

Company Registration No. 3262419 (England and Wales)

AMBITION RECRUITMENT SERVICES LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004



AMBITION RECRUITMENT SERVICES LTD

COMPANY INFORMATION

Directors	P Streeter C Rees (Appointed 1 September 2003) R M Stiff (Appointed 1 December 2004)
Secretary	N Rea
Company number	3262419
Registered office	Sentinel House 16-22 Sutton Court Road Sutton Surrey SM1 4SY
Auditors	HLB AV Audit plc 66 Wigmore Street London W1U 2HQ
Business address	Sentinel House 16-22 Sutton Court Road Sutton Surrey SM1 4SY

AMBITION RECRUITMENT SERVICES LTD

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AMBITION RECRUITMENT SERVICES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report and financial statements for the year ended 30 June 2004.

Principal activities and review of the business

The principal activity of the company continued to be that of a recruitment agency with healthcare staffing business. The results for the year show a continuing satisfactory performance and the directors are optimistic of maintaining performance in the forthcoming year.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 July 2003:

P Streeter	
C Rees	(Appointed 1 September 2003)
R M Stiff	(Appointed 1 December 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2004	1 July 2003
P Streeter	1	1
C Rees	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB AV Audit plc be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board


P Streeter
Director

10 MARCH 2005

AMBITION RECRUITMENT SERVICES LTD

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AMBITION RECRUITMENT SERVICES LTD

We have audited the financial statements of Ambition Recruitment Services Ltd on pages 3 to 13 for the year ended 30 June 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HLB AV Audit plc

HLB AV Audit plc

22 MARCH 2005

Registered Auditor

66 Wigmore Street
London
W1U 2HQ

AMBITION RECRUITMENT SERVICES LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £	2003 £
Turnover	2	58,651,336	59,003,970
Cost of sales		(43,452,311)	(44,691,377)
	
Gross profit		15,199,025	14,312,593
Administrative expenses		(14,430,572)	(10,091,859)
	
Operating profit	3	768,453	4,220,734
Other interest receivable and similar income	4	261,004	278,323
Interest payable and similar charges	5	(639)	(900)
	
Profit on ordinary activities before taxation		1,028,818	4,498,157
Tax on profit on ordinary activities	6	(493,600)	(1,394,263)
	
Profit on ordinary activities after taxation		535,218	3,103,894
Dividends	7	-	(3,000,000)
	
Retained profit for the year	13	535,218	103,894
	

The profit and loss account has been prepared on the basis that all operations are continuing operations.

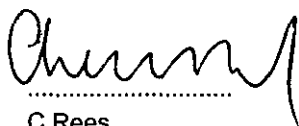
There are no recognised gains and losses other than those passing through the profit and loss account.

AMBITION RECRUITMENT SERVICES LTD

BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	8		199,408		186,691
Current assets					
Debtors	9	7,171,343		6,701,682	
Cash at bank and in hand		8,956,279		7,267,632	
		
		16,127,622		13,969,314	
Creditors: amounts falling due within one year	10	(13,637,240)		(12,001,433)	
		
Net current assets			2,490,382		1,967,881
		
Total assets less current liabilities			2,689,790		2,154,572
		
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13	2,689,788		2,154,570	
		
Shareholders' funds - equity interests	14	2,689,790		2,154,572	
		

The financial statements were approved by the Board on **10 MARCH 2005**



C Rees
Director


P Streeter
Director

AMBITION RECRUITMENT SERVICES LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	£	2004 £	£	2003 £
Net cash inflow from operating activities		6,053,675		1,188,332
Returns on investments and servicing of finance				
Interest received	261,004		278,323	
Interest paid	(639)		(900)	
	
Net cash inflow for returns on investments and servicing of finance		260,365		277,423
Taxation		(1,526,902)		(54,588)
Capital expenditure				
Payments to acquire intangible assets	(130,491)		(90,007)	
Receipts from sales of tangible assets	32,000		-	
	
Net cash outflow for capital expenditure		(98,491)		(90,007)
Equity dividends paid		(3,000,000)		-
	
Net cash inflow before management of liquid resources and financing		1,688,647		1,321,160
Management of liquid resources				
Bank deposits	(1,580,000)		(7,056,000)	
	
		(1,580,000)		(7,056,000)
Financing				
Capital element of hire purchase contracts	-		(28,213)	
	
Net cash outflow from financing		-		(28,213)
	
Increase/(decrease) in cash in the year		108,647		(5,763,053)
	

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	768,453	4,220,734
	Depreciation of tangible assets	85,330	103,088
	Loss on disposal of tangible assets	444	-
	(Increase)/decrease in debtors	(469,661)	1,195,535
	Increase/(decrease) in creditors within one year	5,669,109	(4,331,025)
	
	Net cash inflow from operating activities	6,053,675	1,188,332
	

2	Analysis of net funds	1 July 2003	Cash flow	Other non-cash changes	30 June 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	211,632	108,647	-	320,279
	
	Liquid resources:				
	Bank deposits	7,056,000	1,580,000	-	8,636,000
	
	
	Net funds	7,267,632	1,688,647	-	8,956,279
	

3	Reconciliation of net cash flow to movement in net funds	2004	2003
		£	£
	Increase/(decrease) in cash in the year	108,647	(5,763,053)
	Cash outflow from increase in liquid resources	1,580,000	7,056,000
	Cash (inflow)/outflow from (increase)/decrease in debt	-	28,213
	
	Movement in net funds in the year	1,688,647	1,321,160
	Opening net funds	7,267,632	5,946,472
	
	Closing net funds	8,956,279	7,267,632
	

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services, net of VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	50% Reducing Balance
Fixtures, fittings & equipment	25% Reducing Balance
Motor vehicles	25% Reducing Balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The defined contribution pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.7 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2004**

3	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	85,330	103,088
	Loss on disposal of tangible assets	444	-
	Operating lease rentals	352,352	287,906
	Auditors' remuneration	4,637	15,000
	
4	Investment income	2004	2003
		£	£
	Bank interest	261,004	278,323
	
5	Interest payable	2004	2003
		£	£
	Hire purchase interest	-	900
	On overdue tax	639	-
	
		639	900
	

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2004**

6	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	364,600	1,397,902
	Adjustment for prior years	129,000	(3,639)
	
	Current tax charge	493,600	1,394,263
	
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,028,818	4,498,157
	
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	308,645	1,349,447
	
	Effects of:		
	Non deductible expenses	3,322	3,357
	Depreciation add back	27,143	30,926
	Capital allowances	(26,721)	(21,828)
	Adjustments to previous periods	129,000	(3,639)
	Provisions tax adjustment	42,000	36,000
	Other tax adjustments	10,211	-
	
		184,955	44,816
	
	Current tax charge	493,600	1,394,263
	
7	Dividends	2004	2003
		£	£
	Ordinary final proposed	-	3,000,000
	

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2003	225,451	97,725	148,468	471,644
Additions	-	2,347	128,144	130,491
Disposals	-	-	(73,125)	(73,125)

At 30 June 2004	225,451	100,072	203,487	529,010

Depreciation				
At 1 July 2003	164,165	47,778	73,010	284,953
On disposals	-	-	(40,681)	(40,681)
Charge for the year	30,643	13,073	41,614	85,330

At 30 June 2004	194,808	60,851	73,943	329,602

Net book value				
At 30 June 2004	30,643	39,221	129,544	199,408

At 30 June 2003	61,286	49,947	75,458	186,691

9 Debtors

	2004	2003
	£	£
Trade debtors	5,292,860	5,500,029
Other debtors	5,000	24,154
Prepayments and accrued income	1,873,483	1,177,499

	7,171,343	6,701,682

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2004**

10 Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	165,668	97,988
Corporation tax	364,600	1,397,902
Other taxes and social security costs	993,809	940,313
Directors' current accounts	2,139,041	43,213
Other creditors	171,420	355,494
Accruals and deferred income	9,802,702	6,166,523
Proposed dividend	-	3,000,000

	13,637,240	12,001,433

11 Pension costs

Defined contribution

	2004	2003
	£	£
Contributions payable by the company for the year	20,006	12,953

12 Share capital	2004	2003
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2003	2,154,570
Retained profit for the year	535,218

Balance at 30 June 2004	2,689,788

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

14 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Profit for the financial year	535,218	3,103,894
Dividends	-	(3,000,000)

Net addition to shareholders' funds	535,218	103,894
Opening shareholders' funds	2,154,572	2,050,678

Closing shareholders' funds	2,689,790	2,154,572

15 Financial commitments

At 30 June 2004 the company was committed to making the following payments under non-cancellable operating leases in the year 30 June 2005:

	Land and buildings		Other	
	2004 £	2003 £	2004 £	2003 £
Operating leases which expire:				
Within one year	16,523	4,160	-	3,412
Between two and five years	254,607	232,550	-	-
In over five years	10,363	27,895	-	-

	281,493	264,605	-	3,412

16 Directors' emoluments	2004 £	2003 £
Emoluments for qualifying services	3,654,505	176,991
Company pension contributions to money purchase schemes	8,030	3,000

	3,662,535	179,991

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2003- 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	3,524,529	175,273
Company pension contributions to money purchase schemes	2,200	3,000

AMBITION RECRUITMENT SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

17 Employees

Number of employees

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

	2004 Number	2003 Number
Directors	2	1
Administration	173	132

	175	133

Employment costs

	£	£
Wages and salaries	10,682,493	6,940,289
Social security costs	1,264,527	786,085
Other pension costs	20,006	12,953

	11,809,106	7,739,327

18 Related party transactions

At the year end the company owed M Hewson £171,420 (2003: £355,494), who is the mother of P Streeter a director of the company.