

**ORBACH & CHAMBERS LIMITED**

REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30TH APRIL 2003

REGISTERED No. 969186



**GRAY & COMPANY PARTNERS LIMITED**

Chartered Certified Accountants  
& Registered Auditors

ORBACH & CHAMBERS LIMITED

REGISTERED No. 969186

---

DIRECTORS

M Chambers  
F Boxall (appointed 14/01/2003)

SECRETARY

F Boxall

AUDITORS

Gray & Company Partners Limited  
Chartered Certified Accountants  
& Registered Auditors  
24 Windsor Court  
Moscow Road  
London  
W2 4SN

BANKERS

Barclays Bank plc  
99 Hatton Garden  
London  
EC1N 8DN

REGISTERED OFFICE

Saville House  
23 Long Lane  
London  
EC1A 9HL

ORBACH & CHAMBERS LIMITED

INDEX TO THE ACCOUNTS  
FOR THE YEAR TO 30TH APRIL 2003

	Page No:
Report of the Directors	1 - 1a
Report of the Auditors	2
Profit & Loss Account	3
Balance Sheet	4
Cash flow Statement	5 - 6
Notes to the Financial Statements	7 - 10

---

The following page does not form part of  
the audited accounts:-

Detailed Profit & Loss Account	11
--------------------------------	----

---

ORBACH & CHAMBERS LIMITEDREPORT OF THE DIRECTORS  
for the year ended 30th April 2003

## 1. ACCOUNTS

The directors present their report and accounts for the year ended 30th April 2003

## 2. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing the financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;  
make judgements and estimates that are reasonable and prudent;  
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safe guarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

## 3. PRINCIPAL ACTIVITY

The principal activities of the company in the period under review were those of recruitment consultants and publishers.

## 4. DIRECTORS AND THEIR INTERESTS

The directors who were in office during the period and their beneficial interest in the issued ordinary share capital of the company was as follows:

		2003	2002
		No. of Shares	
	<u>Ordinary Shares @ £1 each</u>		
M Chambers	-	10,000	10,000
F Boxall	(appointed 14/01/2003)	-	-

## 5. AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the appointment of Gray & Company Partners Limited as auditors to the company will be proposed at the forthcoming Annual General Meeting.

ORBACH & CHAMBERS LIMITED

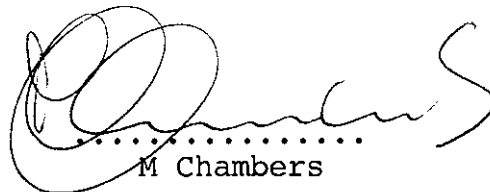
REPORT OF THE DIRECTORS  
for the year ended 30th April 2003

Cont./

6. CLOSE COMPANY TAXATION

In the opinion of the directors, the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

By Order of the Board  
29<sup>th</sup> day of August 2003

  
.....  
M Chambers

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ORBACH & CHAMBERS LIMITED.

We have audited the accounts on pages 3 to 10 which have been prepared on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at the 30th April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

*Gray & Company Partners Limited*

Gray & Company Partners Limited  
Chartered Certified Accountants  
& Registered Auditors  
24, Windsor Court  
Moscow Road  
London  
W2 4SN

Dated this 29th day of August 2003.

ORBACH & CHAMBERS LIMITED  
PROFIT & LOSS ACCOUNT  
FOR THE PERIOD ENDED 30TH APRIL 2003

2002

	<u>NOTES</u>	<u>£</u>	<u>£</u>
TURNOVER	1b,	7,083,212	7,678,426
Cost of Sales		<u>(4,789,887)</u>	<u>(4,618,675)</u>
GROSS PROFIT		2,293,325	3,059,751
Administrative Expenses		(1,215,519)	(878,637)
OPERATING PROFIT	2	<u>1,077,806</u>	<u>2,181,114</u>
Interest Received		<u>179,632</u>	<u>190,727</u>
		1,257,438	2,371,841
Interest Payable		( <u>      -      </u> )	<u>( 726)</u>
PROFIT On Ordinary Activities before Taxation		1,257,438	2,371,115
TAXATION	3	<u>(371,969)</u>	<u>(718,751)</u>
PROFIT On Ordinary Activities after Taxation		885,469	1,652,364
Dividends paid		<u>      -      </u>	<u>      -      </u>
RETAINED PROFIT for the period		<u>885,469</u>	<u>1,652,364</u>

All the above results derive from continuing activities and there were no acquisitions in the year.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

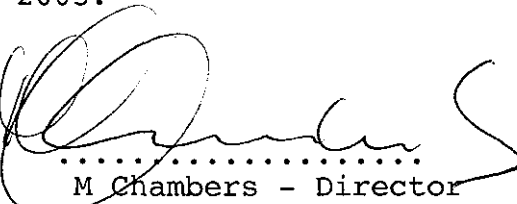
There are no other recognised gains and losses other than the profit for the year.

The Notes on pages 7 to 10 form an integral part of these accounts.

ORBACH & CHAMBERS LIMITEDBALANCE SHEET AS AT 30TH APRIL 2003

		<u>2002</u>			
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	1(c), 4		41,042		36,606
CURRENT ASSETS					
Debtors	5	1,695,746		1,823,721	
Cash at Bank and in Hand		<u>6,299,913</u>		<u>5,373,986</u>	
		7,995,659		7,197,707	
CREDITORS: Amount falling due within one year	6	<u>(1,176,121)</u>		<u>(1,259,202)</u>	
NET CURRENT ASSETS			6,819,538		5,938,505
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,860,580</u>		<u>5,975,111</u>
CAPITAL AND RESERVES					
Called up Share Capital	7		10,000		10,000
Profit and Loss Account Surplus	9		6,850,580		5,965,111
			<u>6,860,580</u>		<u>5,975,111</u>

The Financial Statements on pages 3 to 10 were approved on: 29th day of August 2003.

  
 .....  
 M Chambers - Director



ORBACH & CHAMBERS LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2003

	2003		2002	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		1,518,869		2,737,206
<b>Returns on investments and servicing of finance:</b>				
Interest received		179,632		190,727
Interest paid	( - )	179,632	( 726 )	190,001
		<hr/>		<hr/>
<b>Taxation</b>		( 748,751 )		(1,012,493)
<b>Capital expenditure and financial investments</b>				
Purchase of tangible fixed assets	23,823		850	
Sale of tangible fixed assets	-	( 23,823 )	-	( 850 )
		<hr/>		<hr/>
<b>Equity dividends paid</b>		-		-
<b>Increase in cash</b>		<hr/> <hr/>		<hr/> <hr/>
		925,927		1,913,864

ORBACH & CHAMBERS LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2003

Reconciliation of operating profit to net cash inflow from operating activities:

	2003	2002
	£	£
Operating profit	1,077,806	2,181,114
Depreciation	19,387	18,494
(Increase)/Decrease in debtors	127,975	694,585
Increase/(Decrease) in creditors	293,701	(156,987)
Net cash inflow from operating activities	<u>1,518,869</u>	<u>2,737,206</u>

Reconciliation of net cash flow to movement in net funds:

	2003	2002
	£	£
Increase in cash	925,927	1,913,864
Net funds/(Overdraft)at beginning of period	5,373,986	3,460,122
Net funds at close of period	<u>6,299,913</u>	<u>5,373,986</u>

Analysis of changes in net funds:

	1 May 2002	Cash flow	30 April 2003
	£	£	£
Cash at bank & in hand	5,373,986	925,927	6,299,913
Total	<u>5,373,986</u>	<u>925,927</u>	<u>6,299,913</u>

ORBACH & CHAMBERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2003

**1. ACCOUNTING POLICIES****(a) Basis of accounting.**

The accounts have been prepared under the historical cost convention.

**(b) Turnover**

Turnover represents sales and expenses receivable excluding Value Added Tax.

**(c) Tangible fixed assets**

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

Motor vehicles - 25% on cost.

Office Equipment &  
Fixtures & fittings - 15% on cost.

**(d) Accounting for leases**

Assets held under operating leases are not capitalised; the rental payments are written off in the profit and loss account as they are incurred.

**(e) Foreign Currency**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at an average rate, all differences being taken to the profit and loss account.

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	£	<u>2002</u> £
Depreciation of Tangible Assets	19,387	18,494
Auditors Remuneration	<u>6,500</u>	<u>6,500</u>

**3. TAXATION**

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

	£	<u>2002</u> £
U.K. Corporation tax @ 30% based upon the results of the period.	371,969	718,751
	<u>371,969</u>	<u>718,751</u>

ORBACH & CHAMBERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2003

**4. TANGIBLE FIXED ASSETS**

	Fixtures Furniture & Equip. £	Motor Van £	Total £
Cost:			
At 1.5.02	111,224	-	111,224
Additions	17,124	6,699	23,823
Disposals	(30,790)	-	(30,790)
At 30.4.03	<u>97,558</u>	<u>6,699</u>	<u>104,257</u>
Depreciation:			
At 1.5.02	( 74,618)	-	( 74,618)
Eliminated On Disposals	30,790	-	30,790
Charge for Period.	<u>(17,712)</u>	<u>(1,675)</u>	<u>( 19,387)</u>
At 30.4.03	<u>( 61,540)</u>	<u>(1,675)</u>	<u>( 63,215)</u>
Net book Value:			
At 30.4.03	36,018	5,024	41,042
At 30.4.02	<u>36,606</u>	<u>-</u>	<u>36,606</u>

**5. DEBTORS**

	£	2002 £
Trade Debtors	610,181	674,165
A.C.T.Recoverable	102,006	241,745
Inter Company Debtors	743,689	568,552
Other Debtors	<u>239,870</u>	<u>339,259</u>
	<u>1,695,746</u>	<u>1,823,721</u>

**6. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	£	2002 £
Director's current account	19,045	18,879
Trade Creditors	87,978	6,770
Corporation Tax payable	11,969	388,751
Social Security and Other Taxes	160,060	213,130
Other creditors	90,432	115,830
Accruals & deferred income	<u>806,637</u>	<u>515,842</u>
	<u>1,176,121</u>	<u>1,259,202</u>

**7. CALLED UP SHARE CAPITAL**

	£	2002 £
Authorised		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

ORBACH & CHAMBERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2003

**8. DIRECTORS REMUNERATION & INTERESTS**

Emoluments of the directors were as follows:

	£	2002 £
Directors fees	-	-
Other emoluments	795	634
Pension Scheme Contribution	-	-
	<u>795</u>	<u>634</u>

**9. PROFIT & LOSS ACCOUNT**

	£	2002 £
Retained profits at 1.5.02	5,965,111	4,312,747
Profit for the year	<u>885,469</u>	<u>1,652,364</u>
Retained profits at 30.4.03	<u>6,850,580</u>	<u>5,965,111</u>

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	£	2002 £
Profit for the financial year	885,469	1,652,364
Dividends	<u>-</u>	<u>-</u>
	885,469	1,652,364
Shareholders' funds at 30.4.02	<u>5,975,111</u>	<u>4,322,747</u>
Shareholders' funds at 30.4.03	<u>6,860,580</u>	<u>5,975,111</u>
Represented by:-		
Equity Interests	<u>6,860,580</u>	<u>5,975,111</u>

**11. RELATED PARTY TRANSACTIONS**

Throughout the year, the company occupied a commercial property in which Mr M Chambers has an interest.

The company has a licence agreement with The Orbach & Chambers Pension Fund to occupy part of Saville House, 23 Long Lane, London, EC1A 9HL for an annual rental of £291,758.

Mr Chambers is a Trustee of the Orbach & Chambers Pension Fund.

**12. TURNOVER**

Turnover is split as follows:

	£	2002 £
U.K.	4,879,320	5,828,765
Rest of the World	<u>2,203,892</u>	<u>1,849,661</u>
	<u>7,083,212</u>	<u>7,678,426</u>

ORBACH & CHAMBERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2003

2002

**13. DETAILS OF STAFF**

Average number of employees	116	128
	<hr/>	<hr/>
	£	£
Staff Costs: wages and salaries	3,081,052	3,040,913
social security costs	363,564	361,868
	<hr/>	<hr/>
	3,444,616	3,402,781
	<hr/>	<hr/>

**14. OPERATING LEASES**

Payments committed to be made  
during the next year for leases  
which expire:-

	<u>Land &amp; Buildings</u>	<u>2002</u>
	£	£
Within:- One Year	72,939	-
Within:- Two to Five Years	142,500	291,758
After:- Five Years	<hr/>	<hr/>