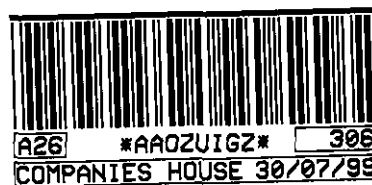


Company number : 2263563
(England and Wales)

Royle Recruitment Limited

ABBREVIATED FINANCIAL STATEMENTS

Year ended 31 March 1999



Royle Recruitment Limited

REPORT OF THE DIRECTORS

The directors present their report with the abbreviated financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of work contracting and staff bureau.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company continued to trade satisfactorily during the year and the directors are encouraged by the company's position at the year end.

The retained profit of £28,974 will be transferred to reserves.

DIVIDENDS

Interim dividends of £45,000 were paid during the year.

A final dividend of £5,000 was proposed at the year end.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:-

<u>Name</u>	<u>Class of Capital</u>	<u>31.03.99</u>	<u>31.03.98</u>
Mrs A N Craven	Ordinary £1	10,968	10,968
R M Craven	Ordinary £1	10,968	10,968
Mrs A N and Mr R M Craven	Ordinary £1	1	1

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 or loss of the company for that period. 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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Royle Recruitment Limited

REPORT OF THE DIRECTORS - Continued

YEAR 2000 AND INTRODUCTION OF THE EURO

The company's bookkeeping system is mostly computerised. The directors have checked the hardware and software of the company, and are satisfied that it is all Year 2000 compliant.

The company anticipates no problem with the introduction of the euro. All customers and suppliers of the company are based in the United Kingdom.

AUDITORS

The auditors, Hardcastle France, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

R. M. Craven -
R M Craven - Secretary

Dated: 14-7-99

Royle Recruitment Limited

REPORT OF THE AUDITORS TO
Royle Recruitment Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages four to fifteen, together with the full financial statements of the company for the year ended 31 March 1999 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to fifteen are properly prepared in accordance with that provision.

Hardcastle France

Hardcastle France
Registered Auditors
Chartered Accountants
Malton

Dated: 29 July 1999

Royle Recruitment Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1999

			Period ended <u>31/03/98</u>
		£	£
	<u>Notes</u>		
GROSS PROFIT		379,562	497,421
ADMINISTRATIVE EXPENSES		270,585	316,327
		-----	-----
OPERATING PROFIT	3	108,977	181,094
INTEREST RECEIVABLE		183	-
INTEREST PAYABLE AND SIMILAR CHARGES	4	7,590	8,008
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		101,570	173,086
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	22,596	39,783
		-----	-----
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		78,974	133,303
DIVIDENDS	6	50,000	100,000
		-----	-----
RETAINED PROFIT FOR THE FINANCIAL PERIOD	16	28,974	33,303
		=====	=====

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the above two financial years.

Royle Recruitment Limited

ABBREVIATED BALANCE SHEET

As at 31 March 1999

				<u>31/03/98</u>
	<u>Notes</u>	£	£	£
<u>FIXED ASSETS</u>				
Intangible assets	7		11,288	12,338
Tangible assets	8		24,027	27,593
			-----	-----
			35,315	39,931

<u>CURRENT ASSETS</u>				
Debtors	9	626,942		435,600
Cash at bank and in hand		-		160
		-----		-----
		626,942		435,760
<u>CREDITORS: Amounts falling</u>				
due within one year	10	495,876		338,284
		-----		-----
<u>NET CURRENT ASSETS</u>			131,066	97,476
			-----	-----
<u>TOTAL ASSETS LESS CURRENT</u>				
<u>LIABILITIES</u>			166,381	137,407
<u>CREDITORS: Amounts falling</u>				
due after more than one year	11		(25,000)	(25,000)
<u>PROVISIONS FOR LIABILITIES</u>				
<u>AND CHARGES</u>	12		(1,800)	(1,800)
			-----	-----
			139,581	110,607
			=====	=====
<u>CAPITAL AND RESERVES</u>				
Called up share capital	13		21,937	21,937
Profit and loss account	16		114,581	85,607
Capital redemption reserve	16		3,063	3,063
			-----	-----
<u>SHAREHOLDERS' FUNDS</u>	17		139,581	110,607
			=====	=====

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

ON BEHALF OF THE BOARD

A. N. Craven
Mrs A N Craven - Director

Approved by the Board on 14/7/99

Royle Recruitment Limited

ABBREVIATED CASH FLOW STATEMENT
for the year ended 31 March 1999

			<u>1998</u>
		£	£
	<u>Notes</u>		
<u>NET CASH INFLOW FROM</u> <u>OPERATING ACTIVITIES</u>	21	158,030	40,541
<u>RETURNS ON INVESTMENT</u> <u>AND SERVICING OF FINANCE</u>	23	(7,407)	(8,008)
<u>TAXATION</u>		(30,959)	(35,060)
<u>CAPITAL EXPENDITURE</u>	23	(153)	(4,671)
<u>DIVIDENDS PAID</u>		(45,000)	(100,000)
<u>FINANCING</u>	23	(9,256)	(16,642)
		-----	-----
<u>INCREASE/(DECREASE) IN CASH</u>		<u>65,255</u>	<u>(123,840)</u>

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of goods and services excluding value added tax.

Goodwill

Goodwill represents purchased goodwill on the acquisition of Royle. The goodwill is amortised straight line over 20 years to write it off over its estimated useful life.

If, in the opinion of the directors, the goodwill suffers a permanent diminution in value, then the amount of the permanent diminution will be charged to the profit and loss account.

Tangible fixed assets

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

Leasehold land and buildings	- 4% on cost
Plant and machinery etc.	- 15% on reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account of the year in which they are payable to the scheme.

Foreign exchange

Foreign income has been translated using the temporal method. Any gain or loss realised is included in the profit and loss account.

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

2. STAFF COSTS

	<u>1999</u>	<u>Period ended</u> <u>31/03/98</u>
	£	£
Wages and salaries	3,424,215	3,611,723
Social security costs	210,512	220,836
Pension costs	20,000	20,000
	<u>3,654,727</u>	<u>3,852,559</u>

The average number of employees employed during the year was 183 (1998: 160).

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

Directors' emoluments	65,830	85,155
Depreciation of tangible fixed assets	3,719	5,596
Amortisation of intangible fixed assets	1,050	1,312
Loss on disposal of fixed assets	-	4,925
Auditors' remuneration	3,320	3,515
Gain on foreign exchange	(365)	-
	<u>65,830</u>	<u>85,155</u>

Directors' emoluments are made up as follows:-

Directors' emoluments (including benefits in kind)	45,830	65,155
Directors' pension contributions	20,000	20,000
	<u>65,830</u>	<u>85,155</u>

During the year retirement benefits were accruing to two (1998- two) directors in respect of money purchase pension schemes.

4. INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans and overdrafts	6,469	5,672
On other loans	1,121	1,753
	<u>7,590</u>	<u>7,425</u>
On finance leases and hire purchase contracts	-	583
	<u>7,590</u>	<u>8,008</u>

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

5. TAXATION

	<u>1999</u>	<u>Period ended</u> <u>31/03/98</u>
	£	£
UK corporation tax at 21% (1998: 21.6%)	22,596	38,961
Deferred taxation	-	750
	-----	-----
	22,596	39,711
Underprovision in respect of previous year	-	72
	-----	-----
	<u>22,596</u>	<u>39,783</u>

6. DIVIDENDS

Equity shares:		
Dividends paid	<u>45,000</u>	<u>100,000</u>
Dividends proposed	<u>5,000</u>	<u>-</u>

7. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
<u>COST</u>	
At 1 April 1998	
and 31 March 1999	29,500

<u>AMORTISATION</u>	
At 1 April 1998	17,162
Charge for year	1,050

At 31 March 1999	18,212

<u>NET BOOK VALUE</u>	
At 31 March 1999	<u>11,288</u>
At 31 March 1998	<u>12,338</u>

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

8. TANGIBLE FIXED ASSETS

	Leasehold property (short leasehold)	Fixtures and fittings	Totals
	£	£	£
<u>COST</u>			
At 1 April 1998	7,899	51,738	59,637
Additions	-	153	153
	-----	-----	-----
At 31 March 1999	7,899	51,891	59,790
	-----	-----	-----
<u>DEPRECIATION</u>			
At 1 April 1998	2,845	29,199	32,044
Charge for year	316	3,403	3,719
	-----	-----	-----
As at 31 March 1999	3,161	32,602	35,763
	-----	-----	-----
<u>NET BOOK VALUE</u>			
As at 31 March 1999	4,738	19,289	24,027
	=====	=====	=====
As at 31 March 1998	5,054	22,539	27,593
	=====	=====	=====

9. DEBTORS

	1999	Period ended 31/03/98
	£	£
Trade debtors	575,072	381,305
Other debtors	51,869	54,295
	-----	-----
	626,941	435,600
	=====	=====

Included in other debtors is an amount outstanding from Mr R M Craven of £2,385 (1998: Nil) and from Mrs A N Craven £2,385 (1998: Nil). The proposed dividend at 31 March 1999 was paid on 28 June 1999 clearing the above amounts.

Amounts falling due after more than one year:-

Other debtors	7,807	5,252
	=====	=====

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

10 CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	<u>1999</u>	<u>Period ended</u> <u>31/03/98</u>
	£	£
Bank overdraft (secured)	41,323	106,738
Trade creditors	241,770	65,610
Other creditors	212,783	165,936
	-----	-----
	495,876	338,284
	=====	=====
Taxation and social security included in above totals	294,017	200,539
	=====	=====

Security for the bank overdraft is provided by an unlimited guarantee by Mr R M Craven and Mrs A N Craven.

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

Other loan (secured)	<u>25,000</u>	<u>25,000</u>
Debt due after more than one year		
- repayable between two and five years	<u>25,000</u>	<u>25,000</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation		
Provision at 1 April 1998	1,800	1,050
Transfer for the year	-	750
	-----	-----
Provision at 31 March 1999	<u>1,800</u>	<u>1,800</u>

13. CALLED UP SHARE CAPITAL

Ordinary shares of £1 each

Authorised	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid	<u>21,937</u>	<u>21,937</u>

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

14. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 March 1999 (1998 : £Nil).

15. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 1999 (1998 : £Nil).

16. RESERVES

	Capital redemption reserve	Profit and loss account	Total
	£	£	£
At 1 April 1998	3,063	85,607	88,670
Retained profit for the financial year	-	28,974	28,974
	-----	-----	-----
At 31 March 1999	<u>3,063</u>	<u>114,581</u>	<u>117,644</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1999</u>	Period ended <u>31/03/98</u>
	£	£
Profit for the financial year	78,974	133,303
Dividends	(50,000)	(100,000)
	-----	-----
Net addition in shareholders' funds	28,974	33,303
Opening shareholders' funds	110,607	77,304
	-----	-----
Closing shareholders' funds - all equity	<u>139,581</u>	<u>110,607</u>

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The scheme is funded by contributions from the company. The funds of the scheme are administered by trustees. The trustees of the scheme are the directors of the company, Barnett Waddingham Trustees Limited and Mr R W Miers of Messrs Harrowell Shaftoe Solicitors.

The total pension costs charge for the period in these accounts amounted to £20,000 (1998 : £20,000).

There are no prepaid contributions.

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

19. ANNUAL COMMITMENTS UNDER OPERATING LEASES

At 31 March 1999, the company had annual commitments under non-cancellable operating leases which expire as follows:-

	<u>1999</u>	<u>Period ended</u> <u>31/03/98</u>
	£	£
Land and buildings - over five years	13,500	13,500
Other operating leases - within two to five years	8,457	-
- within one to two years	9,690	-
- less than one year	9,690	7,183
	<u>41,337</u>	<u>20,683</u>

20. TRANSACTIONS WITH RELATED PARTIES

The controlling parties during the year were Mrs A N Craven and Mr R M Craven.

The company entered into transactions during the period with the Royle Recruitment Retirement Benefit Scheme of which both Mr and Mrs Craven are members and trustees.

During the period the company paid contributions to the scheme of £20,000 (1998 : £20,000)
During the year ended 31 December 1998 the company received a loan of £25,000 from the pension scheme. This loan was outstanding at 31 March 1999. Interest is payable on this loan at a rate of 3% above Midland Bank base rate. The total interest paid was £2,081 (1998: £3,021).

Security for the bank borrowings is provided by an unlimited guarantee by Mr R M Craven and Mrs A N Craven.

During the year Mr R M Craven and Mrs A N Craven were granted short term loans. The indebtedness of the loan was as follows:-

<u>Liability at</u> <u>1 April 1998</u>		<u>Maximum liability</u> <u>during the year</u>		<u>Liability at</u> <u>31 March 1999</u>	
<u>RMC</u>	<u>ANC</u>	<u>RMC</u>	<u>ANC</u>	<u>RMC</u>	<u>ANC</u>
<u>Nil</u>	<u>Nil</u>	<u>2,385</u>	<u>2,385</u>	<u>2,385</u>	<u>2,385</u>

No interest was due or unpaid.

The proposed dividend was paid on 28 June 1999 clearing these loans.

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 1999

21. RECONCILIATION OF OPERATING PROFIT
NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1999</u>	<u>Period ended</u> <u>31/0398</u>
	£	£
Operating profit	108,977	181,094
Depreciation charges	4,769	6,908
Loss on sale of fixed assets	-	4,925
(Increase)/Decrease in debtors	(197,921)	3,697
Increase/(Decrease) in creditors	242,205	(156,083)
	-----	-----
Net cash inflow from operating activities	<u>158,030</u>	<u>40,541</u>

22. RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET DEBT

(Increase)/Decrease in cash for the year	(65,255)	123,840
Capital element of hire purchase contracts	-	(2,500)
Repayment of loans	(1,834)	(14,142)
	-----	-----
Change in net debt	(67,089)	107,198
Net debt at 1 April 1998	133,411	26,213
	-----	-----
Net debt at 31 March 1999	<u>66,322</u>	<u>133,411</u>

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 March 1999

23. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASH FLOW STATEMENT

	<u>1999</u>	<u>Period ended</u> <u>31/03/98</u>
	<u>£</u>	<u>£</u>
<u>Returns on investments and servicing of finance</u>		
Interest paid	(7,590)	(7,425)
Interest element of hire purchase contracts	-	(583)
Interest received	183	-
	-----	-----
<u>Net cash outflow for returns on investments and servicing of finance</u>	<u>(7,407)</u>	<u>(8,008)</u>
 <u>Capital expenditure</u>		
Purchase of tangible fixed assets	(153)	(4,671)
	-----	-----
<u>Net cash outflow for capital expenditure</u>	<u>(153)</u>	<u>(4,671)</u>
 <u>Financing</u>		
Capital element of hire purchase contracts	-	(2,500)
Repayment of directors' loan account	(6,856)	(15,418)
Receipt of staff loans	(2,400)	1,276
	-----	-----
<u>Net cash outflow from financing</u>	<u>(9,256)</u>	<u>(16,642)</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	<u>At 01/04/98</u>	<u>Cash flows</u>	<u>At 31/03/99</u>
Cash in hand and at bank	(106,577)	65,255	(41,322)
Debt due within one year	(1,834)	1,834	-
Debt due after more than one year	(25,000)	-	(25,000)
	-----	-----	-----
	<u>(133,411)</u>	<u>67,089</u>	<u>(66,322)</u>