

PROFESSIONAL STAFF LIMITED

Report and Financial Statements

31 March 2005



REPORT AND FINANCIAL STATEMENTS 2005

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OFFICERS & PROFESSIONAL ADVISERS

DIRECTORS

B P Blackden
R J Bradford
J C Coates
S A Harris

SECRETARY

R P Slade

REGISTERED OFFICE

Buckland House
Waterside Drive
Langley Business Park
Slough
Berkshire
SL3 6EZ

BANKERS

Barclays Bank Plc
PO Box 756
Slough
Berkshire
SL1 4SG

AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2005.

ACTIVITIES

The company's principal activity is that of an investment holding company.

RESULTS AND DIVIDENDS

The company made a loss after taxation of £574,000 (2004 – loss of £1,497,000) which has been transferred to reserves. No dividend was proposed or paid during the year (2004 – £nil).

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors do not foresee any change in principal activity of the company in the forthcoming financial year.

DIRECTORS AND THEIR INTERESTS

The current directors are shown on page 1. The directors who served during the year were:

B P Blackden	
S A Harris	
I F Mackinnon	(resigned 30 June 2004)
A S Wilson	(resigned 31 March 2005)
R J Bradford	(appointed 9 May 2005)
J C Coates	(appointed 9 May 2005)

None of the directors had any interest in the share capital of the company as defined by the Companies Act 1985 at any time during the year.

Under Statutory Instrument No. 802 made under the authority of section 324(3) of the Companies Act 1985, the director's interests in the share capital of the ultimate parent undertaking need not be disclosed.

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently as explained in Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2005 and that applicable accounting standards have been followed.

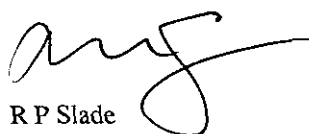
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website and recognise that legislation in the United Kingdom governing the preparation and dissemination of financial statements published on the internet may differ from legislation in other jurisdictions from which the information can be accessed.

AUDITORS

The company has passed a resolution dispensing with the obligation to appoint auditors annually, as permitted by section 386 of the Companies Act 1985. The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

Approved by the Board of Directors and signed on behalf of the Board.



R P Slade
Secretary

Date 7 July 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROFESSIONAL STAFF LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including this opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

Date 7 July 2005

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2005

	Note	2005 £'000	2004 £'000
Administrative expenses		(827)	(2,205)
OPERATING LOSS	3	(827)	(2,205)
Income from shares in group undertakings		-	1,500
Interest receivable and similar income	4	51	93
Amounts written off investments		-	(1,233)
Interest payable and similar charges	5	(62)	(15)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(838)	(1,860)
Tax on loss on ordinary activities	6	264	363
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	12	(574)	(1,497)

All amounts derive from continuing operations.

There were no recognised gains or losses in either the current or preceding financial year other than as stated above. Accordingly, a statement of total recognised gains and losses has not been presented.

BALANCE SHEET
31 March 2005

	Note	2005 £'000	2004 £'000
FIXED ASSETS			
Investments	7	1,670	1,673
CURRENT ASSETS			
Debtors	8	7,039	6,646
CREDITORS: amounts falling due within one year	9	(3,567)	(2,603)
NET CURRENT ASSETS		3,472	4,043
NET ASSETS		5,142	5,716
CAPITAL AND RESERVES			
Called up share capital	10	177	177
Share premium	12	22,814	22,814
Capital redemption reserve	12	16	16
Profit and loss account – (deficit)	12	(17,865)	(17,291)
EQUITY SHAREHOLDERS' FUNDS	11	5,142	5,716

The financial statements on pages 5 to 13 were approved by the Board of Directors on
Signed on behalf of the Board of Directors

7 July 2005



B P Blackden
Director

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2005****1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the provisions of the Companies Act 1985. Group accounts have not been prepared as the company is exempt by virtue of section 228 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate UK parent company (see note 14).

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared on the going concern basis under the historical cost convention.

Pensions

The company contributes to certain employee personal money purchase pension plans. These contributions are charged to the profit and loss account in the period in which they are incurred.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is more likely than not that there will be adequate future taxable profits against which to recover carried forward tax losses.

Investments

Fixed asset investments are stated at cost less provisions for any permanent diminution in value.

Cash flow statement

In accordance with FRS 1 (Revised), the company has not prepared a statement of cash flows for the current year as it was a wholly owned subsidiary of Carlisle Holdings Limited, who publishes consolidated financial statements which include a consolidated cash flow statement.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Sterling at the rates of exchange ruling at that date. Any differences are dealt with in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2005	2004
	£'000	£'000
Directors' emoluments		
Emoluments (excluding pension contributions and awards under share option plans)		
Fees	-	16
Salary, bonus and benefits in kind	157	198
Compensation for loss of office	207	215
	<u>364</u>	<u>429</u>
Contributions to money purchase pension plans	-	7
	<u>-</u>	<u>7</u>
Number of directors who	No.	No.
Are members of money purchase pension plans	-	1
	<u>-</u>	<u>1</u>
Highest paid director's remuneration	£'000	£'000
Emoluments (excluding compensation for loss of office)	157	182
Contributions to money purchase pension plans	-	7
	<u>-</u>	<u>7</u>
Employee costs (excluding directors)	£'000	£'000
Wages and salaries	121	112
Social security costs	14	14
Other pension costs	5	3
	<u>140</u>	<u>129</u>
Average number of persons employed (excluding directors)	No.	No.
Management and support	2	2
	<u>2</u>	<u>2</u>

3. OPERATING LOSS

	2005	2004
	£'000	£'000
Operating loss is after charging:		
Depreciation	-	13
(Profit) / loss on disposal of tangible fixed assets	-	(3)
Auditors' remuneration		
Audit fees	1	5
Taxation services	67	99
	<u>67</u>	<u>99</u>

In 2004 the auditors were also paid £15,000 for due diligence work on acquisitions.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005	2004
	£'000	£'000
Bank interest	32	60
Interest on loans to group undertakings	19	33
	<u>51</u>	<u>93</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£'000	£'000
Short term loans	15	15
Interest on loans from group undertakings	47	-
	<u>62</u>	<u>15</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2005	2004
	£'000	£'000
Group relief receivable	243	336
Adjustment in respect of prior years	21	27
	<u>264</u>	<u>363</u>

The tax credit for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2005	2004
	£'000	£'000
Loss on ordinary activities before taxation	<u>(838)</u>	<u>(1,860)</u>
Tax credit on loss on ordinary activities before taxation at standard rate	251	558
Effects of:		
Income not chargeable – income from shares in group undertakings	-	450
Expenses not deductible – amounts written off investments	-	(370)
Expenses not deductible – other	(13)	(302)
Other timing differences	5	-
Adjustment in respect of prior years	21	27
	<u>264</u>	<u>363</u>

There are no provided or unprovided deferred taxation liabilities at the balance sheet date (2004 – nil).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

7. FIXED ASSET INVESTMENTS

Investment in subsidiary undertakings	Loans £'000	Shares £'000	Total £'000
Cost at 1 April 2004	758	47,192	47,950
Other adjustments	-	(3)	-
Cost at 31 March 2005	758	47,189	47,947
Provision at 1 April 2004	758	45,519	46,277
Provision at 31 March 2005	758	45,519	46,277
Net book value At 31 March 2005	-	1,670	1,670
At 31 March 2004	-	1,673	1,673

Information on principal undertakings

Subsidiary company	Country of incorporation	Principal activity	Proportion of ordinary shares & voting rights
Professional Staff Holdings LLC	United States of America	Investment holding company	100%
Science Recruitment Group Limited	Great Britain	Employment services	100%
Interpharma Limited	Great Britain	Investment holding company	100%
Euromedica Limited	Great Britain	Employment services	100%
Praxis Executive Taskforce Limited	Great Britain	Investment holding company	100%
S.Com Group Limited	Great Britain	Employment services	100%
Salisbury Consulting Group Limited	Great Britain	Investment holding company	100%
Professional Staff Solutions Limited	Great Britain	Non-trading	100%

All subsidiaries operate primarily in their country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

8. DEBTORS

	2005	2004
	£'000	£'000
Amounts due within one year		
Amounts owed by parent undertaking	6,762	6,270
Amounts owed by subsidiary undertakings	243	336
Prepayments and accrued income	34	40
	<u>7,039</u>	<u>6,646</u>

Amounts owed by subsidiary undertakings include £243,000 (2004 - £336,000) relating to group taxation relief.

9. CREDITORS

	2005	2004
	£'000	£'000
Amounts falling due within one year		
Bank overdraft (secured)	1,916	1,243
Amounts owed to group undertakings	1,017	52
Other creditors	-	898
Corporation tax	98	77
Accruals and deferred income	536	333
	<u>3,567</u>	<u>2,603</u>

Other creditors in 2004 included a short term secured loan of £850,000 repaid in May 2004.

10. CALLED UP SHARE CAPITAL

	2005	2004
	£'000	£'000
Authorised		
24,000,000 ordinary shares of 2 pence each	<u>480</u>	<u>480</u>
	2005	2004
	£'000	£'000
Called up, allotted and fully paid		
8,828,132 ordinary shares of 2 pence each	<u>177</u>	<u>177</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
Loss for the financial year	(574)	(1,497)
Issue of ordinary shares under share option scheme	-	21
	<hr/>	<hr/>
Net reduction in shareholders' funds	(574)	(1,476)
Opening shareholders' funds	5,716	7,192
	<hr/>	<hr/>
Closing shareholders' funds	<u>5,142</u>	<u>5,716</u>

12. STATEMENT OF MOVEMENTS ON RESERVES

	Share premium £'000	Capital redemption reserve £'000	Profit & loss account £'000
At 1 April 2004	22,814	16	(17,291)
Loss for the year	-	-	(574)
	<hr/>	<hr/>	<hr/>
At 31 March 2005	<u>22,814</u>	<u>16</u>	<u>(17,865)</u>

13. COMMITMENTS AND CONTINGENCIES

The company's bankers hold a fixed and floating charge over the assets of the company as security over any overdraft. As at 31 March 2005, the company had an overdraft of £1,916,000 (2004 - £1,243,000).

In addition, the company is subject to a cross guarantee covering any bank overdrafts of Professional Staff Limited and certain subsidiaries. As at 31 March 2005 the contingent liability to the company in respect of this guarantee amounted to £0.4 million (2004 - £2.0 million). The net liability of Professional Staff Limited and subsidiaries as a group under this facility at 31 March 2005 was £nil (2004 - £nil).

The company is also subject to a cross guarantee covering amounts due under invoice discounting arrangements of certain subsidiaries. As at 31 March 2005 the contingent liability to the company in respect of this guarantee amounted to £9.1 million (2004 - £4.8 million).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

14. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Ohsea Holdings Limited, a company incorporated in Great Britain and registered in England & Wales.

At 31 March 2005, the smallest group in which the company is consolidated was Carlisle Staffing Services Holdings Limited, a company incorporated in Great Britain and registered in England & Wales. Copies of the consolidated accounts of Carlisle Staffing Services Holdings Limited can be obtained from the Company Secretary, St Florian House, Milton Road, Wokingham, Berkshire, RG40 1EN.

The ultimate UK parent undertaking is Carlisle Group plc, a company incorporated in Great Britain and registered in England and Wales. Consolidated accounts of Carlisle Group plc can be obtained from the Company Secretary, St Florian House, Milton Road, Wokingham, Berkshire, RG40 1EN.

The ultimate parent company is Carlisle Holdings Limited, a company registered in Belize. Consolidated accounts of Carlisle Holdings Limited can be obtained from the Company Secretary, 60 Market Square, Belize City, Belize, Central America.

At 31 March 2005, the ultimate controlling party of Carlisle Holdings Limited was Lord Ashcroft, KCMG.

15. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8, "Related Party Transactions", transactions with other group undertakings within, and investee related parties of, the Carlisle Holdings Limited group have not been disclosed in these financial statements.