

**MAXXIMA LTD**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

Company Registration No. 04197152 (England and Wales)

**BERKELEY TOWNSEND**  
**CHARTERED ACCOUNTANTS**

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# MAXXIMA LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr M Harris Mr G Gough
<b>Secretary</b>	Mr M Harris
<b>Company number</b>	04197152
<b>Registered office</b>	Hunter House 150 Hutton Road Shenfield Essex CM15 8NL
<b>Auditors</b>	Berkeley Townsend Chartered Accountants Hunter House 150 Hutton Road Shenfield Essex CM15 8NL
<b>Business address</b>	Shenfield House 182 Hutton Road Shenfield Essex CM15 8NS

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# **MAXXIMA LTD**

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# **MAXXIMA LTD**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2008***

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

### **Principal activities**

The principal activity of the company continued to be that of recruitment consultants providing temporary staff to the healthcare and social care sectors.

No significant change in the nature of these activities occurred during the year.

### **Review of the business**

2008 has seen turnover and profitability exceed expectations. New Master Vendor (sole supplier) contracts within the NHS and an increase in preferred supplier placements within social services have facilitated the augmentation of the company turnover and gross profit. The company has continued to invest in their policy of hiring well educated university graduates and train them to be junior consultants within their medical sector and social services sectors from four office locations in the UK. Turnover has increased 88% from 2007 to 2008 whilst profit before tax has increased 115% from 2007 to 2008. The number of temporary staff on the company database continues to increase which will further advance the key financial performance indicators provided below. The company operates in an industry that historically is unaffected by a downturn in the UK or worldwide economy. As analysts predict that public spending rises in times of recession, the company is well placed to meet the increase in vacancies and temporary worker spending. With a UK healthcare and social services temporary staffing market worth over £1.5 billion annually, the company expects to deliver a strong financial performance for 2009.

The company seeks further expansion in the following year and financially remains in a healthy position, with net assets of £1,109,487.

### **Principal risks and uncertainties facing the company**

The company faces commercial risks of:

- not being able to attract locums of sufficient quality and in sufficient volume to allow us to satisfy the growing needs of our customers,
- changes in government spending and policy and the regulatory framework in which we operate,
- that contracts up for tender may not be retained. With the recruitment industry being highly competitive, the directors believe that continued expansion will strengthen their position in the market place.

The company's principal financial instruments comprise bank balances, invoice factoring arrangements, trade debtors, trade creditors and loans to the company. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

The company's approach to managing risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of invoice factoring arrangements.

In respect of loans these comprise loans from the directors. These loans are interest free and are repayable on demand. The directors are aware of the company's required finance and have determined that these will only be repaid, in whole or in part, when finance is available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

# MAXXIMA LTD

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2008*

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### Key performance indicators

The key performance indicators used by the company revolve around the gross margin generated by the business.

The results for the year were as follows:

	2008	2007	2006
Turnover	£20.9m	£11.1m	£10.5m
Gross profit	£3.67m	£2.34m	£2.46m
Profit before tax	£1.57m	£0.73m	£0.91m

### Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £529,534. The directors do not recommend payment of a final dividend.

### Future developments

The directors intend to expand the company further by increasing the number of temporary staff on its files, with a view to increasing turnover and profits.

### Directors

The following directors have held office since 1 September 2007:

Mr M Harris

Mr G Gough

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 August 2008	1 September 2007
Mr M Harris	100	100
Mr G Gough	100	100

### Introduction of the euro

As the company is UK based, the Euro is not the base currency and therefore the impact of the introduction of the Euro on the business is minimal. Any exchange rate differences for the year will be taken to the profit and loss account.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Berkeley Townsend Chartered Accountants be reappointed as auditors of the company will be put to the Annual General Meeting.

# MAXXIMA LTD

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2008*

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### **Directors' responsibilities**

The directors are responsible for preparing 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:

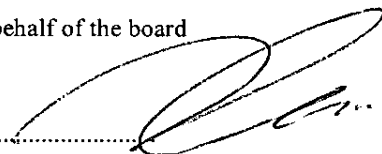
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company'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 company's auditors are aware of that information.

On behalf of the board



Mr M Harris

**Director**

10 December 2008

# MAXXIMA LTD

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF MAXXIMA LTD

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We have audited the financial statements of Maxxima Ltd on pages 5 to 13 for the year ended 31 August 2008. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein. This report is made solely to the company's members, 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 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 the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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**

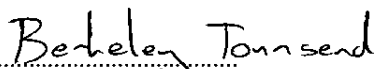
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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**

In our opinion:

- the financial statements 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 August 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Berkeley Townsend Chartered Accountants

Registered Auditor

Hunter House

150 Hutton Road

Shenfield

Essex

CM15 8NL

10 December 2008

# MAXXIMA LTD

## PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 AUGUST 2008*

	Notes	2008 £	2007 £
Turnover	2	20,886,705	11,107,155
Cost of sales		(17,212,151)	(8,762,450)
Gross profit		3,674,554	2,344,705
Administrative expenses		(2,109,441)	(1,616,756)
Operating profit	3	1,565,113	727,949
Other interest receivable and similar income	4	3,639	3,347
Interest payable and similar charges	5	(384)	-
Profit on ordinary activities before taxation		1,568,368	731,296
Tax on profit on ordinary activities	6	(459,081)	(201,760)
Profit for the year	12	1,109,287	529,536

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



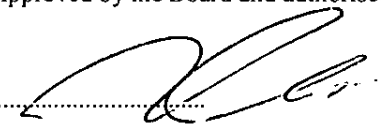
# MAXXIMA LTD

## BALANCE SHEET

AS AT 31 AUGUST 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	8		22,178		28,025
<b>Current assets</b>					
Debtors	9	3,222,108		1,934,244	
Cash at bank and in hand		192,814		36,515	
		<u>3,414,922</u>		<u>1,970,759</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,327,613)</u>		<u>(1,469,048)</u>	
<b>Net current assets</b>			<u>1,087,309</u>		<u>501,711</u>
<b>Total assets less current liabilities</b>			<u><u>1,109,487</u></u>		<u><u>529,736</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		200		200
Profit and loss account	12		<u>1,109,287</u>		<u>529,536</u>
<b>Shareholders' funds</b>	13		<u><u>1,109,487</u></u>		<u><u>529,736</u></u>

Approved by the Board and authorised for issue on 10 December 2008

  
Mr M Harris  
Director

  
Mr G Gough  
Director

# MAXXIMA LTD

## CASH FLOW STATEMENT

*FOR THE YEAR ENDED 31 AUGUST 2008*

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	2008	2007
	£	£
Net cash inflow from operating activities	1,005,210	640,219
Returns on investments and servicing of finance		
Interest received	3,639	3,347
Interest paid	(384)	-
	<hr/>	<hr/>
Net cash inflow for returns on investments and servicing of finance	3,255	3,347
Taxation	(201,760)	(258,887)
Capital expenditure		
Payments to acquire tangible assets	(1,547)	(568)
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(1,547)	(568)
Equity dividends paid	(529,534)	(650,364)
	<hr/>	<hr/>
Net cash inflow/(outflow) before management of liquid resources and financing	275,624	(266,253)
	<hr/>	<hr/>
Increase/(decrease) in cash in the year	<u>275,624</u>	<u>(266,253)</u>

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# MAXXIMA LTD

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007		
		£	£		
	Operating profit	1,565,113	727,949		
	Depreciation of tangible assets	7,392	9,342		
	Increase in debtors	(1,287,864)	(589,529)		
	Increase in creditors within one year	720,569	492,457		
	Net cash inflow from operating activities	1,005,210	640,219		
2	Analysis of net funds/(debt)	1 September 2007	Cash flow	Other non-cash changes	31 August 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	36,515	156,299	-	192,814
	Bank overdrafts	(135,753)	119,325	-	(16,428)
		(99,238)	275,624	-	176,386
	Net (debt)/funds	(99,238)	275,624	-	176,386
3	Reconciliation of net cash flow to movement in net funds/(debt)	2008	2007		
		£	£		
	Increase/(decrease) in cash in the year	275,624	(266,253)		
	Movement in net funds/(debt) in the year	275,624	(266,253)		
	Opening net (debt)/funds	(99,238)	167,015		
	Closing net funds/(debt)	176,386	(99,238)		

# MAXXIMA LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% reducing balance per annum
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#### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity.

3 Operating profit	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation of tangible assets	7,392	9,342
Operating lease rentals	60,721	53,090
Auditors' remuneration (including expenses and benefits in kind)	8,100	5,000
	<u>76,213</u>	<u>77,432</u>

4 Investment income	2008 £	2007 £
Bank interest	3,639	2,147
Other interest	-	1,200
	<u>3,639</u>	<u>3,347</u>

# MAXXIMA LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2008

<b>5</b>	<b>Interest payable</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	On overdue tax	384	-
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Taxation</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	459,081	201,760
		<u>          </u>	<u>          </u>
	<b>Current tax charge</b>	<b>459,081</b>	<b>201,760</b>
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	1,568,368	731,296
		<u>          </u>	<u>          </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 29.16% (2007 - 27.28%)	457,336	199,498
		<u>          </u>	<u>          </u>
	Effects of:		
	Non deductible expenses	1,036	1,307
	Depreciation add back	2,156	2,549
	Capital allowances	(1,447)	(1,594)
		<u>          </u>	<u>          </u>
		1,745	2,262
		<u>          </u>	<u>          </u>
	<b>Current tax charge</b>	<b>459,081</b>	<b>201,760</b>
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Dividends</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	529,534	650,364
		<u>          </u>	<u>          </u>

# MAXXIMA LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2008

### 8 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 September 2007	86,797
Additions	1,545
	<hr/>
At 31 August 2008	88,342
	<hr/>
<b>Depreciation</b>	
At 1 September 2007	58,772
Charge for the year	7,392
	<hr/>
At 31 August 2008	66,164
	<hr/>
<b>Net book value</b>	
At 31 August 2008	22,178
	<hr/>
At 31 August 2007	28,025
	<hr/>

9 Debtors	2008 £	2007 £
Trade debtors	3,185,699	1,910,431
Prepayments and accrued income	36,409	23,813
	<hr/>	<hr/>
	3,222,108	1,934,244
	<hr/>	<hr/>

# MAXXIMA LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2008

<b>10 Creditors: amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	16,428	135,753
Trade creditors	940,127	545,695
Corporation tax	459,081	201,760
Other taxes and social security costs	404,924	252,226
Directors' current accounts	265,858	293,912
Other creditors	21,145	34,702
Accruals and deferred income	220,050	5,000
	<u>2,327,613</u>	<u>1,469,048</u>
<b>11 Share capital</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>
<b>Allotted, called up and fully paid</b>		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>
<b>12 Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
		<b>£</b>
Balance at 1 September 2007		529,534
Profit for the year		1,109,287
Dividends paid		<u>(529,534)</u>
<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,109,287	529,536
Dividends	<u>(529,534)</u>	<u>(650,364)</u>
Net addition to/(depletion in) shareholders' funds	579,753	(120,828)
Opening shareholders' funds	<u>529,736</u>	<u>650,564</u>
Closing shareholders' funds	<u>1,109,487</u>	<u>529,736</u>

# MAXXIMA LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2008

### 14 Financial commitments

At 31 August 2008 the company was committed to making the following payments under non-cancellable operating leases:

	<b>Land and buildings</b>	
	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within one year	126,490	45,952
Between two and five years	158,932	34,030
	<u>285,422</u>	<u>79,982</u>

### 15 Directors' emoluments

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	<u>50,000</u>	<u>50,000</u>

### 16 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	<b>2008</b>	<b>2007</b>
	<b>Number</b>	<b>Number</b>
Permanent staff	40	34
Temporary staff	87	42
	<u>127</u>	<u>76</u>

#### Employment costs

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<u>3,471,241</u>	<u>1,896,097</u>

### 17 Control

The ultimate controlling party of the company is the directors.