

2174990

WARDSWIFT GROUP PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1993



WARDSWIFT GROUP PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1993

Company Registration Number: 2174990

Registered Office: 1 Twyford Place
Lincoln's Inn
Lincoln Road
High Wycombe
Bucks
HP12 3RE

Directors: Mr P D J Kelly
Mr A Newman

Secretary: Mr P D J Kelly

Bankers: National Westminster Bank Plc
P O Box 17
33 High Street
High Wycombe
Bucks
HP11 2AJ

Solicitors: George & George
5 Easton Street
High Wycombe
Bucks
HP11 1NA

Auditors: Grant Thornton
Chartered Accountants
The Old Registry
Amersham Hill
High Wycombe
Bucks
HP13 6NA

WARDSWIFT GROUP PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1993

| INDEX | PAGE |
|-----------------------------------|--------|
| Report of the directors | 1 - 2 |
| Report of the auditors | 3 |
| Accounting policies | 4 - 5 |
| Profit and loss account | 6 |
| Balance sheet | 7 |
| Cash flow statement | 8 |
| Notes to the financial statements | 9 - 17 |

WARDSWIFT GROUP PLC

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1993.

Principal activities

The company is principally engaged in recruitment consultancy.

Review of the business

The profit for the year after taxation is stated on page 6. The directors recommend payment of a dividend of 40 pence per share. The remaining profits have been transferred to reserves.

Directors

The directors in office during and at the end of the year are listed below.

The interests of the directors and their families in the shares of the company at 1 April 1992 and at 31 March 1993 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

| | 1993 and 1992 Ordinary Shares |
|--|----------------------------------|
| Mr P D J Kelly | 50,000 |
| Mr A Newman (appointed 4 November 1992) | - |
| Mr R H Willans (resigned 22 October 1992) | - |

Fixed assets

Movements

The principal items of capital expenditure were computer equipment costing £11,865, office equipment £5,807 and motor vehicles £20,695.

The net book amount of fixed assets sold during the year was £13,562 (1992: £11,898).

WARDSWIFT GROUP PLC

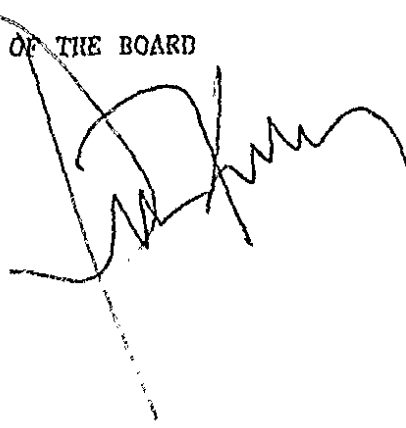
REPORT OF THE DIRECTORS (CONTINUED)

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

Director



27th August 1993

REPORT OF THE AUDITORS TO THE MEMBERS OF
WARDSHIFT GROUP PLC

We have audited the financial statements on pages 4 to 17 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1993 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
THAMES VALLEY OFFICE
HIGH WYCOMBE

27 August 1993

WARDSWIFT GROUP PLC

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by annual instalments over their expected useful lives.

The rates generally applicable are:

| | |
|--------------------|----------------------|
| Office equipment | 15% reducing balance |
| Computer equipment | 33% straight line |
| Motor vehicles | 25% reducing balance |

Deferred tax

Deferred tax is the tax attributable to timing differences between profits or losses as computed for tax purposes and results as stated in the financial statements.

Deferred tax is provided to the extent that it is probable that a liability or asset will crystallise and not provided to the extent that it is probable that a liability or asset will not crystallise.

Deferred tax is calculated at the rates at which it is estimated that the tax will be paid when the timing differences reverse.

Leased assets

Where assets are financed by leasing agreements which give risks and rewards approximate to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge (calculated using the "rule of 78").

WARDSWIFT GROUP PLC

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leased assets (continued)

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Contributions to pension funds

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

WARDSWIFT GROUP PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1993

| | Note | 1993 £ | 1992 £ |
|---|------|------------------|------------------|
| Turnover | 1 | 424,119 | 486,676 |
| Cost of sales | | <u>(44,654)</u> | <u>(196,725)</u> |
| Gross profit | | 379,465 | 289,351 |
| Administrative expenses | | <u>(342,948)</u> | <u>(231,344)</u> |
| Operating profit | | 36,517 | 58,007 |
| Interest receivable and similar income | | 3,187 | 6,995 |
| Interest payable and similar charges | 2 | <u>(4,824)</u> | <u>(6,328)</u> |
| Income from participating interests | | - | 12,084 |
| Profit on disposal of participating interest | | <u>41,400</u> | <u>-</u> |
| Profit on ordinary activities before taxation | 1 | 76,280 | 70,758 |
| Tax on profit on ordinary activities | 4 | <u>(20,872)</u> | <u>(18,189)</u> |
| Profit on ordinary activities after taxation | | 55,408 | 52,569 |
| Dividend paid | | <u>(20,000)</u> | <u>(25,563)</u> |
| Profit for the financial year retained | 11 | <u>35,408</u> | <u>27,006</u> |

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

WARDSWIFT GROUP PLC

BALANCE SHEET AT 31 MARCH 1993

| | Note | 1993 £ | 1992 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 60,512 | 60,799 |
| Investments | 6 | <u>2</u> | <u>18,572</u> |
| | | 60,514 | 79,371 |
| Current assets | | | |
| Debtors | 7 | 127,375 | 76,411 |
| Cash at bank | | <u>19,459</u> | <u>47,143</u> |
| | | 146,834 | 123,554 |
| Creditors falling due within one year | 8 | <u>(101,867)</u> | <u>(107,391)</u> |
| Net current assets | | <u>44,967</u> | <u>16,163</u> |
| Total assets less current liabilities | | 105,481 | 95,534 |
| Creditors falling due after more than one year | 9 | <u>-</u> | <u>(25,461)</u> |
| | | <u>105,481</u> | <u>70,073</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 21,875 | 21,875 |
| Profit and loss account | 11 | <u>83,606</u> | <u>48,198</u> |
| | | <u>105,481</u> | <u>70,073</u> |

The financial statements were approved by the directors on:

Director

27th August 1993

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

WARDSWIFT GROUP PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1993

| | Note | 1993 £ | 1992 £ |
|---|---------------|-----------------|---------------|
| Net cash (outflow)/inflow from operating activities | 15 | (40,688) | 82,844 |
| Returns on investments and servicing of finance | | | |
| Interest received | 3,187 | | 6,995 |
| Interest paid | (4,824) | | (6,328) |
| Dividends received | - | | 9,063 |
| Dividends paid | (20,000) | | (25,563) |
| Net cash outflow from returns on investments and servicing of finance | | (21,637) | (15,833) |
| Taxation | | | |
| UK corporation tax paid | | (14,363) | (10,023) |
| Investing activities | | | |
| Purchase of tangible fixed assets | (38,367) | | (16,704) |
| Sale of tangible fixed assets | <u>83,928</u> | | <u>21,917</u> |
| Net cash inflow from investing activities | | <u>45,561</u> | <u>5,215</u> |
| Net cash (outflow)/inflow before financing | | (31,127) | 62,203 |
| Financing | | | |
| Capital element of finance lease rentals | 16 | (10,142) | (11,039) |
| (Decrease)/increase in cash and cash equivalents | 17 | <u>(41,269)</u> | <u>51,164</u> |

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1993

1. Turnover and profit on ordinary activities before taxation

The turnover and profit before taxation is attributable to one activity, which is carried on in a single geographical market.

Profit on ordinary activities is stated after:

| | 1993 £ | 1992 £ |
|---|---------------|---------------|
| Auditors' remuneration | 2,600 | 3,800 |
| Hire of plant and machinery | 7,347 | 11,997 |
| Depreciation of tangible fixed assets - owned | 17,256 | 15,329 |
| - held under hire purchase agreements | 7,836 | 7,171 |
| | <u>27,039</u> | <u>37,307</u> |

2. Interest payable and similar charges

| | 1993 £ | 1992 £ |
|---|--------------|--------------|
| On bank loans, overdrafts and other loans | | |
| - repayable within 5 years, otherwise than by instalments | 4,824 | 6,328 |
| | <u>4,824</u> | <u>6,328</u> |

3. Directors and employees

The average number of employees of the company during the year and their aggregate emoluments are shown below:

| | 1993 £ | 1992 £ |
|-----------------------------|----------------|----------------|
| Wages and salaries | 120,100 | 98,508 |
| Social security | 15,105 | 8,958 |
| Pension costs | 2,909 | 375 |
| | <u>138,114</u> | <u>107,841</u> |
| Average number of employees | 8 | 7 |

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

3. Directors and employees (continued)

Staff costs include remuneration in respect of directors, as follows:

| | 1993 £ | 1992 £ |
|--|---------------|---------------|
| Directors remuneration (including benefits in kind) | 43,000 | 17,250 |
| Pension contributions | <u>2,909</u> | <u>2,595</u> |
| | <u>45,909</u> | <u>19,845</u> |

In addition to the above, consultancy fees of £10,000 were paid to A. Newman and Co in respect of Mr A. Newman, a director of the company.

4. Tax on profit on ordinary activities

The taxation charge is based on the profit for the year and is made up as follows:

| | 1993 £ | 1992 £ |
|--|---------------|---------------|
| Corporation tax @ 25% (1992 @ 25%) | 20,872 | 16,551 |
| Under provision of corporation tax for previous years | <u>~</u> | <u>1,638</u> |
| | <u>20,872</u> | <u>18,189</u> |

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

5. Tangible fixed assets

| | Total £ | Office equipment £ | Computer equipment £ | Motor vehicles £ |
|------------------------------------|------------|--------------------------|----------------------------|------------------------|
| Cost | | | | |
| At 1 April 1992 | 127,748 | 44,240 | 26,763 | 56,745 |
| Additions at cost | 38,367 | 5,807 | 11,865 | 20,695 |
| Disposals | (24,573) | - | (5,078) | (19,495) |
| At 31 March 1993 | 141,542 | 50,047 | 33,550 | 57,945 |
| Depreciation | | | | |
| At 1 April 1992 | 66,649 | 16,594 | 20,219 | 30,136 |
| Provided in the year | 25,092 | 5,018 | 11,183 | 8,891 |
| Disposals | (11,011) | - | (5,078) | (5,933) |
| At 31 March 1993 | 81,030 | 21,612 | 26,324 | 33,094 |
| Net book value at 31 March 1993 | 60,512 | 28,435 | 7,226 | 24,851 |
| Net book value at 31 March 1992 | 60,799 | 27,646 | 6,544 | 26,609 |

Included in the figures stated above are motor vehicles held under hire purchase agreements as follows:

| | 1993 £ | 1992 £ |
|------------------------------|-----------|-----------|
| Net book amount | 21,687 | 21,512 |
| Depreciation charged in year | 7,836 | 7,171 |

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

6. Fixed asset investments

| | Total | Shares in associated company | Shares in subsidiary companies |
|-----------------------|----------|------------------------------------|--------------------------------------|
| Cost at 1 April 1992 | 18,572 | 18,502 | 70 |
| Additions | 9,930 | - | 9,930 |
| Disposals | (28,500) | (18,500) | (10,000) |
| Cost at 31 March 1993 | <u>2</u> | <u>2</u> | <u>-</u> |

At 31 March 1993 the company held more than 10% of the equity of the following company:

| | Country of incorporation | Class of share capital held | Proportion held | Nature of business |
|----------------------|-----------------------------|--------------------------------------|--------------------|-----------------------|
| Copy Factory Limited | England | Ordinary | 100% | Dormant |

7. Debtors

| | 1993 £ | 1992 £ |
|--------------------------------|----------------|---------------|
| Trade debtors | 57,375 | 58,937 |
| Other debtors | 70,000 | 120 |
| Prepayments and accrued income | <u>-</u> | <u>13,154</u> |
| | <u>127,375</u> | <u>76,411</u> |

Included in the above figure of £70,000 for other debtors is an amount of £15,000 (1992 : £Nil) which is due after more than one year.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

8. Creditors falling due within one year

| | 1993 £ | 1992 £ |
|--|----------------|----------------|
| Bank overdrafts | 18,798 | 5,213 |
| Trade creditors | 5,406 | 52,299 |
| Current taxation | 20,039 | 13,530 |
| Amounts owed to group undertaking | - | 1,085 |
| Social security and other taxes | 14,889 | 19,314 |
| Accruals and deferred income | 14,961 | 4,831 |
| Other creditors | 18,836 | - |
| Amounts due under hire purchase contracts (not of finance charges allocated to future periods) | <u>8,938</u> | <u>11,119</u> |
| | <u>101,867</u> | <u>107,391</u> |

9. Creditors falling due after more than one year

| | 1993 £ | 1992 £ |
|--|-----------|---------------|
| Amounts due under hire purchase contracts (net of finance charges allocated to future periods) | - | 7,961 |
| Amounts owed to group undertaking | <u>-</u> | <u>17,500</u> |
| | <u>-</u> | <u>25,461</u> |

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

10. Share capital

| | 1993 and 1992 £ |
|---|--------------------|
| Authorised 50,000 ordinary shares of £1 each | <u>50,000</u> |
| Allotted, called up and fully paid 12,500 ordinary shares of £1 each | <u>12,500</u> |
| Allotted, called up and quarter paid 37,500 ordinary shares of £1 each | <u>9,375</u> |

11. Reserves

| | Profit and loss account £ |
|------------------------------|------------------------------------|
| At 1 April 1992 | 48,198 |
| Retained profit for the year | <u>35,408</u> |
| At 31 March 1993 | <u>83,606</u> |

12. Capital commitments

The company had no capital commitments at 31 March 1993 or 31 March 1992.

13. Contingent liabilities

There were no contingent liabilities at 31 March 1993 or 31 March 1992.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

14. Leasing commitments

Operating lease payments amounting to £21,828 (1992: £64,348) are due within one year. The commitments to make the payments included in this sum expire as follows:

| | Land and buildings £ | Other £ |
|----------------------------|----------------------------|--------------|
| Between two and five years | <u>20,000</u> | <u>1,828</u> |

15. Net cash inflow from operating activities

| | 1993 £ | 1992 £ |
|--|-----------------|---------------|
| Operating profit | 36,517 | 58,007 |
| Depreciation | 25,092 | 22,500 |
| (Profit) on sale of tangible fixed assets | (10,396) | (10,021) |
| (Increase)/decrease in debtors | (50,964) | (7,791) |
| Increase/(decrease) in creditors | <u>(40,937)</u> | <u>20,149</u> |
| Net cash (outflow)/inflow from operating activities | <u>(40,688)</u> | <u>82,844</u> |

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

16. Analysis of changes in financing during the year

| | Total financing net of cash at bank and in hand £ | Share capital (including premium) £ | Loans and finance lease obligations £ |
|---|---|---|---|
| Balance at 1 April 1992 | 40,955 | 21,875 | 19,080 |
| Net cash outflow from financing | | | |
| Capital element of finance lease rentals | (10,142) | - | (10,142) |
| Balance at 31 March 1993 | <u>30,813</u> | <u>21,875</u> | <u>8,938</u> |

17. Analysis of changes in cash and cash equivalents during the year

| | £ |
|--------------------------|------------|
| Balance at 1 April 1992 | 41,930 |
| Net cash outflow | (41,269) |
| Balance at 31 March 1993 | <u>661</u> |

Cash and cash equivalents comprise

| | 1993 £ | 1992 £ | 1991 £ | Change in 1993 £ | Change in 1992 £ |
|-----------------------------|------------|---------------|----------------|------------------------|------------------------|
| Cash at bank and in hand | 19,459 | 47,143 | 47,263 | (27,684) | (120) |
| Bank overdrafts | (18,798) | (5,213) | (56,497) | (13,585) | 51,284 |
| | <u>661</u> | <u>41,930</u> | <u>(9,234)</u> | <u>(41,269)</u> | <u>51,164</u> |

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1993

18. Pensions

Defined contribution scheme

The company operates a defined contribution scheme for the benefit of senior employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.