



ARTHURANDERSEN

Excel Resourcing (Recruitment Consultants) Limited

Accounts for the year ended 31 December 2000 together with
the directors' and auditors' reports

Registered number: 3014770



Directors' report

For the year ended 31 December 2000

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 2000.

Principal activities

The principal activity of the company is that of an employment agency, dealing with permanent and temporary staff.

Business review

On 1 January 2000 the trade, assets and liabilities of the company's subsidiary, Excel Resourcing (Recruitment Consultants) Bournemouth Limited, were transferred to the company.

Results and dividends

The audited accounts for the year ended 31 December 2000 are set out on pages 4 to 15. The profit for the year after taxation was £636,714 (1999 – loss £107,379). The directors did not pay and do not propose a dividend for the financial year (1999 – £18,600, which includes a scrip dividend of £1,400).

Directors

The directors who served during the year were as follows:

K. Franklin

M. Nash (resigned 29 September 2000)

E. Patterson

I. Thornley

Employees

The company's aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and to provide equal opportunity, regardless of sex, religion or ethnic origin. The company does all that is practicable to meet its responsibilities towards the employment and training of disabled people. In the event that an employee becomes disabled, every effort will be made to provide continuity of employment in the same job or a suitable alternative.

The company involves staff in the decision making process and communicates regularly with them during the year. Their involvement in the company's performance is encouraged with an employee bonus scheme.

Directors' report (continued)

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period 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 accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

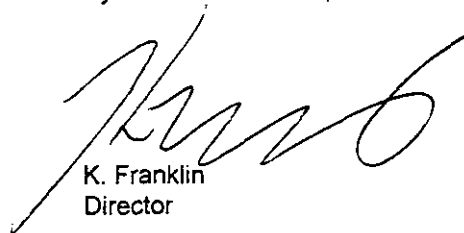
The directors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the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

Auditors

The group has elected to dispense with the annual appointment of auditors in accordance with Section 252 of the Companies Act 1985. Arthur Andersen were appointed as auditors during the period in accordance with Section 385 of the Companies Act 1985.

1642/43 Parkway
Solent Business Park
Whitely
Fareham
Hampshire
PO15 7AH

By order of the Board,



K. Franklin
Director

10 July 2001

To the Shareholders of Excel Resourcing (Recruitment Consultants) Limited

We have audited the accounts on pages 4 to 15 which have been prepared under the historical cost convention. The accounting policies are set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts 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.

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 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 circumstances of the company, 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 the affairs of the company at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

1 Surrey Street
London
WC2R 2PS

10 July 2001

Profit and loss account

For the year ended 31 December 2000

	Notes	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
Turnover		7,961,651	2,948,207
Cost of sales		(6,260,077)	(2,303,685)
Gross profit		1,701,574	644,522
Administrative expenses		(806,762)	(636,387)
Operating profit		894,812	8,135
Interest receivable and similar income	4	-	158
Interest payable and similar charges	5	(5,098)	(62,581)
Profit/(loss) on ordinary activities before taxation	1	889,714	(54,288)
Tax on profit/(loss) on ordinary activities	6	(253,000)	(53,091)
Profit/(loss) for the financial year		636,714	(107,379)
Dividends paid and proposed	7	-	(18,600)
Retained profit/(loss) for the year	14	636,714	(125,979)

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

There are no recognised gains or losses in either year other than the profit/(loss) for that year.

Balance sheet

31 December 2000

	Notes	31 December 2000 £	31 December 1999 £
Fixed assets			
Tangible fixed assets	8	28,354	47,020
Investments	9	100	100
		<u>28,454</u>	<u>47,120</u>
Current assets			
Debtors	10	3,689,577	758,720
Cash at bank and in hand		176,427	136,414
		<u>3,866,004</u>	<u>895,134</u>
Creditors: Amounts falling due within one year	11	<u>(3,380,439)</u>	<u>(1,043,893)</u>
Net current assets/(liabilities)		<u>485,565</u>	<u>(148,759)</u>
Creditors: Amounts falling due after more than one year	12	<u>-</u>	<u>(21,056)</u>
Net assets/(liabilities)		<u>514,019</u>	<u>(122,695)</u>
Capital and reserves			
Called-up share capital	13	1,530	1,530
Profit and loss account	14	512,489	(124,225)
Shareholders' funds/(deficit)	15	<u>514,019</u>	<u>(122,695)</u>
Divided into:-			
Equity shareholders' funds		513,989	(122,725)
Non equity shareholders' funds		30	30
	15	<u>514,019</u>	<u>(122,695)</u>

The accounts on pages 4 to 15 were approved by the board of directors on 10 July 2001 and signed on its behalf by:

K. Franklin
Director

10 July 2001

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

Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding period.

a) Basis of accounting

The accounts have been prepared under the historical cost convention.

b) Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis, over its useful economic life, as follows:

Leasehold improvements	20% per annum
Computer equipment	33% per annum
Fixtures, fittings and office equipment	20% per annum
Motor vehicles	25% per annum

c) Investments

Investments are included at cost.

d) Income from investments

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

e) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

f) Turnover

The turnover for the period was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

g) Pension costs

The amount charged to the profit and loss account in respect of pensions costs and other post-retirement benefits is the contributions payable in the accounting period.

Accounting policies (continued)

h) Leases

Assets held under finance leases are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over the shorter of its useful economic life or the lease term. Finance costs are allocated to accounting periods over the period of the lease to produce a constant rate of charge on the outstanding balance. Rentals are apportioned between finance costs and capital repayments.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

i) Cash flow

Under the provision of FRS1 (Revised), the company has not prepared a cash flow statement because its ultimate parent undertaking, AHL Services Inc., a company incorporated in the United States of America, has prepared consolidated accounts which are publicly available and which include the cash flows of the company.

Notes to the accounts

31 December 2000

1 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
Depreciation and amounts written off tangible fixed assets		
- tangible fixed assets, owned	22,109	66,276
- tangible fixed assets, held under finance leases and hire purchase contracts	5,240	22,648
Hire of office equipment	-	2,503
Other operating lease rentals	51,290	34,884

The audit and non-audit fees of the company are borne by the company's parent undertaking AHL Europe Limited.

2 Staff costs

The average monthly number of permanent employees (including executive directors) was 35 (1999: 11). The average number of temporary employees for the year was 835.

The aggregate remuneration comprised:

	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
Wages and salaries	6,352,919	174,234
Social security costs	379,341	18,814
Other pension costs	-	3,928
	<u>6,732,260</u>	<u>196,976</u>

3 Directors' remuneration

The remuneration of the directors was as follows:

	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
Emoluments	63,266	11,747
Pension contributions	4,053	1,680
	<u>67,319</u>	<u>13,427</u>

During the year 1 director (1999: 2) participated in money purchase pension schemes.

Notes to the accounts (continued)

4 Interest receivable and other income

	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
Other interest receivable and similar income	-	158
	<u>-</u>	<u>158</u>

5 Interest payable and similar charges

	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
Bank loans and overdrafts	(961)	(5,848)
Finance charges in respect of finance leases	(4,137)	(8,485)
Other interest payable and similar charges	-	(48,248)
	<u>(5,098)</u>	<u>(62,581)</u>

6 Tax on profit on ordinary activities

The tax charge comprises:

	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
UK corporation tax at 30% (1999: 30.25%)	(248,118)	(55,683)
Deferred taxation	-	1,802
Adjustments in respect of prior period	(4,882)	790
	<u>(253,000)</u>	<u>(53,091)</u>

Notes to the accounts (continued)

7 Dividends paid and proposed on equity and non-equity shares

	Year ended 31 December 2000 £	9 month period ended 31 December 1999 £
<i>Equity shares:</i>		
A shares – aggregate interim dividends (including dividend of £1,400)	-	18,600
<i>Non-equity shares:</i>		
B shares – aggregate interim dividends	-	-
	<u>-</u>	<u>18,600</u>

8 Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Fixtures, fittings and office equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2000	16,559	55,388	46,587	71,873	190,407
Transfer in January	14,680	15,905	24,569	15,750	70,904
Additions	3,200	3,651	1,366	-	8,217
Disposals	-	-	-	(87,623)	(87,623)
At 31 December 2000	<u>34,439</u>	<u>74,944</u>	<u>72,522</u>	<u>-</u>	<u>181,905</u>
Depreciation					
At 1 January 2000	8,856	50,720	30,475	53,336	143,387
Transfer in January	14,680	14,023	12,688	15,750	57,141
Charge for year	7,758	5,985	8,366	5,240	27,349
Eliminated on disposals	-	-	-	(74,326)	(74,326)
At 31 December 2000	<u>31,294</u>	<u>70,728</u>	<u>51,529</u>	<u>-</u>	<u>153,551</u>
Net book value					
At 31 December 2000	<u>3,145</u>	<u>4,216</u>	<u>20,993</u>	<u>-</u>	<u>28,354</u>
At 31 December 1999	<u>7,703</u>	<u>4,668</u>	<u>16,112</u>	<u>18,537</u>	<u>47,020</u>

Notes to the accounts (continued)

8 Tangible fixed assets (continued)

The figure stated above includes assets held under hire purchase contracts, as follows:

	Motor vehicles £	Computer equipment £
Net book value at 31 December 2000	-	-
Net book value at 31 December 1999	18,537	9,532

9 Fixed asset investments

	31 December 2000 £	31 December 1999 £
Subsidiary undertakings	100	100

Subsidiary undertaking	Country of incorporation and operation	Principal activity	Holding	%
Excel Resourcing (Recruitment Consultants) Bournemouth Limited	Great Britain	Staffing agency	Direct	100

10 Debtors

	31 December 2000 £	31 December 1999 £
Trade debtors	1,222,180	665,300
Amounts owed by group undertakings	2,447,142	71,219
Other debtors	6,676	2,220
Prepayments and accrued income	13,579	12,540
ACT recoverable	-	7,441
	<u>3,689,577</u>	<u>758,720</u>

Notes to the accounts (continued)

11 Creditors: Amounts falling due within one year

	31 December 2000 £	31 December 1999 £
Obligations under finance leases and hire purchase contracts	-	(11,085)
Bank loan and overdraft	(10,043)	(3,942)
Trade creditors	(73,979)	(101,493)
Amounts owed to parent	(2,659,992)	(443,222)
Corporation tax payable	(156,640)	(57,743)
Other taxation and social security	(449,840)	(275,022)
Other creditors	(10,726)	-
Accruals and deferred income	(19,219)	(151,386)
	<u>(3,380,439)</u>	<u>(1,043,893)</u>

12 Creditors: Amounts falling due after more than one year

	31 December 2000 £	31 December 1999 £
Obligations under finance leases and hire purchase contracts	-	(16,786)
Bank loan	-	(4,270)
	<u>-</u>	<u>(21,056)</u>

Bank loan

The bank loan was made under the Small Firms Loan Guarantee Scheme and accordingly was unsecured.

Notes to the accounts (continued)

12 Creditors: Amounts falling due after more than one year (continued)

Borrowings are repayable as follows:

	31 December 2000 £	31 December 1999 £
Within one year		
- bank and other borrowings	-	(3,942)
- finance leases	-	(11,085)
After one and within two years		
- bank and other borrowings	-	(3,942)
- finance leases	-	(11,085)
After two and within five years		
- bank and other borrowings	-	(328)
- finance leases	-	(5,701)
	<u>-</u>	<u>(36,083)</u>

Through AHL Services Inc., the ultimate parent company, the company participates in a group credit arrangement with First Union National Bank, a corporation with limited liability and domiciled in the United States of America. Under the terms of the credit arrangement all assets and undertakings of the company are pledged in favour of First Union National Bank.

13 Called-up share capital

	31 December 2000 £	31 December 1999 £
<i>Authorised</i>		
49,900 'A' shares of £1 each	49,900	49,900
100 'B' shares of £1 each	100	100
	<u>50,000</u>	<u>50,000</u>
<i>Allotted, called-up and fully-paid</i>		
1,500 'A' shares of £1 each	1,500	1,500
30 'B' shares of £1 each	30	30
	<u>1,530</u>	<u>1,530</u>

The 'B' shares are non-equity shares which carry the right to dividends by recommendation of the director. Holders of 'B' shares do not have any voting rights, and on the event of a winding up of the company, are not entitled to a share of the surplus.

Notes to the accounts (continued)

14 Reserves

	Profit and loss account £
At 31 December 1999	(124,225)
Retained profit for the year	636,714
At 31 December 2000	<u>512,489</u>

15 Reconciliation of movements in shareholders' funds

	31 December 2000 £	31 December 1999 £
Profit/(loss) for the financial year	636,714	(107,379)
Dividends paid and proposed on equity and non-equity shares	-	(18,600)
New share issues (Note 7)	-	1,400
Net addition/(decrease) in shareholders' funds	<u>636,714</u>	<u>(124,579)</u>
Opening shareholders' funds	(122,695)	1,884
Closing shareholders' funds	<u>514,019</u>	<u>(122,695)</u>

16 Financial commitments

The company had no capital commitments at 31 December 2000 or at 31 December 1999.

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2000		31 December 1999	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiry date				
- within one year	3,625	9,712	-	751
- between two and five years	11,000	8,328	25,500	9,239
- after five years	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the accounts (continued)

17 Pensions

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

18 Contingent liabilities

There were no contingent liabilities at 31 December 2000 or at 31 December 1999.

19 Ultimate controlling party

The directors regard AHL Services Inc., a company incorporated in the United States of America, as the ultimate parent company and the ultimate controlling party.

The largest group in which the results of the company are consolidated is AHL Services Inc., a company incorporated in the United States of America and whose accounts are available to the public. The immediate parent company and the smallest group in which the results of the company are consolidated is AHL Europe Ltd., a company incorporated in the UK.

As a subsidiary undertaking of AHL Services Inc., the company has taken advantage of the exemption in FRS 8 "Related parties disclosure" from disclosing transactions with other members of the group headed by AHL Services Inc.