

3777847

GTI Recruiting Solutions Limited

Report and Financial Statements

30 April 2010

COMPANIES HOUSE

13 APR 2011

BELFAST

WEDNESDAY



JWHYET9A

JNI

13/04/2011

23

COMPANIES HOUSE

Directors

A S Wood
M R Blythe
M Halliday
P Sissons (resigned 30th April 2010)
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

The Fountain Building
Howbery Park
Benson Lane
Wallingford
OX10 8BA

Directors' report

The directors present their report and financial statements for the year ended 30 April 2010

Results and dividends

The profit for the year, after taxation, amounted to £313,954 (2009 – £488,102) The company has not paid and does not propose to pay any dividends for the year ended 30 April 2010 (2009 – £nil)

Principal activity

The principal activity of the company in the year under review was the provision of computer database software and the provision of recruitment services

Directors

The directors who served during the year and subsequent to the year end are set out below

A S Wood
M R Blythe
M Halliday
P Sissons (resigned 30th April 2010)
M Tims
G Storey

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, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

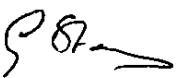
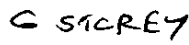
Auditors

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

Small Companies Exemption

The company has taken advantage of the exemptions available to small companies under the Companies Act 2006 with respect to directors' report disclosures

On behalf of the Board


Director 
8 APRIL 2011

Statement of directors' responsibilities

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). 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 profit or loss of the company 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 estimates that are reasonable and prudent, 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 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 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

We have audited the financial statements of GTI Recruiting Solutions Limited for the year ended 30 April 2010 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 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 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 2010 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.

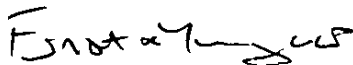
Independent auditors' report

to the members of GTI Recruiting Solutions Limited

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



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

11 APRIL 2011

Profit and loss account

for the year ended 30 April 2010

	Notes	2010 £	2009 £
Turnover	2	3,540,707	3,495,044
Cost of sales		(505,305)	(499,482)
Gross profit		<u>3,035,402</u>	<u>2,995,562</u>
Administrative expenses		(2,178,613)	(2,062,278)
Amortisation of goodwill		(431,700)	(251,825)
Operating profit	3	<u>425,089</u>	<u>681,459</u>
Interest receivable and similar income		8,439	1,022
Profit on ordinary activities before taxation		<u>433,528</u>	<u>682,481</u>
Tax on profit on ordinary activities	6	(119,574)	(194,379)
Profit for the financial year		<u><u>313,954</u></u>	<u><u>488,102</u></u>

Statement of total recognised gains and losses

for the year ended 30 April 2010

There are no recognised gains or losses other than the profit for the year, attributable to the shareholders of the company of £313,954 in the year ended 30 April 2010 (2009 – £488,102)

Balance sheet

at 30 April 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	7	3,580,349	3,911,462
Tangible assets	8	9,532	38,543
		<u>3,589,881</u>	<u>3,950,005</u>
Current assets			
Debtors	9	3,092,775	427,537
Cash at bank		678,319	728,476
		<u>3,771,094</u>	<u>1,156,013</u>
Creditors: amounts falling due within one year	10	(752,147)	(2,998,012)
Net current assets/(liabilities)		<u>3,018,947</u>	<u>(1,841,999)</u>
Total assets less current liabilities		<u>6,608,828</u>	<u>2,108,006</u>
Creditors: amounts falling after more than one year	11	(4,186,868)	-
Deferred taxation	12	-	-
Net assets		<u>2,421,960</u>	<u>2,108,006</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account	14	2,421,958	2,108,004
Equity shareholders' funds	14	<u>2,421,960</u>	<u>2,108,006</u>

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

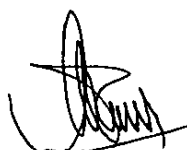
Director



M. HALLIDAY

8/4/11

Director



N. A. SIMS

8-4-11

Notes to the financial statements

at 30 April 2010

1. Accounting policies

Basis of preparation

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

Statement of cash flows

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

Tangible fixed assets

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

Furnitures and fittings	– 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

Research and development

Expenditure on research and development is written off in the year in which it is incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project

Deferred taxation

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.

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.

Notes to the financial statements

at 30 April 2010

1. Accounting policies (continued)

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.

2. Turnover

Turnover, which is stated net of value added tax, represents 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 and recruitment services 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. Operating profit

This is stated after charging/(crediting)

	2010 £	2009 £
Depreciation – owned assets	29,011	34,978
Amortisation of goodwill	431,700	251,825
Auditors' remuneration – audit	7,500	7,500
– taxation	2,000	2,000
	<u>469,211</u>	<u>305,303</u>

4. Directors' remuneration

Directors' remuneration of £533,527 (2009 – £743,032) 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.

5. Staff costs

	2010 £	2009 £
Wages and salaries	1,179,016	825,017
Social security costs	139,415	84,760
Other pension costs	56,667	30,704
	<u>1,375,097</u>	<u>940,481</u>

Notes to the financial statements

at 30 April 2010

5. Staff costs (continued)

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

	2010 No	2009 No
Managers	2	4
Staff	19	20
	<u>21</u>	<u>24</u>

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2010 £	2009 £
<i>Current tax</i>		
Adjustments in respect of previous periods	(15,155)	—
Tax on profit on ordinary activities	<u>(15,155)</u>	<u>—</u>
<i>Group relief</i>		
Group relief payable	131,211	197,429
Prior year group relief	3,518	—
Total group relief	<u>134,729</u>	<u>197,429</u>
Total current tax (note 6(b))	<u>119,574</u>	<u>197,429</u>
<i>Deferred tax</i>		
Decrease in provision	—	(3,050)
Total deferred tax	<u>—</u>	<u>(3,050)</u>
Tax on profit on ordinary activities	<u>119,574</u>	<u>194,379</u>

Notes to the financial statements

at 30 April 2010

6. Tax (continued)

(b) Factors affecting tax charge for the year

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

	2010 £	2009 £
Profit on ordinary activities before tax	433,528	682,481
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	121,388	191,095
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,700	58
Accelerated capital allowances	8,123	6,276
Losses brought forward	(11,637)	–
Current tax for the year (note 6(a))	119,574	197,429

(c) Factors that may affect future tax charges

In the 2010 Emergency Budget, the Chancellor announced that legislation will be introduced to reduce the main rate of corporation tax to 27% for the financial year commencing 1 April 2011 and that there will be further cuts in the main rate in future years: 26% in 2012-2013, 25% in 2013-2014 and 25% in 2014-2015.

7. Intangible fixed assets

	Purchased goodwill £	Development expenditure £	Totals £
Cost			
At 1 May 2009	4,163,287	–	4,163,287
Additions	–	100,587	100,587
At 30 April 2010	4,163,287	100,587	4,263,874
Amortisation			
At 1 May 2009	251,825	–	251,825
Charge for the year	431,700	–	431,700
At 30 April 2010	683,525	–	683,525
Net book value			
At 30 April 2010	3,479,762	100,587	3,580,349
At 1 May 2009	3,911,462	–	3,911,462

Notes to the financial statements

at 30 April 2010

7. Intangible fixed assets (continued)

The development expenditure has not been amortised to date as the related project had not been completed at 30 April 2010

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

8. Tangible fixed assets

	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost			
At 1 May 2009	7,037	184,798	191,835
Additions	—	—	—
Disposals	—	(68,468)	(68,468)
At 30 April 2010	7,037	116,330	123,367
Depreciation			
At 1 May 2009	3,511	149,781	153,292
Charge for the year	529	28,482	29,011
Disposals	—	(68,468)	(68,468)
At 30 April 2010	4,040	109,795	113,835
Net book value			
At 30 April 2010	2,997	6,535	9,532
At 1 May 2009	3,526	35,017	38,543

9. Debtors: amounts falling due within one year

	2010 £	2009 £
Trade debtors	582,115	324,887
Prepayments and accrued income	30,873	57,131
Other debtors	13,879	21,367
Corporation tax recoverable	—	24,152
Amounts owed by group undertakings	2,465,908	—
	3,092,775	427,537

Notes to the financial statements

at 30 April 2010

10. Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	19,880	20,889
Other creditors	200,493	234,843
Social security and other taxes	61,846	66,153
Group relief payable	332,157	197,428
Accruals and deferred income	137,771	256,331
Amounts owing to group undertakings	-	2,222,368
	<u>752,147</u>	<u>2,998,012</u>

11. Creditors: amounts falling due in more than one year

	2010	2009
	£	£
Amounts owing to group undertakings	<u>4,186,868</u>	<u>-</u>

12. Deferred taxation

There is an unrecognised deferred tax asset of £14,919 at year end (2009 - £6,796), the amount relates to accelerated capital allowances

13. Issued share capital

	No	2010	No	2009
		£		£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit loss and account	Total share-holders' funds
	£	£	£
At 30 April 2009	2	2,108,004	2,108,006
Profit for the year	-	313,954	313,954
At 30 April 2010	<u>2</u>	<u>2,421,958</u>	<u>2,421,960</u>

Notes to the financial statements

at 30 April 2010

15. Pensions

The company operates a defined contribution pension scheme. Contributions during the year amounted to £56,667 (2009 – £30,704). At the year end there were no pension contributions outstanding (2009 – £nil of pension contributions remained outstanding).

16. Related party transactions

The company has taken advantage of the exemption granted by FRS 8 'Related Party Disclosures' not to disclose related party transactions with its ultimate parent company and 100% owned 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

The Fountain Building
Howbery Park
Benson Lane
Wallingford
OX10 8BA

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