

Goodchild's Employment Agency Limited

Annual report and accounts
for the year ended 31 December 2001

Registered number: 1641345



Directors and Officers

Directors

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 2001

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 2001.

Principal activities and business review

The company did not trade during the financial year. The directors are considering any future operations of the company within The Corporate Services Group PLC.

The subsidiary undertakings of the company are listed in note 3 to the accounts. Consolidated accounts are not presented as the company takes advantage of the exemption afforded by Section 228 of the Companies Act 1985.

Results and dividends

The audited accounts for the year ended 31 December 2001 are set out on pages 5 to 9. The company's loss for the year after taxation was £ 1,308,126 (2000: £ Nil).

The directors do not recommend the payment of a dividend (2000: £ Nil).

Directors

The directors who served during the year were:

D A Lake (resigned 3 August 2001)

C P Martin (appointed 3 August 2001)

M R Sarson

Directors' interests in shares

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

The interests in the share capital of the ultimate parent company of the directors holding office at 31 December 2001 were as follows:

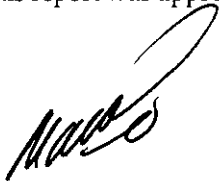
	Share options 2001 Number	Share options (or date of appointment) 2000 Number	Ordinary shares of 10p each 2001 Number	Ordinary shares of 10p each 2000 (or date of appointment) Number
C P Martin	688,521	208,521	-	-
M R Sarson	78,603	78,603	-	-

Directors' report (continued)

Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming annual general meeting.

This report was approved by the board on 25 September 2002.

A handwritten signature in black ink, appearing to read 'M R Sarson', is written over a horizontal line.

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.

Independent auditors' report

To the shareholders of Goodchild's Employment Agency Limited

We have audited the company's accounts for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 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 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 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 as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP

Registered Auditors

Luton

25 September 2002.

Profit and loss account

For the year ended 31 December 2001

	Notes	2001 £	2000 £
Amounts written off investments	3	<u>(1,308,126)</u>	<u>-</u>
Loss for the year	7	<u>(1,308,126)</u>	<u>-</u>

There are no recognised gains or losses other than the loss for the financial year as shown in the profit and loss account.

The accompanying notes are an integral part of this profit and loss account.

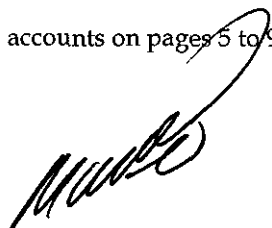
Balance sheet

31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Investments	3	<u>3,844,091</u>	<u>5,152,217</u>
Current assets			
Debtors	4	4,071,512	4,071,512
Creditors: amounts falling due within one year	5	<u>(3,747,844)</u>	<u>(3,747,844)</u>
Net current assets		<u>323,668</u>	<u>323,668</u>
Total assets less current liabilities		<u>4,167,759</u>	<u>5,475,885</u>
Capital and reserves			
Called up share capital	6	5,020,000	5,020,000
Profit and loss account	7	<u>(852,241)</u>	<u>455,885</u>
Equity shareholders' funds	8	<u>4,167,759</u>	<u>5,475,885</u>

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

The accounts on pages 5 to 9 were approved by the board on 25 September 2002.



M R Sarson
Director

Notes to the accounts

31 December 2001

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.

b) Investments

Fixed asset investments are shown at cost less provision for diminution in value.

c) Consolidation

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare group accounts because it is a wholly owned subsidiary of The Corporate Services Group PLC which prepares consolidated accounts which are publicly available. Accordingly, these accounts are those of the company and not of its group.

2. Directors

No remuneration was paid to the directors during the year (2000: £ Nil). 480,000 options to acquire shares in the ultimate parent company were granted to one director during the year. No director exercised options over shares in the ultimate parent company and 266,648 options lapsed unexercised.

3. Fixed asset investments

Investment in subsidiary undertakings	£
Cost	
1 January 2001	5,152,217
31 December 2001	5,152,217
Amounts provided	
1 January 2001	-
Charge for year	1,308,126
31 December 2001	1,308,126
Net book value	
31 December 2001	3,844,091
1 January 2001	5,152,217

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Notes to the accounts (continued)

3. Fixed asset investments (continued)

The company has investments in the following subsidiary undertakings:

Name of subsidiary undertaking	Principal activities	Class of shares held	Holding
Forward Recruitment Consultants Limited	Holding company	Ordinary	100%
Austin Benn Consultants Limited	Dormant	Ordinary	100%
Southern Staff Agency Limited	Dormant	Ordinary	100%

4. Debtors

	2001 £	2000 £
Amounts owed by other group undertakings	4,071,512	4,071,439
Other debtors	-	73
	<u>4,071,512</u>	<u>4,071,512</u>

5. Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts owed to other group undertakings	3,604,844	3,604,844
Corporation tax	143,000	143,000
	<u>3,747,844</u>	<u>3,747,844</u>

6. Share capital

	2001 £	2000 £
Authorised		
5,500,000 Ordinary shares of £1 each	<u>5,500,000</u>	<u>5,500,000</u>
Allotted, issued and fully paid		
5,020,000 Ordinary shares of £1 each	<u>5,020,000</u>	<u>5,020,000</u>

7. Reserves

	Profit and loss account £
1 January 2001	455,885
Loss for the year	<u>(1,308,126)</u>
31 December 2001	<u>(852,241)</u>

Notes to the accounts (continued)

8. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Loss for the year	(1,308,126)	-
Net reduction in shareholders' funds	(1,308,126)	-
Opening shareholders' funds	5,475,885	5,475,885
Closing shareholders' funds	4,167,759	5,475,885

9. Contingent liabilities

The company has given cross guarantees as follows:

- As part of the invoice discounting facility; the net aggregate amount outstanding against this facility at 31 December 2001 was £14,748,000 (2000: £55,879,000).
- As part of the overdraft facility; the net aggregate amount outstanding against this facility at 31 December 2001 was £ Nil (2000: £1,063,000).
- In respect of borrowings by the ultimate parent company; the net aggregate amount outstanding at 31 December 2001 was £ Nil (2000: £2,144,000).

10. 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".

11. Parent undertakings and controlling party

The company's immediate parent undertaking is Austin Benn 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.