



Grant Thornton

Financial statements
The Cobra Group Plc



For the Year Ended 31 December 2009

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Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 December 2009.

Principal activity and business review

The company's principal activity was that of a holding company of a group whose principal activities were those of sales and marketing. This comprises trading and the provision of satellite television, energy, telephone and insurance application services, the promotion of registered charities, the promotion and sponsorship of motor racing and the operation of a motor racing team.

On 31 December 2009 the trade and assets of 100%-owned subsidiary Appco Direct Limited were transferred to The Cobra Group Plc.

Financial overview

The loss for the year, after taxation, amounted to £404,222 (2008: profit of £664,540). The directors have not recommended a dividend (2008: £220,000).

Turnover for the year was £47.9 million (2008: £54.1 million). Gross profit was £17.8 million (37.1%) a decrease of £1.3 million on the prior year (2008: £19.1 million - 35.3%).

The directors are pleased with the overall performance during the year, particularly considering challenging general economic conditions, and believe that the group is in a strong position to develop and improve overall margins and control costs in order to generate profits in the future.

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to the following additional non-financial key performance indicator:

	Actual	2009 Target	Actual	2008 Target
Average weekly number of field sales representatives	<u>1,401</u>	<u>1,463</u>	<u>1,513</u>	<u>1,557</u>

Future developments for the business

The directors recognise the need to maintain strong margins and ensure that the campaigns the business operates are secure and well diversified. It is believed that the decisions taken along with the performance of the business will ensure this happens in the future.

Report of the directors (continued)

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks.

The directors have set out below the principal risks facing the business. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Campaigns

The success of the business is dependent on the ability to operate viable long term campaigns with our clients. Management closely monitors the performance of those campaigns from an operational and financial standpoint, and where necessary alternative business is developed.

An adequate diversification is maintained across clients to mitigate the potential risks associated with a particular campaign, and developments in markets are monitored to predict where possible campaign issues are likely to arise.

Seasonality and weather

Changes in expected weather conditions impact on revenues due to the ability to attract and retain sales representatives in adverse weather conditions.

The seasonality of the company's sales is reflected in the budgeting and forecasting process.

Any unexpected changes in conditions result in the flexing of certain budgets in an attempt to minimise the financial impact to the company.

Regulatory changes affecting the business

The industries in which the company operates are subject to regulation. Future changes in such regulation may impact the company's ability to generate income, either through decreased revenues, increased expenditure or a combination of both.

Management adopts all appropriate regulations in a proactive manner after taking appropriate advice in order to mitigate the above risk.

Financial risk management objectives and policies

In order to manage price risk as well as the general management of the campaigns regular client meetings are undertaken by the company. Prior to the start of a new contract, it is the policy of the company, where applicable, to conduct a credit risk review. Regular management reviews are undertaken of the cash flow projections and liquidity requirements of the company.

It is the policy of the company that loans and charges to other group companies are made in Sterling in order to remove foreign exchange risk to the company.

Report of the directors (continued)

The group finances its activities through a combination of retained profits, bank borrowings and working capital management. The group's exposure to interest rate fluctuations on its bank borrowings is managed through the use of floating facilities. The company has also acquired a number of fixed assets using hire purchase and finance lease facilities, but at known interest rates at the inception of the contracts.

Directors

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

RL Davison
MC Blane
MJ Hogg (retired 31 March 2009)
CJ Niarchos
PJ Sanderson

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Report of the directors (continued)

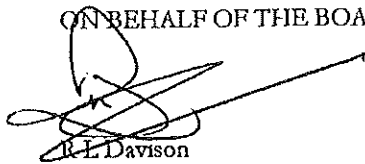
Going concern

After making suitable enquiries, the directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies in the financial statements.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD



R.L. Davison
Director

27 May 2010



Report of the independent auditor to the members of The Cobra Group Plc

We have audited the group and parent company financial statements ("the financial statements") of The Cobra Group Plc for the year ended 31 December 2009. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 to 6, 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 the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

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 December 2009 and of the group's 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.

Report of the independent auditor to the members of The Cobra Group Plc (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



TIMOTHY LINCOLN (Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS
LEEDS

27 May 2010

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

The Company meets its day to day working capital requirements through cash balances, an overdraft facility, and repayment of intra-group balances from group companies. The directors have prepared forecasts up to the period ending 31 December 2011 and beyond, which take into account reasonably possible changes in trading performance and show that the Company will be able to operate within the level of the facility. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 12) drawn up to 31 December 2009. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Turnover

Turnover is recognised on an accruals basis based on the submission of customer applications less a provision for rejected applications and is based on the delivery of marketable services.

Goodwill

Goodwill arising on consolidation or in the company in respect of acquisitions, which represents the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life. Negative goodwill is written back to the profit and loss account to match the recover of the non-monetary assets acquired.

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 - over 3 years

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:

Freehold property	-	2% straight line basis
Leasehold property	-	over the term of the lease
Plant & machinery	-	20% straight line basis
Fixtures & fittings	-	6.67% to 20% straight line basis
Motor vehicles	-	20% to 33% straight line basis
Equipment	-	25% straight line basis
Computer equipment	-	33% straight line basis

Stocks

Stocks are stated at the lower of cost and net realisable value.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

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

Deferred taxation

Deferred tax is recognised on an accruals basis, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Monetary 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.

Consolidated Profit and loss account

	Note	2009 £	2008 £
Group turnover	1	47,910,824	54,079,821
Cost of sales		30,087,196	35,011,006
Gross profit		17,823,628	19,068,815
Other operating charges	2	17,548,384	18,529,944
Operating profit	3	275,244	538,871
Interest receivable		251,132	354,076
Interest payable and similar charges	6	(233,306)	(297,078)
Profit on ordinary activities before taxation		293,070	595,869
Tax on profit on ordinary activities	7	697,292	(68,671)
(Loss)/profit for the financial year	22	(404,222)	664,540

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.

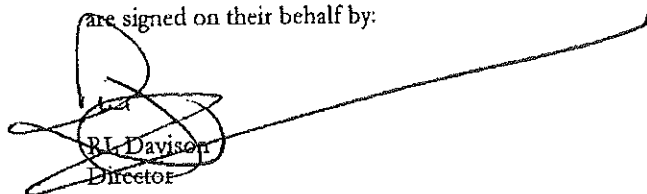
The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

Company No. 3464109

Group balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	11	3,315,742	3,890,185
		<u>3,315,742</u>	<u>3,890,185</u>
Current assets			
Stocks	13	84,499	133,873
Debtors	14	14,180,313	19,411,134
Cash at bank and in hand		1,114,274	225,822
		<u>15,379,086</u>	<u>19,770,829</u>
Creditors: amounts falling due within one year	16	<u>7,482,001</u>	<u>11,267,849</u>
Net current assets		<u>7,897,085</u>	<u>8,502,980</u>
Total assets less current liabilities		<u>11,212,827</u>	<u>12,393,165</u>
Creditors: amounts falling due after more than one year	17	<u>3,018,331</u>	<u>3,794,447</u>
		<u>8,194,496</u>	<u>8,598,718</u>
Capital and reserves			
Called-up equity share capital	21	95,128	95,128
Share premium account	22	3,306,547	3,306,547
Profit and loss account	22	4,792,821	5,197,043
Shareholders' funds	23	<u>8,194,496</u>	<u>8,598,718</u>

These financial statements were approved by the directors and authorised for issue on 27 May 2010, and are signed on their behalf by:


 R.L. Davison
 Director

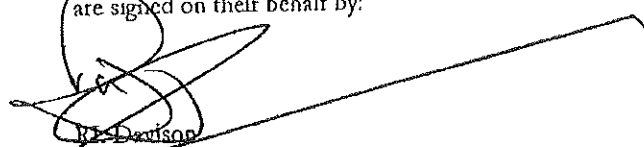
The accompanying accounting policies and notes form part of these financial statements.

Company No. 3464199

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	10	–	402,279
Tangible assets	11	1,348,194	1,658,294
Investments	12	3,364,850	3,602,606
		<u>4,713,044</u>	<u>5,663,179</u>
Current assets			
Debtors	14	15,555,660	16,531,826
Cash at bank		1,046,142	5,277
		<u>16,601,802</u>	<u>16,537,103</u>
Creditors: amounts falling due within one year	16	<u>6,160,944</u>	<u>6,192,144</u>
Net current assets		<u>10,440,858</u>	<u>10,344,959</u>
Total assets less current liabilities		<u>15,153,902</u>	<u>16,008,138</u>
Creditors: amounts falling due after more than one year	17	<u>9,935,853</u>	<u>11,108,398</u>
		<u>5,218,049</u>	<u>4,899,740</u>
Capital and reserves			
Called-up equity share capital	21	95,128	95,128
Share premium account	22	3,306,547	3,306,547
Profit and loss account	22	1,816,374	1,498,065
Shareholders' funds		<u>5,218,049</u>	<u>4,899,740</u>

These financial statements were approved by the directors and authorised for issue on ~~31.12.2010~~, and are signed on their behalf by:


 R.P. Dawson
 Director

Company Registration Number: 3464199

The accompanying accounting policies and notes form part of these financial statements.

Group cash flow statement

	Note	2009 £	2008 £
Net cash inflow from operating activities	24	2,756,996	2,207,781
Returns on investments and servicing of finance	24	17,825	56,998
Taxation	24	(605,531)	(1,704,990)
Capital expenditure and financial investment	24	(339,136)	(467,536)
Equity dividends paid		–	(220,000)
Cash inflow before financing		<u>1,830,154</u>	<u>(127,747)</u>
Financing	24	(921,863)	(601,413)
Increase/(decrease) in cash	24	<u>908,291</u>	<u>(729,160)</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.
 An analysis of turnover is given below:

	2009 £	2008 £
Overseas	910,695	1,717,996
United Kingdom	47,000,129	52,361,825
	<u>47,910,824</u>	<u>54,079,821</u>

2 Other operating charges

	2009 £	2008 £
Administrative expenses	<u>17,548,384</u>	<u>18,529,944</u>

3 Operating profit

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Depreciation of owned fixed assets	517,321	482,015
Depreciation of assets held under finance leases and hire purchase agreements	691,567	408,891
Profit on disposal of fixed assets	(130,175)	(12,020)
Operating lease costs:		
- Other	326,326	337,231
Net loss on foreign currency translation	85,901	219,964
Auditor's remuneration	<u>91,750</u>	<u>91,750</u>
	2009 £	2008 £
Fees payable to the Company's auditor for the audit of the financial statements	37,500	37,500
Audit of the financial statements of the Company's subsidiaries and related undertakings pursuant to legislation	37,500	37,500
Other services provided to the Company, subsidiaries and related undertakings relating to taxation	<u>16,750</u>	<u>16,750</u>

4 Particulars of employees

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

	2009 No	2008 No
Number of administrative staff	<u>153</u>	<u>142</u>

The aggregate payroll costs of the above were:

	2009 £	2008 £
Wages and salaries	7,100,180	6,862,703
Social security costs	856,311	772,936
	<u>7,956,491</u>	<u>7,635,639</u>

5 Directors

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Remuneration receivable	<u>2,897,704</u>	<u>2,899,742</u>

Remuneration of highest paid director:

	2009 £	2008 £
Total remuneration (excluding pension contributions)	<u>724,703</u>	<u>757,838</u>

6 Interest payable and similar charges

	2009 £	2008 £
Interest payable on bank borrowing	19,473	48,829
Finance charges payable under finance leases and hire purchase agreements	187,974	171,874
Other similar charges payable	25,859	76,375
	<u>233,306</u>	<u>297,078</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
UK Corporation tax based on the results for the year at 28% (2008 - 28%)	538,000	486,958
Under/(over) provision in prior year	195,592	(605,429)
Total current tax	<u>733,592</u>	<u>(118,471)</u>
Deferred tax:		
Origination and reversal of timing differences	(36,300)	49,800
Tax on profit of ordinary activities	<u>697,292</u>	<u>(68,671)</u>

(b) Factors affecting current tax charge

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>293,070</u>	<u>595,869</u>
Profit on ordinary activities multiplied by rate of tax	82,060	166,843
Expenses not deductible for tax purposes	623,862	552,708
Goodwill on consolidation	(112,638)	(112,638)
Capital allowances for period in excess of depreciation	43,046	(72,098)
Utilisation of tax losses	(78,367)	-
Other short term timing differences	(16,963)	(56,321)
Rate difference	-	8,504
Adjustments to tax charge in respect of previous periods	195,592	(605,469)
Total current tax (note 7(a))	<u>733,592</u>	<u>(118,471)</u>

8 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £318,309 (2008 - profit of £1,267,683).

9 Dividends

Dividends on shares classed as equity

	2009	2008
	£	£
Paid during the year:		
Dividends on equity shares	—	<u>220,000</u>

10 Intangible fixed assets

Company	Positive Goodwill
	£
Cost	
At 1 January 2009 and 31 December 2009	<u>1,206,837</u>
Amortisation	
At 1 January 2009	804,558
Charge for the year	402,279
At 31 December 2009	<u>1,206,837</u>
Net book value	
At 31 December 2009	—
At 31 December 2008	<u>402,279</u>

11 Tangible fixed assets

Group	Freehold & Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Computer Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 Jan 2009	1,913,817	172,602	926,928	1,933,816	2,287,117	7,234,280
Additions	151,541	45,796	255,677	75,722	214,921	743,657
Disposals	—	—	(63,964)	(216,150)	—	(280,114)
At 31 Dec 2009	<u>2,065,358</u>	<u>218,398</u>	<u>1,118,641</u>	<u>1,793,388</u>	<u>2,502,038</u>	<u>7,697,823</u>
Depreciation						
At 1 Jan 2009	914,264	44,019	567,597	901,102	917,113	3,344,095
Charge for the year	128,578	54,146	89,886	349,813	586,465	1,208,888
On disposals	—	—	(30,063)	(140,839)	—	(170,902)
At 31 Dec 2009	<u>1,042,842</u>	<u>98,165</u>	<u>627,420</u>	<u>1,110,076</u>	<u>1,503,578</u>	<u>4,382,081</u>
Net book value						
At 31 Dec 2009	<u>1,022,516</u>	<u>120,232</u>	<u>491,222</u>	<u>683,311</u>	<u>998,461</u>	<u>3,315,742</u>
At 31 Dec 2008	<u>999,553</u>	<u>128,583</u>	<u>359,331</u>	<u>1,032,714</u>	<u>1,370,004</u>	<u>3,890,185</u>

11 Tangible fixed assets (continued)

Included within the net book value of £3,315,742 is £518,623 (2008 - £693,780) relating to assets held under hire purchase agreements, and £869,600 (2008 - £1,981,194) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £182,960 (2008 - £143,415), and £499,012 (2008 - £265,476) in respect of assets held under finance lease agreements.

Company	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 January 2009	340,261	209,079	88,895	1,685,319	2,323,554
Additions	151,541	173,636	—	201,276	526,453
Disposals	—	(63,964)	—	—	(63,964)
At 31 December 2009	<u>491,802</u>	<u>318,751</u>	<u>88,895</u>	<u>1,886,595</u>	<u>2,786,043</u>
Depreciation					
At 1 January 2009	234,004	61,376	13,040	356,840	665,260
Charge for the year	115,608	73,569	44,729	568,746	802,652
On disposals	—	(30,063)	—	—	(30,063)
At 31 December 2009	<u>349,612</u>	<u>104,882</u>	<u>57,769</u>	<u>925,586</u>	<u>1,437,849</u>
Net book value					
At 31 December 2009	<u>142,190</u>	<u>213,869</u>	<u>31,126</u>	<u>961,009</u>	<u>1,348,194</u>
At 31 December 2008	<u>106,257</u>	<u>147,703</u>	<u>75,855</u>	<u>1,328,479</u>	<u>1,658,294</u>

Included within the net book value of £1,348,194 is £869,600 (2008 - £1,981,194) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £499,012 (2008 - £265,476).

12 Investments

Company	Group companies £
Cost	
At 1 January 2009 and 31 December 2009	<u>3,602,866</u>
Amounts written off	
At 1 January 2009	260
Written off in year	<u>237,496</u>
At 31 December 2009	<u>237,756</u>
Net book value	
At 31 December 2009	<u>3,364,850</u>
At 31 December 2008	<u>3,602,606</u>

The principal trading subsidiaries held by the group or company at the balance sheet date were as follows:

Subsidiary undertaking	Country of incorporation	Class of shares held	% held	Nature of business
Credico Direct Limited	England and Wales	Ordinary shares	100%	Provision of insurance application services
Cobra Racing Limited	England and Wales	Ordinary shares	100%	Promotion and sponsorship of motor racing and the operation of a motor racing team

The trade and assets of Appco Direct Limited, a 100% held subsidiary incorporated in England and Wales, were hived up as at 31 December 2009 (see note 25). On 30 April 2010 Credico Direct Limited ceased trading.

13 Stocks

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Finished goods	<u>84,499</u>	<u>133,873</u>	<u>—</u>	<u>—</u>

14 Debtors

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	424,176	1,711,325	111,849	1,170,150
Amounts owed by group undertakings	–	–	2,514,249	3,197,047
Amounts due from related companies	9,337,916	10,438,751	9,326,632	8,790,244
Other debtors	1,919,109	3,115,824	1,879,829	2,598,743
Deferred taxation (Note 15)	167,000	130,700	–	–
Prepayments and accrued income	2,332,112	4,014,534	1,723,101	775,642
	<u>14,180,313</u>	<u>19,411,134</u>	<u>15,555,660</u>	<u>16,531,826</u>

The debtors above include the following amounts falling due after more than one year.

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Amounts due from group companies	–	–	2,389,984	3,197,047
Amounts due from related companies	9,157,416	8,871,333	9,326,632	8,790,244
	<u>9,157,416</u>	<u>8,871,333</u>	<u>11,716,616</u>	<u>11,987,291</u>

15 Deferred taxation

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

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Asset brought forward	130,700	180,500	–	–
Increase/(decrease) in asset	36,300	(49,800)	–	–
Asset carried forward	<u>167,000</u>	<u>130,700</u>	<u>–</u>	<u>–</u>

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

Group	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	124,000	–	63,700	–
Other short term timing differences	43,000	–	67,000	–
Asset carried forward	<u>167,000</u>	<u>–</u>	<u>130,700</u>	<u>–</u>

16 Creditors: amounts falling due within one year

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Bank loan and overdraft	70,874	50,920	–	19,840
Trade creditors	1,056,150	928,878	956,174	808,019
Amounts due to related companies	823,151	125,954	823,151	52,210
Amounts due under finance leases and hire purchase agreements	540,869	716,774	462,519	476,304
Directors' loan accounts	21,172	521,117	21,172	521,117
Corporation tax	319,071	595,112	319,071	549,773
Other taxation and social security	967,800	1,336,766	742,760	819,363
Other creditors	190,355	3,446,660	190,777	342,144
Accruals and deferred income	3,492,559	3,545,668	2,645,320	2,603,374
	<u>7,482,001</u>	<u>11,267,849</u>	<u>6,160,944</u>	<u>6,192,144</u>

17 Creditors: amounts falling due after more than one year

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Bank loan	589,182	698,228	–	–
Amounts owed to group undertakings	–	–	7,698,900	8,484,615
Amounts owed to related undertakings	1,928,263	2,083,761	1,928,263	1,903,860
Amounts due under finance leases and hire purchase agreements	500,886	1,012,458	308,690	719,923
	<u>3,018,331</u>	<u>3,794,447</u>	<u>9,935,853</u>	<u>11,108,398</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date. The loan is payable in quarterly instalments with interest at 1.5% over the base rate.

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Due within 1 year	70,874	31,080	–	–
Due between 2 and 5 years	297,975	146,837	–	–
Due in more than 5 years	291,207	551,391	–	–
	<u>660,056</u>	<u>729,308</u>	<u>–</u>	<u>–</u>

The bank loan is secured by a 1st legal charge over the freehold property known as Unit A Interlink, Barton Business Park, Leicestershire.

18 Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements are as follows:

	The group		The company	
	2009	2008	2009	2008
	£	£	£	£
Amounts payable within 1 year	654,715	716,773	462,519	476,303
Amounts payable between 2 to 5 years	387,040	1,012,458	308,690	719,923
	<u>1,041,755</u>	<u>1,729,231</u>	<u>771,209</u>	<u>1,196,226</u>

19 Commitments under operating leases

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below.

The group	Land and buildings	
	2009	2008
	£	£
Operating leases which expire:		
Within 1 year	<u>-</u>	<u>282,610</u>

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

The company	Land and buildings	
	2009	2008
	£	£
Operating leases which expire:		
Within 1 year	<u>-</u>	<u>282,610</u>

20 Related party transactions

At 31 December 2009 the group was owed £1,882,345 (2008: £2,917,066) by Cobra Group International Holdings Limited. In the year the group sold services to Cobra Group International Holdings Limited of £574,845 (2008: £435,676), purchased services of £nil (2008: £nil), received funds of £1,609,566 (2008: forwarded funds of £287,596). CJ Niarchos, director, has a beneficial interest in Cobra Group International Holdings Limited.

At 31 December 2009 the group owed £1,131,509 (2008: £1,576,270) to Cobra Management PTY. In the year the group forwarded funds of £668,324 (2008: £185,769) to Cobra Management PTY, purchased services of £221,184 (2008: £163,723) from Cobra Management PTY, sold services of £12,514 (2008: £30,414) to Cobra Management PTY and there was an exchange loss of £14,893 (2008: £39,095) on the amount owed to Cobra Management PTY. CJ Niarchos, director, has a beneficial interest in Cobra Management PTY.

At 31 December 2009 the group was owed £23,239 (2008: £71,734) by Appco Direct India after a provision of £18,706 (2008: £nil). In the year the group sold services to Appco Direct India of £211 (2008: £300) and received funds of £30,000 (2008: forwarded funds of £30,000) from Appco Direct India. CJ Niarchos, director, has a beneficial interest in Appco Direct India.

20 Related party transactions (continued)

At 31 December 2009 the group was owed £29,094 (2008: owed: £809,971) by Appco Direct Spain. In the year, the group sold services to Appco Direct Spain of £272,478 (2008: £72,088), purchased services of £2,224 (2008: £nil) from Appco Direct Spain and received funds of £1,051,131 (2008: forwarded funds of £3,014). CJ Niarchos, director, has a beneficial interest in Appco Direct Spain.

At 31 December 2009 the group owed £346 (2008: £346) to Appco Direct Japan after a provision charge 2009 of £18,984 (2008: £nil). In the year the group sold services to Appco Direct Japan of £3,099 (2008: £nil) and received funds of £15,885 (2008: £nil) from Appco Direct Japan. CJ Niarchos, director, has a beneficial interest Appco Direct Japan.

At 31 December 2009 the group owed £14,520 (2008: £244,483 owed by Appco Direct Malaysia) to Appco Direct Malaysia after a provision reduction of £2,208 (2008: £231,314 provision charge). In the year the group sold services to Appco Direct Malaysia of £296 (2008: £7,169), purchased services of £21,133 (2008: £0) and received funds of £240,375 (2008: forwarded funds of £6,000) from Appco Direct Malaysia. CJ Niarchos, director, has a beneficial interest in Appco Direct Malaysia.

At 31 December 2009 the group was owed £977,090 (2008: £1,220,726) by Cobra Athens. In the year the group sold services to Cobra Athens of £18,674 (2008: £360) and received funds of £262,310 (2008: forwarded funds of £161,000) in the year to Cobra Athens. CJ Niarchos, director, has a beneficial interest in Cobra Athens.

At 31 December 2009 the group owed £351,591 (2008: £330,391) to Appco Direct PTY. In the year the group sold services to Appco Direct PTY of £nil (2008: £nil), received funds of £21,200 (2008: £nil) from Appco Direct PTY. CJ Niarchos, director, has a beneficial interest in Appco Direct PTY.

At 31 December 2009 the group owed £88,152 (2008: £48,132) to Corporate Executive Services Limited. In the year the group purchased services from Corporate Executives Services Limited of £234,916 (2008: £330,821), forwarded funds of £193,170 (2008: £336,832) and sold services to Corporate Executive Services Limited of £1,727 (2008: £8,249). MJ Hogg, director, is also a director of Corporate Executives Services Limited.

At 31 December 2009 the group was owed £322,939 (2008: £759,480) by Appco Direct BV. In the year the group sold services to Appco Direct BV of £597,799 (2008: £59,922) and purchased services of £182,500 (2008: £nil) and received funds of £851,840 (2008: received funds £442,519). CJ Niarchos, director, has a beneficial interest in Appco Direct BV.

At 31 December 2009 the group owed £1,692 (2008: was owed by Appco Direct Poland £51,874) to Appco Direct Poland after provision charge of £159,511 (2008: reduction of £137,447) giving a total provision of £983,359 (2008: £823,848). In the year the group sold services to Appco Direct Poland of £10,467 (2008: £12,662), purchased services of £4,675 (2008 £21,010) and received funds of £218,869 (2008: £129,785). CJ Niarchos, director, has a beneficial interest in Appco Direct Poland.

At 31 December 2009 the group owed £11,949 (2008: owed to Appco Direct Ireland of £118,144) by Appco Direct Ireland. In the year the group sold services to Appco Direct Ireland of £349,285 (2008: £213,325), purchased services of £394,455 (2008: £nil) and forwarded funds of £175,264 (2008: received funds of £136,355). CJ Niarchos, director, has a beneficial interest in Appco Direct Ireland.

At 31 December 2009 the group was owed £34,046 (2008: £52,302) by Appco Direct Singapore after a provision reduction of £17,696 (2008: £nil). In the year the group sold services to Appco Direct Singapore of £2,579 (2008: £nil), received services of £nil (2008: £nil) and forwarded funds of £3,139 (2008: £955). CJ Niarchos, director, has a beneficial interest in Appco Direct Singapore.

At 31 December 2009 the group was owed £1,476,877 (2008: £1,186,828) by Roseanne Investments. In the year group forwarded funds to Roseanne Investments Limited of £258,093 (2008: £27,263) and sold service to Roseanne Investment of £31,955 (2008: £59,566). CJ Niarchos, director, has a beneficial interest in Roseanne Investments Limited.

20 Related party transactions (continued)

At 31 December 2009 the group was owed £nil (2008: £72,359) by New Asia Connection after a provision reduced of £55,774 (2008: £nil). In the year the group received funds of £128,133 (2008: £31,864) from New Asia Connection. CJ Niarchos, director, has a beneficial interest in New Asia Connection.

At 31 December 2009 the group was owed £6,443 (2008: £6,443) by Support Direct PTY. CJ Niarchos, director, has a beneficial interest in Support Direct PTY.

At 31 December 2009 the group was owed £nil (2008: £300,461) by Support Direct Spain. In the year the group sold services to Support Direct Spain of £nil (2008: £nil), received funds of £300,461 (2008: £134,751). CJ Niarchos, director, has a beneficial interest in Support Direct Spain.

At 31 December 2009 the group was owed £4,737 (2008: £1,697) by Support Direct India. In the year the group sold services to Support Direct India of £3,040 (2008: £nil) and received funds of £nil (2008: £nil). CJ Niarchos, director, has a beneficial interest in Support Direct India.

At 31 December 2009 the group was owed £1,100 (2008: £1,100) by RDA Europe. In the year the group forwarded funds to RDA Europe of £nil (2008: £nil). R Davison, director, has a beneficial interest in RDA Europe.

At 31 December 2009 the group was owed £2,087,416 (2008: £1,953,945) by Baton Holdings Ltd. In the year the group sold services to Baton Holdings Ltd of £133,470 (2008: £133,835) and received funds from Baton Holdings Ltd of £nil (2008: £nil). CJ Niarchos, director, has a beneficial interest in Baton Holdings Ltd.

At 31 December 2009 the group owed £50,000 (2008: group owed by Highgate Administration PTY £17,335) to Highgate Administration PTY Limited. In the year the group purchased services from Highgate Administration PTY Limited of £85,350 (2008: £211,256) and forwarded funds of £18,015 (2008: £238,291). MJ Hogg, director, has a beneficial interest in Highgate Administration PTY Ltd.

At 31 December 2009 the group was owed £nil (2008: £1,048,254) by Appco Direct Germany after provision charge of £1,259,952 (2008: £575,487) giving a total provision of £1,835,439 (2008: £575,487). In the year the group sold services to Appco Direct Germany of £86,237 (2008: £98,442) and forwarded funds of £125,469 (2008: £247,138). CJ Niarchos, director, has a beneficial interest in Appco Direct Germany.

At 31 December 2009 the group was owed £5,425 (2008: £19,943) by Appco Direct SRL Italy. In the year the group sold services to Appco Direct SRL Italy of £27,379 (2008: £45,736) and received funds of £41,896 (2008: £64,297). CJ Niarchos, director, has a beneficial interest in Appco Direct SRL Italy.

At 31 December 2009 the group was owed £nil (2008: £4,006) by Appco Direct Sweden. In the year the group sold services to Appco Direct Sweden of £9,953 (2008: £31,782), purchased service from Appco Direct Sweden £23,790 (2008: £57,055) and forwarded funds of £9,831 (2008: £17,699) CJ Niarchos, director, has a beneficial interest in Appco Direct Sweden.

At 31 December 2009 the group was owed £nil (2008: £266,548) by Australian Power & Gas. In the year the group received funds of £279,868 (2008: £nil) from Australian Power & Gas and there was an exchange gain of £13,318 (2008: £nil) on the amount owed by Australian Power & Gas. CJ Niarchos, director, has a beneficial interest in Australian Power & Gas.

At 31 December 2009 the group was owed £3 (2008: £3) by CGC Management Ltd after a provision charge 2009 of £nil (2008: £62,279). CJ Niarchos, director, has a beneficial interest in CGC Management Limited.

20 Related party transactions (continued)

At 31 December 2009 the group was owed £nil (2008:£nil) by Power & Gas Ventures BV after a provision reduction of £7,116 (2008: charge of (£494,959) giving a total provision of £487,842 (2008:£ (£494,959)). In the year the group sold services to Power & Gas Ventures BV of £nil (2008: £nil) and received funds of £7,116 (2008: forwarded funds of £165,828). CJ Niarchos, director, has a beneficial interest in Power & Gas Ventures BV

At 31 December 2009 the group was owed £1,534 (2008: £3,880) by RDA Associates Limited. In the year the group purchased services from RDA Associates Limited totalling £443,247 (2008: £436,474), sold services of £12,488 (2008: £13,715) to RDA Associates Limited and forwarded funds of £428,412 (2008:£441,266) to RDA Associates Limited. RL Davison, director, has a beneficial interest in RDA Associates Limited.

At 31 December 2009 the group was owed £nil (2008: £nil) by RDA Associates SL. In the year the group purchased services from RDA Associates Limited of £67,619 (2008: £10,061) and forwarded funds of £67,619 (2008: £10,061) to RDA Associates SL. RL Davison, director, has a beneficial interest in RDA Associates SL.

At 31 December 2009 the group was owed £320 (2008: £320) by RDA Associates SRL. In the year the company sold goods of £nil to RDA Associates SRL (2008: £nil). RL Davison, director, has a beneficial interest in RDA Associates SRL.

At 31 December 2009 the group was owed £1,035 (2008: £971) by RDA Associates BV. In the year the group sold services of £3,944 to RDA Associates BV (2008: £1,202) and received funds of £3,880 (2008: £231) from RDA Associates BV. RL Davison, director, has a beneficial interest in RDA Associates BV.

At 31 December 2009 the group was owed £nil (2008: £581) by RDA Associates AB. In the year the group sold services of £1,020 to RDA Associates AB (2008: £581) and received funds of £1,601 (2008: £nil) from RDA Associates AB. RL Davison, director, has a beneficial interest in RDA Associates AB.

21 Share capital

Authorised share capital:

	2009	2008
	£	£
1,000,000 A class ordinary shares of £1 each	1,000,000	1,000,000
25,000 B class ordinary shares of £1 each	25,000	25,000
	<u>1,025,000</u>	<u>1,025,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
71,613 A class ordinary shares of £1 each	71,613	71,613	71,613	71,613
23,515 B class ordinary shares of £1 each	23,515	23,515	23,515	23,515
	<u>95,128</u>	<u>95,128</u>	<u>95,128</u>	<u>95,128</u>

21 Share capital (continued)

The A class and B class ordinary shares rank pari passu as if they constitute one class of share, except that:

- The holders of the B class ordinary shares are not entitled to vote at any general meeting of the company.
- The holders of the A class ordinary shares have priority on a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the company of its own shares), after payment of its liabilities, of £1 per share over the holders of the B class ordinary shares.

22 Reserves

Group	Share premium account £	Profit and loss account £
At 1 January 2009	3,306,547	5,197,043
Loss for the year	–	(404,222)
At 31 December 2009	<u>3,306,547</u>	<u>4,792,821</u>

Company	Share premium account £	Profit and loss account £
At 1 January 2009	3,306,547	1,498,065
Profit for the year	–	318,309
At 31 December 2009	<u>3,306,547</u>	<u>1,816,374</u>

23 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss)/Profit for the financial year	(404,222)	664,540
Equity dividends	–	(220,000)
Net (reduction)/addition to shareholders' funds	<u>(404,222)</u>	<u>444,540</u>
Opening shareholders' funds	8,598,718	8,154,178
Closing shareholders' funds	<u>8,194,496</u>	<u>8,598,718</u>

24 Notes to the cash flow statement

Reconciliation of operating profit to net cash outflow from operating activities

	2009	2008
	£	£
Operating profit	275,244	538,871
Depreciation	1,208,888	890,906
Profit on disposal of fixed assets	(130,175)	(12,020)
Decrease/(increase) in stocks	49,374	(127,730)
Decrease in debtors	5,267,121	7,465,448
Decrease in creditors	(3,913,456)	(6,547,694)
Net cash inflow from operating activities	<u>2,756,996</u>	<u>2,207,781</u>

Returns on investments and servicing of finance

	2009	2008
	£	£
Interest received	251,131	354,076
Interest paid	(45,332)	(125,204)
Interest element of finance leases and hire purchase	(187,974)	(171,874)
Net cash inflow from returns on investments and servicing of finance	<u>17,825</u>	<u>56,998</u>

Taxation

	2009	2008
	£	£
Taxation	<u>(605,531)</u>	<u>(1,704,990)</u>

Capital expenditure

	2009	2008
	£	£
Payments to acquire tangible fixed assets	(578,523)	(502,352)
Receipts from sale of fixed assets	239,387	34,816
Net cash outflow from capital expenditure	<u>(339,136)</u>	<u>(467,536)</u>

Financing

	2009	2008
	£	£
Repayment of bank loans	(69,252)	(30,692)
Capital element of finance leases and hire purchase	(852,611)	(570,721)
Net cash outflow from financing	<u>(921,863)</u>	<u>(601,413)</u>

Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
Increase/(decrease) in cash in the period	908,291	(729,160)
Net cash outflow from bank loans	69,252	30,692
Cash outflow in respect of finance leases and hire purchase	852,611	365,659
	<u>1,830,154</u>	<u>(332,809)</u>
Non-cash changes: new finance leases	(165,134)	(1,729,054)
Change in net debt	1,665,020	(2,061,863)
Net debt at 1 January 2009	(2,252,559)	(190,696)
Net debt at 31 December 2009	<u>(587,539)</u>	<u>(2,252,559)</u>

Analysis of changes in net debt

	At 1 Jan 2009 £	Cash flows £	Non-cash movement	At 31 Dec 2009 £
Net cash:				
Cash in hand and at bank	225,821	888,451	–	1,114,272
Overdrafts	(19,840)	19,840	–	–
	<u>205,981</u>	<u>908,291</u>	–	<u>1,114,272</u>
Debt:				
Bank loan	(729,308)	69,252	–	(660,056)
Finance leases and hire purchase agreements	(1,729,232)	852,611	(165,134)	(1,041,755)
	<u>(2,458,540)</u>	<u>921,863</u>	<u>(165,134)</u>	<u>(1,701,811)</u>
Net debt	<u>(2,252,559)</u>	<u>1,830,154</u>	<u>(165,134)</u>	<u>(587,539)</u>

25 Acquisition

On 31 December 2009 the company acquired the trade and assets of its subsidiary undertaking, Appco Direct Limited, by virtue of a hive up.

The assets and liabilities transferred at their book values were as follows:

	£
Fixed assets	
Tangible	–
Current assets	
Debtors	463,187
Amounts due from related companies	883,612
Prepayments & accrued income	774,714
Bank & cash	38,413
Total assets	<u>2,159,926</u>
Creditors	
Trade creditors	(146,904)
Other creditors	(1,854)
Social security & other taxes	(139,965)
Accruals	(196,553)
Total liabilities	<u>(485,276)</u>
Net assets	<u>1,674,650</u>

26 Ultimate parent company and controlling party

The immediate parent company of the group is Rosanne Investments Limited, which is both the smallest and largest company into which this company is consolidated. The ultimate controlling party is CJ Niarchos by virtue of his shareholding in Rosanne Investments Limited.