

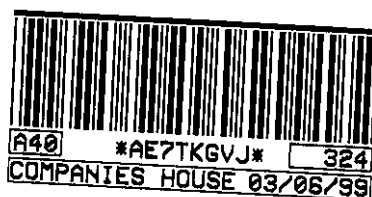
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QED Recruitment Specialists Limited

Report and Financial Statements

Period Ended

30 September 1998



BDO Stoy Hayward
Chartered Accountants

QED RECRUITMENT SPECIALISTS LIMITED

Report and financial statements for the period ended 30 September 1998

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Directors

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Directors

J Caan
D Holton
R Marek
P Marek

Secretary and registered office

D Holton, Alexander House, 9-11 Fulwood Place, London, WC1V, 6HG

Company number

3470417

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

QED RECRUITMENT SPECIALISTS LIMITED

Report of the directors for the period ended 30 September 1998

The directors present their report together with the audited financial statements for the period ended 30 September 1998. The company was incorporated on 24 November 1997.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the period. The directors recommend the payment of a dividend of £24,000.

Principal activities, trading review and future developments

The principal activity of the company is that of professional recruitment consultants.

Year 2000

The directors are reviewing the likely impact of the Year 2000 issue on the company's operations. They do not consider that the business will be affected to any significant extent, nor do they anticipate any material costs being incurred in addressing the issue.

Post Balance Sheet Events

Subsequent to the year-end, QED Recruitment Specialists Limited and a number of related companies, in which James Caan has an interest, became part of a group

Directors

The directors of the company during the period and their beneficial interest in the shares of the company were as follows:

	Ordinary shares 30 September 1998
J Caan	-
D Holton	-
P Marek	-
R Marek	25

J Caan is a Director of the company's parent company and his beneficial interests in the shares of the parent company are shown in its financial statements.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;

QED RECRUITMENT SPECIALISTS LIMITED

Report of the directors for the period ended 30 September 1998 *(Continued)*

Directors' responsibilities *(Continued)*

- make judgements and estimates that are reasonable and prudent; and
- 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.

Auditors

BDO Stoy Hayward, who were appointed as first auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

D Holton

Secretary

Date

29 April 1999

QED RECRUITMENT SPECIALISTS LIMITED

Report of the auditors

To the shareholders of QED Recruitment Specialists Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*

London

Date

29 April 1999

QED RECRUITMENT SPECIALISTS LIMITED**Profit and loss account for the period ended 30 September 1998**

	Note	£
Turnover	2	516,387
Cost of sales		360,737
Gross profit		155,650
Administrative expenses		102,345
Operating profit		53,305
Interest payable and similar charges		65
Profit on ordinary activities before taxation	5	53,240
Taxation on profits from ordinary activities	6	13,310
Profit on ordinary activities after taxation		39,930
Dividends	7	24,000
Retained profit for the period		15,930

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 10 form part of these financial statements

QED RECRUITMENT SPECIALISTS LIMITED

Reconciliation of movements in shareholders' funds for the period ended 30 September 1998

£

Reconciliation of movements in shareholders' funds

Profit for the financial period	39,930
New share capital subscribed	100
Dividends proposed	(24,000)

Shareholders' funds at 30 September 1998	16,030
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The notes on pages 7 to 10 form part of these financial statements

QED RECRUITMENT SPECIALISTS LIMITED

Balance sheet at 30 September 1998

	Note	£	£
Fixed assets			
Tangible assets	8		3,022
Current assets			
Debtors	9	180,416	
Cash at bank and in hand		41,629	
		<hr/>	
		222,045	
Creditors: amounts falling due within one year	10	209,037	
		<hr/>	
Net current assets			13,008
			<hr/>
Total assets less current liabilities			16,030
			<hr/>
Shareholders' funds			
Called up share capital	11		100
Profit and loss account			15,930
			<hr/>
			16,030
			<hr/>

The financial statements were approved by the Board on 29 April 1999



J Caan
Director

The notes on pages 7 to 10 form part of these financial statements

QED RECRUITMENT SPECIALISTS LIMITED

Notes forming part of the financial statements for the period ended 30 September 1998

3 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer equipment	- 50% of net book value
Fixtures and fittings	- 25% of net book value

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

3 Turnover

All turnover arose within the UK.

QED RECRUITMENT SPECIALISTS LIMITED

Notes forming part of the financial statements for the period ended 30 September 1998 (Continued)

3	Employees	£
	Staff costs consist of:	
	Wages and salaries	45,168
	Social security costs	4,401
		<hr/>
		49,569
		<hr/>
	The average number of employees during the period was as follows:	Number
	Sales	2
	Administration	1
		<hr/>
		3
		<hr/>
	Directors' emoluments	£
	Directors' remuneration	20,833
	Benefits in kind	2,715
		<hr/>
		23,548
		<hr/>
4	Interest payable and similar charges	
	Bank charges	65
		<hr/>
5	Profit on ordinary activities before taxation	
	This is arrived at after charging:	
	Depreciation	2,311
	Auditors' remuneration	1,000
	Directors' emoluments	23,548
		<hr/>
6	Taxation on profits from ordinary activities	
	U.K. corporation tax	13,310
		<hr/>

QED RECRUITMENT SPECIALISTS LIMITED

Notes forming part of the financial statements for the period ended 30 September 1998 (*Continued*)

7 Dividends			£
Final proposed dividend of £240 per share			24,000
8 Tangible assets			
	Computer equipment £	Fixtures and fittings £	Total £
<i>Cost</i>			
Additions and at end of period	3,910	1,423	5,333
<i>Depreciation</i>			
Provided for the period and at end of period	1,955	356	2,311
<i>Net book value</i>			
At 30 September 1998	1,955	1,067	3,022
9 Debtors			£
Trade debtors			137,143
Other debtors			465
ACT recoverable			6,000
Prepayments and accrued income			36,808
			180,416
All amounts shown under debtors with the exception of ACT recoverable fall due for payment within one year.			
10 Creditors: amounts falling due within one year			£
Trade creditors			1,949
Other creditors			3,624
Creditors for taxation and social security			62,367
Corporation tax			13,310
Amounts owed to related companies			90,737
Dividends proposed			24,000
Accruals			550
Directors loan account			12,500
			209,037

QED RECRUITMENT SPECIALISTS LIMITED

Notes forming part of the financial statements for the period ended 30 September 1998 (Continued)

11 Share capital

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

12 Related party transactions

During the period, the company was charged management expenses amounting to £12,300 by Alexander Mann Associates Plc, a company of which J Caan is a director and shareholder. The amount owed to that company at 30 September 1998 as shown in note 10 also includes certain routine operating costs paid, and revenues collected, by the related company on behalf of the company.

13 Ultimate Holding Company

The ultimate holding company is Alexander Mann Associates Plc. Copies of its financial statements can be obtained from the company's registered office.