

GTI Recruiting Solutions Limited (formerly GTI Online Solutions Limited)

Report and Financial Statements

30 April 2009

TUESDAY



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COMPANIES HOUSE

GTI Recruiting Solutions Limited (formerly GTI Online Solutions Limited)

Registered No. 3977847

Directors

A S Wood
M R Blythe
M Halliday
P Sissons
M Tims
G Storey

Secretaries

A S Wood
M Halliday

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

Travers Smith
10 Snow Hill
London
EC1A 2AL

Registered Office

Unit 1, Crowmarsh Battle Barns
Preston Crowmarsh
Wallingford
Oxfordshire
OX10 6SL

Directors' report

The directors present their report and financial statements for the year ended 30 April 2009.

Principal activities

The principal activity of the company in the year under review was the provision of computer database software.

Results and dividends

The profit for the year after taxation amounted to £488,102 (2008: £373,639). The company has not paid and does not propose to pay any dividends for the year ended 30 April 2009 (2008: £nil).

Directors

The directors of the company are listed on page 1. G Storey was appointed as a director on 3 September 2008.

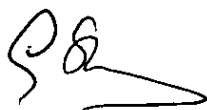
Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Director

20/8/2009

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of GTI Recruiting Solutions Limited (formerly GTI Online Solutions Limited)

We have audited the financial statements of GTI Recruiting Solutions Limited (formerly GTI Online Solutions Limited) for the year ended 30 April 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 17. 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 Sections 495 and 496 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 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

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 (APB'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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its 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.

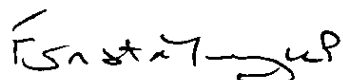
Independent auditors' report

to the members of GTI Recruiting Solutions Limited (formerly GTI Online Solutions Limited) (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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Graham Galbraith (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

25 August 2009

Profit and loss account

for the year ended 30 April 2009

	Notes	2009 £	2008 £
Turnover	2	3,495,044	2,115,521
Cost of sales		(499,482)	(27,339)
Gross profit		<u>2,995,562</u>	<u>2,088,182</u>
Administrative expenses		(2,062,278)	(1,562,058)
Amortisation of goodwill		(251,825)	-
Operating profit	4	<u>681,459</u>	<u>526,124</u>
Interest receivable and similar income		1,022	6,776
Profit on ordinary activities before taxation		<u>682,481</u>	<u>532,900</u>
Tax on profit on ordinary activities	6	(194,379)	(159,261)
Profit for the financial year		<u><u>488,102</u></u>	<u><u>373,639</u></u>

Statement of total recognised gains and losses

There are no recognised gains and losses other than the profit attributable to shareholders of the company of £488,102 in the year ended 30 April 2009 (2008: £373,639).

Balance sheet

at 30 April 2009

	Notes	2009 £	2008 £
Fixed assets			
Intangible assets	7	3,911,462	-
Tangible assets	8	38,543	73,521
		<u>3,950,005</u>	<u>73,521</u>
Current assets			
Debtors	9	427,537	1,868,125
Cash at bank		728,476	68,975
		<u>1,156,013</u>	<u>1,937,100</u>
Creditors: amounts falling due within one year	10	(2,998,012)	(387,667)
Net current (liabilities)/assets		<u>(1,841,999)</u>	<u>1,549,433</u>
Total assets less current liabilities		<u>2,108,006</u>	<u>1,622,954</u>
Deferred taxation	11	-	(3,050)
Net assets		<u><u>2,108,006</u></u>	<u><u>1,619,904</u></u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	2,108,004	1,619,902
Equity shareholders' funds	13	<u><u>2,108,006</u></u>	<u><u>1,619,904</u></u>

Approved by the Board

Director

20/8/ 2009

Notes to the financial statements

at 30 April 2009

1. Accounting policies

Fundamental accounting concept

The company's balance sheet shows a net current liabilities position of £1,841,999; this is a result of intercompany loans. The company's fellow subsidiary undertaking, Target (GTI) Investments Limited, has indicated its intention not to request repayment of the intercompany loan in the foreseeable future. Accordingly the directors have prepared the financial statements on a going concern basis.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture fittings and equipment	-	15% on reducing balance
Computer equipment	-	Straight line over 3 years

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

Deferred tax

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date. The timing differences arise from the different treatment for financial statements and tax purposes of transactions and events recognised in the financial statements of the current year and previous years. Deferred tax is not provided in respect of timing differences arising from the sale of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will be rolled over.

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 the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Notes to the financial statements

at 30 April 2009

2. Turnover

Turnover, which arises from the continuing principal activity of the provision of computer database software, comprises the invoice value of goods and services supplied by the company exclusive of value added tax. All turnover is generated in the United Kingdom

Revenue is recognised:

- upon the delivery of computer database software to customers;
- upon the renewal of licences and subscriptions; and
- on a straight line basis in relation to income received for maintenance and hosting services over the period of the service.

3. Staff costs

	2009 £	2008 £
Wages and salaries	825,017	717,885
Social security costs	84,760	72,665
Other pension costs	30,704	21,044
	<u>940,481</u>	<u>811,594</u>

The average monthly number of employees during the year was as follows:

	2009 No.	2008 No.
Managers	4	3
Staff	20	20
	<u>24</u>	<u>23</u>

4. Operating profit

The operating profit is stated after charging/(crediting):

	2009 £	2008 £
Depreciation - owned assets	34,978	33,371
Amortisation of goodwill	251,825	-
Auditors' remuneration:		
Audit	7,500	7,000
Taxation	2,000	1,000
	<u></u>	<u></u>

Notes to the financial statements

at 30 April 2009

5. Remuneration of directors

Directors' remuneration of £743,032 (2008: £475,898) is paid to the company's directors by other Group GTI Limited undertakings. The directors do not believe that it is practical to apportion this remuneration between their services as directors of the company and their services as directors of other Group GTI Limited undertakings.

6. Taxation

a) Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2009	2008
	£	£
<i>Current tax:</i>		
UK corporation tax	-	132,750
Adjustments in respect of prior years	-	(992)
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	131,758
<i>Group relief:</i>		
Group relief payable	197,429	28,598
	<hr/>	<hr/>
Total current tax (note 6 (b))	197,429	160,356
	<hr/>	<hr/>
<i>Deferred taxation:</i>		
Decrease in provision	(3,050)	(1,095)
	<hr/>	<hr/>
Tax on profit on ordinary activities	194,379	159,261
	<hr/>	<hr/>

b) Factors affecting the tax charge

The tax assessed for the year varies from the standard rate of corporation tax in the UK – 28%. The differences are explained below:

	2009	2008
	£	£
Profit on ordinary activities before tax	682,481	532,900
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	191,095	159,870
	<hr/>	<hr/>
<i>Effects of:</i>		
Disallowed expenses and non-taxable income	58	600
Accelerated capital allowances	6,276	878
Difference between depreciation and capital allowances	-	-
Adjustments in respect of previous periods	-	(992)
	<hr/>	<hr/>
Current tax charge (note 6 (a))	197,429	160,356
	<hr/>	<hr/>

Notes to the financial statements

at 30 April 2009

6. Taxation (continued)

c) Factors that may affect future tax charges

As a result of changes in the UK 2008 budget, the main UK corporation tax rate was reduced to 28% with effect from 1 April 2008, along with changes to the capital allowance regime. Those changes are quantified in these financial statements.

7. Intangible fixed assets

	<i>Purchased goodwill £</i>
<i>Cost</i>	
At 1 May 2008	-
Arising on the acquisition of trade (note 15)	4,163,287
At 30 April 2009	4,163,287
<i>Amortisation</i>	
At 1 May 2008	-
Charge for the year	251,825
At 30 April 2009	251,825
<i>Net book value</i>	
At 30 April 2009	3,911,462
At 1 May 2008	-

The intangible asset arising on acquisition of purchased goodwill has been capitalised and is being amortised over its estimated useful economic life from the date of acquisition. The directors have estimated that the useful economic life of the goodwill is 10 years.

Notes to the financial statements

at 30 April 2009

8. Tangible fixed assets

	<i>Fixtures and fittings £</i>	<i>Computer equipment £</i>	<i>Total £</i>
<i>Cost</i>			
At 1 May 2008	7,037	184,798	191,835
Additions	-	-	-
At 30 April 2009	7,037	184,798	191,835
<i>Depreciation</i>			
At 1 May 2008	2,889	115,425	118,314
Charge for the year	622	34,356	34,978
At 30 April 2009	3,511	149,781	153,292
<i>Net book value</i>			
At 30 April 2009	3,526	35,017	38,543
At 1 May 2008	4,148	69,373	73,521

9. Debtors: amounts falling due within one year

	<i>2009 £</i>	<i>2008 £</i>
Trade debtors	324,887	232,289
Prepayments and accrued income	57,131	17,761
Other Debtors	21,367	-
Corporation tax recoverable	24,152	24,152
Amounts due from group undertakings	-	1,593,923
	427,537	1,868,125

Notes to the financial statements

at 30 April 2009

10. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	20,889	248
Other creditors	234,843	30,960
Social security and other taxes	66,153	23,554
Group relief payable	197,428	28,598
Accruals and deferred income	256,331	304,307
Amounts owing to group undertakings	2,222,368	-
	<u>2,998,012</u>	<u>387,667</u>

11. Provisions for liabilities and charges

	2009	2008
	£	£
Deferred taxation – accelerated capital allowances	-	3,050
	<u>-</u>	<u>3,050</u>

Deferred tax
£

Balance at 1 May 2008	3,050
Credit for the year	(3,050)
Balance at 30 April 2009	<u>-</u>

12. Called up share capital

Authorised:

<i>Number:</i>	<i>Class:</i>	<i>Nominal value</i>	2009	2008
			£	£
1,000	Ordinary	£1	1,000	1,000
			<u>1,000</u>	<u>1,000</u>

Allotted and issued:

<i>Number:</i>	<i>Class:</i>	<i>Nominal value</i>	2009	2008
			£	£
2	Ordinary	£1	2	2
			<u>2</u>	<u>2</u>

Notes to the financial statements

At 30 April 2009

13. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 May 2008	2	1,619,902	1,619,904
Profit for the year	-	488,102	488,102
At 30 April 2009	2	2,108,004	2,108,006

14. Pension commitments

The company operates a defined contribution pension scheme. Contributions during the year amounted to £30,704 (2008: £21,044). At the year end there were no pension contributions outstanding (2008: £nil of pension contributions remained outstanding).

15. Acquisition of trade and assets

On 30 September 2008, the company acquired the trade (excluding assets and liabilities) of the online recruitment services business operated by Target (GTI) Investments Limited. The consideration for the acquisition was £4,163,287 resulting in purchased goodwill of £4,163,287 arising on the transaction.

16. Related party disclosures

The company has availed of the exemption granted by paragraph 3(c) of Financial Reporting Standard No.8 "Related Party Disclosures" not to disclose related party transactions with its ultimate parent company and fellow subsidiary undertakings as the company's results are included in the consolidated financial statements for the ultimate parent company.

17. Ultimate parent undertaking and controlling party

The parent undertaking of the smallest and largest group of which the Company is a member and for which group financial statements are prepared is Group GTI Limited, a company incorporated in the United Kingdom.

A copy of the group financial statements of Group GTI Limited are available from:

Unit 1, Crowmarsh Battle Barns
Preston Crowmarsh
Wallingford
Oxfordshire
OX10 6SL

The ultimate controlling party of the Company is Exponent Private Equity Partners, LP, a partnership registered in the United Kingdom.