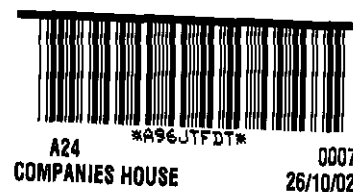


# **Carlisle Staffing Services Limited**

## **Report and financial statements for the year ended 31 March 2002**

Registered No. 2849488



# **Carlisle Staffing Services Limited**

## **Report and financial statements for the year ended 31 March 2002**

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**Company information**

**Registered office**

St Florian House  
Milton Road  
Wokingham  
Berkshire  
RG40 1EN

**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 2002**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2002.

### **Review of the business**

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

The principal activity of the group is the provision of employment services, principally within the United Kingdom.

Details of acquisitions during the year 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 £2,676,000 (2001: £4,301,000) which has been transferred to reserves. The directors do not recommend the payment of a dividend.

### **Post balance sheet events**

Details of post balance sheet events are set out in note 22 to the financial statements.

### **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 2002 (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 2002 was 30 days (2001: 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;
- state whether applicable accounting standards have been followed, 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 maintenance and integrity of the group's website is the responsibility of the directors.

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 2002 (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', with a long horizontal line extending to the right.

I G Robinson  
Director  
30 September 2002

## Independent auditors' report to the members of Carlisle Staffing Services Limited

We have audited the financial statements on pages 6 to 26.

### 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 on page 3.

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.

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 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.

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.

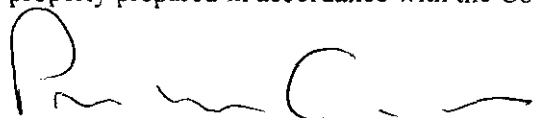
### Basis of audit opinion

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 2002 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

30 September 2002

**Consolidated profit and loss account  
for the year ended 31 March 2002**

	Notes	Operations before non-recurring items 2002 £'000	Restructuring and other non- recurring items 2002 £'000	Total 2002 £'000	Total 2001 £'000
<b>Turnover</b>					
Continuing operations		139,561	-	139,561	141,183
Acquisitions		10,334	-	10,334	2,967
<b>Total turnover</b>		<b>149,895</b>	<b>-</b>	<b>149,895</b>	<b>144,150</b>
Cost of sales	2	(109,168)	-	(109,168)	(102,366)
<b>Gross profit</b>	2	<b>40,727</b>	<b>-</b>	<b>40,727</b>	<b>41,784</b>
Administrative expenses	2	(33,610)	-	(33,610)	(31,901)
Reorganisation and restructuring costs	3	-	(428)	(428)	(933)
<b>Operating profit</b>	6	<b>7,117</b>	<b>(428)</b>	<b>6,689</b>	<b>8,950</b>
Continuing operations		6,006	(428)	5,578	8,559
Acquisitions		1,111	-	1,111	391
<b>Total operating profit</b>		<b>7,117</b>	<b>(428)</b>	<b>6,689</b>	<b>8,950</b>
Interest receivable and similar income	7			208	184
Interest payable and similar charges	8			(2,820)	(3,020)
<b>Profit on ordinary activities before taxation</b>				<b>4,077</b>	<b>6,114</b>
Tax on profit on ordinary activities	9			(1,401)	(1,813)
<b>Retained profit for the financial year</b>	18			<b>2,676</b>	<b>4,301</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 2002**

	2002 £'000	2001 £'000
Profit for the financial year	2,676	4,301
Currency translation adjustments offset in reserves	(47)	61
Total recognised gains for the year	<u>2,629</u>	<u>4,362</u>

**Consolidated balance sheet  
as at 31 March 2002**

	Notes	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Intangible assets	11	45,432	37,167
Tangible assets	12	3,799	2,692
		<u>49,231</u>	<u>39,859</u>
<b>Current assets</b>			
Debtors	14	25,715	22,962
Cash at bank and in hand		809	1,560
		<u>26,524</u>	<u>24,522</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(60,524)</u>	<u>(51,779)</u>
<b>Net current liabilities</b>		<u>(34,000)</u>	<u>(27,257)</u>
<b>Net assets</b>		<u>15,231</u>	<u>12,602</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	18	7,231	4,602
<b>Equity shareholders' funds</b>	19	<u>15,231</u>	<u>12,602</u>

## Company balance sheet as at 31 March 2002

	Notes	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Tangible assets	12	1,528	534
Investments	13	40,153	37,351
		<u>41,681</u>	<u>37,885</u>
<b>Current assets</b>			
Debtors	14	20,479	8,498
Creditors: amounts falling due within one year	15	(53,635)	(43,323)
<b>Net current liabilities</b>		<u>(33,156)</u>	<u>(34,825)</u>
<b>Net assets</b>		<u>8,525</u>	<u>3,060</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	525	(4,940)
<b>Equity shareholders' funds</b>	19	<u>8,525</u>	<u>3,060</u>

The financial statements on pages 6 to 26 were approved by the board of directors on 30 September 2002 and were signed on its behalf by:



I G Robinson - Director

**Notes to the financial statements  
for the year ended 31 March 2002****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, 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 2002.

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. The impairment review involves a comparison of the book value of goodwill with its implied fair market value, by reference to present value techniques, comprising discounted cash flows, based on future revenue and margin projections and plans, with the discount rate based on a risk weighted average cost of capital.

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

The businesses' recent record has generally been one of consistent growth in both turnover and operating profit. The underlying markets have generally 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 improvements	-	Over the length of the 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 2002 (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 payments**

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 on all timing differences, subject to certain exceptions, where the transaction or events that give rise to an obligation to pay additional tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Deferred tax assets are recognised when it is considered more likely than not that they will be recovered in the future. Deferred tax is measured using rates of tax that have been enacted at the balance sheet date. This is a change in policy arising during the year, as a result of the introduction of FRS 19. The previous policy was to provide deferred taxation using the liability method to take account of all timing differences only to the extent that such differences would reasonably be expected to reverse in the foreseeable future without being replaced. There has been no material impact on the financial statements as a result of this change in policy. 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 these 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 Holdings Limited, who publishes consolidated financial statements which include a consolidated cash flow statement.

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**2 Analysis of other operating costs**

	2002	2001
	£'000	£'000
Cost of sales:		
- existing operations	101,896	100,525
- acquisitions	7,272	1,841
	<u>109,168</u>	<u>102,366</u>
Gross profit:		
- existing operations	37,665	40,658
- acquisitions	3,062	1,126
	<u>40,727</u>	<u>41,784</u>
Administrative expenses:		
- existing operations	31,659	31,166
- acquisitions	1,951	735
	<u>33,610</u>	<u>31,901</u>

**3 Reorganisation and restructuring costs**

	2002	2001
	£'000	£'000
Property costs	174	539
Redundancy costs	254	394
	<u>428</u>	<u>933</u>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)****4 Staff costs and numbers**

Staff costs during the year were:

	2002	2001
	£'000	£'000
Wages and salaries	18,059	19,393
Social security costs	1,904	1,711
Other pension costs	336	282
	<u>20,299</u>	<u>21,386</u>

The average number of employees during the year was:

	2002	2001
	Number	Number
Operational	484	459
Office and management	175	51
	<u>659</u>	<u>510</u>

**5 Directors' emoluments**

	2002	2001
	£'000	£'000
Remuneration (including benefits in kind)	352	352
Pension contributions	31	24
	<u>383</u>	<u>376</u>

The emoluments of the highest paid director were £221,000 (2001: £222,000), plus pension contributions towards a defined contribution scheme of £20,000 (2001: £15,000).

The number of directors for whom contributions were made towards defined contribution pension schemes was 2 (2001: 2).



**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**6 Operating profit**

	2002	2001
	£'000	£'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	1,066	659
Operating lease rentals		
- land and buildings	1,842	1,638
- plant and equipment	627	593
Auditors' remuneration		
- group	99	96
- company	6	6
	<u>6</u>	<u>6</u>

**7 Interest receivable and similar income**

	2002	2001
	£'000	£'000
Intercompany interest receivable	165	144
Other interest receivable	43	40
	<u>208</u>	<u>184</u>

**8 Interest payable and similar charges**

	2002	2001
	£'000	£'000
Intercompany interest payable	2,429	2,546
Bank loans and overdrafts	391	474
	<u>2,820</u>	<u>3,020</u>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**9 Tax on profit on ordinary activities**

	2002 £'000	2001 £'000
UK corporation tax at 30 per cent (2001: 30 per cent)	944	1,805
Group relief payable in respect of current year	460	174
Overseas corporation taxes	14	107
Adjustment in respect of prior years	(1,120)	(159)
Group relief receivable in respect of prior years	1,157	(114)
Adjustment in respect of prior years - overseas corporation taxes	(48)	-
Adjustment in respect of prior years - deferred tax	(6)	-
	<u>1,401</u>	<u>1,813</u>

	2002 £'000	2002 £'000
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	1,223	1,834
Expenses not deductible for tax purposes	179	246
Capital allowances for year in excess of depreciation and other timing differences	31	1
Tax losses from earlier years offset against profits	(15)	(17)
Adjustment in respect of prior periods - net	(17)	(251)
	<u>1,401</u>	<u>1,813</u>

**10 Results of the parent holding company**

Of the profit for the financial year, a loss of £2,348,000 (2001: £2,692,000) 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.

**11 Intangible fixed assets**

	Goodwill £'000
<b>Group</b>	
At 1 April 2001	37,167
Additions (note 21)	8,306
Currency translation adjustments	(41)
At 31 March 2002	<u>45,432</u>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**12 Tangible fixed assets**

	Short leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Group</b>					
<b>Cost</b>					
At 1 April 2001	693	2,034	1,605	37	4,369
Additions at cost	74	1,653	465	-	2,192
Disposals	(19)	(89)	(76)	(33)	(217)
Arising on acquisitions	16	64	60	111	251
At 31 March 2002	<u>764</u>	<u>3,662</u>	<u>2,054</u>	<u>115</u>	<u>6,595</u>
<b>Depreciation</b>					
At 1 April 2001	204	718	723	32	1,677
Charge for the year	88	728	238	12	1,066
Disposals	(7)	(51)	(34)	(28)	(120)
Arising on acquisitions	2	46	60	65	173
At 31 March 2001	<u>287</u>	<u>1,441</u>	<u>987</u>	<u>81</u>	<u>2,796</u>
<b>Net book values</b>					
At 31 March 2002	<u>477</u>	<u>2,221</u>	<u>1,067</u>	<u>34</u>	<u>3,799</u>
At 31 March 2001	<u>489</u>	<u>1,316</u>	<u>882</u>	<u>5</u>	<u>2,692</u>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**12 Tangible fixed assets (continued)**

	Short leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
<b>Company</b>				
<b>Cost</b>				
At 1 April 2001	129	583	215	927
Additions at cost	4	1,351	24	1,379
Disposals	-	(9)	-	(9)
At 31 March 2002	133	1,925	239	2,297
<b>Depreciation</b>				
At 1 April 2001	66	183	144	393
Charge for the year	15	338	30	383
Disposals	-	(7)	-	(7)
At 31 March 2002	81	514	174	769
<b>Net book values</b>				
At 31 March 2002	52	1,411	65	1,528
At 31 March 2001	63	400	71	534

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**
**13 Fixed asset investments**

	Interest in group undertakings £'000
<b>Company</b>	
At 1 April 2001	37,351
Additions (note 21)	2,802
At 31 March 2002	<u>40,153</u>

The list of principal group undertakings at 31 March 2002 is as follows:

Name of subsidiary	Country of incorporation or registration	Principal activity
Carlisle Staffing plc (formerly named 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
Aspillo Limited	England and Wales	Employment services
Centre Point Group Limited	England and Wales	Employment services
Abacus Recruitment (Holdings) Limited	England and Wales	Holding company
Carlisle Staffing Services Ireland Limited	Republic of Ireland	Holding company
Stirling Recruitment Group Limited	England and Wales	Holding company
Tate Services (BVI) Limited	British Virgin Islands	Holding company
Abacus Recruitment Limited	England and Wales	Non-trading
Spark Recruitment Limited	England and Wales	Non-trading
Recruit Event Services Limited	England and Wales	Non-trading
Recruit Limited	England and Wales	Non-trading

Unless otherwise stated (a) all companies are incorporated and operating in Great Britain and registered in England and Wales; (b) the proportion of the nominal value of shares and the voting rights held by the group comprises 100 per cent; (c) all companies are included in the consolidated financial statements; and (d) all shares are held by group undertakings.

**Notes to the financial statements  
for year ended 31 March 2002 (continued)**

**14 Debtors**

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year</b>				
Trade debtors	18,969	17,468	-	-
Amounts owed by group undertakings	2,876	133	18,803	7,802
Corporation tax	-	-	-	368
Other debtors	-	428	1,394	244
Prepayments and accrued income	3,870	4,933	282	84
	<b>25,715</b>	<b>22,962</b>	<b>20,479</b>	<b>8,498</b>

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

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Bank overdraft (secured)	4,514	-	4,580	6,276
Trade creditors	1,767	1,032	394	160
Amounts owed to group undertakings	41,682	35,826	47,809	36,123
Corporation tax	121	1,388	5	-
Social security and other taxes	5,788	7,145	-	42
Other creditors	1,573	-	-	-
Accruals and deferred income	5,079	6,388	847	722
	<b>60,524</b>	<b>51,779</b>	<b>53,635</b>	<b>43,323</b>

**16 Deferred tax asset**

Group	Unprovided	
	2002	2001
	£'000	£'000
Accelerated capital allowances	(12)	54
Other timing differences	21	49
	<b>9</b>	<b>103</b>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**17 Called up share capital**

	2002 £'000	2001 £'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>

**18 Reserves**

	Share premium account £'000	Profit and loss account £'000
<b>Group</b>		
At 1 April 2001	2,000	4,602
Retained profit for the financial year	-	2,676
Currency translation adjustments	-	(47)
At 31 March 2002	<u>2,000</u>	<u>7,231</u>

Cumulative goodwill at 31 March 2002, relating to acquisitions made prior to 28 December 1997, which has been eliminated against reserves, amounted to £1.5 million (2001: £1.5 million).

	Share premium account £'000	Profit and loss account £'000
<b>Company</b>		
At 1 April 2001	2,000	(4,940)
Retained profit for the financial year	-	5,465
At 31 March 2002	<u>2,000</u>	<u>525</u>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Profit (loss) for the financial year	2,676	4,301	5,465	(2,547)
Other recognised (losses) gains	(47)	61	-	-
Net movement in shareholders' funds	2,629	4,362	5,465	(2,547)
Shareholders' funds at beginning of year	12,602	8,240	3,060	5,607
Shareholders' funds at end of year	15,231	12,602	8,525	3,060

**20 Financial commitments**

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

	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
<b>Land and buildings</b>		
- expiring within one year	226	269
- expiring between two and five years	1,288	873
- expiring after five years	309	707
	<u>1,823</u>	<u>1,849</u>
<b>Plant and equipment</b>		
- expiring within one year	86	64
- expiring between two and five years	358	391
- expiring after five years	-	15
	<u>444</u>	<u>470</u>
	<u>2,267</u>	<u>2,319</u>
<b>Company</b>		
<b>Land and buildings</b>		
- expiring between two and five years	261	14
- expiring after five years	-	261
	<u>261</u>	<u>275</u>
<b>Plant and equipment</b>		
- expiring within one year	14	20
- expiring between two and five years	11	42
	<u>25</u>	<u>62</u>
	<u>286</u>	<u>337</u>



**Notes to the financial statements  
for year ended 31 March 2002 (continued)**

**21 Acquisitions**

a) Centre Point Group

On 30 November 2001, the group acquired the trade and assets of a partnership trading under the name of Centre Point Group, which has been accounted for as an acquisition.

	Book value	Adjustments	Fair value
	£'000	£'000	£'000
<b>Net assets acquired</b>			
Tangible fixed assets	189	(164)	25
Debtors	3,777	(27)	3,750
Cash at bank	509	-	509
Creditors less than one year	(2,691)	(171)	(2,862)
Net assets acquired	<u>1,784</u>	<u>(362)</u>	<u>1,422</u>
Goodwill arising			<u>5,517</u>
Consideration			<u>6,939</u>
Consideration was satisfied by:			
Cash (including acquisition costs)			6,439
Deferred consideration			<u>500</u>
			<u>6,939</u>

The book value of the liabilities has been derived from the unaudited management accounts of Centre Point Group as at 30 November 2001, which has been taken as the accounting date of the acquisition. Prior to acquisition, the business traded as a partnership and the financial information prior to acquisition is not publicly available. Subsequent to the year end, in August 2002, the deferred consideration was amended to £1,000,000.

**Notes to the financial statements  
for year ended 31 March 2002 (continued)**

**21 Acquisitions (continued)**

**b) Stirling Recruitment Group Limited**

On 2 July 2001, the company acquired Stirling Recruitment Group Limited and its subsidiaries which has been accounted for as an acquisition.

	Book value £'000	Adjustments £'000	Fair value £'000
<b>Net assets acquired</b>			
Tangible fixed assets	158	(105)	53
Debtors	1,096	(11)	1,085
Cash at bank	1	-	1
Creditors less than one year	(996)	(78)	(1,074)
Net assets acquired	<u>65</u>	<u>(194)</u>	<u>65</u>
Goodwill arising			<u>2,737</u>
Consideration (note 13)			<u>2,802</u>
Consideration was satisfied by:			
Cash (including acquisition costs)			<u>2,802</u>

The book value of the assets and liabilities has been derived from the unaudited management accounts of Stirling Recruitment Group Limited at 30 June 2001, which has been taken as the accounting date of the acquisition.

In its last financial year to 31 March 2001, Stirling Recruitment Group Limited recorded a profit after taxation of £146,000. For the period from 1 April 2001 to the date of acquisition by the group, Stirling Recruitment Group Limited's unaudited management accounts show: turnover of £2,202,000, operating profit of £122,000, profit before taxation of £122,000, taxation charge of £36,000 and a profit after taxation of £86,000. 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 2002 (continued)**

**21 Acquisitions (continued)**

c) Summary of all acquisitions

	£'000	£'000
Fair value of net assets acquired		1,487
Goodwill arising:		
Centre Point Group	5,517	
Stirling Recruitment Group	2,737	
Others – net	<u>52</u>	
		8,306
Consideration		<u>9,793</u>
Consideration was satisfied by:		
Cash (including acquisition costs)		9,293
Deferred consideration		<u>500</u>
		<u>9,793</u>

The consideration included £2,802,000 incurred by the company.

**22 Post balance sheet events**

On 1 April 2002, the following transactions were effected:

(a) as part of a group reorganisation, the trade and assets of certain subsidiary undertakings were transferred to Carlisle Staffing plc, also a subsidiary undertaking, at net book value.

(b) the company transferred the entire issued share capital of its subsidiary undertakings – Recruit Retail Services plc and Recruit Event Services Limited to BMS Limited, a fellow group undertaking, for an aggregate consideration of £50,000. This transaction resulted in a net loss for the group of approximately £560,000 and £nil for the company.

(c) the trade and assets of the group's events employment services business was transferred to Recruit Event Services Limited, at net book value of approximately £296,000.

**23 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.

**Notes to the financial statements  
for year ended 31 March 2002 (continued)****24 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 (Iceland) Ltd., a fellow group undertaking incorporated in Iceland. 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.

**25 Ultimate parent undertaking**

The company's immediate parent undertaking is Carlisle Staffing Services Holdings Limited.

As at 31 March 2002, the smallest group in which the company is consolidated was Carlisle Staffing Services Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Carlisle Staffing Services Holdings Limited can be obtained from its registered office at St Florian House, Milton Road, Wokingham, Berkshire RG40 1EN.

As at 31 March 2002, the company's ultimate parent undertaking was Carlisle Holdings Limited, a company registered in Belize. Lord Ashcroft beneficially owned and controlled 68.5 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.