

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu



Company Registration No. 3391110

DH EMPLOYMENT SERVICES LIMITED

Report and Financial Statements

**Period from incorporation on 18 June 1997 to
31 March 1998**

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 1998**

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**DIRECTORS' REPORT**

The company was incorporated on 18 June 1997 and commenced trading on 1 October 1997.

The directors present their first annual report and the audited financial statements for the period from 18 June 1997 to 31 March 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of employment services for Denton Hall Services (UK) Limited.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the period and to date were as follows:

DH & B Directors Limited	(appointed 18 June 1997)
DH & B Managers Limited	(appointed 18 June 1997)

The directors held no interest in the shares of the company during the period.

YEAR 2000

Planning to deal with the impact arising from the Year 2000 is well advanced and the estimated cost of necessary charges will not be significant for the company.

SMALL COMPANY EXEMPTION

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

AUDITORS

A resolution for the appointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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

DH & B Directors Limited

....., DIRECTOR /
DH & B Directors Limited) AUTHORISED SIGNATORY
) Directors
DH & B Managers Limited)

3 August 1999

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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 a 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' REPORT TO THE MEMBERS OF DH EMPLOYMENT SERVICES LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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 the company's affairs at 31 March 1998 and of its profit for the period from 18 June 1997 to 31 March 1998 and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Deloitte & Touche

Chartered Accountants and Registered Auditors

5 August 1999



PROFIT AND LOSS ACCOUNT

For the period from 18 June 1997 to 31 March 1998

	Note	Period ended 31 March 1998 £
TURNOVER: continuing operations	1	169,381
Net operating expenses		<u>(166,061)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	3,320
Tax on profit on ordinary activities	3	<u>(697)</u>
PROFIT FOR THE FINANCIAL PERIOD		2,623
Dividends proposed	5	<u>(2,600)</u>
RETAINED PROFIT FOR THE FINANCIAL PERIOD		23
Profit and loss account brought forward		<u>-</u>
Profit and loss account carried forward		<u><u>23</u></u>

There are no recognised gains or losses other than the profit for the financial period and accordingly no statement of total recognised gains and losses is shown.

BALANCE SHEET

At 31 March 1998

	Note	31 March 1998 £
CURRENT ASSETS		
Debtors	6	186,623
Called up share capital not paid	8	2
		<hr/> 186,625
CREDITORS: amounts falling due within one year	7	<hr/> (186,600)
NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> <hr/> 25
CAPITAL AND RESERVES		
Called up share capital	8	2
Profit and loss account		23
		<hr/> 25
EQUITY SHAREHOLDERS' FUNDS		<hr/> <hr/> 25

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 3 August 1999.

Signed on behalf of the Board of Directors

FOR AND ON BEHALF OF
D H & B Directors Limited
DH & B Directors Limited
AUTHORISED SIGNATORY
DH & B Managers Limited

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****For the period 1 October 1997 to 31 March 1998**

	Period ended 31 March 1998 £
Profit attributable to members of the company	2,623
Issue of share capital	2
Dividend proposed	(2,600)
	<hr/>
Net movement on shareholders' funds	25
Opening shareholders' funds at 18 June 1997	<hr/> -
Closing shareholders' funds at 31 March 1998	<hr/> <hr/> 25



NOTES TO THE ACCOUNTS

For the period 1 October 1997 to 31 March 1998

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and stated in pounds sterling.

Turnover

Turnover comprises the amount receivable for employment services provided to Denton Hall Services (UK) Limited.

Foreign exchange

Transactions denominated in currencies other than pounds sterling are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than pounds sterling at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before
taxation is arrived at after
charging

**Period ended
31 March
1998
£**

Auditors' remuneration – audit services

2,500

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

**Period ended
31 March
1998
£**

UK corporation tax at 21%

697

4. EMPLOYEES, DIRECTORS AND AUDITORS

**Period ended
31 March
1998
No.**

The aggregate number employed by the company was:

2

The costs incurred in respect of these employees were:

Wages and salaries

£
138,144

Social security costs

14,610

152,754

No remuneration was paid to directors in respect of services to the company for the period.



NOTES TO THE ACCOUNTS

For the period 1 October 1997 to 31 March 1998

5. DIVIDENDS PROPOSED

	Period ended 31 March 1998 £
Proposed ordinary dividend on equity shares (£1,300 per ordinary share)	2,600

6. DEBTORS

	31 March 1998 £
Amounts owed by group undertakings	169,381
Other debtors	59
ACT recoverable	650
Prepayments and accrued income	16,533
	<u>186,623</u>

7. CREDITORS

	31 March 1998 £
Amounts owed to group undertakings	165,543
Accruals	17,110
Corporation tax	697
ACT payable	650
Dividend proposed	2,600
	<u>186,600</u>

8. CALLED UP SHARE CAPITAL

	31 March 1998 £
Authorised: 100 ordinary shares of £1 each	100
Called up, allotted, issued at par on incorporation and not paid: 2 ordinary shares of £1 each	2

**NOTES TO THE ACCOUNTS****For the period 1 October 1997 to 31 March 1998****9. RELATED PARTY TRANSACTIONS**

During the period a management charge of £169,381 was levied on Denton Hall Services UK Limited for employment services rendered.

	31 March 1998 £
Debtor	
Balance at 31 March 1998	
Owed by Denton Hall Services UK Limited	169,381
Creditor	
Balance at 31 March 1998	
Owed to Denton Hall, a partnership	165,543

10. ULTIMATE CONTROLLING UNDERTAKING

DH Employment Services Limited is controlled by Denton Hall, a UK Partnership.