>2,614,371</u>
SHAREHOLDERS' FUNDS	15		<u><u>4,843,578</u></u>		<u><u>2,739,684</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 January 2014


M Sugarmán
Director

The notes on pages 10 to 21 form part of these financial statements

SUGARMAN GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	17	626,351	1,165,757
Returns on investments and servicing of finance	18	77,211	(9,125)
Taxation		(638,795)	(819,022)
Capital expenditure and financial investment	18	(40,647)	(31,430)
Equity dividends paid		(118,000)	(187,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(93,880)	119,180
Financing	18	227,343	(4,203)
INCREASE IN CASH IN THE YEAR		133,463	114,977

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 APRIL 2013**

	2013 £	2012 £
Increase in cash in the year	133,463	114,977
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(227,343)	4,203
MOVEMENT IN NET DEBT IN THE YEAR	(93,880)	119,180
Net funds at 1 May 2012	716,377	597,197
NET FUNDS AT 30 APRIL 2013	622,497	716,377

The notes on pages 10 to 21 form part of these financial statements

SUGARMAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Sugarman Group Limited and all of its subsidiary undertakings ('subsidiaries')

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant and machinery	-	20% reducing balance and 20% straight line
Office equipment	-	20% reducing balance and 20% straight line

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.7 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

2 TURNOVER

The whole of the turnover is attributable to recruitment consultancy

A geographical analysis of turnover is as follows

	2013 £	2012 £
United Kingdom	22,398,692	16,861,298
Rest of world	2,326,969	1,667,892
	<u>24,725,661</u>	<u>18,529,190</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the group	37,404	27,849
Auditors' remuneration	23,525	26,195
Difference on foreign exchange	(12,075)	945
	<u> </u>	<u> </u>

Auditors fees for the company were £23,525 (2012 - £26,195)

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	3,066,969	2,492,621
Social security costs	302,493	228,066
Other pension costs	99,102	65,854
	<u>3,468,564</u>	<u>2,786,541</u>

The average monthly number of employees, including the directors, during the year was as follows

	2013 No.	2012 No
Sales and administration	<u>53</u>	<u>46</u>

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

5 DIRECTORS' REMUNERATION

	2013	2012
	£	£
Remuneration	174,500	90,901

6. INTEREST PAYABLE

	2013	2012
	£	£
On other loans	120	233
On finance leases and hire purchase contracts	48	-
	168	233

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

7. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	783,494	527,835
Adjustments in respect of prior periods	221,136	-
Tax on profit on ordinary activities	<u>1,004,630</u>	<u>527,835</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - *lower than*) the standard rate of corporation tax in the UK of 23.9% (2012 - 25.84%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>3,125,137</u>	<u>1,977,787</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.9% (2012 - 25.84%)	746,908	511,060
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,617	(375)
Capital allowances for year in excess of depreciation	12	-
Higher rate taxes on overseas earnings	146,238	55,050
Adjustments to tax charge in respect of prior periods	221,136	-
Overseas	(113,713)	(37,900)
Other differences leading to an increase (decrease) in the tax charge	432	-
Current tax charge for the year (see note above)	<u>1,004,630</u>	<u>527,835</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

8 TANGIBLE FIXED ASSETS

Group	Plant and machinery £	Office equipment £	Total £
Cost			
At 1 May 2012	29,214	111,511	140,725
Additions	30,233	37,864	68,097
Disposals	-	(2,687)	(2,687)
At 30 April 2013	59,447	146,688	206,135
Depreciation			
At 1 May 2012	11,702	42,019	53,721
Charge for the year	15,030	22,374	37,404
On disposals	-	(1,634)	(1,634)
At 30 April 2013	26,732	62,759	89,491
Net book value			
At 30 April 2013	32,715	83,929	116,644
At 30 April 2012	17,512	69,492	87,004
Company		Office equipment £	
Cost			
At 1 May 2012		111,511	
Additions		18,176	
Disposals		(2,687)	
At 30 April 2013		127,000	
Depreciation			
At 1 May 2012		42,019	
Charge for the year		22,374	
On disposals		(1,634)	
At 30 April 2013		62,759	
Net book value			
At 30 April 2013		64,241	
At 30 April 2012		69,492	

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

9. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2012 and 30 April 2013	<u>49</u>
Net book value	
At 30 April 2013	<u>49</u>
At 30 April 2012	<u>49</u>

10 DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors excluding factored debts	313,872	200,806	37,770	-
Amounts owed by group undertakings	-	-	300,699	229,890
Other debtors	2,736,009	1,104,862	2,721,283	1,098,493
Prepayments and accrued income	296,871	588,747	296,871	588,747
Deferred tax asset (see note 12)	12,680	3,371	-	-
	<u>3,359,432</u>	<u>1,897,786</u>	<u>3,356,623</u>	<u>1,917,130</u>
	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Gross factored debts outstanding at 30 April 2013	<u>3,380,683</u>	<u>1,897,490</u>	<u>3,380,683</u>	<u>1,897,490</u>

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

11. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	421,265	193,922	421,265	193,922
Trade creditors	174,233	166,229	93,153	97,971
Corporation tax	555,265	410,566	452,652	378,812
Other taxation and social security	860,598	426,521	860,598	426,521
Other creditors	525,754	45,351	515,877	28,354
Accruals and deferred income	284,443	500,984	265,410	489,748
	2,821,558	1,743,573	2,608,955	1,615,328

The amount due to debt factors is secured on the trade debtors

12 DEFERRED TAXATION

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	3,371	2,648	-	-
Released during the year (P&L)	9,309	723	-	-
At end of year	12,680	3,371	-	-

The deferred taxation balance is made up as follows

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	12,680	3,371	-	-

SUGARMAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

13 SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
98,750 Ordinary shares of £1 each	98,750	98,750
25,313 A Ordinary shares of £1 each	25,313	25,313
1,250 B Ordinary shares of £1 each	1,250	1,250
	<u>125,313</u>	<u>125,313</u>

All classes of ordinary £1 shares rank pari passu in all respects except for dividend rights which are at the discretion of the directors

14 RESERVES

	Foreign exchange reserve £	Profit and loss account £
Group		
At 1 May 2012	5,869	2,917,824
Profit for the financial year		2,120,507
Dividends Equity capital		(118,000)
Movement on foreign exchange	27,450	
At 30 April 2013	<u>33,319</u>	<u>4,920,331</u>
Company		
At 1 May 2012		2,614,371
Profit for the financial year		2,221,894
Dividends Equity capital		(118,000)
At 30 April 2013		<u>4,718,265</u>

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Group		
Opening shareholders' funds	3,049,006	1,794,409
Profit for the financial year	2,120,507	1,449,952
Dividends (Note 16)	(118,000)	(187,000)
Movement on foreign exchange reserve	27,450	(8,355)
	<u>5,078,963</u>	<u>3,049,006</u>
 Closing shareholders' funds	 <u><u>5,078,963</u></u>	 <u><u>3,049,006</u></u>
	2013 £	2012 £
Company		
Opening shareholders' funds	2,739,684	1,561,960
Profit for the financial year	2,221,894	1,364,724
Dividends (Note 16)	(118,000)	(187,000)
	<u>4,843,578</u>	<u>2,739,684</u>
 Closing shareholders' funds	 <u><u>4,843,578</u></u>	 <u><u>2,739,684</u></u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the company was £2,221,894 (2012 - £1,068,675)

16 DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	<u>118,000</u>	<u>187,000</u>

17 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	3,047,926	1,976,966
Depreciation of tangible fixed assets	37,404	27,849
Loss on disposal of tangible fixed assets	1,052	15,781
Increase in debtors	(3,165,976)	(700,882)
Increase/(decrease) in creditors	705,945	(153,957)
	<u>626,351</u>	<u>1,165,757</u>
Net cash inflow from operating activities	<u><u>626,351</u></u>	<u><u>1,165,757</u></u>

SUGARMAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013**

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	77,379	1,054
Interest paid	(120)	(233)
Hire purchase interest	(48)	-
Income from investments in related companies	-	(9,946)
Net cash inflow/(outflow) from returns on investments and servicing of finance	77,211	(9,125)
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(40,647)	(31,430)
	2013 £	2012 £
Financing		
New secured loans	227,343	-
Repayment of loans	-	(4,203)
Net cash inflow/(outflow) from financing	227,343	(4,203)

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 May 2012 £	Cash flow £	Other non-cash changes £	30 April 2013 £
Cash at bank and in hand	910,299	133,463	-	1,043,762
Debt:				
Debts due within one year	(193,922)	(227,343)	-	(421,265)
Net funds	716,377	(93,880)	-	622,497

20 PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £6,000 (2012: £6,000).

SUGARMAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

21. OPERATING LEASE COMMITMENTS

At 30 April 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013	2012
Group	£	£
Expiry date		
Between 2 and 5 years	40,000	40,000

At 30 April 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013	2012
Company	£	£
Expiry date		
Between 2 and 5 years	40,000	40,000

22. SHARE BASED PAYMENTS

During the year ended 30 April 2008 an Enterprise Management Incentive Share Option Scheme (EMI) was introduced. Under the EMI the board of directors can grant options over shares in the company to employees of the company. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of the grant. The contractual life of an option is 10 years. All permanent employees are eligible for Awards under the EMI. All options granted under the EMI become exercisable immediately after grant. The share options granted to date are detailed below -

	26/11/2008	15/10/2007	10/09/2007
	£	£	£
Exercise price (£)	1	1	1
Number of employees	1	1	1
Shares under option	1,250	25,313	1,250
Option life (years)	10	10	10
	26/11/2008	15/10/2007	10/09/2007
	£	£	£
Outstanding at 1 May 2012	-	-	1,250
Granted during the year	-	-	-
Forfeited	-	-	-
Exercised	-	-	-
Exercised in previous years	-	-	-
Total	-	-	1,250

SUGARMAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

23 DIRECTORS' PERSONAL GUARANTEES

M Sugarman, a director and shareholder, has received loans from the company. The amount due from M Sugarman at the year end was £1,231,024 (2012 £458,102). The maximum outstanding during the year was £1,231,024 (2012 £458,102). Interest amounting to £41,861 was charged in the year.

T Wheeler, a director and shareholder, received loans from the company. The amount due from T Wheeler at the year end was £1,252,149 (2012 £288,750). The maximum outstanding during the year was £1,252,149 (2012 £323,088). Interest amounting to £35,230 was charged in the year.

24 RELATED PARTY TRANSACTIONS

During the year the group traded with Remedy Recruitment Group Limited, a company controlled by the Sugarman family.

The group made sales amounting to £nil (2012 £2,483) and purchases amounting to £3,030 (2012 £nil).

At 30 April 2013, Remedy Recruitment Group Limited owed £97,855 (2012 £97,855) to Sugarman Group Limited.

The above transactions occurred on an arms length basis.

L Sugarman, shareholder, has a loan balance with the group. The amount due from L Sugarman at the year end was £112,041 (2012 the group owed L Sugarman £679).

During the year dividends were paid to related parties as follows -

M Sugarman £19,000 (2012 £19,000)

P Sugarman (husband of M Sugarman) £19,000 (2012 £19,000)

L Sugarman (daughter of M & P Sugarman) £53,000 (2012 £122,000)

T Wheeler £27,000 (2012 £27,000)

25 CONTROLLING PARTY

The ultimate controlling party is P and M Sugarman by virtue of their shareholding.

26 PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Sugarman Group International Pty Limited	Australia	100	Recruitment consultancy