

Carlisle Staffing Services Limited

Report and financial statements for the year ended 31 March 2001

Registered No. 2849488



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Carlisle Staffing Services Limited

Report and financial statements for the year ended 31 March 2001

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Carlisle Staffing Services Limited

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Company information

Registered office

St Florian House
Milton Road
Wokingham
Berkshire
RG40 1DB

Directors

R J Bradford
I G Robinson
Southtown Limited

Company secretary

P T Osborne

Auditors

PricewaterhouseCoopers
1 Embankment Place
London
WC2N 6RH

Report of the directors for the year ended 31 March 2001

The directors present their report and the audited financial statements of the company for the year ended 31 March 2001.

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.

In April 2000, the company acquired certain trade and assets from its subsidiary undertaking, Recruit PLC, for an aggregate consideration of £296,000. The net assets were transferred at book value.

During the year the group made a number of acquisitions, details of which are set out in note 20 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 £4,301,000 (2000: £2,516,000) 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

During the year under review no director had any beneficial interest 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 2001 (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 2001 was 31 days (2000: 31 days).

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 2001 (continued)**

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 black ink, appearing to be 'I G Robinson', followed by a long horizontal line extending to the right.

I G Robinson
Director
14 September 2001

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

We have audited the financial statements on pages 6 to 27.

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 2001 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

14 September 2001

Consolidated profit and loss account for the year ended 31 March 2001

	Notes	Operations before non- recurring items 2001 £'000	Restructuring and other non- recurring items 2001 £'000	Total 2001 £'000	2000 £'000
Turnover					
Continuing operations		141,183	-	141,183	97,258
Acquisitions		2,967	-	2,967	6,494
Total turnover		144,150	-	144,150	103,752
Cost of sales		(102,366)	-	(102,366)	(72,436)
Gross profit		41,784	-	41,784	31,316
Administrative expenses		(31,901)	-	(31,901)	(25,077)
Reorganisation and restructuring costs	3	-	(933)	(933)	(1,053)
Operating profit	6	9,883	(933)	8,950	5,186
Continuing operations		9,492	(933)	8,559	4,986
Acquisitions		391	-	391	200
Total operating profit		9,883	(933)	8,950	5,186
Interest receivable and similar income				184	-
Interest payable and similar charges	7			(3,020)	(2,182)
Profit on ordinary activities before taxation				6,114	3,004
Tax on profit on ordinary activities	8			(1,813)	(494)
Profit for the financial year				4,301	2,510
Minority interests				-	6
Retained profit for the financial year	17			4,301	2,516

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 2001**

	2001 £'000	2000 £'000
Profit for the financial year	4,301	2,516
Currency translation adjustments offset in reserves	61	(117)
Total recognised gains for the year	<u>4,362</u>	<u>2,399</u>

Consolidated balance sheet as at 31 March 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Intangible assets	10	37,167	35,312
Tangible assets	11	2,692	1,951
		<u>39,859</u>	<u>37,263</u>
Current assets			
Debtors	13	22,962	20,371
Cash at bank and in hand		1,560	2,637
		<u>24,522</u>	<u>23,008</u>
Creditors: amounts falling due within one year	14	(51,779)	(52,003)
Net current liabilities		<u>(27,257)</u>	<u>(28,995)</u>
Net assets		<u>12,602</u>	<u>8,268</u>
Capital and reserves			
Called up share capital	16	6,000	6,000
Share premium account	17	2,000	2,000
Profit and loss account	17	4,602	240
		<u>12,602</u>	<u>8,240</u>
Shareholders' funds			
Equity	18	12,602	8,240
Minority interests		-	28
Capital employed		<u>12,602</u>	<u>8,268</u>

Company balance sheet as at 31 March 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Tangible assets	11	534	31
Investments	12	37,351	36,470
		<u>37,885</u>	<u>36,501</u>
Current assets			
Debtors	13	8,498	3,696
Creditors: amounts falling due within one year	14	(43,323)	(34,590)
Net current liabilities		<u>(34,825)</u>	<u>(30,894)</u>
Net assets		<u>3,060</u>	<u>5,607</u>
Capital and reserves			
Called up share capital	16	6,000	6,000
Share premium account	17	2,000	2,000
Profit and loss account – (deficit)	17	(4,940)	(2,393)
Equity shareholders' funds	18	<u>3,060</u>	<u>5,607</u>

The financial statements on pages 6 to 27 were approved by the board of directors on 14 September 2001 and were signed on its behalf by:



I G Robinson - Director

Notes to the financial statements for the year ended 31 March 2001

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 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 2001.

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 £1,786,000. 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.

**Notes to the financial statements
for the year ended 31 March 2001 (continued)****Operating leases**

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

Pension contributions

Contributions payable to defined contribution pension schemes and to employees' 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. No provision is made for any taxation arising in the event of the distribution of profits retained by overseas subsidiaries except to the extent that the distribution of those reserves is anticipated.

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 2001 (continued)**
2 Analysis of other operating costs

	2001 £'000	2000 £'000
Cost of sales:		
- existing operations	100,525	67,280
- acquisitions	1,841	5,156
	<u>102,366</u>	<u>72,436</u>
Gross profit:		
- existing operations	40,658	29,978
- acquisitions	1,126	1,338
	<u>41,784</u>	<u>31,316</u>
Administrative expenses:		
- existing operations	31,166	24,082
- acquisitions	735	995
	<u>31,901</u>	<u>25,077</u>

3 Reorganisation and restructuring costs

	2001 £'000	2000 £'000
Property costs	539	328
Redundancy costs	394	184
Impairment in asset values	-	34
Business closure costs	-	411
Goodwill written off	-	96
	<u>933</u>	<u>1,053</u>

**Notes to the financial statements
for the year ended 31 March 2001 (continued)**

4 Staff costs and numbers

Staff costs during the year were:

	2001 £'000	2000 £'000
Wages and salaries	19,393	15,349
Social security costs	1,711	1,475
Other pension costs	282	188
	<u>21,386</u>	<u>17,012</u>

The average number of employees during the year was:

	2001 Number	2000 Number
Operational	459	490
Administrative	51	45
	<u>510</u>	<u>535</u>

5 Directors' emoluments

	2001 £'000	2000 £'000
Remuneration (including benefits in kind)	352	292
Pension contributions	24	39
	<u>376</u>	<u>331</u>

The emoluments of the highest paid director were £222,000 (2000: £186,000), plus pension contributions of £15,000 (2000: £23,000).

The number of directors for whom contributions were made towards defined contribution pension schemes was 2 (2000: 2).

**Notes to the financial statements
for the year ended 31 March 2001 (continued)**

6 Operating profit

	2001 £'000	2000 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	659	473
Operating lease rentals		
- land and buildings	1,638	1,388
- plant and equipment	593	547
Auditors' remuneration		
- group	96	63
- company	6	5
	<u>6</u>	<u>5</u>

7 Interest payable and similar charges

	2001 £'000	2000 £'000
Bank loans and overdrafts	474	406
Intercompany interest charges	2,546	1,758
Finance lease obligations	-	18
	<u>3,020</u>	<u>2,182</u>

8 Tax on profit on ordinary activities

	2001 £'000	2000 £'000
UK corporation tax at 30 per cent (2000: 30 per cent)	1,805	533
Group relief payable in respect of current year	174	393
Overseas corporation taxes	107	125
Adjustment in respect of prior years	(159)	(369)
Group relief receivable in respect of prior years	(114)	(188)
	<u>1,813</u>	<u>494</u>

**Notes to the financial statements
for the year ended 31 March 2001 (continued)****9 Results of the parent holding company**

Of the profit for the financial year, a loss of £2,692,000 (2000: £1,789,000) 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

	Goodwill
	£'000
Group	
At 1 April 2000	35,312
Additions (note 20)	1,786
Currency translation adjustments	69
At 31 March 2001	<u>37,167</u>

**Notes to the financial statements
for the year ended 31 March 2001 (continued)**

11 Tangible fixed assets

	Short leasehold properties £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Group					
Cost					
At 1 April 2000	409	1,428	1,336	139	3,312
Additions at cost	365	693	448	-	1,506
Disposals	(88)	(109)	(215)	(110)	(522)
Currency translation adjustments	1	1	11	-	13
Arising on acquisitions	6	21	25	8	60
At 31 March 2001	<u>693</u>	<u>2,034</u>	<u>1,605</u>	<u>37</u>	<u>4,369</u>
Depreciation					
At 1 April 2000	185	364	732	80	1,361
Charge for the year	67	396	186	10	659
Disposals	(53)	(47)	(205)	(61)	(366)
Currency translation adjustments	1	-	5	-	6
Arising on acquisitions	4	5	5	3	17
At 31 March 2001	<u>204</u>	<u>718</u>	<u>723</u>	<u>32</u>	<u>1,677</u>
Net book values					
At 31 March 2001	<u>489</u>	<u>1,316</u>	<u>882</u>	<u>5</u>	<u>2,692</u>
At 31 March 2000	<u>224</u>	<u>1,064</u>	<u>604</u>	<u>59</u>	<u>1,951</u>

**Notes to the financial statements
for the year ended 31 March 2001 (continued)**

11 Tangible fixed assets (continued)

	Short leasehold properties £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Company					
Cost					
At 1 April 2000	-	-	-	35	35
Transfers from subsidiary undertaking	124	383	209	-	716
Additions at cost	5	200	6	-	211
Disposals	-	-	-	(35)	(35)
At 31 March 2001	<u>129</u>	<u>583</u>	<u>215</u>	<u>-</u>	<u>927</u>
Depreciation					
At 1 April 2000	-	-	-	4	4
Transfers from subsidiary undertaking	51	83	113	-	247
Charge for the year	15	100	31	2	148
Disposals	-	-	-	(6)	(6)
At 31 March 2001	<u>66</u>	<u>183</u>	<u>144</u>	<u>-</u>	<u>393</u>
Net book values					
At 31 March 2001	<u>63</u>	<u>400</u>	<u>71</u>	<u>-</u>	<u>534</u>
At 31 March 2000	<u>-</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>

Notes to the financial statements for the year ended 31 March 2001 (continued)

12 Fixed asset investments

	Interest in group undertakings £'000
Company	
At 1 April 2000	36,470
Additions (note 20)	881
At 31 March 2001	<u>37,351</u>

The following were subsidiary undertakings at the year end:

Name of subsidiary	Country of incorporation or registration	Principal activity
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
Aspillo Limited	England and Wales	Employment services
Abacus Recruitment (Holdings) Limited	England and Wales	Holding company
Carlisle Staffing Services Ireland Limited (formerly Recruit Consultants Limited)	Republic of Ireland	Holding company
Abacus Recruitment Limited (formerly Indigo Selection Limited)	England and Wales	Non-trading
Spark Recruitment Limited	England and Wales	Non-trading

All subsidiary undertakings are 100% owned.

**Notes to the financial statements
for year ended 31 March 2001 (continued)**

13 Debtors

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Amounts falling due within one year				
Trade debtors	17,468	19,171	-	-
Amounts owed by group undertakings	133	-	7,802	3,215
Corporation tax	-	-	368	294
Other debtors	428	297	244	187
Prepayments and accrued income	4,933	903	84	-
	22,962	20,371	8,498	3,696

14 Creditors: amounts falling due within one year

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Bank overdraft (secured)	-	6,222	6,276	2,024
Trade creditors	1,032	1,306	160	-
Amounts owed to group undertakings	35,826	28,817	36,123	28,831
Corporation tax	1,388	326	-	-
Social security and other taxes	7,145	6,014	42	-
Other creditors	-	4,667	-	3,720
Accruals and deferred income	6,388	4,651	722	15
	51,779	52,003	43,323	34,590

15 Deferred tax asset

Group	Provided		Unprovided	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Accelerated capital allowances	-	-	54	92
Other timing differences	-	-	49	55
	-	-	103	147

**Notes to the financial statements
for the year ended 31 March 2001 (continued)**

16 Called up share capital

	2001 £'000	2000 £'000
Group and Company		
Authorised		
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>
 Allotted, called up and fully paid		
Equity: 6,000,000 ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

17 Reserves

	Share Premium Account £'000	Profit and loss account £'000
Group		
At 1 April 2000	2,000	240
Retained profit for the financial year	-	4,301
Currency translation adjustments	-	61
At 31 March 2001	<u>2,000</u>	<u>4,602</u>

Cumulative goodwill at 31 March 2001, relating to acquisitions made prior to 28 December 1997, which has been eliminated against reserves, amounted to £1.5 million (2000: £1.5 million).

	Share Premium Account £'000	Profit and loss account £'000
Company		
At 1 April 2000	2,000	(2,393)
Retained loss for the financial year	-	(2,547)
At 31 March 2001	<u>2,000</u>	<u>(4,940)</u>

**Notes to the financial statements
for the year ended 31 March 2001 (continued)**

18 Reconciliation of movements in equity shareholders' funds

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Profit (loss) for the financial year	4,301	2,516	(2,547)	(2,454)
Other recognised gains (losses)	61	(117)	-	-
Net movement in shareholders' funds	4,362	2,399	(2,547)	(2,454)
Shareholders' funds at beginning of year	8,240	5,841	5,607	8,061
Shareholders' funds at end of year	12,602	8,240	3,060	5,607

19 Financial commitments

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

	2001	2000
	£'000	£'000
Group		
Land and buildings		
- expiring within one year	269	220
- expiring between two and five years	873	409
- expiring after five years	707	733
	1,849	1,362
Plant and equipment		
- expiring within one year	64	137
- expiring between two and five years	391	306
- expiring after five years	15	-
	470	443
	2,319	1,805
Company		
Land and buildings		
- expiring between two and five years	14	-
- expiring after five years	261	-
	275	-
Plant and equipment		
- expiring within one year	20	-
- expiring between two and five years	42	-
	62	-
	337	-

Notes to the financial statements for year ended 31 March 2001 (continued)

20 Acquisitions

a) Acquisition of Aspillo Limited

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

	Book value £'000	Revaluations £'000	Fair value £'000
Net assets acquired			
Tangible fixed assets	30	(10)	20
Debtors	192	(2)	190
Creditors less than one year	(222)	-	(222)
Cash	32	-	32
Net assets acquired	32	(12)	20
Goodwill arising			486
Consideration			506
Satisfied by:			
Cash (including acquisition costs)			256
Loan note			250
			506

The book value of the assets and liabilities has been derived from the unaudited management accounts of Aspillo Limited at 30 May 2000, which has been taken as the accounting date of the acquisition.

In its last financial year to 30 April 2000, Aspillo Limited recorded a profit after taxation of £106,000. For the period from 1 May 2000 to the date of acquisition by the company, Aspillo Limited's unaudited management accounts show: turnover of £167,000, operating profit of £18,000, profit before taxation of £18,000, taxation charge of £5,000 and a profit after taxation of £13,000. There was no difference between net profit and total recognised gains for the period. These figures are stated before the effect of any fair value adjustments referred to above.

**Notes to the financial statements
for year ended 31 March 2001 (continued)**

20 Acquisitions (continued)

b) Acquisition of Griffin Personnel Agency Limited

In July 2000, the group acquired Griffin Personnel Agency Limited, which has been accounted for as an acquisition.

	Book value £'000	Revaluations £'000	Fair value £'000
Net assets acquired			
Tangible fixed assets	47	(24)	23
Debtors	301	(81)	220
Creditors less than one year	(205)	27	(178)
Cash	12	-	12
Net assets acquired	<u>155</u>	<u>(78)</u>	<u>77</u>
Goodwill arising			507
Consideration			<u>584</u>
Satisfied by:			
Cash (including acquisition costs)			<u>584</u>

The book value of the assets and liabilities has been derived from the unaudited management accounts of Griffin Personnel Agency Limited at 31 July 2000, which has been taken as the accounting date of the acquisition.

In its last financial year to 30 September 1999, Griffin Personnel Agency Limited recorded a profit after taxation of £48,000. For the period from 1 October 1999 to the date of acquisition by the company, Griffin Personnel Agency Limited's unaudited management accounts show: turnover of £1,286,000, operating profit of £70,000, profit before taxation of £66,000, taxation charge of £21,000 and a profit after taxation of £45,000. There was no difference between net profit and total recognised gains for the period. These figures are stated before the effect of any fair value adjustments referred to above.

**Notes to the financial statements
for year ended 31 March 2001 (continued)**

20 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. The aggregated numbers for these acquisitions are as follows:

	Book and fair value £'000
Net assets acquired	
Creditors less than one year	(130)
Minority interests	28
Net liabilities acquired	(102)
 Goodwill arising	 793
Consideration	<u>691</u>
Consideration was satisfied by:	
Cash (including acquisition costs)	<u>691</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 £375,000 incurred by the company.

**Notes to the financial statements
for year ended 31 March 2001 (continued)**

20 Acquisitions (continued)

d) Summary of all acquisitions

	£'000	£'000
Fair value of net liabilities acquired		(5)
Goodwill arising:		
Aspillo Limited	486	
Griffin Personnel Agency Limited	507	
Others	793	
		1,786
Consideration		1,781
Consideration was satisfied by:		
Cash (including acquisition costs)		1,531
Loan notes		250
		1,781

The consideration includes £881,000 incurred by the company.

Subsequent to the year end, in July 2001, the company acquired Stirling Recruitment Group Limited and its subsidiaries for an aggregate consideration of approximately £2.85 million.

21 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.

22 Contingencies

An unlimited composite banking guarantee exists between the company and certain subsidiary companies 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 2001 (continued)**

23 Ultimate parent undertaking

As at 31 March 2001, the company's immediate parent undertaking was BMS Limited.

As at 31 March 2001, 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 statements of Carlisle Group plc can be obtained from its registered office at St Florian House, Milton Road, Wokingham, Berkshire RG40 1DB.

As at 31 March 2001, the company's ultimate parent undertaking was Carlisle Holdings Limited, a company registered in Belize. Lord Ashcroft beneficially owned and controlled 65.8 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.