

Instant People Limited
(formerly CHC International Limited)

**Directors' report and financial
statements**

Registered number 2337791
year ended 28 February 2003



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Directors' report

The directors present their annual report and the audited financial statements for the period ended 28 February 2003.

Principal activity

The principal activity of the company is to incur occupancy costs which are recharged to its holding company, Spargonet Consultancy Plc.

Change of name

On 21 June 2002 the company changed its name to Instant People Limited.

Directors and directors' interests

The directors who held office throughout the year are as follows:

WAR Spargo

IC Chandler

Ms P Adams

Mr Spargo and Mr Chandler are also directors of the parent undertaking and their share interests are shown in the financial statements of the company.

The remaining director, Ms P Adams held 1,000 ordinary shares of £1 each in the parent undertaking at 28 February 2003.

Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



Ms P Adams
Secretary

31 Beaufort Close
Admirals Way
Waterside
Southquay
London
E14 9XL
16 September 2003

Statement of 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 affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



1 Waterloo Way
Leicester
LE1 6LP
United Kingdom

Independent auditor's report to the members of Instant People Limited

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the directors' 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 directors' 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 audit 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 28 February 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

22nd September 2003

Profit and loss account
for the year ended 28 February 2003

	<i>Note</i>	Year ended 28 February 2003	14 month period ended 28 February 2002
		£000	£000
Turnover			
Discontinued operations	2	-	586
Cost of sales		-	(475)
		<hr/>	<hr/>
Gross profit		-	111
Selling and distribution costs		-	(27)
Administrative expenses		(225)	(171)
Exceptional costs arising on reconstruction of the business		-	(232)
		<hr/>	<hr/>
Other operating income		225	95
		<hr/>	<hr/>
Operating loss – discontinued operations		-	(224)
Loss on sale of fixed assets		-	(18)
Assets written off on acquisition of business		-	(928)
Interest receivable and similar income	5	-	2
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	-	(1,168)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
Loss for the financial period		-	(1,168)
Dividends		-	(1,988)
		<hr/>	<hr/>
Retained loss for the financial period		-	(3,156)
		<hr/>	<hr/>
Statement of movement on reserves			
Retained (loss)/profit brought forward		(142)	3,014
Retained loss for the period		-	(3,156)
		<hr/>	<hr/>
Retained loss carried forward		(142)	(142)
		<hr/>	<hr/>

The company had no recognised gains and losses other than reported in the profit and loss account.

Balance sheet
as at 28 February 2003

	Note	2003 £000	2002 £000
Current assets			
Debtors	7	20	45
Cash at bank and in hand		9	-
		<u>29</u>	<u>45</u>
Creditors (amounts falling due within one year)	8	(29)	(45)
		<u>-</u>	<u>-</u>
Net current assets		-	-
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called up share capital	9	125	125
Share premium		17	17
Profit and loss account		(142)	(142)
		<u>-</u>	<u>-</u>
Equity shareholders' funds		<u>-</u>	<u>-</u>

These financial statements were approved by the board of directors on 16 September 2003 and were signed on its behalf by:



WAR Spargo
 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.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as 'operating leases' and the rental payments are charged to the profit and loss account on a straight line basis over the life of each lease.

Turnover

Turnover represented the amounts (excluding value added tax) derived from the provision of services to customers during the period.

2 Turnover

The turnover of the company for the previous period was derived from its principal activity wholly undertaken in the United Kingdom.

3 Result on ordinary activity before taxation

	Year ended 28 February 2003	14 month period ended 28 February 2002
	£000	£000
Result on ordinary activities before taxation is stated after charging:		
Exceptional restructuring costs	-	232
Depreciation	-	7
Operating lease rentals: - land and buildings	154	180
	<hr/>	<hr/>

The exceptional restructuring costs were associated with severance commitments and investment in engaging skills and senior management.

The assets written off on the acquisition of a business relate to the net current assets which were retained by the vendor when the company was acquired by Spargonet Consulting Plc and the trade transferred to that company.

Notes (continued)

4 Staff numbers and costs

Average number of persons employed by the company (including directors) during the year were as follows:

	Year ended 28 February 2003	14 month period ended 28 February 2002
Consultants	-	15
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	Year ended 28 February 2003 £000	14 month period ended 28 February 2002 £000
Wages and salaries	-	243
Social security costs	-	33
Pension costs	-	11
	<u> </u>	<u> </u>
	-	287
	<u> </u>	<u> </u>

5 Interest receivable and similar income

	Year ended 28 February 2003 £000	14 month period ended 28 February 2002 £000
Bank interest receivable	-	2
	<u> </u>	<u> </u>

6 Taxation

No tax charge or credit arises on the result for the year or the previous year.

Tax reconciliation

	Year ended 28 February 2003 £000	14 month period ended 28 February 2002 £000
Loss before tax	-	(1,168)
	<u> </u>	<u> </u>
Tax at 30% (2002: 30%)	-	(350)
Losses transferred under S343 ICTA 88	-	86
Capital allowances in excess of depreciation	-	(14)
Losses on sale of discontinued business	-	278
	<u> </u>	<u> </u>
Current tax charge for period	-	-
	<u> </u>	<u> </u>

Notes (continued)

7 Debtors

	2003 £000	2002 £000
Other debtors	-	27
Prepayments and accrued income	20	18
	<u>20</u>	<u>45</u>

8 Creditors: amounts falling due after one year

	2003 £000	2002 £000
Amounts owed to group undertakings	29	45
	<u>29</u>	<u>45</u>

9 Called up share capital

	2003 £000	2002 £000
Share capital:		
Authorised	167	167
	<u>167</u>	<u>167</u>
Allotted, called up and fully paid:		
12,515,000 'A' Ordinary shares of 1p each	125	125
	<u>125</u>	<u>125</u>

10 Reconciliation of movement in shareholders' funds

	2003 £000	2002 £000
At beginning of period	-	3,156
Loss for the financial period	-	(1,168)
Dividends paid	-	(1,988)
	<u>-</u>	<u>-</u>
At end of period	-	-

Notes (continued)

11 Financial commitments

	2003 Land and buildings £000	2002 Land and buildings £000
Operating leases which expire:		
In second to fifth year	154	139
After five years	-	38
	<hr/>	<hr/>
	154	177
	<hr/>	<hr/>

12 Ultimate parent undertaking

The ultimate parent undertaking and controlling related party is Spargonet Consulting Plc, a company incorporated in England.