

ROYLE RECRUITMENT LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004



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ROYLE RECRUITMENT LIMITED

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ROYLE RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report and financial statements for the year ended 31 March 2004.

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 £138282 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 -.

The directors do not recommend payment of a final dividend.

The total distribution of dividends for the year ended 31 March 2004 will be -.

Directors

The following directors have held office since 1 April 2003:

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 2004	1 April 2003
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

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

ROYLE RECRUITMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Townsend Harrison Limited

Chartered Accountants be reappointed as auditors of the company will be put to the Annual General Meeting.

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

24 August 2004

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 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. 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 auditors

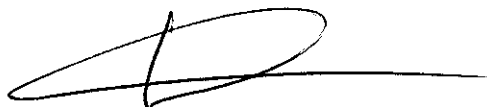
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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

6 SEPTEMBER 2004

Chartered Accountants
Registered Auditor

61 Market Place
Malton
North Yorkshire
YO17 7LX

ROYLE RECRUITMENT LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Gross profit		770,229	735,784
Administrative expenses		(601,262)	(433,723)
Operating profit	2	168,967	302,061
Other interest receivable and similar income		5,213	4,480
Interest payable and similar charges	3	(2,037)	(3,424)
Profit on ordinary activities before taxation		172,143	303,117
Tax on profit on ordinary activities	4	(33,861)	(71,902)
Profit on ordinary activities after taxation		138,282	231,215
Dividends	5	-	(75,500)
Retained profit for the year	14	138,282	155,715

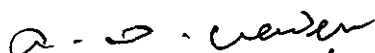
ROYLE RECRUITMENT LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2004

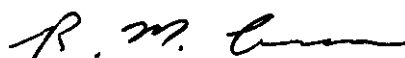
	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	6		6,038		7,088
Tangible assets	7		59,213		63,004
			<u>65,251</u>		<u>70,092</u>
Current assets					
Debtors	8	1,841,322		802,639	
Cash at bank and in hand		1,246		191,516	
		<u>1,842,568</u>		<u>994,155</u>	
Creditors: amounts falling due within one year	9	(1,347,390)		(632,847)	
Net current assets			<u>495,178</u>		<u>361,308</u>
Total assets less current liabilities			<u>560,429</u>		<u>431,400</u>
Creditors: amounts falling due after more than one year	10		-		(9,500)
Provisions for liabilities and charges	11		(1,698)		(1,449)
			<u>558,731</u>		<u>420,451</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		533,731		395,451
Shareholders' funds - equity interests	15		<u>558,731</u>		<u>420,451</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 24 August 2004



Mrs A N Craven
Director



R M Craven
Director

ROYLE RECRUITMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	2004		2003	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(198,855)		175,113
Returns on investments and servicing of finance				
Interest received	5,213		4,480	
Interest paid	(2,037)		(3,424)	
Net cash inflow for returns on investments and servicing of finance		3,176		1,056
Taxation		(72,253)		(50,062)
Capital expenditure				
Payments to acquire tangible assets	(10,168)		(5,539)	
Net cash outflow for capital expenditure		(10,168)		(5,539)
Equity dividends paid		(5,500)		(77,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(283,600)		43,568
Financing				
Capital element of hire purchase contracts	(12,667)		(12,667)	
Net cash outflow from financing		(12,667)		(12,667)
(Decrease)/increase in cash in the year		(296,267)		30,901

ROYLE RECRUITMENT LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2004 £	2003 £
	Operating profit	168,967	302,061
	Depreciation of tangible assets	13,957	15,794
	Amortisation of intangible assets	1,050	1,050
	Loss on disposal of tangible assets	-	3,790
	Increase in debtors	(1,038,683)	(140,346)
	Increase/(decrease) in creditors within one year	655,854	(7,236)
	Net cash (outflow)/inflow from operating activities	(198,855)	175,113

2	Analysis of net (debt)/funds	1 April 2003 £	Cash flow £	Other non- 31 March 2004 cash changes £
	Net cash:			
	Cash at bank and in hand	191,516	(190,270)	- 1,246
	Bank overdrafts	-	(105,997)	- (105,997)
		<u>191,516</u>	<u>(296,267)</u>	<u>- (104,751)</u>
	Debt:			
	Finance leases	(22,167)	12,667	- (9,500)
	Net funds/(debt)	<u>169,349</u>	<u>(283,600)</u>	<u>- (114,251)</u>

3	Reconciliation of net cash flow to movement in net (debt)/funds	2004 £	2003 £
	(Decrease)/increase in cash in the year	(296,267)	30,901
	Cash outflow from decrease in debt and lease financing	12,667	12,667
	Movement in net (debt)/funds in the year	(283,600)	43,568
	Opening net funds	169,349	125,781
	Closing net (debt)/funds	<u>(114,251)</u>	<u>169,349</u>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

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% straight line
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

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.

2 Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	1,050	1,050
Depreciation of tangible assets	13,957	15,794
Loss on disposal of tangible assets	-	3,790
Operating lease rentals	60,673	54,920
Auditors' remuneration	4,250	4,095

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

3	Interest payable	2004	2003
		£	£
	On bank loans and overdrafts	897	2,284
	Hire purchase interest	1,140	1,140
		<u>2,037</u>	<u>3,424</u>
4	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax at 19% (2001: 20%)	33,612	72,253
	Current tax charge	<u>33,612</u>	<u>72,253</u>
	Deferred tax		
	Deferred tax charge/credit current year	249	(351)
		<u>33,861</u>	<u>71,902</u>
5	Dividends	2004	2003
		£	£
	Ordinary interim paid	-	70,000
	Ordinary final proposed	-	5,500
		<u>-</u>	<u>75,500</u>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2003	29,500
Disposals	(8,500)
	<hr/>
At 31 March 2004	21,000
	<hr/>
Amortisation	
At 1 April 2003	22,412
Amortisation on disposals	(8,500)
Charge for the year	1,050
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At 31 March 2004	14,962
	<hr/>
Net book value	
At 31 March 2004	6,038
	<hr/>
At 31 March 2003	7,088
	<hr/>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

7 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2003	86,320	52,982	139,302
Additions	10,166	-	10,166
At 31 March 2004	96,486	52,982	149,468
Depreciation			
At 1 April 2003	53,118	-	53,118
Charge for the year	6,506	30,631	37,137
At 31 March 2004	59,624	30,631	90,255
Net book value			
At 31 March 2004	36,862	22,351	59,213
At 31 March 2003	33,202	29,802	63,004

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

	Motor vehicles £
Net book values	
At 31 March 2004	19,653
At 31 March 2003	29,802
Depreciation charge for the year	
31 March 2004	6,551
31 March 2003	9,934

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

8 Debtors	2004 £	2003 £
Trade debtors	1,774,189	757,070
Other debtors	42,498	6,730
Prepayments and accrued income	24,635	38,839
	<u>1,841,322</u>	<u>802,639</u>

Included within debtors is an amount outstanding from Mr R M Craven of £172 (2003:£2,590) and from Mrs A N Craven of £172 (2003:£2,590). The amounts were repaid on 26 August 2004.

9 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	105,997	-
Net obligations under hire purchase contracts	9,500	12,667
Trade creditors	718,771	220,275
Corporation tax	33,612	72,253
Accruals and deferred income	479,510	322,152
Proposed dividend	-	5,500
	<u>1,347,390</u>	<u>632,847</u>

Taxation and social security included in the above totals £968,281 (2003:£445,529)

10 Creditors: amounts falling due after more than one year	2004 £	2003 £
Net obligations under hire purchase contracts	-	9,500
Net obligations under hire purchase contracts		
Repayable within one year	9,500	12,667
Repayable between one and five years	-	9,500
	<u>9,500</u>	<u>22,167</u>
Included in liabilities falling due within one year	(9,500)	(12,667)
	<u>-</u>	<u>9,500</u>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 April 2003	1,449
Profit and loss account	249
	<hr/>
Balance at 31 March 2004	1,698
	<hr/>

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	1,698	1,449
	<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, Scottish Widows, 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 £25,000 (2003£-).

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 (2003£5,505).

There were no prepaid contributions.

	2004 £	2003 £
Contributions payable by the company for the year	30,505	5,505
	<hr/>	<hr/>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

13 Share capital	2004	2003
	£	£
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 2003	3,063	395,449
Retained profit for the year	-	138,282
	<u> </u>	<u> </u>
Balance at 31 March 2004	3,063	533,731
	<u> </u>	<u> </u>
Other reserves		
Capital redemption reserve		
Balance at 1 April 2003 & at 31 March 2004	3,063	
	<u> </u>	
15 Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the financial year	138,282	231,215
Dividends	-	(75,500)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	138,282	155,715
Opening shareholders' funds	420,451	264,736
	<u> </u>	<u> </u>
Closing shareholders' funds	558,731	420,451
	<u> </u>	<u> </u>

16 Contingent liabilities

The company had no contingent liabilities as at 31 March 2004 (2003 : £Nil).

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

17 Financial commitments

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Between two and five years	16,312	16,312	2,959	2,959

18 Directors' emoluments

	2004	2003
	£	£
Emoluments for qualifying services	201,725	61,895
Company pension contributions to money purchase schemes	25,000	-
	<u>226,725</u>	<u>61,895</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2003- 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	103,002	34,353
Company pension contributions to money purchase schemes	<u>7,500</u>	<u>-</u>

ROYLE RECRUITMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

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
	2004	2003	in year
	£	£	£
R M Craven	172	2,590	9,664
Mrs A N Craven	172	2,590	9,664

No interest was due or unpaid. The loan accounts were repaid on 26 August 2004.

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 £25,000 (2003:£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 2004 was £11,408 (2003:£11,408). Interest is payable on this loan at a rate of 3% above HSBC Bank base rate. The total interest paid was £- (2003:£-).

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

20 Employees

Number of employees

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

2004	2003
Number	Number
261	223

Employment costs

	£	£
Wages and salaries	8,725,622	7,821,088
Social security costs	504,540	460,345
Other pension costs	30,505	5,505
	9,260,667	8,286,938