

Personnel Operations Limited
Directors' Report and Accounts
Year ended 31 December 2004

Company Registration No. 2666923 (England and Wales)



Personnel Operations Limited

Company Information

Directors

A J T Pilgrim
J R Pinder

Secretary

M J Taylor

Company number

2666923

Registered office

Turnford Place
Great Cambridge Road
Turnford
Broxbourne
Hertfordshire
EN10 6NH

Personnel Operations Limited

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Personnel Operations Limited

Directors' Report Year ended 31 December 2004

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

Principal activities and review of the business

As explained in last year's report, as part of a Group reorganisation and simplification, the company's assets, liabilities and its business were transferred to a fellow subsidiary company, Quality Locum Services Limited, with effect from the close of business on 31 December 2003. Accordingly the company has not traded during the year.

Directors

The following directors held office throughout the year:-

A J T Pilgrim
J R Pinder

Directors' interests

According to the register maintained for the purposes of Section 324, Companies Act 1985, neither of the directors had any interests requiring disclosure.

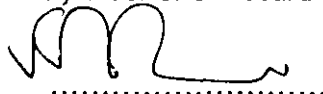
Directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors confirm they have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepared the accounts 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 accounts 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.

By order of the board



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J R Pinder
Director

21st April 2005

Personnel Operations Limited

Independent auditors' report To the Members of Personnel Operations Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

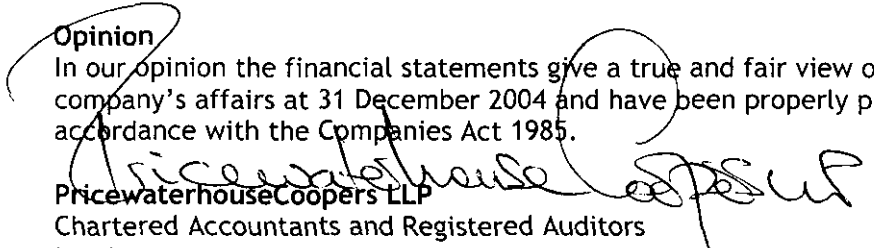
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

21st April 2005

Personnel Operations Limited

Profit and Loss Account ***Year ended 31 December 2004***

		2004	2003
	Notes	£	£
Turnover	1	-	23,103,418
Cost of sales		-	(18,600,543)
Gross profit		-	4,502,875
Administrative expenses		-	(1,568,513)
Operating profit	2	-	2,934,362
Interest receivable and similar income	3	-	376,729
Profit on ordinary activities before taxation		-	3,311,091
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		-	3,311,091
Dividends		-	10,362,675
(Loss) for the year	11	-	(7,051,584)

The above activities wholly relate to discontinued operations.

There were no recognised gains and losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historical cost equivalents.

Personnel Operations Limited

Balance sheet As at 31 December 2004

		2004	2003
	Notes	£	£
Current assets			
Debtors	7	100	3,311,191
Creditors: amounts falling due within one year	8	-	(3,311,091)
Net current assets		<u>100</u>	<u>100</u>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	-	-
Shareholders' funds - equity interests	11	<u>100</u>	<u>100</u>

The accounts were approved by the Board on 21st April 2005 and signed on its behalf by:



.....
J R Pinder
Director

Personnel Operations Limited

Notes to the financial statements ***Year ended 31 December 2004***

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and including any inter-group trading and related wholly to the United Kingdom.

Turnover from the placement of temporary staff, represents the gross sales value of hours worked and is generally recognised on a weekly basis. Turnover from the placement of permanent staff and bank staff represents the commission receivable and is recognised at the commencement of placement.

1.3 Working time directive

Accruals are made, based on experience, and recognised in cost of sales, to reflect the potential liability payable for holiday pay under the EC working time directive.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and when appropriate, provisions for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Office furniture and equipment	Four years
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The carrying values of tangible assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Leases

Rental payments under operating leases are charged to the profit and loss account on a straight line basis in arriving at the operating profit.

1.6 Deferred taxation

Deferred taxation is recognised in full in respect of transactions or events that have taken place by the balance sheet date and which could give rise to an obligation to pay more or less taxation in the future.

Personnel Operations Limited

Notes to the financial statements ***Year ended 31 December 2004***

1 Accounting policies

1.7 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange on the balance sheet date. Foreign currency transactions are translated during the year based on month-end exchange rates.

1.8 Related parties

Advantage has been taken of the exemption within FRS 8 (Related Party Transactions) not to disclose transactions between wholly owned group companies.

1.9 Pensions

The pension costs charged in the accounts represent the contribution payable by the company to defined contribution schemes during the period in accordance with SSAP 24.

1.10 Cash Flow Statement

The company has taken advantage of the exemption under FRS1 (Revised) not to publish a cash flow statement, as the consolidated financial statements of its parent undertaking Match Healthcare Limited are publicly available.

2 Operating profit

Operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of tangible assets	-	15,000
Operating lease rentals-other	-	1,807
Auditors' remuneration	-	17,044

3 Other interest receivable and similar income

	2004	2003
	£	£
Bank interest	-	376,729

Personnel Operations Limited

Notes to the financial statements ***Year ended 31 December 2004***

4 Employees

Number of employees

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

	2004 Number	2003 Number
Central administration staff	-	9
Operational staff	-	14
	-	23

Employment costs

	2004 £	2003 £
Wages and salaries	-	796,981
Social security costs	-	245,211
Other pension costs	-	19,444
	-	1,061,636

5 Directors' remuneration

No retirement benefits accrue to any directors.

The directors are remunerated for their services to the group as a whole and details of their remuneration are disclosed in the financial statements of Match Healthcare Limited.

6 Taxation

	2004 £	2003 £
UK current year taxation		
UK corporation tax at 30% (2003 - 30%)	-	-

	2004 £	2003 £
Profit on ordinary activities before taxation	-	3,311,091
At standard UK corporation tax rate of 30%	-	993,327
Excess of capital allowances over depreciation	-	(1,548)
Group relief received	-	(991,779)
Total current tax	-	-

Personnel Operations Limited

Notes to the financial statements Year ended 31 December 2004

7 Debtors

	2004	2003
	£	£
Amounts owed by group undertakings	100	3,311,191
	<u>100</u>	<u>3,311,191</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8 Creditors: amounts falling due within one year

	2004	2003
	£	£
Amounts owed to group undertakings	-	-
Proposed final dividend	-	3,311,091
	<u>-</u>	<u>3,311,091</u>

9 Share capital

	2004	2003
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

10 Profit and loss account

	£
Balance at 1 January 2004	-
Retained profit for the financial year	<u>-</u>
Balance at 31 December 2004	<u>-</u>

11 Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
Profit retained (Deficit) for the financial year	-	(7,051,584)
Opening shareholders' funds	<u>100</u>	<u>7,051,684</u>
Closing shareholders' funds	<u>100</u>	<u>100</u>

Personnel Operations Limited

Notes to the financial statements Year ended 31 December 2004

12 Contingent liabilities

The company has given its bankers guarantees in respect of the borrowings of other group undertakings of £14,903,000 (2003: £19,220,000).

13 Control

The immediate parent company is Match Healthcare Limited, which is the smallest company to consolidate the financial statements.

The ultimate parent company and controlling party was Match Holdings Limited which is the parent undertaking of the largest group to consolidate these financial statements. Copies of the consolidated financial statements of Match Holdings Limited are available from Turnford Place, Great Cambridge Road, Turnford, Broxbourne, Hertfordshire, EN10 6NH.