

Company number : 2263563
(England and Wales)

Royle Recruitment Limited

ABBREVIATED FINANCIAL STATEMENTS

Year ended 31 March 2000



Royle Recruitment Limited

REPORT OF THE DIRECTORS
for the year ended 31 March 2000

The directors present their report with the financial statements of the company for the year ended 31 March 2000.

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 £22,700 will be transferred to reserves.

DIVIDENDS

Interim dividends of £80,000 were paid during the year.

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>31.03.00</u>	<u>01.04.99</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
for the year ended 31 March 2000 - Continued

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 - Secretary

19/6/00

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 2000 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: 28 June 2000 .

Royle Recruitment Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2000

			<u>1999</u>
		£	£
	<u>Notes</u>		
GROSS PROFIT		485,316	379,562
ADMINISTRATIVE EXPENSES		348,042	270,585
OPERATING PROFIT	3	137,274	108,977
INTEREST RECEIVABLE AND SIMILAR INCOME		-	183
		137,274	109,160
INTEREST PAYABLE AND SIMILAR CHARGES	4	7,846	7,590
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		129,428	101,570
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	26,728	22,596
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		102,700	78,974
DIVIDENDS	6	80,000	50,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		22,700	28,974

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 2000

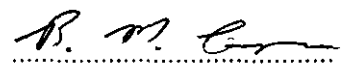
			<u>1999</u>
		£	£
	<u>Notes</u>		
<u>FIXED ASSETS</u>			
Intangible assets	7	10,238	11,288
Tangible assets	8	27,645	24,027
		-----	-----
		37,883	35,315

<u>CURRENT ASSETS</u>			
Debtors	9	625,692	626,942
Cash at bank and in hand		147,321	-
		-----	-----
		773,013	626,942
<u>CREDITORS: Amounts falling</u>			
due within one year	10	640,565	495,876
		-----	-----
<u>NET CURRENT ASSETS</u>		132,448	131,066
		-----	-----
<u>TOTAL ASSETS LESS CURRENT</u>			
<u>LIABILITIES</u>		170,331	166,381
<u>CREDITORS: Amounts falling</u>			
due after more than one year	11	(6,250)	(25,000)
<u>PROVISIONS FOR LIABILITIES</u>			
<u>AND CHARGES</u>	12	(1,800)	(1,800)
		-----	-----
		162,281	139,581
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	13	21,937	21,937
Profit and loss account	16	137,281	114,581
Capital redemption reserve	16	3,063	3,063
		-----	-----
<u>SHAREHOLDERS' FUNDS</u>	17	162,281	139,581
		=====	=====

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

ON BEHALF OF THE BOARD


Mrs A N Craven - Director


R M Craven - Director

Approved by the Board on

19.6.00.

Royle Recruitment Limited

ABBREVIATED CASH FLOW STATEMENT
for the year ended 31 March 2000

			<u>1999</u>
	<u>Notes</u>	£	£
<u>NET CASH INFLOW FROM</u> <u>OPERATING ACTIVITIES</u>	21	308,752	158,030
<u>RETURNS ON INVESTMENT</u> <u>AND SERVICING OF FINANCE</u>	23	(7,846)	(7,407)
<u>TAXATION</u>		(28,171)	(30,959)
<u>CAPITAL EXPENDITURE</u>	23	(8,031)	(153)
<u>DIVIDENDS PAID</u>		(80,000)	(45,000)
<u>FINANCING</u>	23	3,939	(9,256)
		-----	-----
<u>INCREASE/(DECREASE) IN CASH</u>		<u>188,643</u>	<u>65,255</u>

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

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 2000

2. STAFF COSTS

	<u>2000</u>	<u>1999</u>
	£	£
Wages and salaries	5,118,765	3,424,215
Social security costs	314,015	210,512
Pension costs	55,100	20,000
	-----	-----
	<u>5,487,880</u>	<u>3,654,727</u>

The average monthly number of employees employed during the year was 193 (1999: 183).

3. OPERATING PROFIT

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

Directors' emoluments	48,000	42,000
Depreciation of tangible fixed assets	4,413	3,719
Amortisation of intangible fixed assets	1,050	1,050
Auditors' remuneration	4,000	3,320
Gain on foreign exchange	-	(365)
	=====	=====

Directors' emoluments are made up as follows:-

Directors' emoluments (including benefits in kind)	52,832	45,830
Directors' pension contributions	51,800	20,000
	-----	-----
	<u>104,632</u>	<u>65,830</u>
	=====	=====

During the year retirement benefits were accruing to two (1999 - two) directors in respect of money purchase pension schemes.

4. INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans and overdrafts	5,688	5,509
On other loans	2,158	2,081
	-----	-----
	<u>7,846</u>	<u>7,590</u>
	=====	=====

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

5. TAXATION

	<u>2000</u>	<u>1999</u>
	£	£
UK corporation tax at 20% (1999: 21%)	26,728	22,596
	=====	=====

6. DIVIDENDS

Equity shares:		
Dividends paid	80,000	45,000
	=====	=====
Dividends proposed	-	5,000
	=====	=====

7. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
<u>COST</u>	
At 1 April 1999	
and 31 March 2000	29,500

<u>AMORTISATION</u>	
At 1 April 1999	18,212
Charge for year	1,050

At 31 March 2000	19,262

<u>NET BOOK VALUE</u>	
At 31 March 2000	10,238
	=====
At 31 March 1999	11,288
	=====

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

8. TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures and fittings	Totals
	£	£	£
<u>COST</u>			
At 1 April 1999	7,899	51,891	59,790
Additions	-	8,031	8,031
	-----	-----	-----
At 31 March 2000	7,899	59,922	67,821
	-----	-----	-----
<u>DEPRECIATION</u>			
At 1 April 1999	3,161	32,602	35,763
Charge for year	316	4,097	4,413
	-----	-----	-----
As at 31 March 2000	3,477	36,699	40,176
	-----	-----	-----
<u>NET BOOK VALUE</u>			
As at 31 March 2000	4,422	23,223	27,645
	=====	=====	=====
As at 31 March 1999	4,738	19,289	24,027
	=====	=====	=====

9. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	591,804	575,073
Other debtors	33,888	51,869
	-----	-----
	625,692	626,942
	=====	=====

Included in other debtors is an amount outstanding from Mr R M Craven of £65 (1999: £2,385) and from Mrs A N Craven of £66 (1999: £2,385).

Amounts falling due after more than one year:-

Other debtors	-	7,807
	=====	=====

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
Bank overdraft (secured)	-	41,323
Trade creditors	315,520	241,770
Other creditors	325,045	212,783
	-----	-----
	640,565	495,876
	=====	=====
Taxation and social security included in above totals	466,978	294,017
	=====	=====

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)	6,250	25,000
	=====	=====
Debt due after more than one year		
- repayable between two and five years	1,250	25,000
	=====	=====

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	1,800	1,800
	=====	=====

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:-

	<i>Provided</i>		<i>Not provided</i>	
	<u>31/03/00</u>	<u>31/03/99</u>	<u>31/03/00</u>	<u>31/03/99</u>
Deferred taxation	1,800	1,800	-	-
	=====	=====	=====	=====

13. CALLED UP SHARE CAPITAL
Ordinary shares of £1 each

Authorised	50,000	50,000
	=====	=====
Allotted, called up and fully paid	21,937	21,937
	=====	=====

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

14. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 March 2000 (1999 : £Nil).

15. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2000 (1999 : £Nil).

16. RESERVES

	Capital redemption <u>reserve</u>	Profit and <u>loss account</u>	<u>Total</u>
	£	£	£
At 1 April 1999	3,063	114,581	117,644
Retained profit for the year	-	22,700	22,700
	-----	-----	-----
At 31 March 2000	3,063	137,281	140,344
	=====	=====	=====

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
	£	£
Profit for the financial year	102,700	78,974
Dividends	(80,000)	(50,000)
	-----	-----
Net addition in shareholders' funds	22,700	28,974
Opening shareholders' funds	139,581	110,607
	-----	-----
Closing shareholders' funds - all equity	162,281	139,581
	=====	=====

18. PENSION COMMITMENTS

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 and Mr R W Miers of Messrs Harrowell Shaftoe Solicitors.

The total pension costs charge for the period in these accounts amounted to £51,800 (1999 : £20,000).

There were no prepaid contributions.

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

18. PENSION COMMITMENTS - Continued

Other Employees

The company operates a defined contribution pension 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 total pension charge included in these accounts amounts to £3,300 (1999 : £Nil)

There were no prepaid contributions.

19. ANNUAL COMMITMENTS UNDER OPERATING LEASES

At 31 March 2000, the company had annual commitments under non-cancellable operating leases which expire as follows:-

	<u>2000</u>	<u>1999</u>
	£	£
Land and buildings - over five years	13,500	13,500
Other operating leases - within two to five years	1,360	8,457
- within one to two years	11,176	9,690
- less than one year	12,409	9,690
	-----	-----
	38,445	41,337
	=====	=====

20. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

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 £51,800 (1999 : £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 2000. Interest is payable on this loan at a rate of 3% above Midland Bank base rate. The total interest payable was £2,158 (1999 : £2,081).

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 FINANCIAL STATEMENTS
for the year ended 31 March 2000

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

	<u>2000</u>	<u>1999</u>
	£	£
Operating profit	137,274	108,977
Depreciation charges	5,463	4,769
(Increase) in debtors	(13,939)	(197,921)
Increase in creditors	179,954	242,205
	-----	-----
Net cash inflow from operating activities	<u>308,752</u>	<u>158,030</u>

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

(Increase) in cash for the year	(188,643)	(65,255)
Repayment of loans	-	(1,834)
	-----	-----
Change in net debt	(188,643)	(67,089)
Net debt at 1 April 1999	66,322	133,411
	-----	-----
Net funds at 31 March 2000	<u>122,321</u>	<u>66,322</u>

Royle Recruitment Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

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

	<u>2000</u>	<u>1999</u>
	£	£
<u>Returns on investments and servicing of finance</u>		
Interest paid	(7,846)	(7,590)
Interest received	-	183
	-----	-----
<u>Net cash outflow for returns on investments and servicing of finance</u>	<u>(7,846)</u>	<u>(7,407)</u>
	=====	=====
<u>Capital expenditure</u>		
Purchase of tangible fixed assets	(8,031)	(153)
	-----	-----
<u>Net cash outflow for capital expenditure</u>	<u>(8,031)</u>	<u>(153)</u>
	=====	=====
<u>Financing</u>		
Repayment of directors' loan account	4,639	(6,856)
Receipt of staff loans	(700)	(2,400)
	-----	-----
<u>Net cash outflow from financing</u>	<u>3,939</u>	<u>(9,256)</u>
	=====	=====

24. ANALYSIS OF CHANGES IN NET DEBT

	<u>At 01/04/99</u>	<u>Cash flows</u>	<u>Other non-cash changes</u>	<u>At 31/03/00</u>
Cash in hand and at bank	(41,322)	188,643	-	147,321
Debt due within one year	-	-	18,750	(18,750)
Debt due after more than one year	(25,000)	-	(18,750)	(6,250)
	-----	-----	-----	-----
	<u>(66,322)</u>	<u>188,643</u>	<u>-</u>	<u>122,321</u>
	=====	=====	=====	=====

25. ULTIMATE CONTROLLING PARTIES

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