

**Match Group PLC**  
**Directors' Report and Accounts**  
**Year ended 31 December 2003**

Company Registered No. 3767093 (England and Wales)



*Match Group PLC*

**Company Information**

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**Directors**

Sir T Chessells  
F C Jacob  
N R Z Martin  
R P Moores  
A J T Pilgrim  
J R Pinder  
M E Walton

**Secretary**

M J Taylor

**Company Number**

3767093

**Registered office**

Turnford Place  
Great Cambridge Road  
Turnford  
Hertfordshire  
EN10 6NH

# *Match Group PLC*

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# **Match Group PLC**

## **Directors' Report**

**Year ended 31 December 2003**

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The directors present their report and the audited financial statements for the year ended 31 December 2003.

### **Principal Activities**

The principal activity of the company is that of a holding company.

### **Group Results**

The accounts present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as the results of the company are included in the consolidated accounts of its ultimate parent undertaking, Match Holdings Limited, a company incorporated in England and Wales.

### **Results and Dividends**

The results for the year are set out on page 4.

### **Directors**

The following directors held office throughout the year except where indicated otherwise:

Sir T Chessells

R P Moores

N R Z Martin

F O'Brien

Resigned 9 December 2003

J R Pinder

A J T Pilgrim

F C Jacob

M E Walton

### **Directors' interests**

All the above continuing directors are directors of the parent company, Match Holdings Limited and accordingly their shareholdings are shown in the Directors' Report of that company.

### **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 and of the group and of the profit or loss of the group for that period.

In preparing those accounts, the directors confirm they have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

# **Match Group PLC**

## **Directors' Report**

**Year ended 31 December 2003**

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- prepared the accounts on the going concern basis unless it is inappropriate to presume that the company and the group 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 of the group 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disabled employees**

It is the group's policy that disabled persons should be considered for employment, training, career development and promotion on the basis of their abilities and aptitudes in common with all employees.

The group applies employment policies which are fair and equitable for all employees and which ensure entry into and progression within the group are determined solely by application of job criteria and personal ability and competency. Full and fair consideration (having regard to the person's particular aptitudes and abilities) is given to applications for employment and the career development of disabled persons.

### **Environmental issues**

As a service-based organisation, with no manufacturing or transportation facilities, the group's exposure to environmental risk is limited. The group does not possess a formal environmental policy but each of its subsidiaries observes environmentally-aware procedures appropriate to its business.

### **Charitable and political donations**

No charitable or political donations were made during the year.

### **Creditor payment policy**

The Company does not trade, with its creditors being various debt instruments. Details of payment terms on these is disclosed in notes 8 and 9.

By order of the board



J R Pinder

**Director**

19 April 2004

# **Match Group PLC**

## **Independent auditors' report To the Members of Match Group PLC**

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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 the 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 into 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.

### **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 December 2003 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  
19 April 2004

## *Match Group PLC*

### *Profit and Loss Account*

*Year ended 31 December 2003*

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		2003	2002
	Notes	£'000	£'000
Operating loss	2, 3	-	(185)
Net interest payable and similar charges	4	(5,802)	(2,158)
<b>Loss on ordinary activities before taxation</b>		<b>(5,802)</b>	<b>(2,353)</b>
Tax on loss on ordinary activities	5	1,744	701
<b>Loss for the financial year</b>	11	<b>(4,058)</b>	<b>(1,652)</b>

All of the company's activities relate to continuing operations.

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated above and their historical cost equivalents.

#### **Statement of Total Recognised Gains and Losses**

There were no unrealised gains or losses for the year other than those included in the profit and loss account above.

# Match Group PLC

## Balance Sheet

Year ended 31 December 2003

	Notes	2003 £'000	2002 £'000
<b>Fixed assets</b>			
Investments	6	47,264	47,264
<b>Current assets</b>			
Debtors: amounts due within one year	7	2,445	712
Cash at bank and in hand	15	4,652	9,125
		<u>7,097</u>	<u>9,837</u>
<b>Creditors: amounts falling due within one year</b>	8	<b>(5,090)</b>	<b>(7,784)</b>
<b>Net current assets</b>		<u><b>2,007</b></u>	<u><b>2,053</b></u>
<b>Total assets less current liabilities</b>		<b>49,271</b>	<b>49,317</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(62,432)</b>	<b>(58,420)</b>
<b>Net liabilities</b>		<u><b>(13,161)</b></u>	<u><b>(9,103)</b></u>
<b>Share capital and reserves</b>			
Called up share capital	10	1,602	1,602
Profit and loss account	11	(14,763)	(10,705)
<b>Equity shareholders' deficit</b>	12	<u><b>(13,161)</b></u>	<u><b>(9,103)</b></u>

The accounts were approved by the Board on 19 April 2004 and signed on its behalf by:



J R Pinder  
Director



***Notes to the financial statements***

***Year ended 31 December 2003***

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**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

**1.2 Investments**

The company's fixed asset investment in its subsidiary is stated at cost.

**1.3 Deferred Taxation**

Deferred taxation is provided in full on all timing differences that are not permanent. The group has chosen not to discount deferred tax balances, as permitted by FRS 19.

**1.4 Related parties**

Advantage has been taken of the exemption within FRS 8 (Related Party Transactions) not to disclose transactions between wholly owned group companies.

**1.5 Cash Flow Statement**

The company has taken advantage of the exemption under FRS 1 (Revised) not to publish a cash flow statement, as the consolidated financial statements of its parent undertaking, Match Holdings Limited, are publicly available.

**1.6 Group accounts**

The accounts present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Match Holdings Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

# Match Group PLC

## Notes to the financial statements

Year ended 31 December 2003

### 2 Profit on ordinary activities before taxation

The audit fees for the company is borne by a subsidiary undertaking. Other than the directors, the company has no employees.

### 3 Directors' remuneration

During the year one director received emoluments of £171,250, money purchase pension contributions of £13,750, £30,000 as compensation for loss of office and a payment of £99,000 in relation to the relinquishment of share options in Match Healthcare Limited, all borne by Match Healthcare Limited. The other directors were remunerated for their services to the group and details of their remuneration are disclosed in the financial statements of Match Holdings Limited.

### 4 Interest charges

	2003	2002
	£'000	£'000
<b>Interest receivable:</b>		
On deposit accounts and short term deposits	402	1,521
<b>Interest payable:</b>		
On bank loans and overdrafts	573	1,378
To parent company	1,600	1,020
Institutional loan notes	4,006	1,128
Other loan notes	25	153
	6,204	3,679

### 5 Taxation

	2003	2002
	£'000	£'000
For the year 2003 allowing for prior year tax losses:		
UK Corporation Taxation at 30% (2002: 30%)	(1,515)	(701)
Deferred tax – origination of timing difference	(229)	-
	(1,744)	(701)

	2003	2002
	£'000	£'000
(Loss) before taxation	(5,802)	(2,353)
At standard UK corporation tax rate of 30%	(1,740)	(706)
Other expenditure not tax deductible	-	4
Other timing differences	225	1
Total current tax	(1,515)	(701)

# Match Group PLC

## Notes to the financial statements

Year ended 31 December 2003

### 6 Investment in subsidiary undertakings

	2003 £'000
At 1 January 2003 and 31 December 2003	47,264

Match Group PLC owns 87.9% of the issued share capital of Match Healthcare Limited, a company registered in England and Wales, which provides flexible staffing services. Match Healthcare Limited has the following principal wholly owned subsidiaries, which are registered in England and Wales except where stated and are directly held except where indicated by an asterisk:

Match Healthcare Services Limited	Trading
Personnel Operations Limited	Trading
ASA Locums Limited	Trading
Match Employment (Ireland) Limited*	Trading
Quality Locum Holdings Limited	Trading
Quality Locum Services Limited*	Trading
Quality Education Limited*	Trading
Quality Locum Services (Pty) Limited* (incorporated in Australia)	Trading
Quality Locums (Proprietary) Limited* (incorporated in South Africa)	Trading

### 7 Debtors

	2003 £'000	2002 £'000
Group relief receivable	2,216	701
Deferred tax asset*	229	-
Prepayments	-	11
	<u>2,445</u>	<u>712</u>

\* The deferred tax asset comprises:

	2003 £'000	2002 £'000
Timing differences	229	-
	<u>229</u>	<u>-</u>

### 8 Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Guaranteed loan notes	386	1,071
Bank overdraft	1,931	5,374
Amounts owed to group undertakings	2,719	294
Accruals	54	1,045
	<u>5,090</u>	<u>7,784</u>

**Notes to the financial statements**

**Year ended 31 December 2003**

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Under the agreement for the acquisition of Match Healthcare Limited, guaranteed loan notes were issued by Match Group PLC to consenting shareholders to the value of £1,565,651 of which £386,000 remains outstanding. The holder of any guaranteed loan notes is entitled to require the whole of the holding to be repaid at par together with accrued interest on any interest payment date by giving not less than 30 days notice in writing to the company. The guaranteed loan notes are entitled to interest each period at a floating rate of  $\frac{1}{2}\%$  below six month LIBOR and are guaranteed by Bank of Scotland. During the year loan notes of £685,000 were repaid (2002: £10,000).

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

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Unsecured loan notes	35,302	35,302
Mezzanine Loan	6,000	6,000
Loan from parent company	8,000	8,000
Accrued Interest	13,130	9,118
	<b>62,432</b>	<b>58,420</b>

**Repayment of borrowings:**

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>Bank loans and overdrafts:</b>		
Bank overdraft	1,931	5,374
<b>Other loans and finance leases:</b>		
In one year or less	386	1,071
<b>Over five years (not by instalments):</b>		
10% Institutional loan notes	35,302	35,302
Mezzanine loan	6,000	6,000
Total borrowings	<b>43,619</b>	<b>47,747</b>

In 1999, under the agreement for the acquisition of Match Healthcare Limited, Match Group PLC issued institutional loan notes to raise funding for the acquisition and the group's working capital. The loan notes, which are repayable on or before 30 June 2010, bore interest at 10%, half payable half yearly, unless certain conditions were not met in which case the interest remained accrued until these conditions were met, and continue to be met, for a period of at least 12 months, and the other half being rolled up to be paid on repayment of the principal. The holders of these loan notes waived interest for the period from 26 April 2002 to 31 December 2002.

Institutional loan notes with a value of £47,644 were held by the company's chairman, Sir T Chessells, at 31 December 2002 and 31 December 2003.

During 2001 Match Group PLC issued £6,000,000 of further institutional loan notes (Mezzanine Loan). This 8% unsecured subordinated loan stock 2010 which is repayable on or before 30 June 2010, bore interest at 8%, payable half yearly. The holders of these loan notes waived that interest for the period from 21 May 2002 to 31 December 2002.

On 25 April 2002, Match Holdings Limited raised £8 million by the placing of 800,000,000 New A Ordinary Shares at a price of 1p per share. The proceeds of the

# Match Group PLC

## Notes to the financial statements

Year ended 31 December 2003

placing were used to provide funding to Match Group PLC, to meet its obligations to subscribe for shares in its own subsidiary, Match Healthcare Limited. This loan bears interest at 20% per annum.

### 10 Share Capital

	Number of Shares	2003 £'000	Number of Shares	2002 £'000
<b>Authorised:</b>				
Ordinary shares of £1 each	1,602,001	1,602	1,602,001	1,602
<b>Allotted, called up and fully paid :</b>				
Ordinary shares of £1 each	1,602,001	1,602	1,602,001	1,602

### 11 Reserves

	£'000
<b>Profit &amp; Loss Account</b>	
At 1 January	(10,705)
Loss for the financial year	(4,058)
At 31 December	(14,763)

### 12 Reconciliation of movement in shareholders' (deficit)/funds

	£'000
As at 1 January 2003	(9,103)
Retained loss for the financial year	(4,058)
At 31 December 2003	(13,161)

### 13 Transactions with Directors and related parties

The company pays interest to directors on loan notes held by them, details of which are contained in note 9.

### 14 Contingent liabilities

The company had guaranteed the bank loans made available to the group of £19,220,000 (2002 - £36,785,000).

### 15 Restricted Cash

Included within cash at bank and in hand of £4,652,000 is £386,000 held on deposit which is restricted in use to cover loan note repayments and £3,900,000 held on deposit which is restricted in use to cover loan note repayments of Match Healthcare Limited.

### 16 Ultimate parent company

At 31 December 2003 the immediate and ultimate parent company and controlling party was Match Holdings Limited, a company registered in England and Wales. Copies of its consolidated financial statements can be obtained from Turnford Place, Great Cambridge Road, Turnford, Herts, EN10 6NH.