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**Report of the Directors and  
Unaudited Consolidated Financial Statements  
for the period 1st May 2009 to 31st October 2010  
for  
INSOURCE GROUP LIMITED**

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for the period 1st May 2009 to 31st October 2010**

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**INSOURCE GROUP LIMITED**

**Company Information**  
**for the period 1st May 2009 to 31st October 2010**

**DIRECTORS:** S J Aitken  
Ms J Aitken  
G V Bennett

**SECRETARY:** Ms J Aitken

**REGISTERED OFFICE:** c/o 59 The Avenue  
Southampton  
Hampshire  
SO17 1XS

**REGISTERED NUMBER:** 04422373 (England and Wales)

**ACCOUNTANTS:** Hall & Co  
Chartered Accountants  
59 The Avenue  
Southampton  
SO17 1XS

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Report of the Directors  
for the period 1st May 2009 to 31st October 2010**

The directors present their report with the financial statements of the company and the group for the period 1st May 2009 to 31st October 2010

**PRINCIPAL ACTIVITY**

The principal activity of the group in the period under review was that of the provision of technical services to the IT industry

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st May 2009 to the date of this report

S J Aitken  
Ms J Aitken  
G V Bennett

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'S J Aitken', with a long horizontal flourish extending to the right.

S J Aitken - Director

15th July 2011

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)****Consolidated Profit and Loss Account  
for the period 1st May 2009 to 31st October 2010**

	Notes	Period 1 5 09 to 31 10 10 £	Year ended 30 4.09 £
<b>TURNOVER</b>		5,705,091	4,381,788
Cost of sales		<u>2,894,993</u>	<u>2,446,014</u>
<b>GROSS PROFIT</b>		2,810,098	1,935,774
Administrative expenses		<u>2,292,971</u>	<u>1,521,879</u>
		517,127	413,895
Other operating income		<u>68,614</u>	<u>20,273</u>
<b>OPERATING PROFIT</b>	2	585,741	434,168
Interest receivable and similar income		<u>12</u>	<u>1,461</u>
		585,753	435,629
Interest payable and similar charges		<u>26,554</u>	<u>32,016</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		559,199	403,613
Tax on profit on ordinary activities	3	<u>140,299</u>	<u>99,131</u>
<b>PROFIT FOR THE FINANCIAL PERIOD FOR THE GROUP</b>		<u>418,900</u>	<u>304,482</u>

The notes form part of these financial statements

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)****Consolidated Balance Sheet  
31st October 2010**

		2010		2009	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		1,017,627		1,023,735
Investments	7		-		-
Investment property	8		<u>285,000</u>		<u>285,000</u>
			1,302,627		1,308,735
<b>CURRENT ASSETS</b>					
Debtors	9	616,307		657,067	
Cash at bank and in hand		<u>799,214</u>		<u>802,470</u>	
		1,415,521		1,459,537	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>1,239,391</u>		<u>1,274,902</u>	
<b>NET CURRENT ASSETS</b>			<u>176,130</u>		<u>184,635</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,478,757		1,493,370
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		(679,752)		(757,122)
<b>PROVISIONS FOR LIABILITIES</b>	13		<u>(7,977)</u>		<u>(2,533)</u>
<b>NET ASSETS</b>			<u><u>791,028</u></u>		<u><u>733,715</u></u>

The notes form part of these financial statements

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Consolidated Balance Sheet - continued**  
**31st October 2010**

	Notes	2010 £	2009 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	445,199	445,199
Revaluation reserve	15	591,818	591,818
Other reserves	15	(451,599)	(451,599)
Profit and loss account	15	<u>205,610</u>	<u>148,297</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>791,028</u>	<u>733,715</u>

The company and the group are entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31st October 2010

The members have not required the group to obtain an audit of its financial statements for the period ended 31st October 2010 in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for:

- (a) ensuring that the group keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company and the group as at the end of each financial year and of the group's profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company and the group

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 15th July 2011 and were signed on its behalf by:



S J Aitken - Director

The notes form part of these financial statements

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Company Balance Sheet**  
**31st October 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	6	-	-
Investments	7	216,339	216,339
Investment property	8	-	-
		216,339	216,339
<b>CURRENT ASSETS</b>			
Debtors	9	<u>228,860</u>	<u>228,860</u>
<b>NET CURRENT ASSETS</b>		<u>228,860</u>	<u>228,860</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>445,199</u>	<u>445,199</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	<u>445,199</u>	<u>445,199</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>445,199</u>	<u>445,199</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31st October 2010

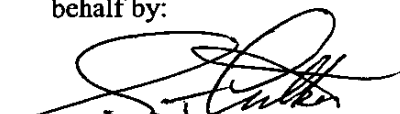
The members have not required the company to obtain an audit of its financial statements for the period ended 31st October 2010 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 15th July 2011 and were signed on its behalf by:



S J Aitken - Director

The notes form part of these financial statements



**Notes to the Consolidated Financial Statements  
for the period 1st May 2009 to 31st October 2010**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of Insource Group Limited for the period and all its subsidiaries

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the group obtains the right to consideration.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Land and buildings - 2% on cost and not provided

Plant and machinery etc - 25% on cost and 10% on cost

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed 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 transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010

**2 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	Period 1 5.09 to 31.10 10 £	Year ended 30.4 09 £
Depreciation - owned assets	49,038	32,784
Profit on disposal of fixed assets	-	(37)
Auditors' remuneration	-	9,470
Pension costs	30,000	30,679
Rental income	<u>(59,774)</u>	<u>(48,263)</u>
Directors' remuneration	54,000	36,000
Directors' pension contributions to money purchase schemes	<u>30,000</u>	<u>30,679</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>3</u>
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**3. TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows

	Period 1.5.09 to 31.10.10 £	Year ended 30.4 09 £
Current tax: UK corporation tax	134,855	100,545
Deferred tax	<u>5,444</u>	<u>(1,414)</u>
Tax on profit on ordinary activities	<u>140,299</u>	<u>99,131</u>

**4 PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £361,587 (2009 - £303,345)

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010**

**5 DIVIDENDS**

	Period 1 5 09 to 31 10 10 £	Year ended 30.4 09 £
Ordinary shares of £0 01 each Interim	<u>361,587</u>	<u>303,345</u>

**6 TANGIBLE FIXED ASSETS**

**Group**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1st May 2009	975,000	326,018	1,301,018
Additions	<u>-</u>	<u>42,930</u>	<u>42,930</u>
At 31st October 2010	<u>975,000</u>	<u>368,948</u>	<u>1,343,948</u>
<b>DEPRECIATION</b>			
At 1st May 2009	6,875	270,408	277,283
Charge for period	<u>10,313</u>	<u>38,725</u>	<u>49,038</u>
At 31st October 2010	<u>17,188</u>	<u>309,133</u>	<u>326,321</u>
<b>NET BOOK VALUE</b>			
At 31st October 2010	<u>957,812</u>	<u>59,815</u>	<u>1,017,627</u>
At 30th April 2009	<u>968,125</u>	<u>55,610</u>	<u>1,023,735</u>

Included in cost or valuation of land and buildings is freehold land of £631,250 (2009 - £631,250) which is not depreciated

Cost or valuation at 31st October 2010 is represented by

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2010	975,000	-	975,000
Cost	<u>-</u>	<u>368,948</u>	<u>368,948</u>
	<u>975,000</u>	<u>368,948</u>	<u>1,343,948</u>

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010**

**6 TANGIBLE FIXED ASSETS - continued**

**Group**

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	2010 £	2009 £
Cost	<u>415,000</u>	<u>415,000</u>
Aggregate depreciation	<u>37,400</u>	<u>30,800</u>
Value of land in freehold land and buildings	<u>195,000</u>	<u>195,000</u>

Freehold land and buildings were valued on an open market basis on 31st October 2010 by the directors

**7 FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1st May 2009 and 31st October 2010	<u>216,339</u>
<b>NET BOOK VALUE</b>	
At 31st October 2010	<u>216,339</u>
At 30th April 2009	<u>216,339</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following

**Subsidiaries**

**Sabre Investments Limited**

Nature of business: Property rental

Class of shares:	% holding
Ordinary	100 00

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010**

**7 FIXED ASSET INVESTMENTS - continued**

**Insource Limited**

Nature of business Support services

	%
Class of shares	holding
Ordinary	100 00

The company owns 51% directly and 49% indirectly through its ownership of Sabre Investments Limited

**Insource Select Limited**

Nature of business Recruitment consultancy

	%
Class of shares	holding
Ordinary	100 00

The company owns 100% indirectly through its ownership of Insource Limited

**Insource IT Consultancy Limited**

Nature of business IT consultancy

	%
Class of shares	holding
Ordinary	100 00

The company owns 100% indirectly through its ownership of Insource Limited.

**Academy Software Products Ltd**

Nature of business Software sales and maintenance

	%
Class of shares	holding
Ordinary	100 00

The company owns 100% indirectly through its ownership of Insource Limited.

**8. INVESTMENT PROPERTY**

**Group**

Total  
£

**COST OR VALUATION**

At 1st May 2009

and 31st October 2010

285,000

**NET BOOK VALUE**

At 31st October 2010

285,000

At 30th April 2009

285,000

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)****Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010****8 INVESTMENT PROPERTY - continued****Group**

Cost or valuation at 31st October 2010 is represented by

Valuation in 2010	£ <u>285,000</u>
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If investment property had not been revalued it would have been included at the following historical cost

	2010 £	2009 £
Cost	<u>283,042</u>	<u>283,042</u>

Investment property was valued on an open market basis on 31st October 2010 by the directors.

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	485,806	527,444	-	-
Amounts owed by group undertakings	-	-	228,860	228,760
Other debtors	<u>130,501</u>	<u>129,623</u>	<u>-</u>	<u>100</u>
	<u>616,307</u>	<u>657,067</u>	<u>228,860</u>	<u>228,860</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	2010 £	2009 £
Bank loans and overdrafts	55,182	53,461
Trade creditors	230,340	176,420
Taxation and social security	293,276	260,727
Other creditors	<u>660,593</u>	<u>784,294</u>
	<u>1,239,391</u>	<u>1,274,902</u>

**Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010**

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	2010	2009
	£	£
Bank loans	661,882	751,794
Other creditors	<u>17,870</u>	<u>5,328</u>
	<u>679,752</u>	<u>757,122</u>

Amounts falling due in more than five years

	<b>Group</b>	
	2010	2009
	£	£
Repayable by instalments		
Bank loans	<u>429,789</u>	<u>526,940</u>

**12 SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	2010	2009
	£	£
Bank loans	717,064	805,255
Other loans	<u>30,492</u>	<u>15,652</u>
	<u>747,556</u>	<u>820,907</u>

Bank overdrafts and loans are secured by fixed and floating charges over all the assets of the group and by cross guarantees by the subsidiary undertakings. Other loans are secured by means of a charge over certain plant and equipment.

**13 PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2010	2009
	£	£
Deferred tax	<u>7,977</u>	<u>2,533</u>

**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Notes to the Consolidated Financial Statements - continued**  
**for the period 1st May 2009 to 31st October 2010**

**13 PROVISIONS FOR LIABILITIES - continued**

<b>Group</b>	<b>Deferred tax £</b>
Balance at 1st May 2009	2,533
Accelerated capital allowances	<u>5,444</u>
Balance at 31st October 2010	<u><u>7,977</u></u>

**14 CALLED UP SHARE CAPITAL**

<b>Allotted, issued and fully paid</b>	<b>Nominal</b>	<b>2010</b>	<b>2009</b>
<b>Number: Class:</b>	<b>value</b>	<b>£</b>	<b>£</b>
44,519,900 Ordinary	£0.01	<u>445,199</u>	<u>445,199</u>

**15 RESERVES**

<b>Group</b>	<b>Profit and loss account £</b>	<b>Revaluation reserve £</b>	<b>Other reserves £</b>	<b>Totals £</b>
At 1st May 2009	148,297	591,818	(451,599)	288,516
Profit for the period	418,900			418,900
Dividends	<u>(361,587)</u>			<u>(361,587)</u>
At 31st October 2010	<u>205,610</u>	<u>591,818</u>	<u>(451,599)</u>	<u>345,829</u>

**Company**

	<b>Profit and loss account £</b>
Profit for the period	361,587
Dividends	<u>(361,587)</u>
At 31st October 2010	<u>-</u>

**16 CONTINGENT LIABILITIES**

There were no contingent liabilities in the company or the group at 31st October 2010 or at 30th April 2009



**Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010**

**17 CAPITAL COMMITMENTS**

	2010 £	2009 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

**18 TRANSACTIONS WITH DIRECTORS**

The following loans to directors subsisted during the period ended 31st October 2010 and the year ended 30th April 2009

	2010 £	2009 £
<b>S J Aitken</b>		
Balance outstanding at start of period	-	-
Amounts advanced	107,775	155,655
Amounts repaid	(107,775)	(155,655)
Balance outstanding at end of period	<u>-</u>	<u>-</u>
<b>G V Bennett</b>		
Balance outstanding at start of period	-	-
Amounts advanced	124,186	96,781
Amounts repaid	(124,186)	(96,781)
Balance outstanding at end of period	<u>-</u>	<u>-</u>
<b>J Aitken</b>		
Balance outstanding at start of period	-	-
Amounts advanced	4,659	79,147
Amounts repaid	(4,659)	(79,147)
Balance outstanding at end of period	<u>-</u>	<u>-</u>

G V Bennett and J Aitken have advanced loans to a subsidiary. At 31st October 2010 the amounts outstanding were £69,989 (30th April 2009 - £80,725) and £70,128 (30th April 2009 - £80,869) respectively and are included in other creditors

These loans are unsecured and bear interest at a rate of 4% above bank base rate. Interest has been waived on these loans from 31st May 2010. Interest charged in the period amounted to £7,423 (year to 30th April 2009 - £11,592)

**19 RELATED PARTY DISCLOSURES**

A subsidiary company has received loans from The Insource Ltd Directors Pension Scheme to assist in purchasing plant and equipment. At 31st October 2010 these loans totalled £30,492 (30th April 2009 - £15,652) and are included in other creditors. The amount of these loans repayable in more than one year is £17,870 (30th April 2009 - £5,328). Interest charged on these loans amounted to £1,716 in the period to 31st October 2010 (year to 30th April 2009 - £2,134)

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**INSOURCE GROUP LIMITED (REGISTERED NUMBER: 04422373)**

**Notes to the Consolidated Financial Statements - continued  
for the period 1st May 2009 to 31st October 2010**

**20 ULTIMATE CONTROLLING PARTY**

By virtue of their ownership of the entire share capital of Insource Group Limited the directors S J Aitken, G V Bennett and J Aitken ultimately control the company and the group