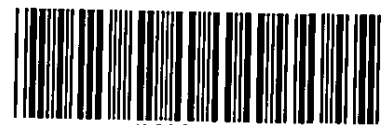


COMPANY REGISTRATION NUMBER 07099466

**Angel Human Resources Managed Services Limited**  
**Financial Statements**  
**31 March 2013**

**MHA MACINTYRE HUDSON**  
Chartered Accountants & Statutory Auditor  
Euro House  
1394 High Road  
London  
N20 9YZ



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31/01/2014  
COMPANIES HOUSE

# Angel Human Resources Managed Services Limited

## Financial Statements

Year ended 31 March 2013

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# **Angel Human Resources Managed Services Limited**

**Officers and Professional Advisers**

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**The Board of Directors**

Ms C Langroudi  
Mr R C Crawford

**Registered Office**

Euro House  
1394 High Road  
London  
United Kingdom  
N20 9YZ

**Auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
& Statutory Auditor  
Euro House  
1394 High Road  
London  
N20 9YZ

# Angel Human Resources Managed Services Limited

## The Directors' Report

Year ended 31 March 2013

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The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2013

### Principal activities and business review

The principal activity of the company during the year was that of a parent company. The principal activity of the subsidiary during the year was the provision of temporary and permanent staffing services.

Angel Human Resources Limited (Angel), established in 1965, operate nationally from 7 branch locations and 3 onsite locations. The company places candidates in the following business sectors - Social Care, Office Administration, Hospitality, Industrial and Construction. Placements are primarily temporary short term positions. Permanent placements continue to tick over and represent 0.35% of overall turnover, our core business model being the supply of temporary and contract personnel.

The company operates on bespoke software, the system has a centralised database where all information is accessed and stored. Branch managers and their teams are responsible for promoting sales, liaising with clients and candidates and placing job seekers. Back of house operations are centralised at head office and incorporate tender applications, administration support, payroll, invoicing, credit control, purchasing and management accounts. The business continues to do well in the industrial sector which is a volume based sector, resulting in a reduction of the gross profit percentage.

The company has no borrowings beyond a routine overdraft facility, and is otherwise totally self-financed. The balance sheet remains strong. All outgoings are paid on time, credit control is focused on the collection of fees. The costs of the business are continually monitored, every effort is made to maximise the return on investment in time and money for shareholders.

In April 2009 Angel re-registered its name from Angel Human Resources plc to Angel Human Resources Limited. On 9 December 2009, Angel Human Resources Managed Services Limited was incorporated with the intention of acquiring the shares in Angel Human Resources Limited through a share for share exchange. This was undertaken on 31 January 2010, with a Company Director and minor Shareholder retiring and the newly formed Holding company duly purchasing their shares at market value. These strategic changes will aid future growth and support the company in the many challenges ahead. April 2010 saw the continuation of our strategic plan to aid future growth, the transfer and departmentalising higher margin business to a new LLP within the group, supporting an individual focus for each business model.

**Strategy** - The company strategy has always been one of sector diversification, tight financial control and limited borrowing. The different operating sectors respond differently throughout the year, this spread of risk and limited concentration in any one sector has helped to support turnover and margin over the period even with the transfer of the GP Locum business to a new LLP within the group.

The global change in economic conditions ensures we review our existing strategy and operations

# Angel Human Resources Managed Services Limited

## The Directors' Report *(continued)*

Year ended 31 March 2013

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Key Focus - Focus on public sector companies and expanding the Social Care division Focus on training and development of candidates for Care and Hospitality, Client contact and Business Development in new and existing clients Focus on hospitality events to increase turnover in holiday periods Change from consultant client service teams to consultant sales teams Targeted weekly and monthly sales strategy Tightened credit control and invoicing procedures

Administration and support costs will be tightly managed, investment will be dedicated to increasing sales and margins with the recruitment of experienced sales staff

Trading conditions continue to be difficult for all business, we believe the best businesses will survive and be stronger at the end

The directors and employees of Angel are committed to maintaining and growing the business in the current difficult economic climate, ready to maximise the business growth as business confidence returns

Future outlook - The Company has survived each recession since 1965 and will continue to do so The core sector diversification has supported our ability to retain clients in difficult trading conditions which we see continuing for some time to come Sales concentration will be focused on Social Care sector where we have seen demand increase In addition we are beginning to target small independent clients where margins are not diluted on volume Costs will be managed to reflect activity levels maintaining key staff and skills able to respond to the market and react quickly and responsively where conditions improve Economic uncertainty will continue to affect business, each month going forward will be evaluated to reflect the needs of our business and the clients and candidates we serve

Risks and uncertainties - Treasury management and currency risk - It is the Directors' intention to continue to finance the activities and development of Angel from retained earnings, and to operate the business while maintaining a strong balance sheet position In a generally benign economic environment this equates to maintaining our net cash/debt position In an economic downturn a more cautious funding position is adopted

Cash surpluses are invested in short-term deposits, with any working capital requirements being provided from cash resources, or by local overdraft facilities

The functional currency of Angel is Sterling Angel does not have material transactional currency exposures, nor is there a material exposure to foreign denominated monetary assets and liabilities

Principal risks and uncertainties - The management of the business and the execution of our strategy is subject to a number of risks The following section comprises a summary of the main risks Angel believes could potentially impact our operating and financial performance

People - The resignation of key individuals and the inability to recruit talented people with the right skill-sets could adversely affect our results This is further compounded by our organic growth strategy Mitigation of this risk is achieved by succession planning, training of staff, competitive pay structures linked to targeted results

Macro economic environment - Recruitment activity is largely driven by economic cycles and the levels of business confidence

The Board look to reduce the cyclical risk by expanding geographically by maintaining sector diversity by continuing to build the temporary and permanent business We are always looking for new opportunities An increasing portion of the gross profit arises from fees which are contingent upon the successful placement of a candidate in a position If a client cancels the assignment at any stage in the process we receive no remuneration As a consequence gross profits reduce further during periods of economic downturn as is currently being experienced

# Angel Human Resources Managed Services Limited

## The Directors' Report *(continued)*

Year ended 31 March 2013

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**Competition** - The UK recruitment market is well developed and highly competitive. The characteristics of a developed market are greater competition for clients and candidates as well as pricing pressure.

As a generalist market specialist we need to expand to provide economies of scale as margins become under pressure and up sell to more specialist niche markets within these sectors and companies such as Engineering, Construction and Purchasing. Training courses in Food Safety Level 2, Health and Safety level 2 and Care continue to develop, providing upselling and cross selling opportunities. The risk is mitigated by meetings of the Board and Management where strategy is continually reviewed and decisions made over the allocation of resources.

**Technology** - Angel is reliant on a number of technology systems to provide services to clients and candidates. These systems are dependent on a number of important suppliers that provide the technology infrastructure and disaster recovery solutions. The performance of these suppliers are continually monitored to ensure business critical services are available and maintained as far as practically possible. Due to the rapid advancement of technology, there is a risk that systems could become outdated with the potential to affect efficiency and have an impact on revenue and client service. This risk is mitigated by regular reviews of our technology to ensure that it supports our overall strategy.

**Legal** - Angel is subject to varying UK and EEC legal and compliance regulations. Angel takes its responsibilities seriously and ensures that its policies, systems and procedures are continually updated to reflect best practice in line with our BS EN ISO 9001 2008 accreditation and to comply with the legal requirements in all the sectors in which we operate. In order to reduce the legal and compliance risks, fee earners and support staff receive regular training and updates of changes in legal and compliance requirements.

### **Key performance indicators**

We experienced an increase in turnover this year compared to last of 6.08% a direct result of increased sales activity and the deployment of a telesales team.

Gross profit as a percentage of revenue 8.1% (2012 6.74%) Gross margin increased from last year as a result of the mix of permanent and temporary placements and an increase in higher margin specialist sector business.

Net Profit as a percentage of sales 1.84% (2012 1.19%) Net Profit as a percentage of sales decreased marginally this year. We have reduced the costs and expenses associated with our normal business operations, but retained the level of investment for the future. Conversion % decreased compared to last year reflecting the impact of the economic slowdown and the decrease in the demand for our services. Fee earner Support staff ratio 81:80% (2012 81:80%) This represents the balance between operational and non-operational staff. Source: Internal data.

Debtor days - Total o/s divided by T/O x 365 days in the year 72 (2012 68) This represents the length of time the company receive payments from the debtors. Calculated by comparing how many days' billings it takes to cover the debtor balance. Source: Internal data.

### **Results and dividends**

The profit for the year, after taxation, amounted to £202,092. The directors have not recommended a dividend.

### **Financial risk management objectives and policies**

#### **Directors**

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

Ms C Langroudi  
Mr R C Crawford

# Angel Human Resources Managed Services Limited

## The Directors' Report *(continued)*

Year ended 31 March 2013

---

### 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 accounting 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 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 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.

### Auditor

MHA Macintyre Hudson is deemed to be re-appointed under section 487(2) of Companies Act 2006

Registered office  
Euro House  
1394 High Road  
London  
United Kingdom  
N20 9YZ

Signed on behalf of the directors



Mr RC Crawford  
Director

Approved by the directors on 30-1-2014

# Angel Human Resources Managed Services Limited

## Independent Auditor's Report to the Shareholders of Angel Human Resources Managed Services Limited

Year ended 31 March 2013

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We have audited the group and parent company financial statements ("the financial statements") of Angel Human Resources Managed Services Limited for the year ended 31 March 2013 which comprise the Group Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow and the related notes. 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, 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 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 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 5, 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 (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 the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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 31 March 2013 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.



# Angel Human Resources Managed Services Limited

## Independent Auditor's Report to the Shareholders of Angel Human Resources Managed Services Limited *(continued)*

Year ended 31 March 2013

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### 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

*MHA MacIntyre Hudson*

HARMINTHER GILL BA ACA (Senior  
Statutory Auditor)  
For and on behalf of  
MHA MACINTYRE HUDSON  
Chartered Accountants  
& Statutory Auditor

Euro House  
1394 High Road  
London  
N20 9YZ

*31/1/2014*

# Angel Human Resources Managed Services Limited

## Profit and Loss Account

Year ended 31 March 2013

|  | Note | 2013<br>£              | 2012<br>(restated)<br>£ |
|--|------|------------------------|-------------------------|
| <b>Group turnover</b>                                | 2    | 13,763,632             | 12,976,347              |
| Cost of sales  |      | <u>12,660,808</u>      | <u>12,081,120</u>       |
| <b>Gross profit</b>                                  |      | 1,102,824              | 895,227                 |
| Administrative expenses                              |      | 910,087                | 875,093                 |
| Other operating income                               | 3    | <u>(55,237)</u>        | <u>(123,011)</u>        |
| <b>Operating profit</b>                              | 4    | 247,974                | 143,145                 |
| Interest receivable                                  |      | 6,427                  | 12,008                  |
| Interest payable and similar charges                 | 6    | <u>(986)</u>           | <u>(300)</u>            |
| <b>Profit on ordinary activities before taxation</b> |      | <u>253,415</u>         | <u>154,853</u>          |
| Tax on profit on ordinary activities                 | 7    | 51,323                 | 31,313                  |
| <b>Profit for the financial year</b>                 | 8    | <u><u>£202,092</u></u> | <u><u>£123,540</u></u>  |

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

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 21 form part of these financial statements.


# Angel Human Resources Managed Services Limited

## Group Balance Sheet

31 March 2013

|   |      | 2013             |                   | 2012<br>(restated) |
|---|------|------------------|-------------------|--------------------|
|   | Note | £                | £                 | £                  |
| <b>Fixed assets</b>                                   |      |                  |                   |                    |
| Intangible assets                                     | 9    |                  | –                 | 37,884             |
| Tangible assets                                       | 10   |                  | <u>65,992</u>     | <u>72,266</u>      |
|   |      |                  | <u>65,992</u>     | <u>110,150</u>     |
| <b>Current assets</b>                                 |      |                  |                   |                    |
| Debtors   | 12   | 3,609,481        |                   | 3,320,409          |
| Cash at bank and in hand                              |      | <u>117,191</u>   |                   | <u>69,091</u>      |
|   |      | 3,726,672        |                   | 3,389,500          |
| <b>Creditors: amounts falling due within one year</b> | 13   | <u>2,674,722</u> |                   | <u>2,583,800</u>   |
| <b>Net current assets</b>                             |      |                  | <u>1,051,950</u>  | <u>805,700</u>     |
| <b>Total assets less current liabilities</b>          |      |                  | <u>1,117,942</u>  | <u>915,850</u>     |
| <b>Capital and reserves</b>                           |      |                  |                   |                    |
| Called-up equity share capital                        | 17   |                  | 68,000            | 68,000             |
| Profit and loss account                               | 18   |                  | <u>1,049,942</u>  | <u>847,850</u>     |
| <b>Shareholders' funds</b>                            | 19   |                  | <u>£1,117,942</u> | <u>£915,850</u>    |

These financial statements were approved by the directors and authorised for issue on 30/01/14 and are signed on their behalf by



Mr R C Crawford

The notes on pages 12 to 21 form part of these financial statements.

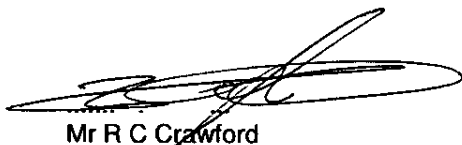
# Angel Human Resources Managed Services Limited

## Balance Sheet

31 March 2013

|  | Note | 2013<br>£        | 2012<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |
| Investments  | 11   | <u>1,144,575</u> | <u>1,144,575</u> |
| <b>Creditors: amounts falling due within one year</b>          | 13   | <u>666,575</u>   | <u>481,040</u>   |
| <b>Total assets less current liabilities</b>                   |      | <u>478,000</u>   | <u>663,535</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 14   | <u>-</u>         | <u>185,535</u>   |
|  |      | <u>£478,000</u>  | <u>£478,000</u>  |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called-up equity share capital                                 | 17   | <u>68,000</u>    | <u>68,000</u>    |
| Profit and loss account  | 18   | <u>410,000</u>   | <u>410,000</u>   |
| <b>Shareholders' funds</b>                                     |      | <u>£478,000</u>  | <u>£478,000</u>  |

These financial statements were approved by the directors and authorised for issue on 30/01/14 and are signed on their behalf by



Mr R C Crawford

Company Registration Number 07099466

The notes on pages 12 to 21 form part of these financial statements.

# Angel Human Resources Managed Services Limited

## Group Cash Flow

Year ended 31 March 2013

|   | Note | 2013 |                  | 2012<br>(restated)  |
|---|------|------|------------------|---------------------|
|   |      | £    | £                | £                   |
| Net cash inflow/(outflow) from operating activities | 20   |      | 130,135          | (938,194)           |
| Returns on investments and servicing of finance     | 20   |      | 5,441            | 11,708              |
| Taxation  | 20   |      | (31,313)         | (156,772)           |
| Capital expenditure and financial investment        | 20   |      | (12,658)         | (10,719)            |
| Cash inflow/(outflow) before financing              |      |      | <u>91,605</u>    | <u>(1,093,977)</u>  |
| Financing   | 20   |      | (185,535)        | (185,535)           |
| Decrease in cash                                    | 20   |      | <u>£(93,930)</u> | <u>£(1,279,512)</u> |

The notes on pages 12 to 21 form part of these financial statements.

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

---

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention

#### Basis of consolidation

The consolidated financial statements comprise the accounts of Angel Human Resources Managed Services Limited and its subsidiary company, Angel Human Resources Limited, made up to 31 March 2013

These are adjusted, where appropriate, to conform to group accounting policies. 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 the Companies Act 2006

#### Turnover

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

#### 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

Brand - 10 years straight line

#### 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  | - | Straight line over the period of the lease |
| Plant & Machinery   | - | 25% reducing balance                       |
| Fixtures & Fittings | - | 15% reducing balance                       |
| Motor Vehicles      | - | 25% reducing balance                       |

#### Operating lease agreements

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

#### Pension costs

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

#### Deferred taxation

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

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

---

### 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.

#### 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 group after deducting all of its liabilities.

#### Turnover and cost of sales

The management charge from an associated entity which had been deducted against turnover in previous years has been allocated to cost of sales in 2013. The directors consider that this provides a fairer presentation of this expenditure category. The comparative figures for 2012 have been reallocated and there is no impact on results or reserves in 2013 or 2012 arising from this allocation.

### 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.

|                | 2013              | 2012<br><i>(restated)</i> |
|----------------|-------------------|---------------------------|
|                | £                 | £                         |
| United Kingdom | <u>13,763,632</u> | <u>12,976,347</u>         |

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

### 3. Other operating income

|                        | 2013          | 2012<br>(restated) |
|------------------------|---------------|--------------------|
|                        | £             | £                  |
| Other operating income | <u>55,237</u> | <u>123,011</u>     |

Other operating income represents the profit share receivable from Angel HR LLP, an LLP in which the subsidiary, Angel Human Resources Limited, is a Non-Designated member

### 4. Operating profit

Operating profit is stated after charging

|                                    | 2013           | 2012<br>(restated) |
|------------------------------------|----------------|--------------------|
|                                    | £              | £                  |
| Directors' remuneration            | —              | —                  |
| Amortisation of intangible assets  | 37,884         | 4,736              |
| Depreciation of owned fixed assets | 18,932         | 20,303             |
| Auditor's remuneration             |                |                    |
| - as auditor                       | 10,250         | 10,250             |
| Operating lease charges            | <u>120,327</u> | <u>109,751</u>     |

### 5. Particulars of employees

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

|                                | 2013     | 2012<br>(restated) |
|--------------------------------|----------|--------------------|
|                                | No       | No                 |
| Number of administrative staff | <u>6</u> | <u>8</u>           |

The aggregate payroll costs of the above were

|                       | 2013            | 2012<br>(restated) |
|-----------------------|-----------------|--------------------|
|                       | £               | £                  |
| Wages and salaries    | 174,802         | 219,366            |
| Social security costs | 14,936          | 17,483             |
|                       | <u>£189,738</u> | <u>£236,849</u>    |

### 6. Interest payable and similar charges

|                                    | 2013       | 2012<br>(restated) |
|------------------------------------|------------|--------------------|
|                                    | £          | £                  |
| Interest payable on bank borrowing | <u>986</u> | <u>300</u>         |



# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

### 7. Taxation on ordinary activities (a) Analysis of charge in the year

|  | 2013<br>£      | 2012<br>(restated)<br>£ |
|--|----------------|-------------------------|
| Current tax  |                |                         |
| UK Corporation tax based on the results for the year at 20% (2012 - 20%) | <u>51,323</u>  | <u>31,313</u>           |
| Total current tax  | <u>£51,323</u> | <u>£31,313</u>          |

### (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 20% (2012 - 20%)

|   | 2013<br>£      | 2012<br>(restated)<br>£ |
|---|----------------|-------------------------|
| Profit on ordinary activities before taxation           | <u>253,415</u> | <u>154,853</u>          |
| Profit on ordinary activities by rate of tax            | 50,683         | 30,971                  |
| Expenses not deductible for tax purposes                | 2,030          | 312                     |
| Capital allowances for period in excess of depreciation | <u>(1,390)</u> | <u>30</u>               |
| Total current tax (note 7(a))                           | <u>£51,323</u> | <u>£31,313</u>          |

### 8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £Nil (2012 - £Nil)

### 9 Intangible fixed assets Group

|                                   | Brand<br>£     |
|-----------------------------------|----------------|
| <b>Cost</b>                       |                |
| At 1 April 2012 and 31 March 2013 | <u>47,355</u>  |
| <b>Amortisation</b>               |                |
| At 1 April 2012                   | 9,471          |
| Charge for the year               | <u>37,884</u>  |
| At 31 March 2013                  | <u>£47,355</u> |
| <b>Net book value</b>             |                |
| At 31 March 2013                  | <u>-</u>       |
| At 31 March 2012                  | <u>37,884</u>  |

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

### 9. Intangible fixed assets (continued)

In a prior year Angel Human Resources Limited, a subsidiary of Angel Human Resources Managed Services Limited, purchased the business and brand of Integrity Education Limited, an unrelated party. During the year, the income streams associated to the Integrity Education brand ceased completely and were impaired such that no attributable value remains.

### 10. Tangible fixed assets

| Group                   | Leasehold<br>Property<br>£ | Plant &<br>Machinery<br>£ | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£      |
|-------------------------|----------------------------|---------------------------|-----------------------------|------------------------|-----------------|
| <b>Cost</b>             |                            |                           |                             |                        |                 |
| At 1 April 2012         | 11,210                     | 164,624                   | 301,509                     | 55,438                 | 532,781         |
| Additions               | –                          | 11,263                    | –                           | 1,395                  | 12,658          |
| <b>At 31 March 2013</b> | <b>£11,210</b>             | <b>£175,887</b>           | <b>£301,509</b>             | <b>£56,833</b>         | <b>£545,439</b> |
| <b>Depreciation</b>     |                            |                           |                             |                        |                 |
| At 1 April 2012         | 11,210                     | 135,288                   | 277,375                     | 36,642                 | 460,515         |
| Charge for the year     | –                          | 10,150                    | 3,734                       | 5,048                  | 18,932          |
| <b>At 31 March 2013</b> | <b>£11,210</b>             | <b>£145,438</b>           | <b>£281,109</b>             | <b>£41,690</b>         | <b>£479,447</b> |
| <b>Net book value</b>   |                            |                           |                             |                        |                 |
| At 31 March 2013        | –                          | 30,449                    | 20,400                      | 15,143                 | 65,992          |
| At 31 March 2012        | –                          | 29,336                    | 24,134                      | 18,796                 | 72,266          |

### 11. Investments

|   |                  |
|---|------------------|
| <b>Company investment in Angel Human Resources Limited.</b> | <b>£</b>         |
| <b>Cost</b>   |                  |
| At 1 April 2012 and 31 March 2013                           | <u>1,144,575</u> |
| <b>Net book value</b>                                       |                  |
| At 31 March 2013 and 31 March 2012                          | <u>1,144,575</u> |

The parent company holds 100% of the ordinary shares of Angel Human Resources Limited, a company incorporated in England and Wales. The principal nature of business of the subsidiary is that of staffing services.

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

### 12. Debtors

|                                | Group             |                   | Company   |           |
|--------------------------------|-------------------|-------------------|-----------|-----------|
|                                | 2013<br>£         | 2012<br>£         | 2013<br>£ | 2012<br>£ |
| Trade debtors                  | 3,556,035         | 3,254,382         | -         | -         |
| Other debtors                  | 20,380            | 7,130             | -         | -         |
| Prepayments and accrued income | 33,066            | 58,897            | -         | -         |
|                                | <u>£3,609,481</u> | <u>£3,320,409</u> | <u>-</u>  | <u>-</u>  |

### 13. Creditors: amounts falling due within one year

|  | Group             |                   | Company         |                 |
|--|-------------------|-------------------|-----------------|-----------------|
|  | 2013<br>£         | 2012<br>£         | 2013<br>£       | 2012<br>£       |
| Loan notes   | -                 | 185,535           | -               | -               |
| Overdrafts   | 559,564           | 417,534           | -               | -               |
| Trade creditors  | 71,031            | 25,887            | -               | -               |
| Amounts owed to group undertakings                     | -                 | -                 | 481,040         | 295,505         |
| Other creditors including taxation and social security | -                 | -                 | -               | -               |
| Corporation tax  | 51,323            | 31,313            | -               | -               |
| Other taxation and social security                     | 523,748           | 534,937           | -               | -               |
| Other creditors  | -                 | 12,148            | -               | -               |
| Accruals and deferred income                           | 1,469,056         | 1,376,446         | 185,535         | 185,535         |
|  | <u>£2,674,722</u> | <u>£2,583,800</u> | <u>£666,575</u> | <u>£481,040</u> |

The bank overdraft is secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all the current and future assets of the company

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

|            | Group          |                | Company   |           |
|------------|----------------|----------------|-----------|-----------|
|            | 2013<br>£      | 2012<br>£      | 2013<br>£ | 2012<br>£ |
| Overdrafts | <u>559,564</u> | <u>417,534</u> | <u>-</u>  | <u>-</u>  |

### 14 Creditors: amounts falling due after more than one year

|            | Group     |           | Company   |                |
|------------|-----------|-----------|-----------|----------------|
|            | 2013<br>£ | 2012<br>£ | 2013<br>£ | 2012<br>£      |
| Loan notes | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>185,535</u> |

The above relates to balances with former directors of the subsidiary company, as detailed in note 16

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

### 15 Commitments under operating leases

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as set out below

| Group                         | Land and buildings |                    |
|-------------------------------|--------------------|--------------------|
|                               | 2013               | 2012<br>(restated) |
|                               | £                  | £                  |
| Operating leases which expire |                    |                    |
| Within 1 year                 | 8,000              | 29,900             |
| Within 2 to 5 years           | 52,020             | 46,770             |
| After more than 5 years       | 36,250             | 36,250             |
|                               | <u>£96,270</u>     | <u>£112,920</u>    |

### 16. Related party transactions

Included in trade debtors is a balance due from a related LLP, Angel HR LLP of £345,076 (2012 £437,702), an LLP in which the subsidiary company is a Non-Designated member and where the directors are Designated members. One of the directors, Mr RC Crawford's, wife Mrs Caroline Crawford and sister Ms Joannah Crawford are also Designated members of the LLP. Mr RC Crawford's daughter Ms Lily Crawford and the partner of Ms Carol Borhani Langroudi, the other director, Mr Amir Borhani Langroudi, are also Non Designated members of the LLP. The only subsidiary, Angel Human Resources Limited's profit share receivable from the LLP was £55,237 (2012 £123,011) and the management charge payable to the LLP was £900,000 (2012 £900,000)

During the year Angel Human Resources Managed Services Limited paid £185,535 (2012 £185,535) to Mr S Crawford and his wife, Mrs M Crawford in respect to money owed to them in redeeming the loan notes they held in the company. Mr S Crawford is the brother of Mr R C Crawford, the director of the company. At the year end the loan notes held by Mr S and Mrs M Crawford totalled £nil (2012 £185,535)

These loan notes did not carry an interest coupon, and take the form of qualifying corporate bonds and were accrued and paid on 3 April 2013 as follows

|                                      | S Crawford | M Crawford |
|--------------------------------------|------------|------------|
| £185,535 redeemable on 31 March 2013 | £127,556   | £57,979    |

One of the directors, Mr RC Crawford, and his mother, Mrs JM Crawford, are members of the Angel International Recruitment Executive Pension Scheme. During the year, the pension scheme invoiced the subsidiary company £36,250 (2012 36,250) for office rent. At the year end the subsidiary company did not have any outstanding amounts due to or from the pension scheme (2012 £nil)

### 17. Share capital

Allotted, called up and fully paid:

|                                   | 2013          |               | 2012<br>(restated) |               |
|-----------------------------------|---------------|---------------|--------------------|---------------|
|                                   | No            | £             | No                 | £             |
| 68,000 Ordinary shares of £1 each | <u>68,000</u> | <u>68,000</u> | <u>68,000</u>      | <u>68,000</u> |

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

|  |                         |                                |
|--|-------------------------|--------------------------------|
| <b>18 Reserves</b>   |                         |                                |
| <b>Group</b>   |                         | <b>Profit and loss account</b> |
|  |                         | <b>£</b>                       |
| Balance brought forward as previously reported   |                         | <b>847,850</b>                 |
| Profit for the year  |                         | <b>202,092</b>                 |
| Balance carried forward  |                         | <b><u>£1,049,942</u></b>       |
| <b>Company</b>   |                         | <b>Profit and loss account</b> |
|  |                         | <b>£</b>                       |
| Balance brought forward as previously reported   |                         | <b><u>410,000</u></b>          |
| <b>19. Reconciliation of movements in shareholders' funds</b>                                    |                         |                                |
|  | <b>2013</b>             | <b>2012</b>                    |
|  | <b>£</b>                | <b>(restated)</b>              |
|  |                         | <b>£</b>                       |
| Profit for the financial year  | <b>202,092</b>          | 123,540                        |
| Opening shareholders' funds  | <b>915,850</b>          | 792,310                        |
| Closing shareholders' funds  | <b><u>1,117,942</u></b> | <b><u>915,850</u></b>          |
| <b>20 Notes to the cash flow statement</b>   |                         |                                |
| <b>Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b> |                         |                                |
|  | <b>2013</b>             | <b>2012</b>                    |
|  | <b>£</b>                | <b>(restated)</b>              |
|  |                         | <b>£</b>                       |
| Operating profit   | <b>247,974</b>          | 143,145                        |
| Amortisation   | <b>37,884</b>           | 4,736                          |
| Depreciation   | <b>18,932</b>           | 20,303                         |
| Increase in debtors  | <b>(289,072)</b>        | (839,405)                      |
| Increase/(decrease) in creditors   | <b>114,417</b>          | (266,973)                      |
| Net cash inflow/(outflow) from operating activities  | <b><u>£130,135</u></b>  | <b><u>£(938,194)</u></b>       |
| <b>Returns on investments and servicing of finance</b>   |                         |                                |
|  | <b>2013</b>             | <b>2012</b>                    |
|  | <b>£</b>                | <b>(restated)</b>              |
|  |                         | <b>£</b>                       |
| Interest received  | <b>6,427</b>            | 12,008                         |
| Interest paid  | <b>(986)</b>            | (300)                          |
| Net cash inflow from returns on investments and servicing of finance                             | <b><u>5,441</u></b>     | <b><u>11,708</u></b>           |

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

### 20 Notes to the cash flow statement (continued)

#### Taxation

|          | 2013            | 2012<br><i>(restated)</i> |
|----------|-----------------|---------------------------|
|          | £               | £                         |
| Taxation | <u>(31,313)</u> | <u>(156,772)</u>          |

#### Capital expenditure

|   | 2013            | 2012<br><i>(restated)</i> |
|---|-----------------|---------------------------|
|   | £               | £                         |
| Payments to acquire tangible fixed assets | <u>(12,658)</u> | <u>(10,719)</u>           |
| Net cash outflow from capital expenditure | <u>(12,658)</u> | <u>(10,719)</u>           |

#### Financing

|                                 | 2013             | 2012<br><i>(restated)</i> |
|---------------------------------|------------------|---------------------------|
|                                 | £                | £                         |
| Repayment of loan notes         | <u>(185,535)</u> | <u>(185,535)</u>          |
| Net cash outflow from financing | <u>(185,535)</u> | <u>(185,535)</u>          |

#### Reconciliation of net cash flow to movement in net debt

|                                  | 2013              | 2012<br><i>(restated)</i> |
|----------------------------------|-------------------|---------------------------|
|                                  | £                 | £                         |
| Decrease in cash in the period   | (93,930)          | (1,279,512)               |
| Net cash outflow from loan notes | <u>185,535</u>    | <u>185,535</u>            |
|                                  | <u>91,605</u>     | <u>(1,093,977)</u>        |
| Change in net debt               | 91,605            | (1,093,977)               |
| Net debt at 1 April 2012         | <u>(533,978)</u>  | 559,999                   |
| Net debt at 31 March 2013        | <u>£(442,373)</u> | <u>£(533,978)</u>         |

# Angel Human Resources Managed Services Limited

## Notes to the Financial Statements

Year ended 31 March 2013

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### 20. Notes to the cash flow statement *(continued)*

#### Analysis of changes in net debt

|                          | At<br>1 Apr 2012<br>£ | Cash flows<br>£  | At<br>31 Mar 2013<br>£ |
|--------------------------|-----------------------|------------------|------------------------|
| Net cash                 |                       |                  |                        |
| Cash in hand and at bank | 69,091                | 48,100           | 117,191                |
| Overdrafts               | <u>(417,534)</u>      | <u>(142,030)</u> | <u>(559,564)</u>       |
|                          | <u>(348,443)</u>      | <u>(93,930)</u>  | <u>(442,373)</u>       |
| Debt                     |                       |                  |                        |
| Debt due within 1 year   | <u>(185,535)</u>      | <u>185,535</u>   | <u>—</u>               |
| Net debt                 | <u>£(533,978)</u>     | <u>£91,605</u>   | <u>£(442,373)</u>      |

### 21 Controlling party

The company was under the control of Mr R C Crawford in the current and previous year