

A24 GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Company Registration Number 3262419

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A24 GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

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A24 GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 JUNE 2011

The board of directors	C Rees P Streeter P Rea
Company secretary	N Patel
Business address	92-96 Lind Road Sutton, Surrey SM1 4PL
Registered office	92-96 Lind Road Sutton, Surrey SM1 4PL
Auditor	RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT

A24 GROUP LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2011

The directors present their report and the financial statements of the group for the year ended 30 June 2011

Principal activities and business review

The principal activity of the company during the year continued to be that of healthcare staffing

Results and dividends

The profit for the year, after taxation, amounted to £3,549,747. The directors have not recommended a dividend.

The increase in turnover and administration expenses and the reduction in margin represents the combined impact of acquisitions made and challenging market conditions. Overall results are in line with the directors' expectations.

In line with other businesses operating in the markets in which the business operates there remains the commercial risk which surrounds the issue of lack of visibility of earnings in that future demand for agency staff is difficult to predict. The directors continue to look at key performance indicators such as hours sold and margins achieved whilst at the same time aiming to actively manage costs and preserve liquidity. Given the nature of the business, the Group's directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The directors are aware of the importance of cash flow and treasury management with the result that great emphasis is placed on this. The directors feel that available data does not allow for meaningful comments on the market share of the business.

The Group's principal financial instruments comprise bank balances and trade debtors. The main purpose of these instruments is to raise funds for the Group and to finance its operations. Due to the nature of the financial instruments used by the Group, there is no exposure to price risk.

The directors believe that the Group is well placed to achieve its growth targets which include the maintenance of gross margins and positive cash flows.

Directors

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

C Rees
P Streeter
P Rea

A24 GROUP LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 JUNE 2011

Directors' responsibilities

The directors are responsible for preparing the Directors' 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 the group and of the profit or loss of the group for that year. 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 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the group'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.

Disabled employees

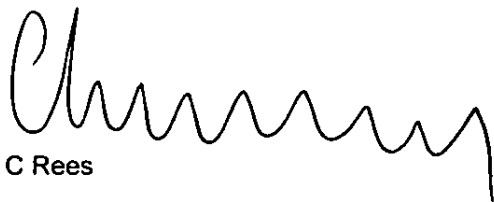
The group is an equal opportunities employer and, as such, is committed to employment opportunities for disabled persons.

Employee involvement

The group's policy is to consult, as far as is practicable, with employees on matters likely to affect employees' interests.

A24 GROUP LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 JUNE 2011

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'C Rees', with a stylized, wavy line extending from the end.

C Rees

Director

Approved by the directors on 28/3/2012

A24 GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A24
GROUP LIMITED

YEAR ENDED 30 JUNE 2011

We have audited the group and parent company financial statements ("the financial statements") of A24 Group Limited for the year ended 30 June 2011 on pages 7 to 24. 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 auditor

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 and express an opinion on 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 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2011 and of the group's 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 matters 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.

A24 GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A24
GROUP LIMITED (continued)**

YEAR ENDED 30 JUNE 2011

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Tony Castagnetti

Tony Castagnetti, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
66 Chiltern Street
London
W1U 4JT

Date - 28/3/2012

A24 GROUP LIMITED
GROUP PROFIT AND LOSS ACCOUNT PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2011

	Note	2011 £	2010 £
Group turnover	2	68,273,942	65,173,912
Cost of sales		(50,584,874)	(47,121,004)
Gross profit		<u>17,689,068</u>	<u>18,052,908</u>
Administrative expenses		(12,809,186)	(7,804,753)
Operating profit	3	<u>4,879,882</u>	<u>10,248,155</u>
Interest receivable		115,381	187,882
Interest payable and similar charges	6	–	(18,012)
Profit on ordinary activities before taxation		<u>4,995,263</u>	<u>10,418,025</u>
Tax on profit on ordinary activities	7	(1,445,516)	(2,948,852)
Profit for the financial year	8	<u>3,549,747</u>	<u>7,469,173</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 12 to 24 form part of these financial statements

A24 GROUP LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 JUNE 2011

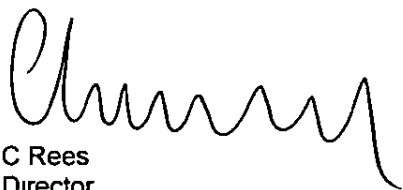
	2011 £	2010 £
Profit for the financial year		
Attributable to the shareholders of the parent company	3,549,747	7,469,173
Currency translation differences on foreign currency net investments	<u>(62,045)</u>	<u>185,668</u>
Total gains and losses recognised since the last annual report	<u>3,487,702</u>	<u>7,654,841</u>

The notes on pages 12 to 24 form part of these financial statements

A24 GROUP LIMITED
GROUP BALANCE SHEET
30 JUNE 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	10		2,723,566		314,360
Tangible assets	11		2,332,387		2,477,072
			<u>5,055,953</u>		<u>2,791,432</u>
Current assets					
Debtors	13	8,158,572		7,907,242	
Cash at bank		14,120,833		13,615,965	
		<u>22,279,405</u>		<u>21,523,207</u>	
Creditors' Amounts falling due within one year	15	<u>(10,328,505)</u>		<u>(10,795,488)</u>	
Net current assets			11,950,900		10,727,719
Total assets less current liabilities			<u>17,006,853</u>		<u>13,519,151</u>
Capital and reserves					
Called-up share capital	19		2		2
Profit and loss account	20		17,006,851		13,519,149
Shareholders' funds	21		<u>17,006,853</u>		<u>13,519,151</u>

These financial statements were approved by the directors and authorised for issue on ~~26/3/2012~~ and are signed on their behalf by



C Rees
Director

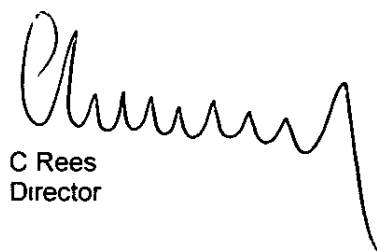
A24 GROUP LIMITED
Registered Number 3262419

BALANCE SHEET

30 JUNE 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	11		2,011,639		1,899,353
Investments	12		728,652		728,652
			<u>2,740,291</u>		<u>2,628,005</u>
Current assets					
Debtors	13	8,249,235		6,380,283	
Cash at bank		13,549,620		12,557,696	
		<u>21,798,855</u>		<u>18,937,979</u>	
Creditors' Amounts falling due within one year	15	<u>(8,861,723)</u>		<u>(9,867,348)</u>	
Net current assets			12,937,132		9,070,631
Total assets less current liabilities			<u>15,677,423</u>		<u>11,698,636</u>
Capital and reserves					
Called-up share capital	19		2		2
Profit and loss account	20		15,677,421		11,698,634
Shareholders' funds			<u>15,677,423</u>		<u>11,698,636</u>

These financial statements were approved by the directors and authorised for issue on 26/3/2012, and are signed on their behalf by


C Rees
Director

A24 GROUP LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2011

		2011	2010
	Note	£	£
Net cash inflow from operating activities	22	6,104,815	15,504,868
Returns on investments and Servicing of finance			
Interest received		115,381	187,882
Interest paid		—	(18,012)
Net cash inflow from returns on investments and servicing of finance		115,381	169,870
Taxation		(2,417,502)	(6,399,165)
Capital expenditure			
Payments to acquire intangible fixed assets		(2,953,917)	—
Payments to acquire tangible fixed assets		(560,053)	(682,899)
Receipts from sale of fixed assets		216,144	17,994
Net cash outflow from capital expenditure		(3,297,826)	(664,905)
Equity dividends paid		—	(8,000,000)
Net cash inflow before management of liquid resources and financing		504,868	610,668
Management of liquid resources			
Bank deposits		(1,648,231)	(367,153)
Increase in cash	22	(1,143,363)	243,515

The notes on pages 12 to 24 form part of these financial statements

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

1. Accounting policies

Basis of accounting

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

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2011. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for services net of Value Added Tax.

Goodwill

Acquired goodwill arising on the acquisition of subsidiary undertakings, representing the difference between the fair value of consideration payable and the fair value of the separable net assets acquired, is capitalised on the balance sheet.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill - 5-10 Years straight Line

Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold Property	- 2% Straight Line
Plant & Machinery	- 50% Reducing Balance
Fixtures & Fittings	- 25% Reducing Balance
Motor Vehicles	- 25% Reducing Balance

Operating lease agreements

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

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

1. Accounting policies *(continued)*

Pension costs

The group pays into various defined contribution pension schemes for the benefit of employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is calculated 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 enacted or substantively enacted at the balance sheet date.

Foreign currencies

The financial statements of group companies which report in currencies other than sterling are translated into sterling at the average rate for the relevant period for the profit and loss account and the period end rate for the closing balance sheet. Capital and reserves are translated at historic rates. Differences arising on consolidation of foreign currency financial statements are credited or debited to a foreign exchange reserve within shareholders' equity.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities. All other exchange gains and losses are dealt with in the profit and loss account in the year in which they arise.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2011	2010
	£	£
United Kingdom	61,301,818	58,385,585
South Africa	6,972,124	6,788,327
	<u>68,273,942</u>	<u>65,173,912</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

3. Operating profit

Operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Amortisation of intangible assets	544,712	52,393
Depreciation of owned fixed assets	521,656	442,901
Profit on disposal of fixed assets	(7,237)	(422)
Auditors remuneration	85,050	30,000
Operating lease costs		
-Other	249,601	144,717
Net loss/(profit) on foreign currency translation	<u>136,584</u>	<u>(2,797)</u>

4 Particulars of employees

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

	2011	2010
	No	No
Administration	557	321
Directors	3	4
	<u>560</u>	<u>325</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	8,124,125	4,721,926
Social security costs	371,464	202,650
Other pension costs	38,434	28,918
	<u>8,534,023</u>	<u>4,953,494</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	198,394	250,543
Value of company pension contributions to money purchase schemes	29,598	13,814
	<u>227,992</u>	<u>264,357</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

5. Directors' remuneration (continued)

Remuneration of highest paid director:

	2011 £	2010 £
Total remuneration (excluding pension contributions)	131,292	214,744
Value of company pension contributions to money purchase schemes	29,598	12,251
	<u>160,890</u>	<u>226,995</u>

The number of directors accruing benefits under private pension schemes was as follows

	2011 No	2010 No
Money purchase schemes	<u>1</u>	<u>2</u>

6. Interest payable and similar charges

	2011 £	2010 £
Interest payable on bank borrowing	-	8,367
On overdue tax	-	9,645
	<u>-</u>	<u>18,012</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	£	2010 £	£
UK taxation				
In respect of the year				
UK Corporation tax based on the results for the year at 27 50% (2010 - 28%)		961,742		2,534,825
Foreign tax				
Current tax on income for the year	580,137		445,823	
Adjustments in respect of prior periods	16,319		-	
		<u>596,456</u>		<u>445,823</u>
		1,558,198		2,980,648
Deferred tax				
Origination and reversal of timing differences	(112,682)		(31,796)	
Total deferred tax (note 14)		<u>(112,682)</u>		<u>(31,796)</u>
Tax on profit on ordinary activities		<u>1,445,516</u>		<u>2,948,852</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

7. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 27.50% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>4,995,263</u>	<u>10,418,025</u>
Profit on ordinary activities by rate of tax	1,373,697	2,917,047
Effects of		
Expenses not deductible for tax purposes	20,053	4,429
Capital allowances for period in excess of depreciation	(103,142)	(66,856)
Foreign tax adjustments	434,334	247,415
Double tax relief	(308,209)	(238,010)
Other tax adjustments	(1,990)	(514)
Depreciation add back	<u>143,455</u>	<u>117,137</u>
Total current tax (note 7(a))	<u>1,558,198</u>	<u>2,980,648</u>

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £3,978,787 (2010 - £6,814,478)

9. Dividends

Equity dividends

	2011 £	2010 £
Paid during the year		
Ordinary interim dividend	<u>—</u>	<u>8,000,000</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

10. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2010	523,932
Additions	3,019,101
Disposals	(65,183)
At 30 June 2011	<u>3,477,850</u>
Amortisation	
At 1 July 2010	209,572
Charge for the year	544,712
At 30 June 2011	<u>754,284</u>
Net book value	
At 30 June 2011	<u>2,723,566</u>
At 30 June 2010	<u>314,360</u>

Goodwill of £261,967 relates to the acquisition of The Nursing Services of South Africa (Pty) Limited

Additions to Goodwill of £3,019,101 relates to the purchase of certain trades and assets from Pinnacle Staffing Group Plc. The trades and assets were originally purchased by Arabella Health Staffing Limited and subsequently some of the trades purchased were transferred to Grosvenor Staffing Ltd, Mayfair staffing Ltd and the assets were transferred to A24 Group Limited

11. Tangible fixed assets

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 July 2010	1,932,307	1,535,161	466,405	605,384	4,539,257
Additions	8,305	300,960	76,063	174,724	560,052
Disposals	(223,623)	–	–	(14,878)	(238,501)
Revaluation	18,794	10,661	2,318	7,539	39,312
At 30 June 2011	<u>1,735,783</u>	<u>1,846,782</u>	<u>544,786</u>	<u>772,769</u>	<u>4,900,120</u>
Depreciation					
At 1 July 2010	176,256	1,187,721	355,669	342,539	2,062,185
Charge for the year	31,999	321,690	45,998	121,969	521,656
On disposals	(20,585)	–	–	(9,009)	(29,594)
Revaluation adjustment	992	5,883	1,204	5,407	13,486
At 30 June 2011	<u>188,662</u>	<u>1,515,294</u>	<u>402,871</u>	<u>460,906</u>	<u>2,567,733</u>
Net book value					
At 30 June 2011	<u>1,547,121</u>	<u>331,488</u>	<u>141,915</u>	<u>311,863</u>	<u>2,332,387</u>
At 30 June 2010	<u>1,756,051</u>	<u>347,440</u>	<u>110,736</u>	<u>262,845</u>	<u>2,477,072</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 July 2010	1,505,858	1,336,889	424,466	465,232	3,732,445
Additions	8,305	294,140	72,750	174,724	549,919
Disposals	—	—	—	(14,878)	(14,878)
At 30 June 2011	<u>1,514,163</u>	<u>1,631,029</u>	<u>497,216</u>	<u>625,078</u>	<u>4,267,486</u>
Depreciation					
At 1 July 2010	152,357	1,094,512	335,183	251,040	1,833,092
Charge for the year	27,236	268,258	40,508	95,762	431,764
On disposals	—	—	—	(9,009)	(9,009)
At 30 June 2011	<u>179,593</u>	<u>1,362,770</u>	<u>375,691</u>	<u>337,793</u>	<u>2,255,847</u>
Net book value					
At 30 June 2011	<u>1,334,570</u>	<u>268,259</u>	<u>121,525</u>	<u>287,285</u>	<u>2,011,639</u>
At 30 June 2010	<u>1,353,501</u>	<u>242,377</u>	<u>89,283</u>	<u>214,192</u>	<u>1,899,353</u>

12. Investments

Company	Group companies £
Cost	
At 1 July 2010 and 30 June 2011	<u>728,652</u>
Net book value	
At 30 June 2011 and 30 June 2010	<u>728,652</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The parent company hold more than 20% of the share capital of the following subsidiary undertakings which are unlisted

Name	Country of incorporation	Holding	Proportion of voting rights	Principal activity
Subsidiary undertakings				
Arabella Health Staffing Limited	England & Wales	Ordinary shares	100%	Recruitment agency
QA Calling Limited	England & Wales	Ordinary shares	100%	Dormant
Nursing Services of the UK Limited	England & Wales	Ordinary shares	100%	Dormant
Nursing Services of South Africa (Pty) Limited	South Africa	Ordinary shares	100%	Recruitment agency
A24 Group (Pty) Limited	South Africa	Ordinary shares	100%	Recruitment agency
Locum Services of the UK Limited	England and Wales	Ordinary shares	100%	Dormant
NS Health Staffing Limited	England and Wales	Ordinary shares	100%	Dormant
Ambition Recruitment Services Limited	England and Wales	Ordinary shares	100%	Dormant
Mayfair Staffing Limited	England and Wales	Ordinary shares	100%	Recruitment Agency
Grosvenor Staffing Limited	England and Wales	Ordinary shares	100%	Recruitment Agency

Mayfair Staffing Limited and Grosvenor Staffing Limited were incorporated on the 25 August 2010 and are active

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

13. Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	5,977,543	5,441,207	2,209,864	3,873,245
Amounts owed by group undertakings	-	-	4,502,202	690,551
Corporation tax repayable	1,339,102	551,810	1,072,563	346,978
VAT recoverable	-	-	7,237	-
Other debtors	36,730	458,245	30,686	13,529
Deferred taxation (Note 14)	112,682	-	-	-
Prepayments and accrued income	692,515	1,455,980	426,683	1,455,980
	<u>8,158,572</u>	<u>7,907,242</u>	<u>8,249,235</u>	<u>6,380,283</u>

14. Deferred taxation

The movement in the deferred taxation asset during the year was

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Provision brought forward	-	31796	-	(16,831)
Provision for year	112,682	(31796)	(32,135)	16,831
Asset/Provision carried forward	<u>112,682</u>	<u>-</u>	<u>(32,135)</u>	<u>-</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Decelerated capital allowances	112,682	-	-	-
Other timing differences	-	-	-	-
	<u>112,682</u>	<u>-</u>	<u>-</u>	<u>-</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

14. Deferred taxation (continued)

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

Company	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Decelerated capital allowances	(32,135)	-	-	-
	<u>(32,135)</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. Creditors: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	916,397	1,128,914	592,472	410,966
Amounts owed to group undertakings	-	-	1,119,543	119,826
Directors' loan accounts	4,848,982	5,911,069	4,848,982	5,911,069
Other creditors including taxation and social security				
Corporation tax	92,946	72,010	333,065	-
PAYE and social security	776,928	721,813	444,259	621,987
VAT	737,980	95,371	-	99,069
Other creditors	454,917	227,446	34,386	227,446
Deferred taxation (Note 14)	-	-	32,135	-
Accruals and deferred income	2,500,355	2,638,865	1,456,881	2,476,985
	<u>10,328,505</u>	<u>10,795,488</u>	<u>8,861,723</u>	<u>9,867,348</u>

16. Pensions

Defined Contribution

The company pays into various defined contribution pension schemes. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2011	2010
	£	£
Contributions payable by the group for the year	64,311	28,918

A24 GROUP LIMITED
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YEAR ENDED 30 JUNE 2011

17. Commitments under operating leases

At 30 June 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within 1 year	10,140	-
Within 2 to 5 years	21,500	14,000
	<u>31,640</u>	<u>14,000</u>

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within 1 year	10,140	-
Within 2 to 5 years	21,500	14,000
	<u>31,640</u>	<u>14,000</u>

18. Related party transactions

Group

The company and group have taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the group headed by A24 Group Limited

Company

During the year the company paid a dividend of £nil (2010 £8,000,000) to P Streeter

At the year end the company owed P Streeter £4,848,982 (2010 £5,911,069)

19. Share capital

Allotted, called up and fully paid.

	2011		2010	
	No	£	No	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

20. Reserves

Group	Profit and loss account £
Balance brought forward	13,519,149
Profit for the year	3,549,747
Foreign currency translation differences	(62,045)
Balance carried forward	<u>17,006,851</u>
 Company	 Profit and loss account £
Balance brought forward	11,698,634
Profit for the year	3,978,787
Balance carried forward	<u>15,677,421</u>

21. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	3,549,747	7,469,173
Equity dividends	—	(8,000,000)
Foreign currency translation differences	(62,045)	185,668
Net addition/(reduction) to shareholders' funds	<u>3,487,702</u>	<u>(345,159)</u>
Opening shareholders' funds	13,519,151	13,864,310
Closing shareholders' funds	<u>17,006,853</u>	<u>13,519,151</u>

22. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating profit	4,879,882	10,248,155
Amortisation	544,712	52,393
Depreciation	521,656	442,901
Profit on disposal of fixed assets	(7,237)	(422)
Decrease/(increase) in debtors	648,645	2,215,168
(Decrease)/increase in creditors	(394,972)	2,409,437
Gain on foreign currency retranslation on debt	(87,871)	137,236
Net cash inflow from operating activities	<u>6,104,815</u>	<u>15,504,868</u>

A24 GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011

22. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net funds

	2011	2010
	£	£
Increase/(decrease) in cash in the period	(1,143,363)	243,515
Cash outflow from increase in liquid resources	1,648,231	367,153
Movement in net funds in the period	<u>504,868</u>	<u>610,668</u>
Net funds at 1 July 2010	13,615,965	13,005,297
Net funds at 30 June 2011	<u>14,120,833</u>	<u>13,615,965</u>

Analysis of changes in net funds

	At		At
	1 July 2010	Cash flows	30 June 2011
	£	£	£
Net cash			
Cash in hand and at bank	<u>2,248,812</u>	(1,143,363)	<u>1,105,449</u>
Liquid resources			
Bank deposits	<u>11,367,153</u>	1,648,231	<u>13,015,384</u>
Net funds	<u>13,615,965</u>	504,868	<u>14,120,833</u>