

AAA GROUP LIMITED
GROUP FINANCIAL STATEMENTS
FOR
31 MARCH 2010

TUESDAY



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COMPANIES HOUSE

SIMPSON FORSYTH
Chartered Accountants & Statutory Auditor
52 - 54 Queen's Road
Aberdeen
AB15 4YE

AAA GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

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AAA GROUP LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2010

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year was that of a recruitment agency.

The group has had another successful year, despite difficult trading conditions continuing within the recruitment industry. Turnover has fallen by 14% on the previous year from £9,317,619 to £8,037,838. Much of this drop relates to cutbacks in permanent placements, with companies reducing labour costs in response to the general downturn in the economy. The gross profit margin has fallen from 36% to 29%, largely as a result of the fall in permanent placements. In response to the decrease in turnover and gross profit margins, the directors have taken steps to reduce the group's overheads in the year and as a result have managed to generate an operating profit of £281,597 compared to £223,495 in 2009.

The immediate outlook for the recruitment industry remains uncertain, however the directors are confident of improved trading performance as the market recovers during 2010/11. Due to the difficult market conditions, results are not as projected when the group purchased Aberdeen Appointments Agency Limited and so the group has revalued the carrying value of goodwill, reducing it by £1,000,000.

RESULTS AND DIVIDENDS

There is a loss for the year, after taxation of £903,790 after writing off goodwill of £1,000,000 at the year end. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a number of human resources and financial risks, including people, cash flow risk, credit risk and liquidity risk.

People

The group is exposed to the risk of resignation of key individuals which could adversely affect the group's results. The risk is alleviated through succession planning and continuous training of recruitment consultants.

Placement risk

Much of the group's fee income is contingent upon the successful placement of a candidate in a position. If a client cancels an assignment at any stage in the process, the company receives no income.

Credit risk

The group's financial assets are trade and other receivables.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and clients.

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

AAA GROUP LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MARCH 2010

DIRECTORS

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

Mr P J A Smith
Mr A J Porter
Mr S C McWilliam

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 of the group at the end of the year and of the group's profit or loss 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group'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 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.

Registered office:
Johnstone House
52 - 54 Rose Street
Aberdeen
AB10 1HA

Signed on behalf of the directors



MR A J PORTER
Director

Approved by the directors on 20 December 2010

AAA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AAA GROUP LIMITED

YEAR ENDED 31 MARCH 2010

We have audited the group and parent company financial statements (the "financial statements") of AAA Group Limited for the year ended 31 March 2010 on pages 5 to 25. 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 shareholders 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 shareholders those matters we are required to state 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 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 2, 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 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 (APB'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 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.

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 31 March 2010 and of the group's profit or loss 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.

AAA GROUP LIMITED

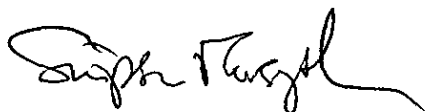
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AAA GROUP LIMITED *(continued)*

YEAR ENDED 31 MARCH 2010

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.



DAVID W STRACHAN (Senior Statutory Auditor)
For and on behalf of SIMPSON FORSYTH
Chartered Accountants and Statutory Auditor

52 – 54 Queen's Road
Aberdeen
AB15 4YE

20 December 2010

AAA GROUP LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
TURNOVER	2	8,037,838	9,317,619
Cost of sales		<u>5,742,905</u>	<u>6,010,503</u>
GROSS PROFIT		2,294,933	3,307,116
Administrative expenses		<u>2,013,336</u>	<u>3,083,621</u>
OPERATING PROFIT	3	281,597	223,495
Amounts written off goodwill		(1,000,000)	(1,000,000)
Interest receivable		251	2,514
Interest payable and similar charges	6	<u>(37,135)</u>	<u>(107,961)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(755,287)	(881,952)
Tax on profit on ordinary activities	7	148,503	236,930
PROFIT FOR THE FINANCIAL YEAR		<u>(903,790)</u>	<u>(1,118,882)</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 25 form part of these financial statements.

AAA GROUP LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2010

	2010 £	2009 £
Loss for the financial year attributable to the shareholders	(903,790)	(1,118,882)
Total recognised gains and losses relating to the year	<u>(903,790)</u>	<u>(1,118,882)</u>
Prior year adjustment	<u>-</u>	<u>100,901</u>
Total gains and losses recognised since the last annual report	<u>(903,790)</u>	<u>(1,017,981)</u>

The notes on pages 12 to 25 form part of these financial statements.

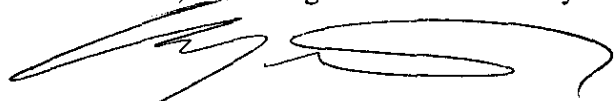
AAA GROUP LIMITED

GROUP BALANCE SHEET

31 MARCH 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Intangible assets	8	1,746,390	2,926,346
Tangible assets	9	91,618	185,297
Investments	10	1,750	1,750
		<u>1,839,758</u>	<u>3,113,393</u>
CURRENT ASSETS			
Debtors	11	1,374,265	1,313,377
Cash at bank and in hand		127,432	33,012
		<u>1,501,697</u>	<u>1,346,389</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,953,502)</u>	<u>(2,027,191)</u>
NET CURRENT ASSETS		<u>(451,805)</u>	<u>(680,802)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,387,953</u>	<u>2,432,591</u>
CREDITORS: Amounts falling due after more than one year	13	(1,157,500)	(1,307,500)
PROVISIONS FOR LIABILITIES			
Deferred taxation	16	(9,152)	—
		<u>221,301</u>	<u>1,125,091</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	100	100
Share premium account	20	2,187,400	2,187,400
Profit and loss account	21	(1,966,199)	(1,062,409)
SHAREHOLDERS' FUNDS	22	<u>221,301</u>	<u>1,125,091</u>

These financial statements were approved by the directors and authorised for issue on 20 December 2010, and are signed on their behalf by:



MR A J PORTER

Company Registration Number: SC319102

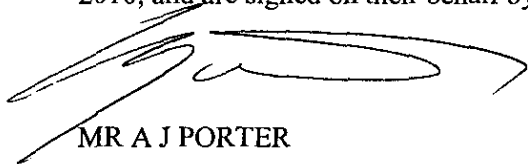
The notes on pages 12 to 25 form part of these financial statements.

AAA GROUP LIMITED
COMPANY BALANCE SHEET

31 MARCH 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Investments	10	5,000,000	6,000,000
CREDITORS: Amounts falling due within one year	12	<u>(3,808,907)</u>	<u>(3,640,786)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,191,093</u>	<u>2,359,214</u>
CREDITORS: Amounts falling due after more than one year	13	<u>(1,157,500)</u>	<u>(1,307,500)</u>
		<u>33,593</u>	<u>1,051,714</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	100	100
Share premium account	20	2,187,400	2,187,400
Profit and loss account	21	<u>(2,153,907)</u>	<u>(1,135,786)</u>
SHAREHOLDERS' FUNDS		<u>33,593</u>	<u>1,051,714</u>

These financial statements were approved by the directors and authorised for issue on 20 December 2010, and are signed on their behalf by:



MR A J PORTER

Company Registration Number: SC319102

The notes on pages 12 to 25 form part of these financial statements.

AAA GROUP LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2010

	2010		2009
	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		308,724	1,087,965
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	251		2,514
Interest paid	(37,021)		(105,557)
Interest element of hire purchase	<u>(114)</u>		<u>(2,404)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(36,884)	(105,447)
TAXATION		(242,130)	(282,299)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(4,270)		(8,504)
Receipts from sale of fixed assets	<u>66,652</u>		<u>14,999</u>
NET CASH INFLOW FROM CAPITAL EXPENDITURE		62,382	6,495
CASH INFLOW BEFORE FINANCING		92,092	706,714
FINANCING			
Capital element of hire purchase	(866)		(20,992)
Repayment of bank loans	(125,000)		(75,000)
Repayment of other loans	—		(302,500)
Repayment of director's loan	<u>(152,615)</u>		<u>(93,333)</u>
NET CASH OUTFLOW FROM FINANCING		(278,481)	(491,825)
(DECREASE)/INCREASE IN CASH		<u>(186,389)</u>	<u>214,889</u>

The notes on pages 12 to 25 form part of these financial statements.

AAA GROUP LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2010

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Operating profit	281,597	223,495
Amortisation of goodwill	179,956	243,209
Depreciation	26,715	47,261
Loss on disposal of fixed assets	4,582	5,525
Loss on disposal of intangibles	—	375,001
(Increase)/decrease in debtors	(60,722)	413,538
Decrease in creditors	(123,404)	(220,064)
Net cash inflow from operating activities	<u>308,724</u>	<u>1,087,965</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010	2009
	£	£
(Decrease)/increase in cash in the period	(186,389)	214,889
Net cash outflow from bank loans	125,000	75,000
Net cash outflow from other loans	—	302,500
Cash outflow in respect of hire purchase	866	20,992
Cash outflow from director's loan	<u>152,615</u>	<u>93,333</u>
	92,092	706,714
Change in net debt	92,092	706,714
Net debt at 1 April 2009	(2,244,684)	(2,951,398)
Net debt at 31 March 2010	<u>(2,152,592)</u>	<u>(2,244,684)</u>

The notes on pages 12 to 25 form part of these financial statements.

AAA GROUP LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2010

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2009 £	Cash flows £	At 31 Mar 2010 £
Net cash:			
Cash in hand and at bank	33,012	94,420	127,432
Overdrafts	<u>(35,163)</u>	<u>(280,809)</u>	<u>(315,972)</u>
	<u>(2,151)</u>	<u>(186,389)</u>	<u>(188,540)</u>
Debt:			
Debt due within 1 year	(934,167)	127,615	(806,552)
Debt due after 1 year	(1,307,500)	150,000	(1,157,500)
Hire purchase agreements	<u>(866)</u>	<u>866</u>	<u>-</u>
	<u>(2,242,533)</u>	<u>278,481</u>	<u>(1,964,052)</u>
Net debt	<u>(2,244,684)</u>	<u>92,092</u>	<u>(2,152,592)</u>

The notes on pages 12 to 25 form part of these financial statements.

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

Basis of accounting

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

Going Concern

As reported in the directors' report on page 1, turnover fell in comparison to the prior year results due to cutbacks in permanent placements, with companies reducing labour costs in response to the general downturn in the economy. In response to the decrease in trading activities, the directors have taken steps to reduce the subsidiary's overheads and as a result have managed to generate an operating profit of £281,597 compared to £223,495 in 2009. As the subsidiary company's activity continues to be lower than historically due to the current economic climate, the directors have assessed the carrying value of the investment in the subsidiary undertaking in the parent company accounts and as a result have written down the value of the investment by £1m. This write down has caused the group to incur a loss after taxation of £903,790 for the year.

During 2011 to date there has been an increase in the subsidiary's trading activities, with group results showing an improvement in comparison to the same stage in 2010. The directors are confident that this can be maintained for the remainder of the year ended 31 March 2011.

At the balance sheet date the group had net current liabilities of £451,805 (2009 - £680,802) and net assets of £221,301 (2009 - £1,125,091). Liabilities included loans of £1,564,052 (2009 - £1,716,667) owing to one of its directors. Management accounts so far for 2010/11 indicate that trading activities are improving and will continue to improve as the recruitment market begins to recover. The directors have prepared projections which indicate that the group will continue to meet its liabilities as they fall due with financing arrangements in place expected to comfortably meet working capital requirements.

The directors are confident that the going concern basis remains valid and have prepared the financial statements accordingly.

Basis of consolidation

The consolidated accounts incorporate the accounts of the parent company and its subsidiary. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised in the balance sheet in the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 408 of Companies Act 2006. In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported.

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES *(continued)*

Turnover

The turnover shown in the group profit and loss account represents amounts earned during the year for temporary placements and permanent placements, both of which are exclusive of Value Added Tax.

Turnover from temporary placements is recognised as the service is provided and represents amounts billed for the services of temporary staff, which includes the salary costs for these staff.

Turnover from permanent placements is derived from retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate and where a start date has been determined). The turnover recognised is based on a percentage of the candidate's remuneration package. It is company policy to defer turnover recognised on non-retained assignments where a start date has yet to be determined at the balance sheet date, with the deferment correspondingly accrued on the balance sheet within other creditors.

Goodwill

Goodwill arising on the purchase of a business, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised in the year in which it arises and amortised over its estimated useful life. Provision is made for any impairment.

Amortisation

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:

Goodwill	- 20 years straight line
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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:

Property Improvements	- 20% reducing balance
Fixtures & Fittings	- 20% reducing balance
Motor Vehicles	- 20% reducing balance

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES *(continued)*

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 group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. 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.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

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:

	2010 £	2009 £
United Kingdom	<u>8,037,838</u>	<u>9,317,619</u>

3. GROUP OPERATING PROFIT

Operating profit is stated after charging:

	2010 £	2009 £
Amortisation of goodwill	179,956	243,209
Depreciation of owned fixed assets	26,715	37,334
Depreciation of assets held under hire purchase agreements	—	9,927
Loss on disposal of fixed assets	4,582	5,525
Loss on disposal of intangibles	—	375,001
Auditor's remuneration		
- as auditor	10,000	8,000
Operating lease costs:		
- Rent and other	20,809	10,186
- Equipment	11,071	—
Net loss on foreign currency translation	<u>2,703</u>	<u>—</u>

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

4. PARTICULARS OF EMPLOYEES

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

	2010	2009
	No	No
Number of management staff	3	3
Number of administrative staff	8	7
Number of client services staff	25	38
	<u>36</u>	<u>48</u>

The aggregate payroll costs of the above were:

	2010	2009
	£	£
Wages and salaries	1,597,222	2,133,894
Social security costs	32,426	52,666
Other pension costs	85,167	83,550
	<u>1,714,815</u>	<u>2,270,110</u>

5. DIRECTORS' REMUNERATION

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

	2010	2009
	£	£
Remuneration receivable	301,363	485,670
Value of company pension contributions to money purchase schemes	66,973	66,916
	<u>368,336</u>	<u>552,586</u>

Remuneration of highest paid director:

	2010	2009
	£	£
Total remuneration (excluding pension contributions)	175,246	192,715
Value of company pension contributions to money purchase schemes	23,086	30,000
	<u>198,332</u>	<u>222,715</u>

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

	2010	2009
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Interest payable on bank borrowing	30,971	65,540
Other similar charges payable	6,050	40,017
Finance charges	114	2,404
	<u>37,135</u>	<u>107,961</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010	2009
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	139,351	244,229
Over/under provision in prior year	-	(2,099)
Total current tax	<u>139,351</u>	<u>242,130</u>
Deferred tax:		
Origination and reversal of timing differences (note 14)		
Capital allowances	9,152	(5,200)
Tax on profit on ordinary activities	<u>148,503</u>	<u>236,930</u>

(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 28% (2009 - 28%).

	2010	2009
	£	£
Loss on ordinary activities before taxation	<u>(755,287)</u>	<u>(881,952)</u>
Loss on ordinary activities by rate of tax	(211,480)	(246,947)
Expenses not deductible for tax purposes - fixed assets	579	490
Expenses not deductible for tax purposes	361,994	484,392
(Under)/over-provisions in prior year	-	(2,099)
Depreciation in excess of capital allowances	-	6,294
Capital allowances in excess of depreciation	(9,675)	-
Marginal relief	(4,156)	-
Other short-term timing differences	2,089	-
Total current tax (note 7(a))	<u>139,351</u>	<u>242,130</u>

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 April 2009	3,239,206
Amounts written off intangibles	<u>(1,000,000)</u>
At 31 March 2010	<u>2,239,206</u>
 AMORTISATION	
At 1 April 2009	312,860
Charge for the year	<u>179,956</u>
At 31 March 2010	<u>492,816</u>
 NET BOOK VALUE	
At 31 March 2010	<u>1,746,390</u>
At 31 March 2009	<u>2,926,346</u>

9. TANGIBLE FIXED ASSETS

Group	Property Improvements £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 April 2009	28,127	245,186	157,854	431,167
Additions	—	4,270	—	4,270
Disposals	—	—	(157,854)	(157,854)
At 31 March 2010	<u>28,127</u>	<u>249,456</u>	<u>—</u>	<u>277,583</u>
 DEPRECIATION				
At 1 April 2009	10,260	153,351	82,259	245,870
Charge for the year	3,573	18,781	4,361	26,715
On disposals	—	—	(86,620)	(86,620)
At 31 March 2010	<u>13,833</u>	<u>172,132</u>	<u>—</u>	<u>185,965</u>
 NET BOOK VALUE				
At 31 March 2010	<u>14,294</u>	<u>77,324</u>	<u>—</u>	<u>91,618</u>
At 31 March 2009	<u>17,867</u>	<u>91,835</u>	<u>75,595</u>	<u>185,297</u>

AAA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

9. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £91,618 is £Nil (2009 - £39,707) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2009 - £9,927).

10. INVESTMENTS

Group

Unlisted Investments £

COST

At 1 April 2009 and 31 March 2010

1,750

NET BOOK VALUE

At 31 March 2010 and 31 March 2009

1,750

Company

Subsidiary Undertaking £

COST

At 1 April 2009 and 31 March 2010

7,000,000

AMOUNTS WRITTEN OFF

At 1 April 2009

1,000,000

Written off in the year

1,000,000

At 31 March 2010

2,000,000

NET BOOK VALUE

At 31 March 2010

5,000,000

At 31 March 2009

6,000,000

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

10. INVESTMENTS *(continued)*

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Held by the company:				
Aberdeen Appointments Agency Limited	Scotland	Ordinary shares	100%	Recruitment agency
Aberdeen Accounting Appointments Limited	Scotland	Ordinary shares	100%	Dormant
Continuum International Recruitment & Development Limited	Scotland	Ordinary shares	100%	Dormant
Continuum International Limited	Scotland	Ordinary shares	100%	Dormant
Temployment Limited	Scotland	Ordinary shares	100%	Dormant

11. DEBTORS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	1,309,524	1,227,223	—	—
Other debtors	166	—	—	—
Director's current account - Mr A J Porter	399	149	—	—
Director's current account - Mr S C McWilliam	263	13	—	—
Prepayments and accrued income	63,913	85,992	—	—
	<u>1,374,265</u>	<u>1,313,377</u>	<u>—</u>	<u>—</u>

At the year end £1,309,524 (2009 - £1,227,223) of the trade debtors were assigned under financing arrangements.

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

12. CREDITORS: Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank overdrafts	315,972	35,163	—	—
Bank loans	150,000	125,000	150,000	125,000
Trade creditors	49,665	38,599	—	—
Other creditors including taxation and social security				
Corporation tax	139,517	242,130	—	—
PAYE and social security	177,211	182,789	—	—
VAT	258,569	241,946	—	—
Hire purchase agreements	—	866	—	—
Other creditors	97,410	271,314	—	—
Director's current account- Mr P J A Smith	354,052	506,667	—	—
Accruals	108,606	80,217	80,103	74,053
Other loans	302,500	302,500	302,500	302,500
Amounts due to group undertakings	—	—	3,276,304	3,139,233
	<u>1,953,502</u>	<u>2,027,191</u>	<u>3,808,907</u>	<u>3,640,786</u>

The following liabilities disclosed under creditors falling due within one year are secured by the group:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank overdrafts	315,972	35,163	—	—
Hire purchase agreements	—	866	—	—
Bank loans	150,000	125,000	150,000	125,000
Other loans	302,500	302,500	302,500	302,500
	<u>768,472</u>	<u>463,529</u>	<u>452,500</u>	<u>427,500</u>

Bank overdrafts are secured by a bond and floating charge over all assets of the group. Also held as security is the assignation of keyman policies on the lives of P J A Smith, A J Porter and S C McWilliam.

Bank loans are secured by a floating charge over the assets of the group.

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

13. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans	250,000	400,000	250,000	400,000
Other loans	907,500	907,500	907,500	907,500
	<u>1,157,500</u>	<u>1,307,500</u>	<u>1,157,500</u>	<u>1,307,500</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the group:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans	250,000	400,000	250,000	400,000
Other loans	907,500	907,500	907,500	907,500
	<u>1,157,500</u>	<u>1,307,500</u>	<u>1,157,500</u>	<u>1,307,500</u>

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts payable within 1 year	—	866	—	—
	<u>—</u>	<u>866</u>	<u>—</u>	<u>—</u>

15. PENSIONS

An amount of £1,412 (2009 - £1,937) is outstanding at the year end date in relation to pension contributions due to be submitted to the pension company.

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

16. DEFERRED TAXATION

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

	2010 £	2009 £
Provision brought forward	-	5,200
Profit and loss account movement arising during the year	<u>9,152</u>	<u>(5,200)</u>
Provision carried forward	<u>9,152</u>	<u>-</u>

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

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	<u>9,152</u>	<u>-</u>
	<u>9,152</u>	<u>-</u>

17. COMMITMENTS UNDER OPERATING LEASES

Group

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below.

	2010		2009	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	16,500	11,071	11,355	7,018
Within 2 to 5 years	-	25,736	-	16,118
	<u>16,500</u>	<u>36,807</u>	<u>11,355</u>	<u>23,136</u>

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

18. RELATED PARTY TRANSACTIONS

The company was under the control of Mr A J Porter, Mr S C McWilliam and Mr P J A Smith, who are directors and shareholders of the company.

During the year, the company repaid outstanding loan amounts to Mr P J A Smith, a director, of £112,408 (2009 - £106,094). During the year, a car was sold to the director at market value for an amount of £39,707. At the year end Mr Smith was due a balance of £354,052 (2009 - £506,667). The loan is being repaid at £20,000 per month over the next 12 months and the loan is interest free.

During the year, interest of £6,050 (2009 - £30,571) was accrued but unpaid to Mr P J A Smith. There are also loan notes outstanding and payable to Mr P J A Smith. At the year end the outstanding loan balances were £1,210,000 (2009 - £1,210,000).

During the year, Aberdeen Appointments Agency Limited, the subsidiary company paid term loan repayments of £125,000 (2009 - £75,000) and interest of £12,072 (2009 - £33,985) on behalf of the parent company, AAA Group Limited.

19. SHARE CAPITAL

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

21. PROFIT AND LOSS ACCOUNT

Group

	2010	2009
	£	£
Balance brought forward as previously reported	(1,062,409)	(44,428)
Prior year adjustment	-	100,901
Balance brought forward restated	(1,062,409)	56,473
Loss for the financial year	(903,790)	(1,118,882)
Balance carried forward	<u>(1,966,199)</u>	<u>(1,062,409)</u>

AAA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

21. PROFIT AND LOSS ACCOUNT *(continued)*

Company

	2010 £	2009 £
Balance brought forward	(1,135,786)	(61,784)
Loss for the financial year	(1,018,121)	(1,074,002)
Balance carried forward	<u>(2,153,907)</u>	<u>(1,135,786)</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(903,790)	(1,118,882)
Opening shareholders' funds	1,125,091	2,143,072
Prior year adjustment	—	100,901
Closing shareholders' funds	<u>221,301</u>	<u>1,125,091</u>