

FIRST BUSINESS SUPPORT LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 JULY 2007



FIRST BUSINESS SUPPORT LIMITED

ACCOUNTS

YEAR ENDED 31 JULY 2007

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FIRST BUSINESS SUPPORT LIMITED

COMPANY INFORMATION

Directors

Mr C M R Stone
Mr J R Stier

Company secretary

Mr J D Richardson

Registered office

Peoplebuilding 2
Peoplebuilding Estate
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 4NW

Auditor

Moore and Smalley LLP
Chartered Accountants
& Registered Auditors
Richard House
Winckley Square
Preston
PR1 3HP

Bankers

Lloyds TSB Bank plc
53 King Street
Manchester
M60 2ES

Barclays Bank Plc
28 George Street
Luton

FIRST BUSINESS SUPPORT LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 JULY 2007

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 July 2007

Principal activities and business review

The principal activity of the company during the year was that of Personnel and Health and Safety consultants

On 11 May 2007 the entire issued share capital of the company was purchased by Moorepay Limited and the company changed its name from The Malley Organisation Limited to First Business Support Limited

Overview

First Business Support Limited is a member of the Northgate plc group. The company operates from premises in Lancashire and forms part of the group's small and medium enterprise (SME) division

Operational performance

The company continues to see growth in the number of clients and the average value of client contracts. This growth can be attributed to successful marketing for new business and a strong retention of existing clients. First Business Support remains a leader in providing vital Employment Law and Health & Safety Consultancy to a diverse client base.

Key performance indicators

The key performance indicators for the company are client number, average value of service contract, client retention rate, turnover and operating profit, all of which have improved during the period once exceptional costs for the year are excluded.

Expansion and future prospects

Opportunities exist to win new SME customers and continue to grow the business in the following year

Results and dividends

The profit for the year amounted to £273,812. The directors have not recommended a dividend.

Financial risk management objectives and policies

Credit Risk

The company's financial assets and liabilities mainly comprise cash, bank borrowings, liquid resources, trade payables and receivables and other payables and receivables arising directly from operations

The main risks from the company's operations are credit risk. The directors review and agree policies for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The company does not require collateral in respect of financial assets. Credit insurance is in place for selected companies within the company.

FIRST BUSINESS SUPPORT LIMITED

DIRECTORS' REPORT (*continued*)

YEAR ENDED 31 JULY 2007

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, principally trade and other receivables

Directors

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

Mr J J Malley
Mrs Y L Malley
Mr A J McEvoy
Mrs M E Newton
Mrs M Liptrot
Mr S E J Willey
Mr C M R Stone
Mr J R Stier

Mr C M R Stone was appointed as a director on 11 May 2007
Mr J R Stier was appointed as a director on 11 May 2007.

Mr J J Malley retired as a director on 11 May 2007
Mrs Y L Malley retired as a director on 11 May 2007
Mr A J McEvoy retired as a director on 11 May 2007.
Mrs M E Newton retired as a director on 11 May 2007.
Mrs M Liptrot retired as a director on 23 April 2007.
Mr S E J Willey retired as a director on 8 December 2006.

On 21 May 2002 the company granted an option to Mr AJ McEvoy to acquire 1,920 ordinary shares in the company. This option was exercised during the year.

Signed on behalf of the directors

Mr J R Stier
Director



Approved by the directors on . 17. 04 2008.

FIRST BUSINESS SUPPORT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 JULY 2007

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 these accounts, 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 accounts 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 accounts 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 so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

FIRST BUSINESS SUPPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FIRST BUSINESS SUPPORT LIMITED

YEAR ENDED 31 JULY 2007

We have audited the accounts of First Business Support Limited for the year ended 31 July 2007 on pages 7 to 21, which have been prepared on the basis of the accounting policies set out on pages 10 to 11.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the accounts 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 accounts 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 accounts 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 accounts.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

FIRST BUSINESS SUPPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FIRST BUSINESS SUPPORT LIMITED (*continued*)

YEAR ENDED 31 JULY 2007

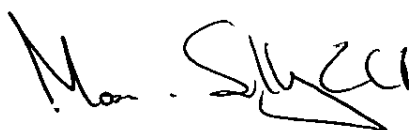
Opinion

In our opinion

the accounts 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 July 2007 and of its profit for the year then ended,

the accounts have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the accounts



**Moore and Smalley LLP
Chartered Accountants
& Registered Auditors
Richard House
Winckley Square
Preston
PR1 3HP**

17.4.08

FIRST BUSINESS SUPPORT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2007

	Note	2007 £	2006 (restated) £
Turnover	2	8,586,529	8,350,760
Cost of sales		(1,887,338)	(2,002,380)
Gross profit		6,699,191	6,348,380
Administrative expenses		(6,560,016)	(5,656,573)
Operating profit	3	139,175	691,807
Interest receivable and similar income		95,553	61,356
Interest payable and similar charges	6	—	(244)
Profit on ordinary activities before taxation		234,728	752,919
Tax on profit on ordinary activities	7	39,084	(220,738)
Profit for the financial year		273,812	532,181

All of the activities of the company are classed as continuing.

FIRST BUSINESS SUPPORT LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 JULY 2007

	2007	2006 (restated)
	£	£
Profit for the financial year attributable to the shareholders	273,812	532,181
Total recognised gains and losses relating to the year	<u>273,812</u>	<u>532,181</u>
Prior year adjustment (see note 8)	(426,556)	(468,136)
Total gains and losses recognised since the last annual report	<u>(152,744)</u>	<u>64,045</u>

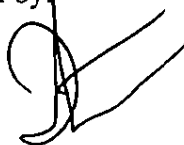
FIRST BUSINESS SUPPORT LIMITED

BALANCE SHEET

31 JULY 2007

		2007		2006 (restated)	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		21,245		65,271
Current assets					
Debtors	10	3,057,598		2,145,212	
Cash at bank and in hand		943,379		1,526,784	
		<u>4,000,977</u>		<u>3,671,996</u>	
Creditors: amounts falling due within one year	12	<u>2,145,685</u>		<u>2,228,734</u>	
Net current assets			<u>1,855,292</u>		<u>1,443,262</u>
Total assets less current liabilities			<u>1,876,537</u>		<u>1,508,533</u>
Provisions for liabilities					
Other provisions	13		<u>498,258</u>		<u>426,556</u>
			<u>1,378,279</u>		<u>1,081,977</u>
Capital and reserves					
Called-up equity share capital	16		38,460		35,000
Share premium account	17		19,030		—
Other reserves	17		11,666		11,666
Profit and loss account	17		<u>1,309,123</u>		<u>1,035,311</u>
Shareholders' funds	18		<u>1,378,279</u>		<u>1,081,977</u>

These accounts were approved by the directors and authorised for issue on 17 Oct. 2008, and are signed on their behalf by:



Mr J R Stier

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention.

Any changes in accounting policy resulting from the implementation of new accounting standards, which have a material effect on the accounts, are disclosed separately within the relevant note to the accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover comprises services which are provided under contractual agreements, and services provided on an 'ad hoc' basis which are invoiced accordingly net of value added tax. The company accounts for sales with reference to the duration of the contract and reflects time and costs incurred in servicing agreements.

Turnover in respect of personnel and health and safety consultancy services represents the value of services provided during the period excluding 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.

Leasehold Property	-	Over the term of the lease
Fixtures & Fittings	-	25% on cost
Equipment	-	33% and 50% on cost

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

Where the company has vacant property it will assess the market and form a view as to the likelihood of transferring or sub-letting the lease. If it is deemed appropriate a provision will be charged to the profit and loss account representing the future lease payments.

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

1 Accounting policies (continued)

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 to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2007	2006 (restated)
	£	£
United Kingdom	<u>8,586,529</u>	<u>8,350,760</u>

3 Operating profit

Operating profit is stated after charging

	2007	2006 (restated)
	£	£
Depreciation of owned fixed assets	44,026	59,980
Auditor's remuneration		
- as auditor	5,150	5,000
Exceptional items	793,443	—

The exceptional costs of £793,443 relate to adjustments required and costs incurred as a result of the acquisition of the entire issued share capital of the company by Moorepay Limited during the year

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2007	2006 (restated)
	No	No
Directors	5	6
Administration and selling	139	127
	<u>144</u>	<u>133</u>

The aggregate payroll costs of the above were.

	2007	2006 (restated)
	£	£
Wages and salaries	4,179,700	3,963,478
Social security costs	429,523	415,605
Other pension costs	578,220	334,714
	<u>5,187,443</u>	<u>4,713,797</u>

5 Directors' emoluments

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

	2007	2006 (restated)
	£	£
Aggregate emoluments	347,685	469,118
Value of company pension contributions to money purchase schemes	471,987	230,499
	<u>819,672</u>	<u>699,617</u>

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

5 Directors' emoluments (continued)

Emoluments of highest paid director:

	2007	2006 (restated)
	£	£
Total emoluments (excluding pension contributions)	87,259	109,247
Value of company pension contributions to money purchase schemes	8,330	110,000
	<u>95,589</u>	<u>219,247</u>

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

	2007	2006 (restated)
	No	No
Money purchase schemes	<u>6</u>	<u>6</u>

6 Interest payable and similar charges

	2007	2006 (restated)
	£	£
Other similar charges payable	<u>—</u>	<u>244</u>

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007		2006 (restated)	
	£	£	£	£
Current tax				
UK Corporation tax based on the results for the year		-		240,507
Over/under provision in prior year		(19,426)		(50)
Total current tax		(19,426)		240,457
Deferred tax:				
Origination and reversal of timing differences (note 11)				
Capital allowances	(58)		(19,719)	
Other	(19,600)		-	
Total deferred tax (note 11)		(19,658)		(19,719)
Tax on profit on ordinary activities		(39,084)		220,738

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2006 - 30%).

	2007	2006 (restated)
	£	£
Profit on ordinary activities before taxation	234,728	752,919
Profit on ordinary activities by rate of tax	65,724	213,402
Expenses not deductible for tax purposes	13,796	17,039
Capital allowances in excess of depreciation	1,372	2,700
Prior year overprovision	(19,426)	(50)
Deferred tax credit	20,720	7,366
Prior year adjustment	(119,436)	-
Losses carried back	17,824	-
Total current tax (note 7(a))	(19,426)	240,457

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

8 Prior year adjustment

The accounts have been restated to incorporate changes to the company's accounting policies. These changes were required to bring the company's accounting policies in line with its new parent company, Moorepay Limited

Summary of the prior year accounting impact

	£
Increase in provisions	(426,556)
Prior year adjustment - decrease in distributable profits	<u>(426,556)</u>

9 Tangible fixed assets

	Short leasehold £	Fixtures, fittings and office equipment £	Computer equipment £	Total £
Cost				
At 1 August 2006 and 31 July 2007	<u>45,000</u>	<u>117,361</u>	<u>182,862</u>	<u>345,223</u>
Depreciation				
At 1 August 2006	34,500	106,621	138,831	279,952
Charge for the year	<u>9,000</u>	<u>5,567</u>	<u>29,459</u>	<u>44,026</u>
At 31 July 2007	<u>43,500</u>	<u>112,188</u>	<u>168,290</u>	<u>323,978</u>
Net book value				
At 31 July 2007	<u>1,500</u>	<u>5,173</u>	<u>14,572</u>	<u>21,245</u>
At 31 July 2006	<u>10,500</u>	<u>10,740</u>	<u>44,031</u>	<u>65,271</u>

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

10 Debtors

	2007	2006 (restated)
	£	£
Trade debtors	607,560	308,130
Amounts recoverable on contracts	626,525	640,930
Amounts owed by group undertakings	756,317	—
Corporation tax repayable	19,426	—
Other debtors	465,175	464,588
Prepayments and accrued income	543,218	711,845
Deferred taxation (note 11)	39,377	19,719
	<u>3,057,598</u>	<u>2,145,212</u>

The debtors above include the following amounts falling due after more than one year:

	2007	2006 (restated)
	£	£
Other debtors	<u>465,175</u>	<u>464,588</u>

11 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2007	2006 (restated)
	£	£
Included in debtors (note 10)	<u>39,377</u>	<u>19,719</u>

The movement in the deferred taxation account during the year was

	2007	2006 (restated)
	£	£
Balance brought forward	19,719	—
Profit and loss account movement arising during the year	19,658	19,719
Balance carried forward	<u>39,377</u>	<u>19,719</u>

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

11 Deferred taxation (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2007	2006 (restated)
	£	£
Excess of depreciation over taxation allowances	19,777	19,719
Other timing differences	19,600	-
	<u>39,377</u>	<u>19,719</u>

12 Creditors: amounts falling due within one year

	2007	2006 (restated)
	£	£
Payments received on account	803,490	850,753
Trade creditors	100,023	99,901
Corporation tax	-	240,507
PAYE and social security	107,077	106,958
VAT	330,998	306,735
Directors current accounts	-	16,820
Accruals and deferred income	804,097	607,060
	<u>2,145,685</u>	<u>2,228,734</u>

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

13 Other provisions

	2007
	£
Property Provisions:	
Balance brought forward	426,556
Movement for year	71,702
	<u>498,258</u>

The company has recognised a property provision of £204,258 in relation to net lease payments that the company is committed to pay over the remaining lease terms for properties no longer occupied by the company

The company has recognised a provision of £174,000 in relation to dilapidation payments that it will need to make when the properties currently leased by the company are vacated

The company has recognised a provision of £120,000 in relation to litigation cases that it is currently the subject of

14 Commitments under operating leases

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

	2007		2006	
	Land & Buildings	Other Items	Land & Buildings (restated)	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	29,252	38,748	10,500	40,358
Within 2 to 5 years	52,140	148,748	227,654	207,434
	<u>81,392</u>	<u>187,496</u>	<u>238,154</u>	<u>247,792</u>

Two of the company's rental leases expired on 30 September 2007. The company continues to use these properties but on an extended lease and therefore its annual commitments are reduced

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

15 Related party transactions

Until 11 May 2007 the company was under the control of Mr J J Malley and Mrs Y L Malley by virtue of their ownership of 100% of the issued share capital in the company. From 11 May 2007 the company was under the control of Moorepay Limited who bought the entire issued share capital of the company on that date.

Exemption has been taken from disclosing related party transactions with companies within the group on the grounds that the company is included in the group accounts which are publicly available.

16 Share capital

Authorised share capital:

	2007	2006 (restated)
	£	£
60,000 Ordinary shares of £1 each	60,000	60,000
11,666 A Ordinary shares of £1 each	11,666	11,666
	<u>71,666</u>	<u>71,666</u>

Allotted, called up and fully paid:

	2007		2006 (restated)	
	No	£	No	£
Ordinary shares of £1 each	<u>38,460</u>	<u>38,460</u>	<u>35,000</u>	<u>35,000</u>

During the year certain employees exercised share options for a total of 3,460 ordinary shares. The consideration for these shares was £6.50 per share.

FIRST BUSINESS SUPPORT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

17 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account (restated) £
Original balance at 1 August 2006	—	11,666	1,461,867
Prior year adjustment (note 8)	—	—	(426,556)
Restated balance as at 1 August 2006	—	11,666	1,035,311
Profit for the year	—	—	273,812
Other movements	—	—	—
New equity share capital subscribed	19,030	—	—
At 31 July 2007	19,030	11,666	1,309,123

18 Reconciliation of movements in shareholders' funds

	2007		2006 (restated)	
	£	£	£	£
Profit for the financial year		273,812		532,181
New equity share capital subscribed	3,460		—	
Premium on new share capital subscribed	19,030		—	
Net addition to shareholders' funds		296,302		532,181
Opening shareholders' funds		1,508,533		1,017,932
Prior year adjustment (see note 8)		(426,556)		(468,136)
Closing shareholders' funds		1,378,279		1,081,977

19 Ultimate parent company

The parent undertaking of the smallest and largest group of undertakings of which the company is a member and for which group accounts are prepared is the company's ultimate holding company, Northgate Information Solutions plc, Peoplebuilding 2, Peoplebuilding Estate, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 4NW, a company registered in England and Wales. Copies of the accounts can be obtained from the above address.

The ultimate controlling party is Northgate Information Solutions plc.