

ALEXANDER CHAPEL ASSOCIATES LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 JULY 2007

WHYATT PAKEMAN PARTNERS

Chartered Accountants

Colkin House

16 Oakfield Road

Clifton

Bristol

BS8 2AD

ALEXANDER CHAPEL ASSOCIATES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2007

CONTENTS	PAGE
The directors' report	1
Profit and loss account	2
Balance sheet	3
Notes to the financial statements	4
The following pages do not form part of the financial statements	
Chartered accountants' report to the board of directors	9
Detailed profit and loss account	10
Notes to the detailed profit and loss account	11

ALEXANDER CHAPEL ASSOCIATES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JULY 2007

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 July 2007.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of recruitment consultants.

DIRECTORS

The directors who served the company during the year were as follows:

J.M. Church
M.S. Doherty
S.A. Travis

J.M. Church retired as a director on 6 November 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
6 Berkeley Square
Clifton
Bristol
BS8 1HG

Signed on behalf of the directors

S A Travis
Director

Approved by the directors on 28 May 2008

ALEXANDER CHAPEL ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2007

	Note	2007 £	2006 £
TURNOVER		1,819,269	1,999,125
Advertising costs		147,649	181,449
Administrative expenses		1,879,027	1,961,105
Other operating income		(14,256)	(12,816)
OPERATING LOSS	2	(193,151)	(130,613)
Interest receivable		2,206	9,884
Inter company debt written off	4	(44,632)	—
Interest payable and similar charges		(2,450)	—
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(238,027)	(120,729)
Tax on loss on ordinary activities		(2,605)	(18,676)
LOSS FOR THE FINANCIAL YEAR		(235,422)	(102,053)

ALEXANDER CHAPEL ASSOCIATES LIMITED

BALANCE SHEET

31 JULY 2007

	Note	2007 £	£	2006 £	£
FIXED ASSETS					
Tangible assets	5		46,159		54,610
CURRENT ASSETS					
Debtors	6	554,771		568,086	
Cash at bank and in hand		33,585		149,732	
		<u>588,356</u>		<u>717,818</u>	
CREDITORS: Amounts falling due within one year	7	<u>293,400</u>		<u>194,476</u>	
NET CURRENT ASSETS			<u>294,956</u>		<u>523,342</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			341,115		577,952
PROVISIONS FOR LIABILITIES					
Deferred taxation	8		—		1,415
			<u>341,115</u>		<u>576,537</u>
CAPITAL AND RESERVES					
Called-up equity share capital	11		100		100
Profit and loss account	12		<u>341,015</u>		<u>576,437</u>
SHAREHOLDERS' FUNDS			<u>341,115</u>		<u>576,537</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors and authorised for issue on 28 May 2008, and are signed on their behalf by:

M.S. DOHERTY

S.A. TRAVIS

ALEXANDER CHAPEL ASSOCIATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2007****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 20% straight line basis

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more tax.

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 difference 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 timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ALEXANDER CHAPEL ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2007

2. OPERATING LOSS

Operating loss is stated after charging:

	2007	2006
	£	£
Staff pension contributions	10,057	10,865
Depreciation of owned fixed assets	<u>15,525</u>	<u>18,743</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2007	2006
	£	£
Aggregate emoluments	<u>220,396</u>	<u>383,553</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2007	2006
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

4. INTER COMPANY DEBT WRITTEN OFF

	2007	2006
	£	£
Inter company debt written off	<u>44,632</u>	<u>—</u>

5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 August 2006	286,123
Additions	<u>7,074</u>
At 31 July 2007	<u>293,197</u>
DEPRECIATION	
At 1 August 2006	231,513
Charge for the year	<u>15,525</u>
At 31 July 2007	<u>247,038</u>
NET BOOK VALUE	
At 31 July 2007	<u>46,159</u>
At 31 July 2006	<u>54,610</u>

ALEXANDER CHAPEL ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2007

6. DEBTORS

	2007	2006
	£	£
Trade debtors	216,981	216,169
Amounts owed by group undertakings	277,707	239,350
Corporation tax repayable	—	19,098
Directors' current accounts	—	26,396
Other debtors	8,358	14,444
Prepayments and accrued income	51,725	52,629
	<u>554,771</u>	<u>568,086</u>

7. CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	80,508	65,005
Other creditors including taxation and social security:		
PAYE and social security	44,045	43,851
VAT	53,052	39,638
Other creditors	90,143	8,639
Directors current accounts	12,319	15,578
Accruals and deferred income	13,333	21,765
	<u>293,400</u>	<u>194,476</u>

8. DEFERRED TAXATION

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	—	1,415
	<u>—</u>	<u>1,415</u>

9. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2007	2006
	£	£
Operating leases which expire:		
Within 1 year	1,877	836
Within 2 to 5 years	30,570	34,324
After more than 5 years	48,000	48,000
	<u>80,447</u>	<u>83,160</u>

ALEXANDER CHAPEL ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2007

10. RELATED PARTY TRANSACTIONS

The company was under the control of its directors throughout the current and previous year.

The company's Bristol office is owned by the Alexander Chapel Associates Small Self Administered Pension Scheme. The company's directors are Trustees of this scheme. Rent of £48,000 was payable for the year in respect of the occupation of this office. At 31 July 2007 an amount of £47,000 (2006 - £7,000) was due to the Scheme. Interest of £2,450 has been charged on this debt to the Scheme at 4% over bank base rate.

Included within creditors are amounts due to directors of £12,319 (2006-£15,578). These amounts are unsecured and free from interest.

Included in debtors at 31 July 2006 was an amount of £26,396 due from J M Church, a former director. This was the maximum amount outstanding from J M Church during the year to 31 July 2007.

11. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £0.01 each	<u>10,000</u>	<u>100</u>	<u>10,000</u>	<u>100</u>

12. PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
Balance brought forward	576,437	678,490
Loss for the financial year	<u>(235,422)</u>	<u>(102,053)</u>
Balance carried forward	<u>341,015</u>	<u>576,437</u>

13. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Alexander Chapel (Holdings) Limited, a company registered in England. A copy of the company's accounts can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff. Alexander Chapel (Holdings) Limited was controlled throughout the year by its directors, MS Doherty, SA Travis and up to 6 November 2006, JM Church.

ALEXANDER CHAPEL ASSOCIATES LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 JULY 2007

The following pages do not form part of the statutory financial statements.

ALEXANDER CHAPEL ASSOCIATES LIMITED
CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF
DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF
ALEXANDER CHAPEL ASSOCIATES LIMITED
YEAR ENDED 31 JULY 2007

In accordance with the engagement letter dated 17 May 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 July 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Colkin House
16 Oakfield Road
Clifton
Bristol
BS8 2AP

WHYATT PAKEMAN PARTNERS
Chartered Accountants

28 May 2008

ALEXANDER CHAPEL ASSOCIATES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2007

	2007		2006	
	£	£	£	£
TURNOVER		1,819,269		1,999,125
OVERHEADS				
Advertising	147,649		181,449	
Administrative expenses	<u>1,879,027</u>		<u>1,961,105</u>	
		<u>(2,026,676)</u>		<u>(2,142,554)</u>
		(207,407)		(143,429)
OTHER OPERATING INCOME				
Rent receivable		<u>14,256</u>		<u>12,816</u>
OPERATING LOSS		<u>(193,151)</u>		<u>(130,613)</u>
Interest receivable		<u>2,206</u>		<u>9,884</u>
		(190,945)		(120,729)
Amounts written off investments		(44,632)		—
Interest on other loans		<u>(2,450)</u>		<u>—</u>
LOSS ON ORDINARY ACTIVITIES		<u>(238,027)</u>		<u>(120,729)</u>

ALEXANDER CHAPEL ASSOCIATES LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 2007

	2007		2006	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	217,043		378,526	
Directors national insurance contributions	26,474		46,276	
Wages and salaries	1,006,269		979,084	
Temporary staff	6,509		27,722	
Staff national insurance contributions	105,694		86,632	
Staff pension contributions	10,057		10,865	
		1,372,046		1,529,105
Establishment expenses				
Rent	126,867		149,082	
Rates and water	44,069		43,386	
Light and heat	10,081		7,605	
Insurance	16,089		17,746	
Repairs and maintenance	4,798		5,026	
		201,904		222,845
General expenses				
Motor expenses	16,362		18,404	
Travel and subsistence	6,201		7,622	
Telephone	40,266		42,699	
Equipment hire, software licenses and internet support	34,287		31,932	
Printing, stationery and postage	10,961		15,156	
Cleaning	15,103		12,657	
General expenses	7,360		5,472	
Entertaining	12,246		11,536	
Legal and professional fees	10,337		19,027	
Commissions	75,963		—	
Accountancy fees	39,542		25,205	
Depreciation	15,525		18,743	
		284,153		208,453
Financial costs				
Bank charges		20,924		702
		<u>1,879,027</u>		<u>1,961,105</u>
INTEREST RECEIVABLE				
Bank interest receivable		1,323		9,843
Other interest receivable		883		41
		<u>2,206</u>		<u>9,884</u>