

Registered number 03670901

Macdonald & Company Group Limited

**Director's report and financial statements
For the year ended 31 March 2008**

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Macdonald & Company Group Limited

Company Information

Directors	P H Moore R J G Macdonald J H J Lewis C I Heayberd
Secretary	C I Heayberd
Company number	03670901
Registered office	40a Dover Street Mayfair London W1S 4NW
Auditors	Horwath Clark Whitehill LLP Chartered Accountants & Registered Auditors Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
Bankers	Barclays Bank Plc Corporate Finance 1 Churchill Place London E14 5 HP

Macdonald & Company Group Limited

Contents

	Page
Directors' report	2 - 3
Independent Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 – 12
Detailed trading & profit & loss account	13
Schedule to the detailed accounts	14

Macdonald & Company Group Limited

Directors' report

For the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping 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.

In determining how amounts are presented with items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles of practice.

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's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Principal activities and review of business

The Company's principal activity during the year was that of a holding company.

The core business of the investments held, is the provision of recruitment staff services to the commercial property and real estate markets in the UK and around the world. The investments trade as Macdonald & Company through two UK subsidiaries and three foreign subsidiaries.

The subsidiaries have seen a continued increase in revenue and profit over the past year as the businesses have maintained their record of consistent growth and the Directors consider the returns from the investments in the undertakings to be satisfactory.

Macdonald & Company Group Limited

**Directors' report
For the year ended 31 March 2008**

Results and dividends

The profit for the year, after taxation, amounted to £1,250,000 (2007 – £1,236,000)

A dividend of £1,250,000 has been paid during the year (2007 – £1,236,000)

Directors


The directors who served during the year were

P H Moore
R J G Macdonald
J H J Lewis
C I Heayberd

Auditors

The auditors, Horwarth Clark Whitehill LLP will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 5 June 2008 and signed on its behalf



C I Heayberd
Secretary
5 June 2008

Macdonald & Company Group Limited

Independent auditors' report to the shareholders of MacDonald & Company Group Limited

We have audited the financial statements of Macdonald & Company Group Limited for the year ended 31 March 2008 set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have been formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, the financial statements are properly prepared in accordance with the Companies Act 1985 and the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- The financial statement give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Directors' Report is consistent with the financial statements.



Horwath Clark Whitehill LLP
Chartered Accountants & Registered Auditors
Reading
5 June 2008

Macdonald & Company Group Limited

Profit and loss account

For the year ended 31 March 2008

		2008	2007
	Note	£	£
Income from investments in Group undertakings		1,250,000	1,236,000
Interest receivable		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	1,250 000	1,236,000
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,250,000	1,236,000
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

Macdonald & Company Group Limited

**Balance sheet
As at 31 March 2008**

	Note	£	2008 £	£	2007 £
Fixed investments					
Investments	5		235		235
Current assets					
Debtors					
Cash at bank	6	242,814		1,190,783	
		-		-	
		<u>242,814</u>		<u>1,190,783</u>	
Creditors , amounts falling due within one year	7	(2,580)		(950,549)	
Net current assets			<u>240,234</u>		<u>240,234</u>
Total assets less current liabilities			<u>240,469</u>		<u>240,269</u>
Capital and reserves					
Called up share capital	9		1,237		1,237
Share premium account	10		231,109		231,109
Profit and loss account	10		8,123		8,123
Shareholders' funds – all equity	11		<u>240,469</u>		<u>240,469</u>

The financial statements were approved and authorised for issue by the board on 5 June 2008 and signed on its behalf



R J G Macdonald
Director

The notes on pages 7 to 12 form part of these financial statements

Macdonald & Company Group Limited

Notes to the financial statements For the year ended 31 March 2008

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 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1

1.3 Consolidation

The Company has taken advantage of the exemption from producing consolidated accounts on the basis that it is a wholly owned subsidiary of a company that produces group accounts

1.4 Investments

Fixed asset investments are carried at cost less any provision for impairment

2 Staff costs

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

	2008 Number	2007 Number
Directors	4	4

During the year, the directors received no emoluments (2007 £Nil)

3 Taxation

	2008 £	2007 £
UK Corporation tax charge on profits for the year	-	-

Macdonald & Company Group Limited**Notes to the financial statements
For the year ended 31 March 2008****3. Taxation (continued)****Factors affecting tax charge for year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the Company (30%). The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	1,250,000	1,236,000
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 19% (2007 – 30%)	375,000	370,800
Effects of		
Dividend income receivable from direct subsidiary	(375,000)	(370,800)
Current tax charge for year (see note above)	Nil	Nil

There were no factors that may affect future tax charges

4 Dividends

	2008 £	2007 £
On equity shares		
Total dividends paid	1,250,000	1,236,000

5 Fixed asset investments

	Shares in group under- takings £	Total £
Cost		
At 1 April 2007 and 31 March 2008	235	235

Macdonald & Company Group Limited

Notes to the financial statements For the year ended 31 March 2008

5 Fixed asset investments (continued)

Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company except where indicated, and all are incorporated in England and Wales

Macdonald & Company Property Limited (direct subsidiary undertaking)	100% subsidiary Recruitment Agency
Macdonald & Company Overseas Limited	100% subsidiary - Dormant
Macdonald and Company Freelance Limited	100% subsidiary Recruitment Agency
Propertejobs com Limited	100% subsidiary - Dormant

The following were direct subsidiary undertakings of the Company, and are incorporated in Australia, Hong Kong and South Africa respectively

Macdonald & Company Pty Limited	100% subsidiary Recruitment Agency
Macdonald & Company Limited	100% subsidiary Recruitment Agency
Macdonald & Company Recruitment Proprietary Limited	100% subsidiary Recruitment Agency

The aggregate of the share capital and reserves as at 31 March 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows

	Aggregate of share capital and reserves £	Profit/ (loss) £
Macdonald & Company Property Limited	1,554,889	1,328,165
Macdonald & Company Overseas Limited	(8,949)	-
Macdonald and Company Freelance Limited	520,702	326,722
Macdonald & Company Limited	129,602	201,593
Macdonald & Company Pty Limited	(307,938)	(208,187)
Macdonald & Company Recruitment Proprietary Limited	46,534	54,513
Propertejobs com Limited	1	-
	<hr/>	<hr/>

Macdonald & Company Group Limited

**Notes to the financial statements
For the year ended 31 March 2008**

6 Debtors

	2008 £	2007 £
Amounts owed by group undertakings	242,814	1,190,783
	<hr/>	<hr/>
	242,814	1,190,783
	<hr/>	<hr/>

7. Creditors.

Amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	-	947,969
Corporation tax	161	161
Other creditors	2,419	2,419
	<hr/>	<hr/>
	2,580	967,972
	<hr/>	<hr/>

During the year, a fixed and floating charge was made in favour of Barclays Bank plc in respect of indebtedness of Prime People Plc and its subsidiary companies, of which the Company and its subsidiaries form a part

8. Financial instruments

The Company's financial instruments, excluding short term debtors and creditors are comprised of cash

The directors consider the fair value not to be materially different to the carrying value for financial instruments. During the year under review, the company did not enter into derivative transactions and has not undertaken trading in any financial instruments

Macdonald & Company Group Limited

**Notes to the financial statements
For the year ended 31 March 2008**

9 Share capital

	2008 £	2007 £
Authorised		
26,730 'A' Ordinary shares of 1p each	267	267
105,970 'B' Ordinary shares of 1p each	1, 060	1, 060
	<hr/> 1, 327	<hr/> 1, 327
Allotted, called up and fully paid		
20,060 'A' Ordinary shares of 1p each	201	201
103,583 'B' Ordinary shares of 1 p each	1, 036	1, 036
	<hr/> 1, 237	<hr/> 1, 237

'A' Ordinary shares of 1p each and 'B' Ordinary shares of 1p each rank pari passu in all respects

10 Reserves

Share premium account	£
At 1 April 2007 and 31 March 2008	<hr/> 231,109
Profit and loss account	£
At 1 April 2007	8,123
Profit retained for the year	1,250,000
	<hr/> 1,258,123
Dividends	<hr/> (1,250,000)
At 31 March 2008	<hr/> 8,123

Macdonald & Company Group Limited

**Notes to the financial statements
For the year ended 31 March 2008**

11 Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Profit for the year	1,250,000	1,236,000
Dividends	(1,250,000)	(1,236,000)
	<hr/>	<hr/>
Opening shareholders' funds	240,469	240,469
	<hr/>	<hr/>
Closing shareholders' funds	240,469	240,469
	<hr/>	<hr/>

12 Related party transactions

The Company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Prime People Plc

13 Ultimate parent undertaking and controlling party

The ultimate parent company is Prime People Plc, a company incorporated in England and Wales, which is the parent of both the smallest and largest groups of which the Company is a member

Prime People Plc is controlled by its directors, as they are the majority shareholders collectively holding over 50% of the share capital

Copies of the consolidated financial statements of Prime People Plc are available from Companies House