

Portfolio Payroll Limited
Financial Statements
The Year Ended 31 March 2009

Company Registration Number 4619009



BEEVER AND STRUTHERS
Chartered Accountants & Registered Auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Portfolio Payroll Limited

Financial Statements

Year Ended 31 March 2009

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Portfolio Payroll Limited

The Directors' Report

Year Ended 31 March 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

Principal Activities

The principal activity of the company during the year was that of the placement of permanent and temporary payroll staff.

Directors

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

DP Done
PE Done
A Nash de Villiers
AEJ Macey

Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

Portfolio Payroll Limited

The Directors' Report *(continued)*

Year Ended 31 March 2009

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.

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:
New Liverpool House
15 Eldon Street
London
EC2M 7LD

Signed on behalf of the directors

PE Done

Director



Approved by the directors on 29 July 2009

Portfolio Payroll Limited

Independent Auditor's Report to the Shareholders of Portfolio Payroll Limited

Year Ended 31 March 2009

We have audited the financial statements of Portfolio Payroll Limited for the year ended 31 March 2009 on pages 5 to 13, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on pages 7 to 8.

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 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.

Portfolio Payroll Limited

Independent Auditor's Report to the Shareholders of Portfolio Payroll Limited *(continued)*

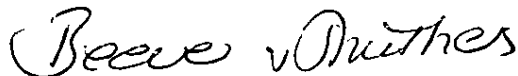
Year Ended 31 March 2009

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 applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 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.



St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

BEEVER AND STRUTHERS
Chartered Accountants
& Registered Auditor

29 July 2009

Portfolio Payroll Limited

Profit and Loss Account

Year Ended 31 March 2009

	Note	2009 £	2008 £
Turnover		9,154,853	9,012,950
Cost of sales		<u>5,523,251</u>	<u>5,123,338</u>
Gross profit		3,631,602	3,889,612
Administrative expenses		<u>2,411,956</u>	<u>1,898,706</u>
Operating profit	2	1,219,646	1,990,906
Interest receivable		38,612	120,439
Profit on ordinary activities before taxation		1,258,258	2,111,345
Tax on profit on ordinary activities	4	363,839	653,556
Profit for the financial year		<u>894,419</u>	<u>1,457,789</u>

The notes on pages 7 to 13 form part of these financial statements.

Portfolio Payroll Limited

Balance Sheet

31 March 2009

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	6	265,396	284,698
Tangible assets	7	<u>230,676</u>	<u>244,655</u>
		496,072	529,353
Current assets			
Debtors	8	1,094,088	1,642,891
Cash at bank and in hand		<u>1,025,580</u>	<u>941,319</u>
		2,119,668	2,584,210
Creditors: Amounts Falling due Within One Year	9	<u>690,285</u>	<u>1,085,052</u>
Net current assets		<u>1,429,383</u>	<u>1,499,158</u>
Total assets less current liabilities		<u>1,925,455</u>	<u>2,028,511</u>
Provisions for liabilities			
Deferred taxation	10	<u>25,043</u>	<u>22,518</u>
		<u>1,900,412</u>	<u>2,005,993</u>
Capital and reserves			
Called-up equity share capital	13	1,000	1,000
Profit and loss account	14	<u>1,899,412</u>	<u>2,004,993</u>
Shareholders' funds		<u>1,900,412</u>	<u>2,005,993</u>

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 2007).

These financial statements were approved by the directors and authorised for issue on 29 July 2009, and are signed on their behalf by:

PE Done
Director



The notes on pages 7 to 13 form part of these financial statements.

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is being amortised over its estimated useful life of twenty years.

Amortisation 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:

Fixed Assets

All fixed assets are initially recorded at cost.

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:

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.

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:

Portfolio Payroll Limited
Notes to the Financial Statements
Year Ended 31 March 2009

1. Accounting Policies *(continued)*

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 liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Operating Profit

Operating profit is stated after charging:

	2009	2008
	£	£
Amortisation of intangible assets	19,302	19,302
Depreciation of owned fixed assets	68,736	57,136
Auditor's fees	<u>5,000</u>	<u>4,500</u>

Portfolio Payroll Limited
Notes to the Financial Statements
Year Ended 31 March 2009

3. Directors' Emoluments

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

	2009 £	2008 £
Aggregate emoluments	<u>258,794</u>	<u>227,538</u>

4. Taxation on Ordinary Activities

Analysis of charge in the year

	2009 £	2008 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	<u>361,314</u>	<u>633,008</u>
Total current tax	<u>361,314</u>	<u>633,008</u>
Deferred tax:		
Origination and reversal of timing differences	<u>2,525</u>	<u>20,548</u>
Tax on profit on ordinary activities	<u>363,839</u>	<u>653,556</u>

5. Dividends

Equity dividends

	2009 £	2008 £
Paid during the year:		
Equity dividends on ordinary shares	<u>1,000,000</u>	<u>1,100,000</u>

Portfolio Payroll Limited
Notes to the Financial Statements
Year Ended 31 March 2009

6. Intangible Fixed Assets

	Goodwill £
Cost	
At 1 April 2008 and 31 March 2009	<u>386,033</u>
Amortisation	
At 1 April 2008	101,335
Charge for the year	<u>19,302</u>
At 31 March 2009	<u>120,637</u>
Net book value	
At 31 March 2009	<u>265,396</u>
At 31 March 2008	<u>284,698</u>

7. Tangible Fixed Assets

	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost				
At 1 April 2008	237,101	29,995	70,378	337,474
Additions	<u>8,526</u>	<u>21,433</u>	<u>24,798</u>	<u>54,757</u>
At 31 March 2009	<u>245,627</u>	<u>51,428</u>	<u>95,176</u>	<u>392,231</u>
Depreciation				
At 1 April 2008	39,567	14,998	38,254	92,819
Charge for the year	<u>36,844</u>	<u>12,857</u>	<u>19,035</u>	<u>68,736</u>
At 31 March 2009	<u>76,411</u>	<u>27,855</u>	<u>57,289</u>	<u>161,555</u>
Net book value				
At 31 March 2009	<u>169,216</u>	<u>23,573</u>	<u>37,887</u>	<u>230,676</u>
At 31 March 2008	<u>197,534</u>	<u>14,997</u>	<u>32,124</u>	<u>244,655</u>

Portfolio Payroll Limited
Notes to the Financial Statements
Year Ended 31 March 2009

8. Debtors

	2009	2008
	£	£
Trade debtors	944,514	1,564,718
Corporation tax repayable	69,815	—
Other debtors	79,759	78,173
	<u>1,094,088</u>	<u>1,642,891</u>

9. Creditors: Amounts Falling due Within One Year

	2009	2008
	£	£
Trade creditors	144,540	141,595
Corporation tax	—	168,871
Other taxation and social security	365,171	536,055
Other creditors	180,574	238,531
	<u>690,285</u>	<u>1,085,052</u>

10. Deferred Taxation

The movement in the deferred taxation provision during the year was:

	2009
	£
Provision brought forward	22,518
Profit and loss account movement arising during the year	2,525
Provision carried forward	<u>25,043</u>

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

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	25,043	22,518
	<u>25,043</u>	<u>22,518</u>

Portfolio Payroll Limited
Notes to the Financial Statements
Year Ended 31 March 2009

11. Commitments under Operating Leases

At 31 March 2009 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2009 £	2008 £
Operating leases which expire: After more than 5 years	<u>193,557</u>	<u>193,557</u>

12. Related Party Transactions

The company was under the control of Mr PE Done and Mr DP Done throughout throughout the current and previous year.

A management charge of £25,000 (2008 - £25,000) is payable to Peninsula Business Services Limited for the year. An amount of £Nil (2008 - £26,133) is outstanding at the year end. Peninsula Business Services Limited is a company in which Mr P E Done has a material interest.

During the previous year the company loaned Goldentree Financial Services plc a maximum amount of £1,900,000. This had been repaid by 31 March 2008. Goldentree Financial Services plc is a company in which Mr P E Done has a material interest. The loan had been provided at a commercial rate of interest.

13. Share Capital

Authorised share capital:

	2009 £	2008 £
500 Ordinary Class A shares of £1 each	500	500
500 Ordinary Class B shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2009 No	£	2008 No	£
Ordinary Class A shares of £1 each	500	500	500	500
Ordinary Class B shares of £1 each	500	500	500	500
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Portfolio Payroll Limited
Notes to the Financial Statements
Year Ended 31 March 2009

14. Profit and Loss Account

	2009 £	2008 £
Balance brought forward	2,004,993	1,647,204
Profit for the financial year	894,419	1,457,789
Equity dividends	<u>(1,000,000)</u>	<u>(1,100,000)</u>
Balance carried forward	<u>1,899,412</u>	<u>2,004,993</u>

Portfolio Payroll Limited

Management Information

Year Ended 31 March 2009

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 3 to 4.

Portfolio Payroll Limited
Detailed Profit and Loss Account
Year Ended 31 March 2009

	2009 £	2008 £
Turnover	9,154,853	9,012,950
Cost of sales		
Wages	<u>5,523,251</u>	<u>5,123,338</u>
Gross profit	3,631,602	3,889,612
Overheads		
Administrative expenses	<u>2,411,956</u>	<u>1,898,706</u>
Operating profit	1,219,646	1,990,906
Bank interest receivable	<u>38,612</u>	<u>120,439</u>
Profit on ordinary activities	<u>1,258,258</u>	<u>2,111,345</u>

Portfolio Payroll Limited

Notes to the Detailed Profit and Loss Account

Year Ended 31 March 2009

	2009		2008	
	£	£	£	£
Administrative expenses				
Personnel Costs				
Directors salaries	258,794		227,538	
Wages and salaries	<u>1,191,155</u>		<u>1,071,048</u>	
		1,449,949		1,298,586
Establishment Expenses				
Rent		348,540		95,915
General Expenses				
Travel and subsistence	16,846		16,228	
Telephone	48,397		30,460	
Office expenses	16,180		14,479	
Subscriptions	2,687		2,053	
Computer costs	30,399		24,146	
Printing, stationery and postage	55,029		42,001	
Staff training	11,110		4,364	
Recruitment costs	27,610		20,300	
Sundry expenses	1,625		1,069	
Advertising	193,928		173,992	
Entertaining	37,740		12,519	
Management charges payable	25,000		25,000	
Legal and professional fees	4,201		35,742	
Accountancy fees	5,975		2,975	
Auditors remuneration	5,000		4,500	
Amortisation	19,302		19,302	
Depreciation	<u>68,736</u>		<u>57,136</u>	
		569,765		486,266
Financial Costs				
Bad debts written off	38,138		14,338	
Bank charges	<u>5,564</u>		<u>3,601</u>	
		43,702		17,939
		<u>2,411,956</u>		<u>1,898,706</u>
Interest receivable				
Bank interest receivable		<u>38,612</u>		<u>120,439</u>