

ACTION FOR EMPLOYMENT LIMITED

BESSEMER ROAD, SHEFFIELD, S9 3XP.

COMPANY NUMBER 02631340

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

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ACTION FOR EMPLOYMENT LIMITED

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 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.

ACTION FOR EMPLOYMENT LIMITED

AUDITORS' REPORT TO ACTION FOR EMPLOYMENT LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 6, together with the financial statements of the company for the year ended 31 March 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

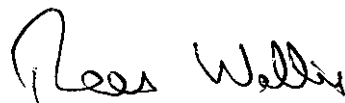
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.



Rees Wallis
Chartered Certified Accountants and Registered Auditors
18/24 Campo Lane, Sheffield, S1 2EF

21 September 1998

ACTION FOR EMPLOYMENT LIMITED

BALANCE SHEET AS AT 31 MARCH 1998

| | Note | 1998 | 1997 |
|--|------|----------|-----------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 2 | 235,988 | 48,940 |
| Current assets | | | |
| Debtors | | 299,488 | 339,175 |
| Cash at bank and in hand | | 5,685 | 303,791 |
| | | <hr/> | <hr/> |
| | | 305,173 | 642,966 |
| Creditors: Amounts falling due within one year | | 336,473 | (223,155) |
| | | <hr/> | <hr/> |
| Net current (liabilities)/assets | | (31,300) | 419,811 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 204,688 | 468,751 |
| Creditors: Amounts falling due after more than one year | 3 | (5,327) | - |
| Accruals and deferred income | | (24,090) | - |
| | | <hr/> | <hr/> |
| Net assets | | 175,271 | 468,751 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 4 | 500 | 1,000 |
| Capital redemption reserve | | 500 | - |
| Profit and loss account | | 174,271 | 467,751 |
| | | <hr/> | <hr/> |
| Shareholders' funds | | 175,271 | 468,751 |
| | | <hr/> | <hr/> |

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 18th September 1998 and signed on its behalf by:-

E. L. Cridland
Director



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

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.

Basis of preparation

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

Turnover

Turnover consists of the invoiced value of work and training programmes and trainee placements, excluding V.A.T. where applicable.

Deferred taxation

Deferred taxation is provided in respect of the tax effect of all timing differences under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future, at the rates expected to apply at that time.

Government grants

Grants related to expenditure on tangible assets are credited to profit at the same rate as the depreciation on the assets to which the grants relate. The amounts shown in the balance sheet in respect of grants consist of the total grants receivable to date, less the amounts so far credited to profit. Grants of a revenue nature are credited to income in the period to which they relate.

Depreciation

Depreciation is calculated to write off the cost less the estimated residual value of fixed assets over their estimated useful lives, as follows:-

| | | |
|--------------------------|---|---|
| Plant and machinery etc. | - | 25% on the net book amount of the previous year and additions in the year |
|--------------------------|---|---|

Leased assets

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

Pensions

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 are charged to profit and loss account in the accounting period in which they become payable.

Repairs and renewals

Expenditure on repairs and renewals is written off in the period during which the expense is incurred. No provision is made for future costs of repairs and renewals.

ACTION FOR EMPLOYMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

2. Tangible fixed assets

| Cost | Plant and Machinery etc. £ |
|---|-------------------------------|
| At beginning of year | 99,862 |
| Additions | 219,942 |
| Disposals | (5,775) |
| | <hr/> |
| At end of year | 314,029 |
| | <hr/> |
| Depreciation | |
| At beginning of year | 50,922 |
| Charge for the year | 31,648 |
| Disposals | (4,529) |
| | <hr/> |
| At end of year | 78,041 |
| | <hr/> |
| Net book amount at 31 March 1998 | 235,988 |
| | <hr/> |
| <i>Net book amount at 31 March 1997</i> | <i>48,940</i> |
| | <hr/> |

The total net book amount of plant and machinery of £235,988 (1997, £48,940) includes an amount of £66,655 (1997, £Nil) in respect of assets held under finance leases and similar hire purchase contracts.

3. Creditors: amounts falling due after more than one year

Obligations under finance leases and hire purchase contracts:-

| | 1998 £ | 1997 £ |
|--------------------------|-----------|-----------|
| Amounts payable:- | | |
| Within two to five years | 5,327 | - |
| | <hr/> | <hr/> |

ACTION FOR EMPLOYMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

4. Share capital

| | Authorised | | Allotted, issued and fully paid | |
|----------------------------|------------|-------|---------------------------------|-------|
| | 1998 | 1997 | 1998 | 1997 |
| | £ | £ | £ | £ |
| Ordinary shares of £1 each | 1,000,000 | 1,000 | 500 | 1,000 |

On 3 March 1998 the company purchased 500 of its own £1 ordinary shares from R. Cridland for commercial and trading reasons for an aggregate consideration of £327,358 following Mr. Cridland's retirement as a director of the company.

The shares were cancelled on purchase and an amount equal to their nominal value was transferred from Profit and Loss account to Capital Redemption Reserve.

On 30 March 1998 the authorised share capital of the company was increased by £999,000 to £1,000,000.

5. Transactions with directors

E. L. Cridland and R. Cridland were also directors and members of Industrial Training Agency Limited which provided management and administrative services to the company during the year to a value of £24,000. At 31 March 1998 £37,463 was due by the company to Industrial Training Agency Limited (1997, £28,072 was due by Industrial Training Agency Limited to the company).

E. L. Cridland is also a director and controlling shareholder of A4E Ltd to which the company provided management and administrative services during the year to a value of £127,926 and from which it received loans. At 31 March 1998 £14,725 was due to the company by A4E Ltd.

E. L. Cridland is also a director and controlling shareholder of Wicked Work Factory Limited which has received loans from the company. The amount due to the company at 31 March 1998 was £2,907 (1997, £4,757).

An interest free loan was made during the year to E. L. Cridland:-

| | £ |
|---|--------|
| Amount outstanding at the beginning of the year | - |
| Maximum amount outstanding during the year | 18,579 |
| Amount outstanding at the end of the year | - |