

Company Registration No. 03977291 (England and Wales)

BPO STAFFING SOLUTIONS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

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BPO STAFFING SOLUTIONS LIMITED

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BPO STAFFING SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO BPO STAFFING SOLUTIONS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 6, together with the financial statements of BPO Staffing Solutions Limited for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other information

On 30 November 2006 we reported, as auditors of BPO Staffing Solutions Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2005, and our audit report included the following paragraph:

"We have audited the financial statements of BPO Staffing Solutions Limited for the year ended 31 December 2005 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BPO STAFFING SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO BPO STAFFING SOLUTIONS LIMITED (CONTINUED) UNDER SECTION 247B OF THE COMPANIES ACT 1985

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 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 other transactions 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.

Basis of audit 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.

"In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 1.1 on page 7 to the financial statements concerning the company's ability to continue as a going concern. The company has incurred a net loss of £(198,550) during the year ended 31 December 2005 (2004:£157,378) and, at that date, the company's current liabilities exceeded its current assets by £13,946. These conditions, together with the matter of the company entering into a Company Voluntary Arrangement in October 2006, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern."

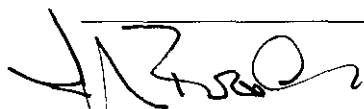
Qualified opinion arising from disagreement about accounting treatment

Included in the fixed assets shown on the balance sheet is an amount of £487,838 in respect of intangible assets which relates to purchased goodwill upon acquisition of a labour recruitment business during the period ended 31 December 2004. In our opinion the carrying value of this asset on the balance sheet should be significantly provided against by the directors, as there is significant doubt about the estimated useful economic life of this asset. Accordingly, if the intangible assets were to be fully provided against, then the fixed assets would be reduced by £487,838, which would result in the balance sheet showing a net liabilities position of £(143,390) as at 31 December 2005, and the net loss for the year ended 31 December 2005 would be increased by £487,838.

Except for the financial effect of not making a significant provision against the carrying value of intangible assets referred to in the previous paragraph, in our opinion the financial statements:"

BPO STAFFING SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO BPO STAFFING SOLUTIONS LIMITED (CONTINUED) UNDER SECTION 247B OF THE COMPANIES ACT 1985



Jordan Brookes

Chartered Accountants
Registered Auditor

30 November 2006

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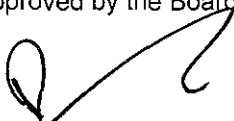
BPO STAFFING SOLUTIONS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	2	487,838		505,384	
Tangible assets	2	25,556		30,400	
		<u>513,394</u>		<u>535,784</u>	
Current assets					
Debtors		248,501		288,492	
Cash at bank and in hand		11,913		15,193	
		<u>260,414</u>		<u>303,685</u>	
Creditors: amounts falling due within one year		<u>(274,360)</u>		<u>(290,903)</u>	
Net current (liabilities)/assets		<u>(13,946)</u>		<u>12,782</u>	
Total assets less current liabilities		<u>499,448</u>		<u>548,566</u>	
Creditors: amounts falling due after more than one year		<u>(155,000)</u>		<u>(5,568)</u>	
		<u>344,448</u>		<u>542,998</u>	
Capital and reserves					
Called up share capital	3	7,376		7,376	
Share premium account		693,000		693,000	
Profit and loss account		(355,928)		(157,378)	
Shareholders' funds		<u>344,448</u>		<u>542,998</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board for issue on 21 November 2006



Richard Ashley
Director

BPO STAFFING SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The company meets its day to day working capital requirements through its banking arrangements. The company relies on the continued financial support from its bankers, trade creditors, directors and other creditors of the company.

Further to the above, in October 2006 the directors took the decision to enter into a Company Voluntary Arrangement with its creditors.

On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this financial support.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery

Fixtures, fittings & equipment

25% - 33% Straight line per annum

1.5 Comparative figures

The comparative figures contained within these financial statements are for the fifteen month period ended 31 December 2004.

BPO STAFFING SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 January 2005	532,517	40,873	573,390
Additions	9,091	17,811	26,902
At 31 December 2005	541,608	58,684	600,292
Depreciation			
At 1 January 2005	27,133	10,474	37,607
Charge for the year	26,637	22,654	49,291
At 31 December 2005	53,770	33,128	86,898
Net book value			
At 31 December 2005	487,838	25,556	513,394
At 31 December 2004	505,384	30,400	535,784

3 Share capital

	2005 £	2004 £
Authorised		
73,760,000 Ordinary of 1p each	737,600	737,600
Allotted, called up and fully paid		
737,600 Ordinary of 1p each	7,376	7,376