

REGISTRAR

BARKER ROSS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996
Registered No. 2234535



BARKER ROSS LIMITED

DIRECTORS

P A Ross
T R White

SECRETARY

R J F Glover

REGISTERED OFFICE

7 Faraday Court
36 Conduit Street
Leicester
LE2 0JN

AUDITORS

Morison Stoneham
Chartered Accountants
805 Salisbury House
31 Finsbury Circus
London
EC2M 5SQ

BARKER ROSS LIMITED

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FOR THE YEAR ENDED 30 JUNE 1996**

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BARKER ROSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1996

The directors present their report and the audited financial statements for the year ended 30 June 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company continue to be those of an employment agency and temporary staff placement.

During the last year the company has traded successfully. An encouraging start has been made to the current financial year.

DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £11,849 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the shares of the company as recorded in the register of the directors' interests were as follows:

	Ordinary Shares of £1 each	
	1996	1995
P A Ross	-	-
T R White	-	-

P A Ross is also a director of Barker Ross Holdings Limited, the parent company at 30 June 1996. His interest in the share capital of Barker Ross Holdings Limited is shown in the financial statements of that company.

M J Krajewski and E J Anderson resigned as directors on 4 April 1996.

BARKER ROSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1996 - continued

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 the affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

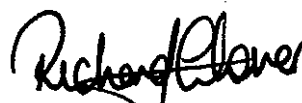
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The auditors, Morison Stoneham, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

On behalf of the Board



R J F Glover
Secretary

11 October 1996

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

BARKER ROSS LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of 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 affairs of the company as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

805 Salisbury House
31 Finsbury Circus
London EC2M 5SQ

11 October 1996



MORISON STONEHAM
Registered Auditors
Chartered Accountants

BARKER ROSS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1996**

	Note	1996 £	1995 £
FEES RECEIVED		5,491,348	4,702,624
Cost of sales		(4,450,258)	(3,716,574)
GROSS PROFIT		1,041,090	986,050
Establishment expenses		(121,009)	(70,891)
Administrative expenses		(877,249)	(754,926)
OPERATING PROFIT	2	42,832	160,233
Interest payable	3	(26,486)	(21,069)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,346	139,164
Tax on profit on ordinary activities	6	(4,497)	(46,033)
PROFIT FOR THE FINANCIAL YEAR	14	11,849	93,131

None of the company's activities were acquired or discontinued during the above two financial years.

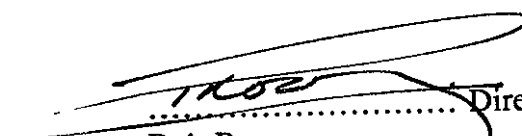
The company has no recognised gains or losses other than those dealt with in the profit and loss account.

BARKER ROSS LIMITED

BALANCE SHEET AT 30 JUNE 1996

	Note	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible assets	7		233,304		158,865
CURRENT ASSETS					
Debtors	8	622,789		725,353	
Cash at bank and in hand		3,633		4,527	
		<u>626,422</u>		<u>729,880</u>	
CREDITORS: Amounts falling due within one year	9	<u>(663,161)</u>		<u>(726,701)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>(36,739)</u>		<u>3,179</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			196,565		162,044
CREDITORS: Amounts falling due after more than one year	10		(37,200)		(14,528)
PROVISIONS FOR LIABILITIES AND CHARGES	12		<u>(9,838)</u>		<u>(9,838)</u>
			<u>149,527</u>		<u>137,678</u>
CAPITAL AND RESERVES					
Called up share capital	13		25,000		10,000
Profit and loss account	14		<u>124,527</u>		<u>127,678</u>
Shareholders' funds	15		<u>149,527</u>		<u>137,678</u>

The financial statements were approved
by the board on 11 October 1996
and signed on its behalf by


..... Director
P A Ross

11 October 1996

BARKER ROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention.

1.2 Turnover

Turnover represents the total value, excluding value added tax of services invoiced during the year.

1.3 Depreciation

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

1.4 Deferred taxation

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.5 Leasing and hire purchase

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonable constant charge on the outstanding liability.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.6 Pensions

Contributions are charge to the profit and loss as they become payable in accordance with the rules of the schemes.

1.7 Cash flow statement

The company is a small company as defined by the Companies Act 1985. The company has taken advantage of the concession available to small companies and accordingly has not prepared a cash flow statement.

BARKER ROSS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996 - continued****2. OPERATING PROFIT**

	1996 £	1995 £
Operating profit is stated after charging/(crediting):		
Depreciation	51,117	37,390
Loss on disposal	5,885	295
Auditors' remuneration	3,900	3,700
Hire of equipment	8,780	2,488
	<u> </u>	<u> </u>

3. INTEREST PAYABLE

	1996 £	1995 £
Hire purchase interest	5,591	9,063
Other interest	20,895	12,006
	<u> </u>	<u> </u>
	26,486	21,069
	<u> </u>	<u> </u>

4. DIRECTORS AND EMPLOYEES

	1996 £	1995 £
Staff costs:-		
Wages and salaries	446,819	389,742
Social security costs	44,351	37,247
Other pension costs	15,334	13,195
	<u> </u>	<u> </u>
	506,504	440,184
	<u> </u>	<u> </u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Sales staff	12	9
Management and administrative	14	10
	<u> </u>	<u> </u>
	26	19
	<u> </u>	<u> </u>

Directors' emoluments:-

Remuneration for management services (including pension contributions)	£142,713	£102,302
	<u> </u>	<u> </u>

BARKER ROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 - continued

4. DIRECTORS AND EMPLOYEES - continued

The division of directors' emoluments, excluding pension contributions, is as follows:-

Chairman		<u>£Nil</u>
Highest paid director	<u>£62,844</u>	<u>£46,985</u>

Other directors' remuneration fell within the following ranges:

	1996	1995
	no.	no.
Nil to £5,000	1	1
£30,001 to £35,000	1	-
£35,001 to £40,000	1	-
£40,001 to £45,000	-	1
	<u> </u>	<u> </u>

5. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £15,334 (1995: £13,195). All contributions were paid in the year.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996	1995
	£	£
The taxation charge based on the profit before tax comprises:-		
UK corporation tax at 24.75% (1995 - 33%)	3,700	39,379
Transfer to deferred taxation	-	6,654
	<u> </u>	<u> </u>
	3,700	46,033
Adjustment in respect of prior years	797	-
	<u> </u>	<u> </u>
	<u>4,497</u>	<u>46,033</u>

BARKER ROSS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996 - continued****7. TANGIBLE FIXED ASSETS**

	Fixtures, fittings & office equipment £	Motor vehicles £	Total £
Cost			
At 1 July 1995	93,365	116,423	209,788
Additions	71,532	87,587	159,119
Disposals	(17,225)	(62,256)	(79,481)
	<u>147,672</u>	<u>141,754</u>	<u>289,426</u>
Depreciation			
At 1 July 1995	20,386	30,537	50,923
Charge for year	19,459	31,658	51,117
Disposals	(13,597)	(32,321)	(45,918)
	<u>26,248</u>	<u>29,874</u>	<u>56,122</u>
Net Book Value			
At 30 June 1996	<u>121,424</u>	<u>111,880</u>	<u>233,304</u>
At 30 June 1995	<u>72,979</u>	<u>85,886</u>	<u>158,865</u>

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1996 £	1995 £
Net book value	<u>92,706</u>	<u>69,643</u>
Depreciation charge for the year	<u>23,178</u>	<u>23,327</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

BARKER ROSS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996 - continued****8. DEBTORS**

	1996	1995
	£	£
Trade debtors	468,073	572,490
Amounts owed by fellow subsidiary undertakings	-	3,490
Other debtors	1,000	-
Prepayments and accrued income	153,716	149,373
	<u>622,789</u>	<u>725,353</u>

**9. CREDITORS: Amounts falling due
within one year**

	1996	1995
	£	£
Trade creditors	19,489	49,626
Amounts owed to fellow subsidiary undertakings	-	2,059
Amounts owed to parent company	-	29,959
Corporation tax	3,700	39,379
Other taxes and social security costs	258,952	240,631
Net obligations under finance leases and hire purchase contracts	33,278	23,684
Other creditors	179,678	193,095
Accruals and deferred income	168,064	148,268
	<u>663,161</u>	<u>726,701</u>

Other creditors include £179,678 (1995: £193,095) which is secured on the company's trade debtors.

**10. CREDITORS: Amounts falling due
after more than one year**

	1996	1995
	£	£
Net obligations under finance leases and hire purchase contracts	<u>37,200</u>	<u>14,528</u>

BARKER ROSS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996 - continued****11. NET OBLIGATIONS UNDER FINANCE LEASES AND
HIRE PURCHASE CONTRACTS**

	1996 £	1995 £
The company's net obligations under finance leases and hire purchase contracts are repayable as follows:		
In one year, or less or on demand	33,278	23,684
Between two and five years	37,200	14,528
	<u>70,478</u>	<u>38,212</u>
Included in current liabilities	(33,278)	(23,684)
	<u>37,200</u>	<u>14,528</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 24% (1995 - 35%) analysed over the following timing differences:-

	Fully Provided 1996 £	1995 £
On the excess of capital allowances over depreciation	<u>9,838</u>	<u>9,838</u>

13. SHARE CAPITAL

	1996 £	1995 £
Authorised		
Equity interests:		
Ordinary shares of £1 each	<u>100,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
Equity interests:		
Ordinary shares of £1 each	<u>25,000</u>	<u>10,000</u>

During the year the authorised share capital was increased to 100,000 £1 ordinary shares and 15,000 £1 ordinary shares were issued. These were financed from reserves in order to strengthen the financial position of the company.

BARKER ROSS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996 - continued****14. PROFIT AND LOSS ACCOUNT**

	1996 £	1995 £
Retained profits at 1 July 1995	127,678	34,547
Profit for the financial year	11,849	93,131
Capitalised by share issue	(15,000)	-
	<u>124,527</u>	<u>127,678</u>
Retained profits at 30 June 1996	<u>124,527</u>	<u>127,678</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	11,849	93,131
Shareholders' funds at 1 July 1995	137,678	44,547
	<u>149,527</u>	<u>137,678</u>
Shareholders' funds at 30 June 1996	<u>149,527</u>	<u>137,678</u>
Represented by:-		
Equity interests	<u>149,527</u>	<u>137,678</u>

16. FINANCIAL COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed accordingly to the expiry date of the leases.

	Land and buildings		Other	
	1996 £	1995 £	1996 £	1995 £
Expiry date:				
Between one and five years	<u>37,637</u>	<u>40,262</u>	<u>6,955</u>	<u>1,820</u>

BARKER ROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 - continued

17. CAPITAL COMMITMENTS

At 30 June 1996 contracts had been committed to, but had not yet been provided for in the accounts, for £nil (1995: £39,410).

18. RELATED PARTY TRANSACTION

The company acquired services at market value of £60,000 from the Blomfield Consultancy, a business in which two of the directors had an interest during the year.

19. ULTIMATE PARENT COMPANY

At the balance sheet date the company was a subsidiary undertaking of Barker Ross Holdings Limited, a company incorporated in Great Britain.