

# **Carlisle Staffing Services Limited**

## **Report and financial statements for the year ended 31 March 2000**

Registered No. 2849488



# **Carlisle Staffing Services Limited**

## **Report and financial statements for the year ended 31 March 2000**

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## **Company information**

### **Registered office**

6 Ludgate Square  
London  
EC4M 7AS

### **Directors**

R J Bradford  
I G Robinson  
Southtown Limited

### **Company secretary**

P T Osborne

### **Auditors**

PricewaterhouseCoopers  
1 Embankment Place  
London  
WC2N 6NN

## **Report of the directors for the year ended 31 March 2000**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2000 (comparative period – 15 months ended 31 March 1999).

### **Review of the business**

The principal activity of the company is that of an investment holding company.

The principal activity of the group is the provision of employment services.

During the year the group made a number of acquisitions, details of which are set out in note 21 to the financial statements.

Both the level of business and year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### **Results and dividends**

The retained profit for the financial year amounted to £2,516,000 (1999: £27,000 loss) which has been transferred to reserves. The directors do not recommend the payment of a dividend.

### **Directors**

The following have served as directors during the year:

R J Bradford	
I G Robinson	
Southtown Limited	(appointed 13 March 2000)
P J Coleman	(resigned 13 March 2000)
P J Fox	(resigned 29 October 1999)

The directors do not have any interests in the share capital of the company.

Under Statutory Instrument No. 802 made under the authority of Section 324(3) of the Companies Act 1985, the directors' interests in the share capital of the ultimate parent undertaking need not be disclosed.

**Report of the directors  
for the year ended 31 March 2000 (continued)****Employee involvement**

The nature of the group's activities makes the employment of disabled persons particularly difficult. However, it is the group's policy, wherever practicable, to employ, train, develop and promote disabled persons and to find suitable employment within the group for persons who become disabled during their employment.

It is the group's policy to encourage the free exchange of information throughout all levels of management and staff. Regular meetings are held, designed to further this process.

**Policy on payments to suppliers**

The group's policy with regard to the payment of its suppliers is to:

- agree the terms of payment at the start of business with that supplier;
- ensure that the suppliers are made aware of the terms of payment; and
- pay in accordance with its contractual and legal obligations.

The group's average creditor payment period at 31 March 2000 was 31 days (1999: 30 days). The company has no trade creditors.

**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 the group at the end of the financial year, and of the profit and loss of the group for that year. 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the directors  
for the year ended 31 March 2000 (continued)**

**Year 2000**

The company successfully prepared for the potential year 2000 problems and no disruptions arose. There were no significant costs of rendering the existing software year 2000 compliant.

**Auditors**

PricewaterhouseCoopers continue in office as, in accordance with Section 386 of the Companies Act 1985, the company has made an elective resolution to dispense holding an annual general meeting.

**By order of the board**

A handwritten signature in dark ink, appearing to be 'I G Robinson', written over a horizontal line.

I G Robinson  
Director  
5 January 2001

## Report of the auditors to the members of Carlisle Staffing Services Limited

We have audited the financial statements on pages 6 to 28.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

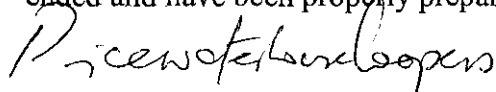
### Basis of audit opinion

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 affairs of the company and the group at 31 March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London  
5 January 2001

# Consolidated profit and loss account for the year ended 31 March 2000

	Notes	Operations before non- recurring items 2000 £'000	Restructuring and other non- recurring items 2000 £'000	Total Year ended 31 March 2000 £'000	15 months ended 31 March 1999 £'000
<b>Turnover</b>					
Continuing operations		97,258	-	97,258	61,915
Acquisitions		6,494	-	6,494	-
<b>Total turnover</b>		<b>103,752</b>	<b>-</b>	<b>103,752</b>	<b>61,915</b>
Cost of sales		(72,436)	-	(72,436)	(44,399)
<b>Gross profit</b>		<b>31,316</b>	<b>-</b>	<b>31,316</b>	<b>17,516</b>
Administrative expenses		(25,077)	-	(25,077)	(16,430)
Reorganisation and restructuring costs	3	-	(1,053)	(1,053)	(795)
Other operating income		-	-	-	199
<b>Operating profit</b>	6	<b>6,239</b>	<b>(1,053)</b>	<b>5,186</b>	<b>490</b>
Continuing operations		5,896	(910)	4,986	490
Acquisitions		343	(143)	200	-
<b>Total operating profit</b>		<b>6,239</b>	<b>(1,053)</b>	<b>5,186</b>	<b>490</b>
Interest receivable and similar income				-	27
Interest payable and similar charges	7			(2,182)	(158)
<b>Profit on ordinary activities before taxation</b>				<b>3,004</b>	<b>359</b>
Tax on profit on ordinary activities	8			(494)	(350)
<b>Profit for the financial year</b>				<b>2,510</b>	<b>9</b>
Minority interests				6	(36)
<b>Retained profit (loss) for the financial year</b>	18			<b>2,516</b>	<b>(27)</b>

There is no difference between the results reported above and the equivalent results calculated on an unmodified historical cost basis.



**Consolidated statement of total recognised gains and losses  
for the year ended 31 March 2000**

	<b>Year ended 31 March 2000 £'000</b>	<b>15 months ended 31 March 1999 £'000</b>
Profit (loss) for the financial year	2,516	(27)
Currency translation adjustments offset in reserves	(117)	(40)
Total recognised gains (losses) for the year	<u>2,399</u>	<u>(67)</u>

## Consolidated balance sheet as at 31 March 2000

	Notes	31 March 2000 £'000	31 March 1999 £'000
<b>Fixed assets</b>			
Intangible assets	10	35,312	22,732
Tangible assets	11	1,951	1,287
		<u>37,263</u>	<u>24,019</u>
<b>Current assets</b>			
Debtors	13	20,371	14,984
Cash at bank and in hand		2,637	1,106
		<u>23,008</u>	<u>16,090</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(52,003)</u>	<u>(34,076)</u>
<b>Net current liabilities</b>		<u>(28,995)</u>	<u>(17,986)</u>
<b>Total assets less current liabilities</b>		<u>8,268</u>	<u>6,033</u>
<b>Creditors: amounts falling due after more than one year</b>	15	-	(51)
<b>Net assets</b>		<u>8,268</u>	<u>5,982</u>
<b>Capital and reserves</b>			
Called up share capital	17	6,000	6,000
Share premium account	18	2,000	2,000
Profit and loss account – (deficit)	18	240	(2,159)
		<u>8,240</u>	<u>5,841</u>
<b>Shareholders' funds</b>			
Equity	19	8,240	5,841
Minority interests		28	141
<b>Capital employed</b>		<u>8,268</u>	<u>5,982</u>

**Company balance sheet  
as at 31 March 2000**

	Notes	31 March 2000 £'000	31 March 1999 £'000
<b>Fixed assets</b>			
Tangible assets	11	31	-
Investments	12	36,470	23,966
		<u>36,501</u>	<u>23,966</u>
<b>Current assets</b>			
Debtors	13	3,696	2,273
<b>Creditors:</b> amounts falling due within one year	14	(34,590)	(18,178)
<b>Net current liabilities</b>		<u>(30,894)</u>	<u>(15,905)</u>
<b>Net assets</b>		<u>5,607</u>	<u>8,061</u>
<b>Capital and reserves</b>			
Called up share capital	17	6,000	6,000
Share premium account	18	2,000	2,000
Profit and loss account – (deficit)	18	(2,393)	61
<b>Equity shareholders' funds</b>		<u>5,607</u>	<u>8,061</u>

The financial statements on pages 6 to 28 were approved by the board of directors on 5 January 2001 and were signed on its behalf by:



I G Robinson - Director

**Notes to the financial statements  
for the year ended 31 March 2000****1 Principal accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom, except for the requirements of legislation as explained in intangible fixed assets below, for the year ended 31 March 2000 (comparative period – 15 months ended 31 March 1999) and on the basis of continuing financial support from group undertakings.

**Basis of preparation and consolidation**

The consolidated financial statements comprise the financial statements of Carlisle Staffing Services Limited and its subsidiary undertakings drawn up to 31 March 2000.

The acquisition method of accounting has been applied for all subsidiaries acquired by the group, whereby the results of subsidiary undertakings acquired or disposed of during the year are consolidated for the period from or to the date on which control passes.

**Foreign currencies**

The results of overseas subsidiary undertakings are translated at the average exchange rate for the year. The assets and liabilities of such undertakings are translated at year end exchange rates. Exchange differences which relate to overseas investments are recorded as a movement on reserves.

**Intangible fixed assets**

Goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is stated at cost less amortisation.

Goodwill arising on all acquisitions made prior to 28 December 1997 remains eliminated against reserves, whilst goodwill arising on all acquisitions made after that date is capitalised and treated as an asset on the consolidated balance sheet.

Goodwill that is regarded as having a limited estimated useful economic life is amortised through the profit and loss account by equal instalments over such useful economic life. Goodwill that is regarded as having an indefinite life is not amortised. The estimated useful economic life is regarded as indefinite where goodwill is capable of continued measurement and the durability of the acquired business can be demonstrated. In estimating the useful economic life of goodwill arising, account has been taken of the nature of the business acquired, the stability of the industry, the extent of continuing barriers to market entry and the expected future impact of competition. Where goodwill is not amortised an annual impairment review will be performed and any impairment will be charged to the profit and loss account in the period in which it arises.

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**

The group's acquisitions made in the year gave rise to goodwill of £12,755,000. The businesses' recent record has been one of consistent growth in both turnover and operating profit. The underlying markets have seen consistent growth over many years and the nature of the services offered by each business is likely to continue for a significant number of years. The directors believe that each business has a proven ability to at least maintain its market position over a long period and will adapt successfully to any foreseeable technological or customer-led changes, such that the goodwill will prove to be durable.

Amortising the goodwill over a finite period, as required by the Companies Act, would not give a true and fair view because the durability of the business is such that the directors consider that the value of the goodwill will not reduce over time. Accordingly, the goodwill is not amortised as permitted by FRS 10. Instead an annual impairment test is undertaken and any impairment that is identified will be charged to the profit and loss account. It is not possible to quantify the effect of the departure from the Companies Act, because no finite life for the goodwill can be identified.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided so as to write off the cost less the estimated residual value of each asset on a straight line basis over its estimated useful life, as follows:

Leasehold land and buildings	-	Over length of lease
Computer equipment	-	25% per annum
Fixtures and fittings	-	15% to 20% per annum
Motor vehicles	-	25% per annum

**Fixed assets investments**

Fixed asset investments are stated at cost less any provision required for any impairment in value.

**Turnover**

Turnover comprises the invoiced value of services provided and goods supplied, net of value added tax.

**Finance and operating leases**

Tangible fixed assets held under finance lease contracts are capitalised and depreciated at the annual rates referred to above. Leasing costs are allocated to accounting years so as to produce a constant rate of charge on the remaining balance of the leasing obligation.

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**

**Pensions payments**

Contributions payable to defined contribution pension schemes and to employees' own pension schemes are charged to the profit and loss account in the year to which they relate.

**Deferred taxation**

Deferred taxation is provided at current rates of tax using the liability method to take account of all timing differences between the recognition of income and expenditure for taxation and accounting purposes, only to the extent that they are reasonably expected to reverse in the foreseeable future without being replaced.

**Cash flow statement**

In accordance with FRS 1 (Revised) the group has not prepared a statement of cash flows for the current year as it is a wholly owned subsidiary of Carlisle Group plc, who publishes consolidated financial statements which include a consolidated cash flow statement.

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**

**2 Analysis of other operating costs**

	2000 £'000	1999 £'000
Cost of sales:		
- existing operations	67,280	44,399
- acquisitions	5,156	-
	<u>72,436</u>	<u>44,399</u>
Gross profit:		
- existing operations	29,978	17,516
- acquisitions	1,338	-
	<u>31,316</u>	<u>17,516</u>
Administrative expenses:		
- existing operations	24,082	16,430
- acquisitions	995	-
	<u>25,077</u>	<u>16,430</u>
Other operating income:		
- existing operations	-	199
- acquisitions	-	-
	<u>-</u>	<u>199</u>

**3 Reorganisation and restructuring costs**

	2000 £'000	1999 £'000
Business closure costs	411	-
Property closure costs	328	-
Redundancy costs	184	94
Impairment in asset values	34	85
Goodwill written off (note 10)	96	616
	<u>1,053</u>	<u>795</u>

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)****4 Staff costs and numbers**

Staff costs during the year were:

	2000 £'000	1999 £'000
Wages and salaries	14,584	8,526
Social security costs	1,442	699
Other pension costs	188	155
	<u>16,214</u>	<u>9,380</u>

The average number of employees during the year was:

	2000 Number	1999 Number
Operational	490	235
Administrative	45	65
	<u>535</u>	<u>300</u>

**5 Directors' emoluments**

	2000 £'000	1999 £'000
Remuneration (including benefits in kind)	292	290
Pension contributions	39	21
	<u>331</u>	<u>311</u>

The emoluments of the highest paid director were £186,000 (1999: £180,000), plus pension contributions of £23,000 (1999: £13,000).

The number of directors for whom contributions were made towards defined contribution pension schemes was 2 (1999: 2).



**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**

**6 Operating profit**

	2000 £'000	1999 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets		
- owned assets	473	691
- leased assets	-	40
Operating lease rentals		
- land and buildings	1,388	1,270
- plant and equipment	102	438
Auditors' remuneration		
- group	63	31
- company	5	5

**7 Interest payable and similar charges**

	2000 £'000	1999 £'000
Bank loans and overdrafts	406	33
Intercompany interest charges	1,758	-
Other loans including invoice discounting facilities	-	110
Finance lease obligations	18	15
	<u>2,182</u>	<u>158</u>

**8 Tax on profit on ordinary activities**

	2000 £'000	1999 £'000
UK corporation tax at 30 per cent (1999: 31 per cent)	533	259
Group relief payable in respect of current year	393	91
Overseas corporation taxes	125	-
Adjustment in respect of prior years	(369)	-
Group relief receivable in respect of prior years	(188)	-
	<u>494</u>	<u>350</u>

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)****9 Results of the parent holding company**

Of the profit for the financial year, a loss of £1,789,000 (1999: £12,000) is dealt with in the financial statements of Carlisle Staffing Services Limited. The directors have taken advantage of the exemption available under Section 230 of the Companies Act 1985 and not presented a profit and loss account for the parent holding company alone.

**10 Intangible fixed assets**

	<b>Goodwill</b>
	<b>£'000</b>
<b>Group</b>	
<b>Cost</b>	
At 1 April 1999	22,732
Additions (note 21)	12,755
Amounts written off (note 3)	(96)
Currency translation adjustments	(79)
At 31 March 2000	<u>35,312</u>

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**
**11 Tangible fixed assets**

	Short leasehold properties £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Group</b>					
<b>Cost</b>					
At 1 April 1999	352	350	1,232	284	2,218
Additions at cost	70	797	139	46	1,052
Disposals	(13)	(80)	(104)	(191)	(388)
Currency translation adjustments	-	-	(32)	-	(32)
Arising on acquisitions	-	361	101	-	462
At 31 March 2000	<u>409</u>	<u>1,428</u>	<u>1,336</u>	<u>139</u>	<u>3,312</u>
<b>Depreciation</b>					
At 1 April 1999	146	53	619	113	931
Charge for the year	43	194	185	51	473
Disposals	(4)	(19)	(94)	(84)	(201)
Currency translation adjustments	-	-	(14)	-	(14)
Arising on acquisitions	-	136	36	-	172
At 31 March 2000	<u>185</u>	<u>364</u>	<u>732</u>	<u>80</u>	<u>1,361</u>
<b>Net book values</b>					
At 31 March 2000	<u>224</u>	<u>1,064</u>	<u>604</u>	<u>59</u>	<u>1,951</u>
At 31 March 1999	<u>206</u>	<u>297</u>	<u>613</u>	<u>171</u>	<u>1,287</u>

Included in the total net book value of tangible fixed assets is £nil (1999: £171,000) in respect of assets held under finance leases.

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)****11 Tangible fixed assets (continued)**

	<b>Motor vehicles</b>
	<b>£'000</b>
<b>Company</b>	
<b>Cost</b>	
At 1 April 1999	-
Additions at cost	35
At 31 March 2000	<u>35</u>
<b>Depreciation</b>	
At 1 April 1999	-
Charge for the year	4
At 31 March 2000	<u>4</u>
<b>Net book values</b>	
At 31 March 2000	<u><u>31</u></u>
At 31 March 1999	<u><u>-</u></u>

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**
**12 Fixed asset investments**

	<b>Interest in group undertakings £'000</b>
<b>Company</b>	
At 1 April 1999	23,966
Additions (note 21)	13,913
Written off	(1,409)
At 31 March 2000	<u>36,470</u>

During the year, several non-trading subsidiary undertakings were struck-off the register of companies.

The following were subsidiary undertakings at the year end:

<b>Name of subsidiary</b>	<b>Country of incorporation or registration</b>	<b>Principal Activity</b>
Recruit PLC	England and Wales	Employment services
Barker Personnel Services Limited	England and Wales	Employment services
First Call Educational Services Limited	England and Wales	Employment services
Agency Cover Limited	England and Wales	Employment services
Tate Appointments Limited	England and Wales	Employment services
Indigo Selection Limited	England and Wales	Employment services
Abacus Recruitment (Holdings) Limited	England and Wales	Holding company
Recruit Consultants Limited	Republic of Ireland	Holding company
Spark Recruitment Limited	England and Wales	Non-trading

All subsidiary undertakings are 100% owned.

**Notes to the financial statements  
for year ended 31 March 2000 (continued)**

**13 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>				
Trade debtors	19,171	13,806	-	-
Amounts owed by group undertakings	-	21	3,215	2,273
Corporation tax	-	-	294	-
Other debtors	297	222	187	-
Prepayments and accrued income	903	935	-	-
	<u>20,371</u>	<u>14,984</u>	<u>3,696</u>	<u>2,273</u>

**14 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank overdraft (secured)	6,222	3,657	2,024	-
Obligations under finance leases	-	142	-	-
Trade creditors	1,306	1,285	-	-
Amounts owed to group undertakings	28,817	16,730	28,831	16,617
Corporation tax	326	722	-	93
Social security and other taxes	6,014	5,077	-	-
Other creditors	4,667	1,985	3,720	1,468
Accruals and deferred income	4,651	4,478	15	-
	<u>52,003</u>	<u>34,076</u>	<u>34,590</u>	<u>18,178</u>

**15 Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Obligations under finance leases	-	51	-	-

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**

**16 Deferred tax asset**

Group	Provided		Unprovided	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	-	92	109
Other timing differences	-	-	55	16
	<u>-</u>	<u>-</u>	<u>147</u>	<u>125</u>

**17 Called up share capital**

	2000	1999
	£'000	£'000
<b>Group and Company</b>		
<b>Authorised</b>		
Equity: 6,000,000 ordinary shares of £1 each	6,000	6,000
Non-equity: 666,667 7½% cumulative redeemable convertible preference shares of £1 each	667	667
	<u>6,667</u>	<u>6,667</u>
 <b>Allotted, called up and fully paid</b>		
Equity: 6,000,000 ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

**Notes to the financial statements  
for the year ended 31 March 2000 (continued)**
**18 Reserves**

	Share premium account £'000	Profit and Loss Account £'000
<b>Group</b>		
At 1 April 1999	2,000	(2,159)
Retained profit for the financial year	-	2,516
Currency translation adjustments	-	(117)
At 31 March 2000	<u>2,000</u>	<u>240</u>

Cumulative goodwill at 31 March 2000, relating to acquisitions made prior to 28 December 1997, which has been eliminated against reserves, amounted to £1.5 million (1999: £1.5 million).

	Share premium account £'000	Profit and Loss Account £'000
<b>Company</b>		
At 1 April 1999	2,000	61
Retained loss for the financial year	-	(2,454)
At 31 March 2000	<u>2,000</u>	<u>(2,393)</u>

**19 Reconciliation of movements in equity shareholders' funds**

	Group		Company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Profit (loss) for the financial year	2,516	(27)	(2,454)	61
Other recognised losses	(117)	(40)	-	-
New share capital subscribed	-	5,000	-	5,000
Net movement in shareholders' funds	<u>2,399</u>	<u>4,933</u>	<u>(2,454)</u>	<u>5,061</u>
Opening shareholders' funds	5,841	908	8,061	3,000
Closing shareholders' funds	<u>8,240</u>	<u>5,841</u>	<u>5,607</u>	<u>8,061</u>



**Notes to the financial statements  
for year ended 31 March 2000 (continued)****20 Financial commitments**

Annual commitments under non-cancellable operating leases are as follows:

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
<b>Land and buildings</b>		
- expiring within one year	<b>220</b>	150
- expiring between two and five years	<b>409</b>	637
- expiring after five years	<b>733</b>	1,662
	<b>1,362</b>	2,449
<b>Plant and equipment</b>		
- expiring within one year	<b>137</b>	171
- expiring between two and five years	<b>306</b>	111
	<b>443</b>	282
	<b>1,805</b>	2,731

**Notes to the financial statements  
for year ended 31 March 2000 (continued)****21 Acquisitions****a) Acquisition of Tate Appointments Limited**

In February 2000, the company acquired Tate Appointments Limited from a group undertaking, Carlisle Group plc, which has been accounted for as an acquisition.

	<b>Book and provisional fair value £'000</b>
<b>Net assets acquired</b>	
Tangible fixed assets	269
Debtors	2,663
Creditors less than one year	(2,471)
Cash	1,272
Net assets acquired	<u>1,733</u>
 Goodwill arising	 9,758
Consideration	<u>11,491</u>
Consideration was satisfied by:	
Cash (including acquisition costs)	7,732
Deferred consideration	3,759
	<u>11,491</u>

The book value of the assets and liabilities has been derived from the unaudited management accounts of Tate Appointments Limited at 31 January 2000, which has been taken as the accounting date of the acquisition.

In its last financial year to 31 January 1999, Tate Appointments Limited recorded a profit after taxation of £284,000. For the period from 1 February 1999 to 31 January 2000, Tate Appointments Limited's unaudited management account show: turnover of £19,167,000, operating profit of £1,224,000, profit before taxation of £1,249,000, taxation charge of £422,000 and a profit after taxation of £827,000. There was no difference between net profit and total recognised gains for the period.

**Notes to the financial statements  
for year ended 31 March 2000 (continued)**

**21 Acquisitions (continued)**

**b) Acquisition of Agency Cover Limited**

In October 1999, the company acquired Agency Cover Limited, which has been accounted for as an acquisition.

	<b>Book value</b>	<b>Revaluations</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net assets acquired</b>			
Tangible fixed assets	49	(49)	-
Debtors	838	-	838
Creditors less than one year	(658)	-	(658)
Bank overdraft	(124)	-	(124)
Net assets acquired	<u>105</u>	<u>(49)</u>	<u>56</u>
Goodwill arising			2,072
Consideration			<u>2,128</u>
Consideration was satisfied by:			
Cash (including acquisition costs)			<u>2,128</u>

The book value of the assets and liabilities has been derived from the unaudited management accounts of Agency Cover Limited at 31 October 1999, which has been taken as the accounting date of the acquisition.

In its last financial year to 30 April 1999, Agency Cover Limited recorded a profit after taxation of £203,000. For the period from 1 May 1999 to the date of acquisition by the company, Agency Cover Limited's unaudited management accounts show: turnover of £2,860,000, operating loss of £69,000, loss before taxation of £140,000 and net loss of £140,000. There was no difference between net loss and total recognised losses for the period. These figures are stated before the effect of any fair value adjustment referred to above.

**Notes to the financial statements  
for year ended 31 March 2000 (continued)**

**21 Acquisitions (continued)**

c) Other acquisitions

During the year, the group made several other lock-on acquisitions which have each been accounted for as an acquisition.

	<b>Book and fair value £'000</b>
<b>Net assets acquired</b>	
Tangible fixed assets	21
Debtors	103
Creditors less than one year	(131)
Minority interests	(110)
Cash	82
Bank overdraft	(18)
Net liabilities acquired	(53)
 Goodwill arising	 925
Consideration	<u>872</u>
Consideration was satisfied by:	
Cash (including acquisition costs)	841
Deferred consideration	31
	<u>872</u>

The book value of the assets and liabilities has been derived from the unaudited management accounts of the various companies at the date of acquisition.

The consideration includes £294,000 incurred by the company.

**Notes to the financial statements  
for year ended 31 March 2000 (continued)**

**21 Acquisitions (continued)**

d) Summary of all acquisitions

	£'000	£'000
Fair value of net assets acquired		1,736
Goodwill arising:		
Tate Appointments Limited	9,758	
Agency Cover Limited	2,072	
Others	925	
		12,755
Consideration		14,491
Consideration was satisfied by:		
Cash (including acquisition costs)		10,701
Deferred consideration		3,790
		14,491

The consideration includes £13,913,000 incurred by the company.

**22 Related party transactions**

The group and company have taken advantage of the exemption within Financial Reporting Standard 8 not to disclose transactions with other group companies.

**23 Contingencies**

An unlimited composite banking guarantee exists between the company and various fellow group undertakings in respect of banking facilities provided to the group in the UK.

The company, together with certain subsidiary undertakings and various fellow group undertakings, has provided a UK guarantee for the financing obligations of Carlisle Finance S.A., a fellow group undertaking incorporated in Luxembourg. The guarantee provides a first priority lien on the share capital of each guarantor and on certain other property and assets, including receivables, of each guarantor.

**Notes to the financial statements  
for year ended 31 March 2000 (continued)**

**24 Ultimate parent undertaking**

The company's immediate parent undertaking is BMS Limited.

The smallest group in which the company is consolidated is Carlisle Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statement of Carlisle Group plc can be obtained from its registered office at 6 Ludgate Square, London EC4M 7AS.

As at 31 March 2000, the company's ultimate parent undertaking was Carlisle Holdings Limited, a company registered in Belize. Mr. M.A. Ashcroft beneficially owned and controlled 65.5 percent of Carlisle Holdings Limited. Copies of the consolidated financial statements of Carlisle Holdings Limited can be obtained from its registered office at 60 Market Square, Belize City, Belize, Central America.