

# **Carlisle Staffing Services Holdings Limited**

## **Report and financial statements for the period ended 31 March 2002**

Registered No. 4167777



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# **Carlisle Staffing Services Holdings Limited**

## **Report and financial statements for the period ended 31 March 2002**

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## **Company information**

### **Registered office**

St Florian House  
Milton Road  
Wokingham  
Berkshire  
RG40 1EN

### **Directors**

R J Bradford  
I G Robinson  
Southtown Limited

### **Company secretary**

P T Osborne

### **Auditors**

PricewaterhouseCoopers  
1 Embankment Place  
London  
WC2N 6RH

## Report of the directors for the period ended 31 March 2002

The directors present their report and the audited financial statements of the company for the period 26 February 2001 (date of incorporation) to 31 March 2002.

### Review of the business

The principal activity of the company is that of an investment holding company.

The principal activity of the group is the provision of employment services, principally within the United Kingdom.

On 1 April 2001, the company's immediate parent undertaking, BMS Limited, transferred to the company, as a capital contribution (see note 17 to the financial statements) its entire 100 percent shareholdings in Carlisle Staffing Services Limited and Carlisle Staffing Limited (see note 12 to the financial statements), at their carrying values of £11,840,000 and £5,479,000, respectively.

Details of acquisitions during the period are set out in note 20 to the financial statements.

Both the level of business and period end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Results and dividends

The retained profit for the financial period amounted to £3,287,000 which has been transferred to reserves. The directors do not recommend the payment of a dividend.

### Post balance sheet events

Details of post balance sheet events are set out in note 21 to the financial statements.

### Directors

The following have served as directors during the period:

R J Bradford	(appointed 26 February 2001)
I G Robinson	(appointed 26 February 2001)
Southtown Limited	(appointed 26 February 2001)

During the period under review no director had any beneficial interest in the share capital of the company.

Under Statutory Instrument No. 802 made under the authority of Section 324(3) of the Companies Act 1985, the directors' interests in the share capital of the ultimate parent undertaking need not be disclosed.

## **Report of the directors for the period ended 31 March 2002 (continued)**

### **Employee involvement**

The nature of the group's activities makes the employment of disabled persons particularly difficult. However, it is the group's policy, wherever practicable, to employ, train, develop and promote disabled persons and to find suitable employment within the group for persons who become disabled during their employment.

It is the group's policy to encourage the free exchange of information throughout all levels of management and staff. Regular meetings are held, designed to further this process.

### **Policy on payments to suppliers**

The group's policy with regard to the payment of its suppliers is to:

- agree the terms of payment at the start of business with that supplier;
- ensure that the suppliers are made aware of the terms of payment; and
- pay in accordance with its contractual and legal obligations.

The group's average creditor payment period at 31 March 2002 was 30 days. The company has no trade creditors.

### **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 the group at the end of the financial period, and of the profit and loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures 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 and the group will continue in business.

The maintenance and integrity of the group's website is the responsibility of the directors.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the directors  
for the period ended 31 March 2002 (continued)**

**Auditors**

PricewaterhouseCoopers continue in office as, in accordance with Section 386 of the Companies Act 1985, the company has made an elective resolution to dispense holding an annual general meeting.

**By order of the board**

A handwritten signature in black ink, appearing to be 'I G Robinson', is written over a horizontal line.

I G Robinson  
Director  
30 September 2002

## Independent auditors' report to the members of Carlisle Staffing Services Holdings Limited

We have audited the financial statements on pages 6 to 25.

### 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 on page 3.

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.

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 United Kingdom 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.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### 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 affairs of the company and the group at 31 March 2002 and of the profit of the group for the period 26 February 2001 to 31 March 2002 and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London  
30 September 2002

**Consolidated profit and loss account  
for the period ended 31 March 2002**

	Notes	Operations before non- recurring items 2002 £'000	Restructuring and other non- recurring items 2002 £'000	Total 2002 £'000
<b>Turnover</b>		162,708	-	162,708
Cost of sales		(119,769)	-	(119,769)
<b>Gross profit</b>		42,939	-	42,939
Administrative expenses		(34,852)	-	(34,852)
Reorganisation and restructuring costs	2	-	(546)	(546)
<b>Operating profit</b>	5	8,087	(546)	7,541
Interest receivable and similar income	6			208
Interest payable and similar charges	7			(2,824)
<b>Profit on ordinary activities before taxation</b>				4,925
Tax on profit on ordinary activities	8			(1,638)
<b>Retained profit for the financial period</b>	17			3,287

All operations are continuing (acquisitions).

There is no difference between the results reported above and the equivalent results calculated on an unmodified historical cost basis.



**Consolidated statement of total recognised gains and losses  
for the period ended 31 March 2002**

	2002 £'000
Profit for the financial period	3,287
Currency translation adjustments offset in reserves	(47)
Total recognised gains for the period	<u>3,240</u>

**Consolidated balance sheet  
as at 31 March 2002**

	Notes	2002 £'000
<b>Fixed assets</b>		
Intangible assets	10	49,681
Tangible assets	11	<u>3,887</u>
		<u>53,568</u>
<b>Current assets</b>		
Debtors	13	24,241
Cash at bank and in hand		<u>813</u>
		<u>25,054</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(58,063)</u>
<b>Net current liabilities</b>		<u>(33,009)</u>
<b>Net assets</b>		<u>20,559</u>
<b>Capital and reserves</b>		
Called up share capital	16	-
Other reserves	17	17,319
Profit and loss account	17	<u>3,240</u>
<b>Equity shareholders' funds</b>	18	<u>20,559</u>

**Company balance sheet  
as at 31 March 2002**

	Notes	2002 £'000
<b>Fixed assets</b>		
Investments	12	<u>17,319</u>
<b>Net assets</b>		<u>17,319</u>
<b>Capital and reserves</b>		
Called up share capital	16	-
Other reserves	17	<u>17,319</u>
<b>Equity shareholders' funds</b>	18	<u>17,319</u>

The financial statements on pages 6 to 25 were approved by the board of directors on 30 September 2002 and were signed on its behalf by:



I G Robinson - Director

**Notes to the financial statements  
for the period ended 31 March 2002****1 Principal accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom, except for the requirements of legislation as explained in intangible fixed assets below, and on the basis of continuing financial support from group undertakings, for the period from 26 February 2001 (date of incorporation) to 31 March 2002.

**Basis of preparation and consolidation**

The consolidated financial statements comprise the financial statements of Carlisle Staffing Services Holdings Limited and its subsidiary undertakings drawn up to 31 March 2002.

The acquisition method of accounting has been applied for all subsidiaries acquired by the group, whereby the results of subsidiary undertakings acquired or disposed of during the period are consolidated for the period from or to the date on which control passes.

**Foreign currencies**

The results of overseas subsidiary undertakings are translated at the average exchange rate for the year. The assets and liabilities of such undertakings are translated at period end exchange rates. Exchange differences which relate to overseas investments are recorded as a movement on reserves.

**Intangible fixed assets**

Goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is stated at cost less amortisation.

Goodwill is capitalised and treated as an asset on the consolidated balance sheet. Goodwill that is regarded as having a limited estimated useful economic life is amortised through the profit and loss account by equal instalments over such useful economic life. Goodwill that is regarded as having an indefinite life is not amortised. The estimated useful economic life is regarded as indefinite where goodwill is capable of continued measurement and the durability of the acquired business can be demonstrated. In estimating the useful economic life of goodwill arising, account has been taken of the nature of the business acquired, the stability of the industry, the extent of continuing barriers to market entry and the expected future impact of competition. Where goodwill is not amortised an annual impairment review will be performed and any impairment will be charged to the profit and loss account in the period in which it arises. The impairment review involves a comparison of the book value of goodwill with its implied fair market value, by reference to present value techniques, comprising discounted cash flows, based on future revenue and margin projections and plans, with the discount rate based on a risk weighted average cost of capital.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

The businesses' recent record has generally been one of consistent growth in both turnover and operating profit. The underlying markets have generally seen consistent growth over many years and the nature of the services offered by each business is likely to continue for a significant number of years. The directors believe that each business has a proven ability to at least maintain its market position over a long period and will adapt successfully to any foreseeable technological or customer-led changes, such that the goodwill will prove to be durable.

Amortising the goodwill over a finite period, as required by the Companies Act, would not give a true and fair view because the durability of the business is such that the directors consider that the value of the goodwill will not reduce over time. Accordingly, the goodwill is not amortised as permitted by FRS 10. Instead an annual impairment test is undertaken and any impairment that is identified will be charged to the profit and loss account. It is not possible to quantify the effect of the departure from the Companies Act, because no finite life for the goodwill can be identified.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided so as to write off the cost less the estimated residual value of each asset on a straight line basis over its estimated useful life, as follows:

Leasehold improvements	-	Over the length of the lease
Computer equipment	-	25% per annum
Fixtures and fittings	-	15% to 20% per annum
Motor vehicles	-	25% per annum

**Fixed assets investments**

Fixed asset investments are stated at cost less any provision required for any impairment in value.

**Turnover**

Turnover comprises the invoiced value of services provided and goods supplied, net of value added tax.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)****Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**Pension payments**

Contributions payable to defined contribution pension schemes and to employees' pension schemes are charged to the profit and loss account in the period to which they relate.

**Deferred taxation**

Deferred taxation is provided on all timing differences, subject to certain exceptions, where the transaction or events that give rise to an obligation to pay additional tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Deferred tax assets are recognised when it is considered more likely than not that they will be recovered in the future. Deferred tax is measured using rates of tax that have been enacted at the balance sheet date. This is a change in policy arising during the period, as a result of the introduction of FRS 19. The previous policy was to provide deferred taxation using the liability method to take account of all timing differences only to the extent that such differences would reasonably be expected to reverse in the foreseeable future without being replaced. There has been no material impact on the financial statements as a result of this change in policy. No provision is made for any taxation arising in the event of the distribution of profits retained by overseas subsidiaries except to the extent that the distribution of those reserves is anticipated.

**Cash flow statement**

In accordance with FRS 1 (Revised) the group has not prepared a statement of cash flows for the current period as it is a wholly owned subsidiary of Carlisle Holdings Limited, who publishes consolidated financial statements which include a consolidated cash flow statement.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)****2 Reorganisation and restructuring costs**

	2002 £'000
Property costs	290
Redundancy costs	256
	<u>546</u>

**3 Staff costs and numbers**

Staff costs during the period were:

	2002 £'000
Wages and salaries	18,656
Social security costs	1,961
Other pension costs	336
	<u>20,953</u>

The average number of employees during the period was:

	2002 Number
Operational	496
Office and management	175
	<u>671</u>

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

**4 Directors' emoluments**

	2002 £'000
Remuneration (including benefits in kind)	352
Pension contributions	31
	<u>383</u>

The emoluments of the highest paid director were £221,000, plus pension contributions towards a defined contribution scheme of £20,000.

The number of directors for whom contributions were made towards defined contribution pension schemes was 2.

**5 Operating profit**

	2002 £'000
Operating profit is stated after charging:	
Depreciation of tangible fixed assets	1,109
Operating lease rentals	
- land and buildings	1,933
- plant and equipment	629
Auditors' remuneration	
- group	124
- company	<u>1</u>

**6 Interest receivable and similar income**

	2002 £'000
Intercompany interest receivable	165
Other interest receivable	43
	<u>208</u>

**7 Interest payable and similar charges**

	2002 £'000
Intercompany interest payable	2,429
Bank loans and overdrafts	395
	<u>2,824</u>



**Notes to the financial statements  
for the period ended 31 March 2002 (continued)****8 Tax on profit on ordinary activities**

	2002 £'000
UK corporation tax at 30 per cent	945
Group relief payable in respect of current period	716
Overseas corporation taxes	14
Adjustment in respect of prior periods	(1,140)
Group relief payable in respect of prior periods	1,157
Adjustment in respect of prior periods - overseas corporation taxes	(48)
Adjustment in respect of prior periods - deferred tax	(6)
	<hr/> 1,638 <hr/>

	2002 £'000
Profit on ordinary activities multiplied the standard rate of corporation tax in the UK of 30%	1,478
Expenses not deductible for tax purposes	192
Capital allowances for period in excess of depreciation and other timing differences	20
Tax losses from earlier periods offset against profits	(15)
Adjustment in respect of prior periods – net	(37)
	<hr/> 1,638 <hr/>

**9 Results of the parent holding company**

Of the profit for the financial period, nil is dealt with in the financial statements of Carlisle Staffing Services Holdings Limited. The directors have taken advantage of the exemption available under Section 230 of the Companies Act 1985 and not presented a profit and loss account for the parent holding company alone.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

**10 Intangible fixed assets**

	Goodwill £'000
<b>Group</b>	
At 26 February 2001	-
Goodwill – capital contribution (note 20)	41,416
Purchased goodwill (note 20)	8,306
Currency translation adjustments	(41)
At 31 March 2002	<u>49,681</u>

**11 Tangible fixed assets**

**Group**

	Short leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 26 February 2001	-	-	-	-	-
Transfers from group company	751	2,265	1,701	43	4,760
Additions at cost	74	1,692	508	-	2,274
Disposals	(19)	(89)	(76)	(36)	(220)
Arising on acquisitions	16	64	60	111	251
At 31 March 2002	<u>822</u>	<u>3,932</u>	<u>2,193</u>	<u>118</u>	<u>7,065</u>
<b>Depreciation</b>					
At 26 February 2001	-	-	-	-	-
Transfers from group company	220	919	839	38	2,016
Charge for the period	100	748	249	12	1,109
Disposals	(7)	(51)	(34)	(28)	(120)
Arising on acquisitions	2	46	60	65	173
At 31 March 2002	<u>315</u>	<u>1,662</u>	<u>1,114</u>	<u>87</u>	<u>3,178</u>
<b>Net book values</b>					
At 31 March 2002	<u>507</u>	<u>2,270</u>	<u>1,079</u>	<u>31</u>	<u>3,887</u>
At 26 February 2001	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

**12 Fixed asset investments**

Company	Interest in group undertakings £'000
At 26 February 2001	-
Additions (note 20)	17,319
At 31 March 2002	<u>17,319</u>

On 1 April 2001, the company's immediate parent, BMS Limited, transferred to the company, as a capital contribution (note 17) its entire 100 percent shareholding in Carlisle Staffing Services Limited and Carlisle Staffing Limited at their carrying values of £11,840,000 and £5,479,000, respectively.

A list of principal group undertaking at 31 March 2002 is as follows:

Carlisle Staffing Services Limited (*)	Ordinary shares of £1 each and 7½% cumulative redeemable convertible preference shares of £1 each
Carlisle Staffing Limited (*) (incorporated in the British Virgin Islands)	Ordinary shares of US\$1 each
Carlisle Staffing plc (formerly named Recruit plc)	Ordinary shares of £1 each
Tate Appointments Limited	Ordinary shares of £1 each
Indigo Selection Limited	Ordinary shares of £1 each
Barker Personnel Services Limited	'A' ordinary shares of 1 pence each, 'B' ordinary shares of 1 pence each, and 'C' ordinary shares of 0.01 pence each
First Call Educational Services Limited	Ordinary shares of £1 each
Carlisle Staffing Services Ireland Limited (incorporated in the Republic of Ireland)	Ordinary shares of €1 each
Delta Personnel Limited	Ordinary shares of £1 each
Agency Cover Limited	Ordinary shares of £1 each
Aspillo Limited	Ordinary shares of £1 each
Indigo Hewitson-Walker Limited	Ordinary shares of £1 each
Recruit Retail Services plc	Ordinary shares of £1 each
Centre Point Group Limited	Ordinary shares of £1 each
Stirling Recruitment Group Limited	Ordinary shares of 10 pence each
Peraworth Limited	Ordinary shares of £1 each
Rand Services (Bristol) Limited	Ordinary shares of £1 each
Stirling Recruitment (Southampton) Limited	Ordinary shares of £1 each
Stirling Recruitment (West Sussex) Limited	Ordinary shares of £1 each
Stirling Recruitment (Basildon) Limited	Ordinary shares of £1 each

Unless otherwise stated (a) all companies are incorporated and operating in Great Britain and registered in England and Wales; (b) the proportion of the nominal value of shares and the voting rights held by the group comprises 100 per cent; (c) all companies are included in the consolidated financial statements; and (d) all shares are held by group undertakings.

(\*) shares held directly by Carlisle Staffing Services Holdings Limited.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

**13 Debtors**

	<b>Group</b>	<b>Company</b>
	<b>2002</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>		
Trade debtors	19,878	-
Amounts owed by group undertakings	248	-
Prepayments and accrued income	4,115	-
	<u>24,241</u>	<u>-</u>

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

	<b>Group</b>	<b>Company</b>
	<b>2002</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdraft (secured)	4,514	-
Trade creditors	1,769	-
Amounts owed to group undertakings	38,478	-
Corporation tax	378	-
Social security and other taxes	5,941	-
Accruals and deferred income	6,983	-
	<u>58,063</u>	<u>-</u>

**15 Deferred tax asset**

<b>Group</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>2002</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	-	5
Other timing differences	-	21
	<u>-</u>	<u>26</u>

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

**16 Called up share capital**

	2002 £'000
<b>Group and Company</b>	
<b>Authorised</b>	
100 ordinary shares of £1 each	-
<b>Allotted, called up and fully paid</b>	
1 ordinary share of £1 each - issued on incorporation	-

**17 Reserves**

	Other reserves £'000
<b>Group and Company</b>	
At 26 February 2001	-
Capital contribution	17,319
At 31 March 2002	17,319
	<b>Profit and loss account £'000</b>
<b>Group</b>	
At 26 February 2001	-
Retained profit for the financial period	3,287
Currency translation adjustments	(47)
At 31 March 2002	3,240

On 1 April 2001, the company received, as a capital contribution from its immediate parent undertaking, BMS Limited, a 100 percent shareholding in Carlisle Staffing Services Limited and Carlisle Staffing Limited (notes 12 and 19) at their carrying values of £11,840,000 and £5,479,000, respectively. Other reserves are unrealised and are not available for distribution.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**
**18 Reconciliation of movements in equity shareholders' funds**

	Group 2002 £'000	Company 2002 £'000
Profit for the financial period	3,287	-
Other recognised losses	(47)	-
Capital contribution	17,319	17,319
Net movement in shareholders' funds	<u>20,559</u>	<u>17,319</u>
Shareholders' funds at beginning of period	-	-
Shareholders' funds at end of period	<u>20,559</u>	<u>17,319</u>

**19 Financial commitments**

Annual commitments under non-cancellable operating leases are as follows:

	Group 2002 £'000
<b>Land and buildings</b>	
- expiring within one year	226
- expiring between two and five years	1,378
- expiring after five years	309
	<u>1,913</u>
<b>Plant and equipment</b>	
- expiring within one year	86
- expiring between two and five years	358
	<u>444</u>
	<u>2,357</u>

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

**20 Acquisitions**

a) Carlisle Staffing Services Limited and Carlisle Staffing Limited.

On 1 April 2001, the company received, as a capital contribution from its immediate parent undertaking, BMS Limited, a 100 percent shareholding in Carlisle Staffing Services Limited and Carlisle Staffing Limited, which has been accounted for as an acquisition.

	<b>Book value</b>	<b>Adjustments</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net assets (liabilities) acquired</b>			
Intangible fixed assets	42,350	(42,350)	-
Tangible fixed assets	2,744	-	2,744
Debtors	24,173	-	24,173
Cash at bank	1,646	-	1,646
Creditors less than one year	(52,660)	-	(52,660)
Net assets (liabilities) acquired	<u>18,253</u>	<u>(42,350)</u>	<u>(24,097)</u>
Goodwill arising (note 10)			41,416
Capital contribution (note 17)			<u>17,319</u>

**Notes to the financial statements  
for period ended 31 March 2002 (continued)**

**20 Acquisitions (continued)**

b) Centre Point Group

On 30 November 2001, the group acquired the trade and assets of a partnership trading under the name of Centre Point Group, which has been accounted for as an acquisition.

	Book value £'000	Adjustments £'000	Fair value £'000
<b>Net assets acquired</b>			
Tangible fixed assets	189	(164)	25
Debtors	3,777	(27)	3,750
Cash at bank	509	-	509
Creditors less than one year	(2,691)	(171)	(2,862)
Net assets acquired	<u>1,784</u>	<u>(362)</u>	<u>1,422</u>
Goodwill arising			5,517
Consideration			<u>6,939</u>
Consideration was satisfied by:			
Cash (including acquisition costs)			6,439
Deferred consideration			500
			<u>6,939</u>

The book value of the liabilities has been derived from the unaudited management accounts of Centre Point Group as at 30 November 2001, which has been taken as the accounting date of the acquisition. Prior to acquisition, the business traded as a partnership and the financial information prior to acquisition is not publicly available. Subsequent to the year end, in August 2002, the deferred consideration was amended to £1,000,000.



**Notes to the financial statements  
for period ended 31 March 2002 (continued)**
**20 Acquisitions (continued)**
**c) Stirling Recruitment Group Limited**

On 2 July 2001, the group acquired Stirling Recruitment Group Limited and its subsidiaries, which has been accounted for as an acquisition.

	Book value £'000	Adjustments £'000	Fair value £'000
<b>Net assets acquired</b>			
Tangible fixed assets	158	(105)	53
Debtors	1,096	(11)	1,085
Cash at bank	1	-	1
Creditors less than one year	(996)	(78)	(1,074)
Net assets acquired	<u>259</u>	<u>(194)</u>	<u>65</u>
Goodwill arising			2,737
Consideration			<u>2,802</u>
Consideration was satisfied by:			
Cash (including acquisition costs)			<u>2,802</u>

The book value of the assets and liabilities has been derived from the unaudited management accounts of Stirling Recruitment Group Limited at 30 June 2001, which has been taken as the accounting date of the acquisition.

In its last financial year to 31 March 2001, Stirling Recruitment Group Limited recorded a profit after taxation of £146,000. For the period from 1 April 2001 to the date of acquisition by the group, Stirling Recruitment Group Limited's unaudited management accounts show: turnover of £2,202,000, operating profit of £122,000, profit before taxation of £122,000, taxation charge of £36,000 and a profit after taxation of £86,000. There was no difference between net profit and total recognised gains for the period. These figures are stated before the effect of any fair value adjustments referred to above.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)**

**20 Acquisitions (continued)**

d) Summary of all acquisitions

	£'000	£'000
Fair value of net liabilities		(22,610)
Goodwill arising:		
Carlisle Staffing Services Limited	36,406	
Carlisle Staffing Limited	5,010	41,416
Centre Point Group	5,517	
Stirling Recruitment Group Limited	2,737	
Others – net	52	8,306
Consideration		<u>27,112</u>
Consideration was satisfied by:		
Capital contribution		17,319
Cash (including acquisition costs)		9,293
Deferred consideration		500
		<u>27,112</u>

**21 Post balance sheet events**

On 1 April 2002, the following transactions were effected:

(a) as part of a group reorganisation, the trade and assets of certain subsidiary undertakings were transferred to Carlisle Staffing plc, also a subsidiary undertaking, at net book value.

(b) the group transferred the entire issued share capital of its subsidiary undertakings – Recruit Retail Services plc and Recruit Event Services Limited to BMS Limited, the company's immediate parent undertaking, for an aggregate consideration of £50,000. This transaction resulted in a net loss for the group of approximately £560,000.

(c) the trade and assets of the group's events employment services business was transferred to Recruit Event Services Limited, at net book value of approximately £296,000.

**22 Related party transactions**

The group and company have taken advantage of the exemption within Financial Reporting Standard 8 not to disclose transactions with other group companies.

**Notes to the financial statements  
for the period ended 31 March 2002 (continued)****23 Contingencies**

An unlimited composite banking guarantee exists between the company and certain subsidiary companies and various fellow group undertakings in respect of banking facilities provided to the group in the UK.

The company, together with certain subsidiary undertakings and various fellow group undertakings, has provided a UK guarantee for the financing obligations of Carlisle Finance (Iceland) Ltd., a fellow group undertaking incorporated in Iceland. The guarantee provides a first priority lien on the share capital of each guarantor and on certain other property and assets, including receivables, of each guarantor.

**24 Ultimate parent undertaking**

The company's immediate parent undertaking is BMS Limited.

As at 31 March 2002, the smallest group in which the company is consolidated was Carlisle Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Carlisle Group plc can be obtained from its registered office at St Florian House, Milton Road, Wokingham, Berkshire RG40 1EN.

As at 31 March 2002, the company's ultimate parent undertaking was Carlisle Holdings Limited, a company registered in Belize. Lord Ashcroft beneficially owned and controlled 68.5 percent of Carlisle Holdings Limited. Copies of the consolidated financial statements of Carlisle Holdings Limited can be obtained from its registered office at 60 Market Square, Belize City, Belize, Central America.