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# BERRY RECRUITMENT LIMITED

## Report and Financial Statements

For the 15 months ended 31 March 2006

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**Berry Recruitment Limited**  
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## **Berry Recruitment Limited**

### **Company information**

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#### **Directors**

A G Berry  
S M Berry  
S M Folds  
C Chown

#### **Company Secretary and Registered Office**

O H Lawes  
1<sup>st</sup> Floor  
Norman House  
97-99 London Road  
St Albans  
Hertfordshire  
AL1 1LN

#### **Solicitors**

Black Graff & Co  
14-15 The Crescent  
London  
NW3 5LL

#### **Auditors**

BDO Stoy Hayward LLP  
Emerald House  
East Street  
Epsom  
Surrey  
KT17 1HS

#### **Bankers**

Barclays Bank PLC  
Ground Floor, Building 2  
Turnford Place  
Great Cambridge Road  
Turnford  
Broxbourne  
Herts  
EN10 6NH

#### **Company number**

03471551

**Berry Recruitment Limited**  
**Report of the directors**  
**For the 15 months ended 31 March 2006**

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The directors present their report together with the audited financial statements for the 15 months ended 31 March 2006

**Results and dividends**

The profit and loss account is set out on page 6 and shows the profit for the 15 months of £2,023,000 (16 months ended 31 December 2004 loss of £774,000)

The directors do not recommend the payment of a dividend for the period

**Principal activities, trading review and future developments**

The principal activity of the company for the year under review was that of an employment agency

The Company was a wholly owned subsidiary of Berry Recruitment Holdings Limited which, in March 2005, was sold to Multi Group PLC, a company listed on the Alternative Investment Market of the London Stock Exchange and a subsidiary of Southwind Limited, a company registered in the British Virgin Islands

In June 2005, the Company acquired the business and assets of Grays Personnel Limited for a cash consideration of £250,000

In March 2006, the company changed its accounting reference date from 31 December to 31 March to align it with that of Multi Group PLC

In March 2006, the company was sold to Aldridge Recruitment Limited, a company registered in England and Wales

In September 2006, Aldridge Recruitment Limited acquired the entire share capital of Crown Personnel Limited. In February 2007, the business and assets of Crown Personnel Limited were transferred to the Company

**Directors and directors' interests**

The directors of the Company during the year were O C Cooke (appointed 5 April 2005, resigned 24 March 2006), A E Brundle (appointed 5 April 2005, resigned 24 March 2006), A G Berry (resigned 5 April 2005), S M Folds, C Chown and A E Lach

S M Berry was appointed and A G Berry was reappointed as director on 5 April 2006. A E Lach resigned as a director on 29 March 2007

None of the directors in office at 31 March 2006 had any interest in the share capital of the Company at anytime during the period except for C Chown who owns 62,500 ordinary shares of £1 each in Aldridge Recruitment Limited

**Berry Recruitment Limited**  
**Report of the directors (*continued*)**  
**For the 15 months ended 31 March 2006**

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**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 the affairs of the company and of the profit and loss of the company for that period. In preparing these 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 departure disclosed and explained in the financial statements, and
- 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 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.

**Donations**

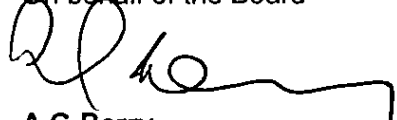
During the period the Company made no charitable (2004 £19,823) or political (2004 £nil) donations.

**Auditors**

Baker Tilly resigned as auditors on 3 April 2006 and BDO Stoy Hayward LLP were appointed as their replacement. A resolution to appoint BDO Stoy Hayward LLP will be proposed at the annual general meeting of the company.

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

On behalf of the Board



**A G Berry**  
Director

Date 30 May 2007

**Berry Recruitment Limited**  
**Report of the independent auditors**  
**To the shareholders of Berry Recruitment Limited**

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We have audited the financial statements of Berry Recruitment Limited for the period ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of directors and auditors*

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

**Berry Recruitment Limited**  
**Report of the independent auditors (*continued*)**  
**To the shareholders of Berry Recruitment Limited**

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*Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2006 and of its profit for the period then ended, and
- have been properly prepared in accordance with the Companies Act 1985

  
**BDO STOY HAYWARD LLP**  
Chartered Accountants  
and Registered Auditors  
Epsom

Date 31 May 2007

**Berry Recruitment Limited**  
**Profit and loss account**  
**For the 15 months ended 31 March 2006**

		<i>Continuing Operations</i>		<i>Acquisitions</i>	
		15 months ended 31 March 2006 £'000	15 months ended 31 March 2006 £'000	15 months ended 31 March 2006 £'000	16 months ended 31 December 2004 £'000
	<b>Note</b>				
<b>Turnover</b>	2	7,240	3,054	<b>10,294</b>	8,772
Cost of sales		5,496	2,373	<b>7,869</b>	6,849
<b>Gross profit</b>		1,744	681	<b>2,425</b>	1,923
Administrative expenses		(319)	590	<b>271</b>	2,549
<b>Operating profit/(loss)</b>	5	2,063	91	<b>2,154</b>	(626)
Interest payable and similar charges	6			<b>(131)</b>	(148)
<b>Profit/(loss) on ordinary activities before and after taxation</b>				<b>2,023</b>	(774)

Recognised gains and losses for the period are wholly represented by the above profit and loss account

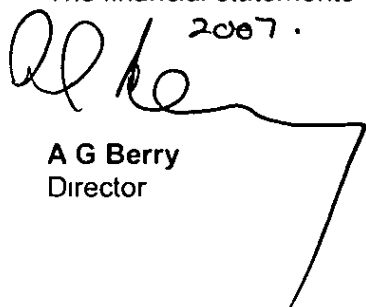
The notes on pages 8 to 19 form part of these financial statements



**Berry Recruitment Limited**  
**Balance sheet**  
**At 31 March 2006**

	Note	31 March 2006 £	2006 £	31 December 2004 £	2004 £
<b>Fixed assets</b>					
Intangible assets	8		362		-
Tangible assets	9		110		100
<b>Current assets</b>					
Debtors	10	1,562		1,126	
Cash at bank and in hand		2		2	
		1,564		1,128	
<b>Creditors: amounts falling due within one year</b>	11	(2,394)		(3,606)	
<b>Net current liabilities</b>			(830)		(2,478)
<b>Total assets less current liabilities</b>			(358)		(2,378)
<b>Creditors amounts falling due after more than one year</b>	12		-		(3)
<b>Net liabilities</b>			(358)		(2,381)
<b>Capital and reserves</b>					
Called up share capital	13		50		50
Profit and loss account	14		(408)		(2,431)
<b>Shareholders' deficit</b>	15		(358)		(2,381)

The financial statements were approved by the board of directors and authorised for issue on 30 May 2007.

  
**A G Berry**  
 Director

The notes on pages 8 to 19 form part of the financial statements

**Berry Recruitment Limited**  
**Notes forming part of the financial statements**  
**For the 15 months ended 31 March 2006**

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**1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied consistently during the period.

**Turnover**

Turnover represents the total amount receivable from the provision of services to customers, net of value added tax. Income from temporary placements is recognised at the end of a period of work. Income from permanent placements is recognised at the point of acceptance by both parties when the Company's contractual obligations have been fulfilled.

**Goodwill**

Goodwill arising on acquisition of a business is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken

- At the end of the first full financial year following acquisition,
- In other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**Depreciation**

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is calculated at the following rates:

Short leasehold land and buildings	- over the term of the lease
Fixtures and fittings	- 10% on cost per annum
Computer equipment	- 25% on cost per annum
Motor vehicles	- 25% on cost per annum

**Deferred taxation**

Deferred taxation balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the event that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of underlying timing differences. Provisions for deferred taxation are not discounted.

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (*continued*)**  
**For the 15 months ended 31 March 2006**

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**1 Accounting policies (*continued*)**

**Leased assets**

*Finance leases*

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown in the amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the year of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

*Operating leases*

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

**Invoice discounting**

The Company operates an invoice discounting facility on its trade debtors. Advances of 90% of the agreed balances can be drawn down in advance. Interest is payable at 2.3% above the bank base rate on balances drawn down.

**Pension costs**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group and the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the scheme for the period.

**2 Turnover**

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (continued)**  
**For the 15 months ended 31 March 2006**

**3 Employees**

	15 months ended 31 March 2006 £'000	16 months ended 31 December 2004 £'000
Staff costs including executive directors, consist of		
Wages and salaries	1,692	1,445
Social security costs	178	152
Pension contributions	22	21
	<b>1,892</b>	<b>1,618</b>

The average monthly number of employees, including directors, during the trading period was as follows

	Number	Number
Operations	29	22
Administration and management	12	14
	<b>41</b>	<b>36</b>

**4 Directors' remuneration**

	15 months ended 31 March 2006 £'000	16 months ended 31 December 2004 £'000
Directors' emoluments consist of -		
Salaries	249	386
Benefits in kind	17	-
Performance related bonuses	23	-
Pension contributions	6	5
	<b>295</b>	<b>391</b>

The number of directors who are accruing benefits under a money purchase pension scheme is 2 (2004 2)

The emoluments received by the highest paid director totalled £137,000 (16 months ended 31 December 2004 £150,000)

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (continued)**  
**For the 15 months ended 31 March 2006**

**5 Operating profit/(loss)**

	<b>15 months ended 31 March 2006 £'000</b>	<b>16 months ended 31 December 2004 £'000</b>
Operating profit/(loss) is stated after charging/(crediting)		
Depreciation		
- Owned assets	47	44
- Leased assets	8	8
Goodwill amortisation	16	-
Loss on disposal of fixed assets	-	25
Operating lease rentals		
- plant and machinery	35	22
- other	155	81
Write off Berry Recruitment Group plc loan	-	(92)
Write off Multi Group PLC inter-company balance	(2,190)	-
Write off Berry Medical Limited inter-company balance	(618)	-
Write off Berry Recruitment Holdings inter-company balance	99	-
Auditors' remuneration		
- audit services	13	43

**6 Interest payable and similar charges**

	<b>15 months ended 31 March 2006 £'000</b>	<b>16 months ended 31 December 2004 £'000</b>
On bank loans and overdraft	-	21
Interest on discounted debts	82	56
Other interest	48	69
Finance lease charges	1	2
	<b>131</b>	<b>148</b>

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (continued)**  
**For the 15 months ended 31 March 2006**

**7 Taxation on profit/(loss) from ordinary activities**

	<b>15 months ended 31 March 2006 £'000</b>	<b>16 months ended 31 December 2004 £'000</b>
<b>(a) Analysis of charge for the period:</b>		
<b>Current tax</b>		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax:</b>		
Origination of timing differences	-	-
	-	-
<b>(b) Factors affecting the current tax charge for the period:</b>		
Profit/(loss) on ordinary activities before taxation	<b>2,023</b>	<b>(774)</b>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 19%)	<b>607</b>	<b>(147)</b>
Depreciation for period in excess of capital allowances	-	4
Other expenses not deductible for tax purposes	<b>30</b>	28
Losses surrendered under group relief	<b>50</b>	35
Write-off of inter company balances	<b>(812)</b>	-
Losses carried forward	<b>125</b>	80
<b>Current charge for the year</b>	-	-

The Company has approximately £1,730,000 (31 December 2004 £1,320,000) of unrelieved trading losses available for offset against future taxable profits. No deferred tax asset has been recognised in this respect due to uncertainty over the timing of future profits.

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (*continued*)**  
**For the 15 months ended 31 March 2006**

**8 Intangible assets**

	<b>Goodwill £'000</b>
<b>Cost</b>	
At 1 January 2005	-
Additions (see note 16)	378
<b>At 31 March 2006</b>	<b>378</b>
<b>Depreciation</b>	
At 1 January 2005	-
Charge for the period	16
<b>At 31 March 2006</b>	<b>16</b>
<b>Net book value</b>	
<b>At 31 March 2006</b>	<b>362</b>
At 31 December 2004	-

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (continued)**  
**For the 15 months ended 31 March 2006**

**9 Tangible assets**

	<b>Leasehold improvements £'000</b>	<b>Other tangible assets* £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 January 2005	51	187	238
Additions	16	49	65
<b>At 31 March 2006</b>	<b>67</b>	<b>236</b>	<b>303</b>
<b>Depreciation</b>			
At 1 January 2005	24	114	138
Charge for the period	14	41	55
<b>At 31 March 2006</b>	<b>38</b>	<b>155</b>	<b>193</b>
<b>Net book value</b>			
<b>At 31 March 2006</b>	<b>29</b>	<b>81</b>	<b>110</b>
At 31 December 2004	27	73	100

\*Other tangible assets include fixtures and fittings, office equipment and computer equipment

The net book value of tangible fixed assets includes an amount of £nil (2004 £8,000) in respect of assets held under finance leases and hire purchase contracts. The associated depreciation charge for the 15 month period on these assets was £8,000 (16 months ended 31 December 2004 £8,000)



**Berry Recruitment Limited**  
**Notes forming part of the financial statements (continued)**  
**For the 15 months ended 31 March 2006**

**10 Debtors**

	2006 £'000	2004 £'000
Trade debtors	1,262	1,051
Prepayments and accrued income	245	-
Other debtors	55	75
	<b>1,562</b>	<b>1,126</b>

Other debtors include security rent deposits of £52,000 (2004 £50,000) recoverable after more than one year

**11 Creditors: amounts falling due within one year**

	2006 £'000	2004 £'000
Bank overdrafts	2	101
Invoice discounting facility	1,010	963
Trade creditors	114	12
Amounts due to group undertakings	204	292
Taxation and social security	757	456
Obligations under finance leases	1	6
Accruals and deferred income	306	1,776
	<b>2,394</b>	<b>3,606</b>

The bank overdraft and the invoice discounting facility are secured by a fixed and floating charge over the company's assets

**12 Creditors: amounts falling due after more than one year**

	2006 £'000	2004 £'000
Obligations under finance leases	-	3
Obligations under finance leases are due as follows		
Within 1 year	1	6
In more than two years but not more than five years	-	3
	<b>1</b>	<b>9</b>

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (*continued*)**  
**For the 15 months ended 31 March 2006**

**13 Called up share capital**

	<b>2006 Number</b>	<b>2006 £</b>	<b>2004 Number</b>	<b>2004 £</b>
Authorised Ordinary shares of £1 each	<b>100,000</b>	<b>100,000</b>	100,000	100,000
Allotted, issued and fully paid Ordinary shares of £1 each	<b>50,000</b>	<b>50,000</b>	50,000	50,000

**14 Profit and loss account**

	<b>2006 £'000</b>	<b>2004 £'000</b>
At beginning of period	<b>(2,431)</b>	(1,657)
Profit/(loss) for the period	<b>2,023</b>	(774)
<b>At end of period</b>	<b>(408)</b>	(2,431)

**15 Reconciliation of movements in shareholders' deficit**

	<b>2006 £'000</b>	<b>2004 £'000</b>
Profit/(loss) for the period	<b>2,023</b>	(774)
Opening shareholders' deficit	<b>(2,381)</b>	(1,607)
<b>Closing shareholders' deficit</b>	<b>(358)</b>	(2,381)

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (continued)**  
**For the 15 months ended 31 March 2006**

**16 Acquisitions**

In June 2005, the Company acquired the business and assets of Grays Personnel Limited for a cash consideration of £250,000

The goodwill arising on the acquisition has been calculated as follows

	£'000
Cash consideration	250
Fair value of net liabilities acquired	76
Transaction costs	52
<b>Goodwill arising on acquisition (note 8)</b>	<b>378</b>

The net liabilities acquired related to the as yet unclaimed holiday pay of the company's agency staff bank

**17 Annual commitments under operating leases**

	2006 Land and Buildings £'000	2006 Other £'000	2004 Land and buildings £'000	2004 Other £'000
Operating leases which expire				
In more than one year but not more than two years	30	-	-	-
In more than two years but not more than five years	47	13	65	38
In more than five years	-	-	20	-
	<b>77</b>	<b>13</b>	<b>85</b>	<b>38</b>

**18 Pensions**

The Company operates a defined contribution pension scheme. The costs charged during the period represent contributions payable by the Company to the fund. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (*continued*)**  
**For the 15 months ended 31 March 2006**

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**19 Parent company and controlling party**

The Company was a wholly owned subsidiary of Berry Recruitment Holdings Limited, a company registered in England and Wales, which was under the ultimate control of A G Berry until March 2005. In March 2005, Berry Recruitment Holdings Limited was sold to Multi Group PLC, a company listed on the Alternative Investment Market of the London Stock Exchange and a subsidiary of Southwind Limited, a company registered in the British Virgin Islands. In March 2006, the Company was sold to Aldridge Recruitment Limited, a company registered in England and Wales, which at 31 March 2006, was the parent company of the smallest and largest group of which the Company was a member.

Aldridge Recruitment Limited does not produce consolidated financial statements

**20 Cash flow statement**

The Company has taken advantage of the exemption under *Financial Reporting Standard 1 (Revised 1996), Cash Flow Statements*, not to prepare a cash flow statement as the directors believe the Company is a 'small entity' as defined under section 247 of the Companies Act.

**21 Subsequent events**

In September 2006, Aldridge Recruitment Limited, the ultimate parent company, acquired the entire share capital of Crown Personnel Limited. In February 2007, the business and assets of Crown Personnel Limited were transferred to the Company.

**22 Related party transactions**

In addition to the directors, the following are considered to be, or have been, related parties

Party	Relationship
Aldridge Recruitment Limited	Ultimate parent company from March 2006
Southwind Limited	Ultimate parent company until March 2006
Berry Recruitment Group plc	Immediate parent company until April 2004
Mark Education Limited	Fellow subsidiary company until April 2004
Berry Recruitment Holdings Limited	Immediate parent company from April 2004 until March 2006
Berry Medical Limited	Fellow subsidiary company from April 2004 until March 2006
M Berry	Spouse of A G Berry
J Chown	Spouse of C Chown

**Berry Recruitment Limited**  
**Notes forming part of the financial statements (continued)**  
**For the 15 months ended 31 March 2006**

**22 Related party transactions (continued)**

All transactions with related parties during the period were in the normal course of business. The transactions with these parties, during the period that they were deemed to be a related party, are detailed below

	15 months ended 31 March 2006 £'000	16 months ended 31 December 2004 £'000
Management charge Mark Education Limited	-	203
Recharged expenses Mark Education Limited	-	1,079
Intercompany VAT Mark Education Limited	-	35
Sales Mark Education Limited	-	1
Interest on loan Southwind Limited	-	(33)
Interest on loan A G Berry	-	(22)
Recharged expenses Berry Medical Limited	102	41
Recharged expenses Berry Recruitment Holdings Limited	100	-
Recharged expenses Multi Group PLC	(26)	-
Write off inter-company balance Berry Recruitment Group plc	-	92
Write off inter-company balance Multi Group PLC	2,190	-
Write off inter-company balance Berry Medical Limited	618	-
Write off inter-company balance Berry Recruitment Holdings Limited	(99)	-
Emoluments for services M Berry	-	(29)
Emoluments for services J Chown	(12)	(48)

The balances outstanding with related parties at the period end date were

	15 months ended 31 March 2005 £'000	16 months ended 31 December 2004 £'000
Creditors Southwind Limited	-	854
Berry Medical Limited	-	292
Aldridge Recruitment Limited	204	-
A G Berry	-	580
S Wright	-	13