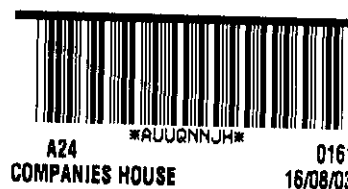


Company Registration No. 2263563 (England and Wales)

ROYLE RECRUITMENT LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2003



ROYLE RECRUITMENT LIMITED

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ROYLE RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of work contracting and staff bureau.

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

The company has 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 £155715 will be transferred to reserves.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £70,000. The directors recommend payment of a final dividend amounting to £5,500.

The total distribution of dividends for the year ended 31 March 2003 will be £75,500.

Directors

The following directors have held office since 1 April 2002:

Mrs A N Craven
R M Craven

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 March 2003	1 April 2002
Mrs A N Craven	10,968	10,968
R M Craven	10,968	10,968
Mrs A N and Mr R M Craven	1	1

Auditors

Hardcastle France resigned as auditors on 24 March 2003. There were no circumstances regarding the resignation which needed to be brought to the attention of the members or creditors.

Townsend Harrison Limited were appointed the new auditors of the company and they will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

ROYLE RECRUITMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

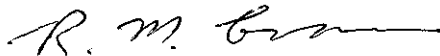
Directors' responsibilities

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.

On behalf of the board



R M Craven

Director

11 August 2003

ROYLE RECRUITMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO ROYLE RECRUITMENT LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 March 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit 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 accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



Townsend Harrison Limited

Chartered Accountants
Registered Auditor

14 August 2003

61 Market Place
Malton
North Yorkshire
YO17 7LX

ROYLE RECRUITMENT LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Gross profit		735,784	631,831
Administrative expenses		(433,723)	(408,604)
Operating profit	2	302,061	223,227
Other interest receivable and similar income		4,480	8,521
Interest payable and similar charges	3	(3,424)	(1,669)
Profit on ordinary activities before taxation		303,117	230,079
Tax on profit on ordinary activities	4	(71,902)	(50,072)
Profit on ordinary activities after taxation		231,215	180,007
Dividends	5	(75,500)	(101,590)
Retained profit for the year	14	155,715	78,417

ROYLE RECRUITMENT LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2003

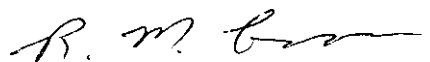
	Notes	2003 £	£	2002 £	£
Fixed assets					
Intangible assets	6		7,088		8,138
Tangible assets	7		63,004		77,051
			<u>70,092</u>		<u>85,189</u>
Current assets					
Debtors	8	802,639		662,293	
Cash at bank and in hand		191,516		160,615	
		<u>994,155</u>		<u>822,908</u>	
Creditors: amounts falling due within one year	9	<u>(632,847)</u>		<u>(619,392)</u>	
Net current assets			<u>361,308</u>		<u>203,516</u>
Total assets less current liabilities			<u>431,400</u>		<u>288,705</u>
Creditors: amounts falling due after more than one year	10		(9,500)		(22,167)
Provisions for liabilities and charges	11		<u>(1,449)</u>		<u>(1,800)</u>
			<u>420,451</u>		<u>264,738</u>
Capital and reserves					
Called up share capital	13		21,937		21,937
Other reserves	14		3,063		3,063
Profit and loss account	14		395,451		239,738
Shareholders' funds - equity interests	15		<u>420,451</u>		<u>264,738</u>

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

The financial statements were approved by the Board on 11 August 2003



Mrs A N Craven
Director



R M Craven
Director

ROYLE RECRUITMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		175,113		(24,109)
Returns on investments and servicing of finance				
Interest received	4,480		8,521	
Interest paid	(3,424)		(1,669)	
Net cash inflow for returns on investments and servicing of finance		1,056		6,852
Taxation		(50,062)		(43,118)
Capital expenditure				
Payments to acquire tangible assets	(5,539)		(19,528)	
Net cash outflow for capital expenditure		(5,539)		(19,528)
Equity dividends paid		(77,000)		(105,590)
Net cash inflow/(outflow) before management of liquid resources and financing		43,568		(185,493)
Financing				
Repayment of other short term loans	-		(1,250)	
Capital element of hire purchase contracts	(12,667)		(11,752)	
Net cash outflow from financing		(12,667)		(13,002)
Increase/(decrease) in cash in the year		30,901		(198,495)

ROYLE RECRUITMENT LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2003	2002
		£	£
	Operating profit	302,061	223,227
	Depreciation of tangible assets	15,794	19,477
	Amortisation of intangible assets	1,050	1,050
	Loss on disposal of tangible assets	3,790	-
	(Increase)/decrease in debtors	(140,346)	110,265
	Decrease in creditors within one year	(7,236)	(378,128)
	Net cash inflow/(outflow) from operating activities	175,113	(24,109)

2	Analysis of net funds	1 April 2002	Cash flow	Other non- 31 March 2003 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	160,615	30,901	-
	Debt:			
	Finance leases	(34,834)	12,667	-
	Net funds	125,781	43,568	169,349

3	Reconciliation of net cash flow to movement in net funds	2003	2002
		£	£
	Increase/(decrease) in cash in the year	30,901	(198,495)
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	12,667	(33,584)
	Movement in net funds in the year	43,568	(232,079)
	Opening net funds	125,781	357,860
	Closing net funds	169,349	125,781

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Goodwill, being the amount paid in connection with the acquisition of Royle, is being written off evenly over its estimated useful life of twenty years.

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 profit and loss account.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	4% on cost.
Fixtures, fittings & equipment	15% on reducing balance
Motor vehicles	25% on reducing balance.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.7 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no additional liability would have been recognised as deferred tax had already been provided for in full.

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

2	Operating profit	2003	2002
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	1,050	1,050
	Depreciation of tangible assets	15,794	19,477
	Loss on disposal of tangible assets	3,790	-
	Operating lease rentals	54,920	46,685
	Auditors' remuneration	4,095	5,825
		<u> </u>	<u> </u>
3	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	2,284	1,256
	On other loans wholly repayable within 5 years	-	128
	Hire purchase interest	1,140	285
		<u> </u>	<u> </u>
		3,424	1,669
		<u> </u>	<u> </u>
4	Taxation	2003	2002
		£	£
	Domestic current year tax		
	U.K. corporation tax at 19% (2001: 20%)	72,253	50,072
		<u> </u>	<u> </u>
	Current tax charge	72,253	50,072
		<u> </u>	<u> </u>
	Deferred tax		
	Deferred tax charge/credit current year	(351)	-
		<u> </u>	<u> </u>
		71,902	50,072
		<u> </u>	<u> </u>
5	Dividends	2003	2002
		£	£
	Ordinary interim paid	70,000	94,590
	Ordinary final proposed	5,500	7,000
		<u> </u>	<u> </u>
		75,500	101,590
		<u> </u>	<u> </u>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2002 & at 31 March 2003	29,500
Amortisation	
At 1 April 2002	21,362
Charge for the year	1,050
At 31 March 2003	22,412
Net book value	
At 31 March 2003	7,088
At 31 March 2002	8,138

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2003**

7 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2002	7,899	80,781	52,982	141,662
Additions	-	5,539	-	5,539
Disposals	(7,899)	-	-	(7,899)
	<u>-</u>	<u>86,320</u>	<u>52,982</u>	<u>139,302</u>
At 31 March 2003	-	86,320	52,982	139,302
Depreciation				
At 1 April 2002	4,109	47,258	13,246	64,613
On disposals	(4,109)	-	-	(4,109)
Charge for the year	-	5,860	9,934	15,794
	<u>-</u>	<u>53,118</u>	<u>23,180</u>	<u>76,298</u>
At 31 March 2003	-	53,118	23,180	76,298
Net book value				
At 31 March 2003	-	33,202	29,802	63,004
	<u>-</u>	<u>33,202</u>	<u>29,802</u>	<u>63,004</u>
At 31 March 2002	3,790	33,525	39,736	77,051
	<u>3,790</u>	<u>33,525</u>	<u>39,736</u>	<u>77,051</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 March 2003	29,802
	<u>29,802</u>
At 31 March 2002	34,939
	<u>34,939</u>
Depreciation charge for the year	
31 March 2003	9,934
	<u>9,934</u>
31 March 2002	11,647
	<u>11,647</u>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

8 Debtors	2003 £	2002 £
Trade debtors	757,070	630,455
Other debtors	6,730	8,185
Prepayments and accrued income	38,839	23,653
	<u>802,639</u>	<u>662,293</u>

Included within debtors is an amount outstanding from Mr R M Craven of £2,590 (2002 :£3,319) and from Mrs A N Craven of £2,590 (2002 :£3,319). The amounts were repaid on 11 August 2003.

9 Creditors: amounts falling due within one year	2003 £	2002 £
Net obligations under hire purchase contracts	12,667	12,667
Trade creditors	220,275	284,551
Corporation tax	72,253	50,062
Accruals and deferred income	322,152	265,112
Proposed dividend	5,500	7,000
	<u>632,847</u>	<u>619,392</u>

Taxation and social security included in the above totals £445,529 (2002:£400,072)

10 Creditors: amounts falling due after more than one year	2003 £	2002 £
Net obligations under hire purchase contracts	<u>9,500</u>	<u>22,167</u>
Net obligations under hire purchase contracts		
Repayable within one year	12,667	12,667
Repayable between one and five years	9,500	22,167
	<u>22,167</u>	<u>34,834</u>
Included in liabilities falling due within one year	<u>(12,667)</u>	<u>(12,667)</u>
	<u>9,500</u>	<u>22,167</u>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 April 2002	1,800
Profit and loss account	(351)
	<hr/>
Balance at 31 March 2003	1,449
	<hr/>

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	1,449	1,800
	<hr/>	<hr/>

12 Pension costs

Defined contribution

Directors

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, Mr J Craven of Royle Recruitment Limited and Mrs L G Aston of Royle Recruitment Limited.

The total pension cost charge for the period in these accounts amounted to £Nil (2002 £Nil).

There were no prepaid contributions.

Other Employees

The company operates a defined contribution scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge included in these accounts amounts to £5,505 (2002 £5,505).

There were no prepaid contributions.

	2003 £	2002 £
Contributions payable by the company for the year	5,505	5,505
	<hr/>	<hr/>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

13 Share capital	2003	2002
	£	£
Authorised		
50,000 Ordinary of £ 1 each	50,000	50,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
21,937 Ordinary of £ 1 each	21,937	21,937
	<u> </u>	<u> </u>
14 Statement of movements on reserves		
	Other reserves (see below)	Profit and loss account
	£	£
Balance at 1 April 2002	3,063	239,736
Retained profit for the year	-	155,715
	<u> </u>	<u> </u>
Balance at 31 March 2003	3,063	395,451
	<u> </u>	<u> </u>
Other reserves		
Capital redemption reserve		
Balance at 1 April 2002 & at 31 March 2003	3,063	
	<u> </u>	
15 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the financial year	231,215	180,007
Dividends	(75,500)	(101,590)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	155,715	78,417
Opening shareholders' funds	264,738	186,321
	<u> </u>	<u> </u>
Closing shareholders' funds	420,451	264,738
	<u> </u>	<u> </u>

16 Contingent liabilities

The company had no contingent liabilities as at 31 March 2003 (2002 : £Nil).

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

17 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2003	2002	2003	Other 2002
	£	£	£	£
Expiry date:				
Within one year	-	-	-	2,719
Between two and five years	16,312	-	2,959	-
In over five years	-	13,500	-	-
	<u>16,312</u>	<u>13,500</u>	<u>2,959</u>	<u>2,719</u>

18 Directors' emoluments

	2003	2002
	£	£
Emoluments for qualifying services	<u>61,895</u>	<u>64,774</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2).

19 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2003	2002	in year
	£	£	£
R M Craven	2,590	3,319	5,089
Mrs A N Craven	<u>2,590</u>	<u>3,319</u>	<u>5,089</u>

No interest was due or unpaid. The loan accounts were repaid on 11 August 2003 by the payment of a dividend.

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 year the company paid contributions to the scheme of £Nil (2002 :£Nil)

During the year ended 31 December 1998 the company received a loan of £25,000 from the pension scheme. The amount outstanding on this loan at 31 March 2003 was £11,408 (2002 :£11,408). Interest is payable on this loan at a rate of 3% above HSBC Bank base rate. The total interest paid was £-(2002 :£128).

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

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2003 Number	2002 Number
223	220
<u>223</u>	<u>220</u>

Employment costs

	£	£
Wages and salaries	7,821,088	8,765,009
Social security costs	460,345	529,804
Other pension costs	5,505	5,505
	<u>8,286,938</u>	<u>9,300,318</u>