

Reliance Service Bureau Limited

Annual report and accounts
for the year ended 31 December 2000

Registered number: 575320



Directors and Officers

Directors

D F Cornish

C P Martin

M R Sarson

Registered office

22 Carlisle Place

London

SW1P 1JA

Auditors

Ernst & Young LLP

400 Capability Green

Luton

LU1 3LU

Directors' report

For the year ended 31 December 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 2000.

Principal activities and business review

The company did not trade during the financial year and accordingly no profit and loss account is presented. The directors are considering any future operations of the company within the Corporate Services Group.

Dividends

The directors do not recommend the payment of a dividend (1999: £ Nil).

Directors

The directors who served during the year were:

D F Cornish
D A Lake (resigned 3 August 2001)
M R Sarson

C P Martin was appointed a director on 3 August 2001.

Directors' interests in shares

None of the directors had any interest in the share capital of the company at any time.

D F Cornish and D A Lake were directors of the ultimate parent company at 31 December 2000 and their interests in the share capital of that company are as shown in the accounts of that company.

The interests in the share capital of the ultimate parent company of the other directors holding office at 31 December 2000 were as follows:

	Share options 1999 (as restated for rights issue during year)	Share options 2000 Number	Ordinary shares of 10p each 2000 Number	Ordinary shares of 10p each 1999 Number
M R Sarson		78,603	-	-

Auditors

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 27 September 2001. A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming annual general meeting.

Directors' report (continued)

This report was approved by the board on 28 September 2001.

A handwritten signature in black ink, appearing to read 'M R Sarson', written in a cursive style.

M R Sarson
Director

22 Carlisle Place
London
SW1P 1JA

Directors' responsibilities

Accounts, including adoption of going concern basis

Company law requires the directors to prepare accounts 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 period. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts. In preparing the accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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' report

To the shareholders of Reliance Service Bureau Limited

We have audited the accounts on pages 5 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP

Registered Auditors
Luton

28 September 2001.

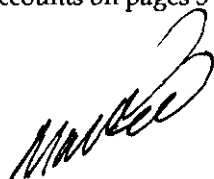
Balance sheet

31 December 2000

	Notes	2000 £	1999 £
Current assets			
Cash at bank		4,365	4,365
Creditors: amounts falling due within one year	3	<u>(489,067)</u>	<u>(489,067)</u>
Total assets less current liabilities		<u>(484,702)</u>	<u>(484,702)</u>
Capital and reserves			
Called up share capital	4	6,969	6,969
Profit and loss account		<u>(491,671)</u>	<u>(491,671)</u>
Equity shareholders' funds		<u>(484,702)</u>	<u>(484,702)</u>

The accompanying notes are an integral part of this balance sheet.

The accounts on pages 5 to 7 were approved by the board on 28 September 2001.



M R Sarson
Director

Notes to the accounts

31 December 2000

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) *Basis of accounting*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

As at 31 December 2000, the company's liabilities exceeded its assets. The company is dependent, in the absence of other funding, on the continued support of the ultimate parent company, The Corporate Services Group PLC. The ultimate parent company has confirmed that it will continue to support the company. On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that might be necessary if The Corporate Services Group PLC were not to provide further support.

b) *Profit and loss account*

The company did not trade during the current or preceding year and, accordingly, a profit and loss account has not been prepared.

c) *Cashflow statement*

The company has not prepared a cashflow statement as it is exempt under the provisions of Financial Reporting Standard No. 1 (revised).

2. Directors

No remuneration was paid to the directors during the year (1999: £ Nil). 218,954 options to acquire shares in the ultimate parent company were granted to the directors during the year. No director exercised options over shares in the ultimate parent company during the year.

3. Creditors: amounts falling due within one year

	2000 £	1999 £
Amounts owed to other group undertakings	488,056	488,056
Corporation tax	1,011	1,011
	<u>489,067</u>	<u>489,067</u>

Notes to the accounts (continued)

4. Share capital

	2000 £	1999 £
Authorised		
9,931 ordinary shares of £1 each	9,931	9,931
6,900 ordinary shares of £0.01 each	69	69
	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid		
6,900 ordinary shares of £1 each	6,900	6,900
6,900 ordinary shares of £0.01 each	69	69
	<u>6,969</u>	<u>6,969</u>

5. Contingent liabilities

The company has given cross guarantees as follows:

- As part of the overdraft facility of the group of which the company is a member; the net aggregate amount outstanding against this facility at 31 December 2000 was £1,063,000 (1999: £5,126,000).
- In respect of borrowings by the ultimate parent company; the net aggregate amount outstanding at 31 December 2000 was £2,144,000 (1999: £2,493,000).

6. Related party transactions

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group undertakings under the provisions of Financial Reporting Standard No. 8 "Related Party Disclosures".

7. Parent undertakings and controlling party

The company's immediate parent undertaking is Blue Arrow Limited (formerly Blue Arrow Personnel Services Limited), a company incorporated in Great Britain. The directors regard The Corporate Services Group PLC, a company incorporated in Great Britain, as the ultimate parent undertaking and the ultimate controlling party.

The parent undertaking of the largest and smallest group which includes the company and for which group accounts are prepared is The Corporate Services Group PLC. Copies of the group accounts of The Corporate Services Group PLC have been delivered to, and are available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.