

SITO RECRUITMENT LIMITED
(Company number 3917802)
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST DECEMBER 2002



SITO RECRUITMENT LIMITED

Secretary
G W Cross

Registered Office
Security House, Barbourne Road, Worcester WR1 1RS

REPORT AND FINANCIAL STATEMENTS

for the year ended

31st DECEMBER 2002

Index

Notice of Annual General Meeting	1
Report of the General Manager	2
Report of the Directors	3
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7/8
Schedule to the financial statements	9

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the second Annual General Meeting of
SITO RECRUITMENT LIMITED
will be held at the New Cavendish Club, 44 Great Cumberland Place, London,
on Tuesday 12th June 2003 at 10.20 a.m. for the following purposes:

1. To receive and consider the financial statements and the reports of the directors and of the auditors for the year ended 31st December 2002.
2. To re-appoint Auditors.
3. To authorise the Board to fix the remuneration of the Auditors.
4. To declare that no dividend be paid for the year.
5. To transact any other business of an Annual General Meeting.

By order of the Board



G W Cross
Secretary

Security House
Barbourne Road
Worcester
WR1 1RS

4th April 2003

NOTE: A member of the company entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote instead of him. A proxy must be a member of the company.

Proxy forms must be lodged at the Company's registered office not less than 48 hours before the time of the meeting.

SITO RECRUITMENT LIMITED

General Managers' Annual Report

31st December 2002 marked the second trading year for SITO Recruitment Limited (SRL). Established in response to requirements of the Learning and Skills Council and in order to meet industry work-based learning funding needs, SRL continues to act as a virtual employment agency, seconding trainers from industry to deliver publicly funded training programmes both in their own, and in some cases other, companies. The key focus for SRL in 2002 has been to drive the new funded three-day Retail Guarding and Door Supervisors programmes and to encourage more companies to participate in the already successful three day Guarding and five-day Cash in Transit programmes.

By 31st December 2002, 57 companies were participating under contract with SRL, registering 91 trainers who in turn delivered 2826 days of publicly funded training to the industry. This co-ordinated training attracted £306,319 from the college partners of which £292,291 was paid to companies in respect of the contribution made by seconded trainers. Despite a promising start in 2001, the number of participating companies remains lower than predicted with many leading industry players failing to sign up to the funding opportunity, most stating a reluctance to extend basic training to three days as their reason. Many of the college partners are expressing concern at the numbers and it may prove difficult to maintain the college network unless 2003 brings a marked improvement.

After a very promising start to the University for Industry (Ufi) Sector Hub, during which SITO became one of the best performing pilots, the project has drawn to a standstill as Ufi are not willing to fund an organisation which is not a Sector Skills Council. Negotiations continue, but it has become evident that most organisations are unwilling to fund ongoing initiatives until such time as our status has been decided.

Returning to the LSC, the current pilot has been extended until the end of the academic year (August 2003) and we are currently in liaison with LSC to determine the way forward. It is apparent that any future arrangements will be impacted upon by the requirements of the SIA and I have been advised by both LSC and the SIA that they are now in discussion. It must therefore remain a key objective of the SRL Senior Management Team, with the support of the SITO Board, to encourage the SIA to allow SRL to co-ordinate any future national funding initiatives.

STEFAN HAY
General Manager

13/01/03

SITO RECRUITMENT LIMITED

REPORT OF THE DIRECTORS

The Board presents its second Report on the affairs of the company and audited financial statements for the year ended 31st December 2002.

Constitution and activities

The company was incorporated in 2000 as a subsidiary of Security Industry Training Organisation Limited.

The principal activity of the company is to carry on the business of a virtual recruitment agency, seconding trainers from industry to deliver publicly funded training programmes to the Security Industry.

Review of the business and future prospects

The results for the period under review were as expected.

Directors

The present membership of the board is set out below.

*D G Cowden
*M C Rackstraw

* Served throughout the year

R D Clarke	Resigned 30th September 2002
D S Fletcher	Resigned 30th June 2002
I H Gardner	Resigned 30th June 2002
R M Rowan	Resigned 10th October 2002

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 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.

Financial Results for the period

The financial result of the company's operations for 2002 is shown in the profit and loss account on page 5.

The directors do not recommend that a dividend be paid.

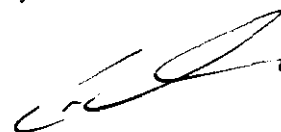
Auditors

Fullard Duffill have indicated their willingness to continue as auditors of the company and, in accordance with the provisions of Section 384 (1) of the Companies Act 1985, resolutions to reappoint them and fix their remuneration will be proposed at the forthcoming Annual General Meeting.

Small Company Disclosures

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

By Order of the Board



G W Cross
Secretary

4th April 2003

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF

SITO RECRUITMENT LIMITED

We have audited the financial statements of SITO Recruitment Limited for the year ended 31st December 2002, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of the financial statements in accordance with applicable Law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and United Kingdom auditing standards. 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 of 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 mis-statements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31st December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Fullard Duffell
Registered Auditors
Chartered Accountants

106 Birmingham Road
Bromsgrove
Worcestershire
B61 0DF

4th April 2003

SITO RECRUITMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
Turnover	2	306,319	153,850
Operating Expenses		<u>310,275</u>	<u>150,113</u>
Operating Profit before taxation	3	(3,956)	3,737
Interest Receivable		-	-
Taxation	5	<u>528</u>	<u>(528)</u>
Profit for the financial year		(3,428)	3,209
Retained profits brought forward		<u>3,209</u>	<u>-</u>
Retained profits carried forward		<u>(219)</u>	<u>3,209</u>

None of the company's activities were acquired or discontinued during the above financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 8 form part of these financial statements

SITO RECRUITMENT LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
<u>CURRENT ASSETS</u>			
Debtors	5	58,167	88,578
Cash at Bank and in hand		<u>21,911</u>	<u>5,918</u>
		80,078	94,496
<u>CREDITORS</u>			
Amounts falling due within one year	6	<u>80,295</u>	<u>91,285</u>
NET CURRENT (LIABILITIES)/ASSETS		(217)	3,211
TOTAL ASSETS LESS CURRENT LIABILITIES		(217)	3,211
Provision for liabilities and charges		<u>-</u>	<u>-</u>
NET (LIABILITIES)/ASSETS		<u>(217)</u>	<u>3,211</u>
<u>CAPITAL & RESERVES</u>			
Called up share capital	7	2	2
Profit and Loss account		<u>(219)</u>	<u>3,209</u>
		<u>(217)</u>	<u>3,211</u>
		=====	=====

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

The financial statements were approved by the Board on 1st April 2003 and signed on its behalf by:-



Directors

The notes on pages 7 to 8 form part of these financial statements

SITO RECRUITMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

- a) The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.
- b) Taxation is calculated on the result for the year as shown in the financial statements. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

2. TURNOVER

Turnover comprises income from training services provided by the company excluding VAT.

	2002	2001
	£	£

3. OPERATING PROFIT

The profit stated is after charging:

Auditors remuneration	300	300
Directors remuneration	-	-
	=====	=====

4. TAXATION

Credit/(charge) for United Kingdom Corporation tax on the result for the year at 14.1% (2001 14.1%)
 Deferred Taxation

528	(528)
-	-
528	(528)
=====	=====

5. DEBTORS:

Trade Debtors	57,639	88,578
Amount due from group company	-	-
Corporation tax recoverable	528	-
	58,167	88,578
	=====	=====

6. CREDITORS:

Amounts falling due within one year:-

Corporation Tax	-	528
Trade Creditors	18,461	55,495
Amount due to group companies	13,594	13,697
Accruals: Audit	300	300
Other	47,940	21,265
	80,295	91,285
	=====	=====

7. SHARE CAPITAL

Authorised: Ordinary Shares of £1 each	100	100
	=====	=====
Allotted, issued and fully paid -	2	2
Ordinary Shares of £1 each	=====	=====

SITO RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

8. CAPITAL COMMITMENTS

Contracted but not provided in the
financial statements

Nil

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Nil

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9. HOLDING COMPANY

The company is a wholly owned subsidiary of Security Industry Training Organisation Limited, which is itself, a wholly owned subsidiary of The British Security Industry Association Limited

SITO RECRUITMENT LIMITED

SCHEDULE TO THE FINANCIAL STATEMENTS

TURNOVER DETAIL

	<u>2002</u>	<u>2001</u>
Turnover comprises:-	£	£
Training Agency Support	306,319	153,850
	=====	=====

EXPENDITURE DETAIL

Operating expenses comprise:-	£	£
Grants Payable	292,291	149,155
Bank charges	220	41
Audit fee	300	300
Administration costs	13,015	-
Printing, Stationery & other materials	<u>4,449</u>	<u>617</u>
	310,275	150,113
	=====	=====