

30 June 2002



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## Director's report

The director presents the annual report and the audited financial statements for the period ended 30 June 2002.

### Principal activities

WorkDirections UK Limited (formerly WorkDirections Limited) was established to provide welfare-to-work services in the United Kingdom.

### Business review

WorkDirections UK Limited (formerly WorkDirections Limited) was incorporated on 12 November 2001. The results for the period ended 30 June 2002 are set out on page 4.

WorkDirections UK Limited (formerly WorkDirections Limited) has succeeded in winning two major contracts to deliver the New Deal (the UK Governments' flagship welfare-to-work programme) in Hammersmith and Fulham and in Westminster, Kensington and Chelsea. These contracts alone are expected to generate in excess of £18 million in turnover over the life of a three year contract (with the possibility of an extension to five years). The loss this period represents the costs incurred in winning this new business.

On 24 September 2002, the company changed its name to WorkDirections UK Limited.

### Proposed dividend

The director does not propose the payment of a dividend in respect of the period.

### Directors and directors' interests

The directors who held office during the year were as follows:

	Interest at end of period 2002
Stephen John Martin (resigned 11 March 2002)	-
Thérèse Virginia Rein (appointed 11 March 2002)	1

The entire share capital of the company was transferred to Ingeus UK Limited (formerly Work Directions UK Holdings Limited) on 12 March 2002.

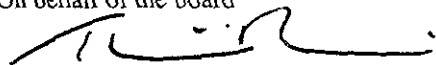
### Political and charitable contributions

The company did not make any political or charitable contributions during the year.

### Auditors

KPMG LLP were appointed as auditors during the period. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board



Thérèse Virginia Rein  
Director

165 Queen Victoria Street  
London  
EC4V 4DD

21 October 2002

## Statement of director's responsibilities

Company law requires the director 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 for that year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. She has general responsibility for taking such steps as are reasonably open to her to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



8 Salisbury Square  
London EC4Y 8BB

## **Report of the independent auditors to the members of WorkDirections UK Limited (formerly WorkDirections Limited)**

We have audited the financial statements on pages 4 to 10.

### **Respective responsibilities of director and auditors**

The director is responsible for preparing the director's report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 Companies Act 1985. We also report to you if, in our opinion, the director's 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.

### **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 director 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 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG LLP**  
*Chartered Accountants  
Registered Auditor*

25 October 2002

**Profit and loss account**  
*for the period ended 30 June 2002*

	<i>Note</i>	<b>2002</b> <b>£</b>
Administrative expenses		(212,757)
<b>Operating loss</b>		<b>(211,757)</b>
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	<b>(212,757)</b>
Tax on profit on ordinary activities	5	42,201
<b>Loss for the period</b>		<b>(170,556)</b>

All results for the period are attributable to continuing activities.

There are no recognised gains or losses other than the results in the period shown.

The financial statements have been prepared on an unmodified historical cost basis.

**Balance sheet**  
 at 30 June 2002

	Note	£	2002 £
<b>Fixed assets</b>			
Tangible assets	6		8,871
<b>Current assets</b>			
Debtors	7	43,009	
Cash at bank and in hand		34,498	
		<u>77,507</u>	
<b>Creditors: amounts falling due within one year</b>	8	(256,932)	
<b>Net current liabilities</b>			<u>(179,425)</u>
<b>Total assets less current liabilities</b>			<u>(170,554)</u>
<b>Capital and reserves</b>			
Called up share capital	10		2
Profit and loss account	11		<u>(170,556)</u>
<b>Equity shareholders' funds</b>	11		<u>(170,554)</u>

These financial statements were approved by the director on 21 October 2002 and were signed by:



**Thérèse Virginia Rein**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements have been prepared on a going concern basis which the director believes appropriate for the following reason. The company is reliant for its working capital on funds provided to it by the company's ultimate parent undertaking, Ingeus Limited (formerly Work Directions Australia Pty Limited), which has provided the company with an undertaking that it will, for at least twelve months from the date of the approval of these financial statements, continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement as its results are consolidated in the financial statements of Ingeus Limited (formerly Work Directions Australia Pty Limited) which are available to the public and which hold 100% of the share capital of the company.

The company has taken advantage of the partial exemption available to subsidiary undertakings under FRS 8 (related party disclosures) not to disclose transactions with parent and fellow subsidiary undertakings.

#### *Fixed assets and depreciation*

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

Computer equipment	- 40% reducing balance
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#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences.

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Income in relation to the surrender of losses for group relief are credited to the profit and loss account, only to the extent of the future estimated profits of the company.

#### *Foreign currencies*

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.



## Notes (continued)

### 2 Loss on ordinary activities before taxation

2002  
£

*Loss on ordinary activities before taxation is stated after charging*

Auditors' remuneration:

Audit

3,575

Other services

8,458

Operating lease payments - rent

11,337

Operating lease payments - other

835

Depreciation and other amounts written off owned tangible fixed assets

1,078

### 3 Director's remuneration

The director was not remunerated by the company during the period.

### 4 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the period, analysed by category, was as follow:

Number of employees  
2002

Management

3

Administration

1

4

The aggregate payroll costs of these persons were as follows:

2002  
£

Wages and salaries

59,583

Social security costs

6,257

65,840

**Notes (continued)**

**5 Taxation**

Analysis of charge on period	2002
	£
<i>UK corporation tax</i>	
Current tax on income for the period	-
Deferred tax asset	42,201
	<hr/>
Tax on loss on ordinary activities	42,201
	<hr/>
	£
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(212,757)
	<hr/>
Current tax at 20%	(42,551)
<i>Effects of:</i>	
Capital allowances in excess of depreciation	(282)
Expenses not deductible for tax purposes	632
Tax losses carried forward	42,201
	<hr/>
Total current tax charge	-
	<hr/>

**Notes (continued)**

**6 Tangible fixed assets**

	Computer equipment £	Total £
<i>Cost</i>		
At beginning of period	-	-
Additions	9,949	9,949
	<hr/>	<hr/>
At end of period	9,949	9,949
	<hr/>	<hr/>
<i>Depreciation</i>		
At beginning of period	-	-
Charge for period	(1,078)	(1,078)
	<hr/>	<hr/>
At end of period	(1,078)	(1,078)
	<hr/>	<hr/>
<i>Net book value</i>		
At 30 June 2002	8,871	8,871
	<hr/>	<hr/>

**7 Debtors**

	2002 £
Prepayments and accrued income	808
Deferred tax asset	42,201
	<hr/>
	43,009
	<hr/>

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

	2002 £
Amounts owed to parent company	189,384
Other creditors	4,532
Accruals and deferred income	63,016
	<hr/>
	256,932
	<hr/>

**Notes (continued)**

**9 Operating lease commitments**

**Land and  
buildings  
£**

Within one year

20,360

20,360

**10 Called up share capital**

**2002  
£**

*Authorised*

1,000 ordinary shares of £1 each

1,000

*Allotted, called up and fully paid*

2 ordinary shares of £1 each

2

**11 Reconciliation of movement in shareholders' deficit**

**2002  
£**

Issue of ordinary share capital

2

Loss for the period

(170,556)

**Shareholders' deficit at the end of the year**

**(170,554)**

**12 Ultimate parent company and controlling parties**

The company is a subsidiary undertaking of Ingeus UK Limited, incorporated in the United Kingdom. The largest group in which the results of the company are consolidated is that headed by Ingeus Limited (formerly Work Directions Australia Pty Limited). The consolidated accounts of the group are available to the public and may be obtained from the registered office of Ingeus Limited (formerly Work Directions Australia Pty Limited) (Waterfront Place, Level 19, 1 Eagle Street, Brisbane Qld 4000).

The name of the ultimate parent company was changed to Work Directions Australia Limited on 1 July 2002 and then to Ingeus Limited on 30 September 2002.