

**Callpoint Limited (formerly
Pertemps Callpoint Limited)**

Report and Financial Statements

31 December 2003

Registered No: SC216015



Callpoint Limited (formerly Pertemps Callpoint Limited)

Registered No. SC216015

DIRECTOR

T Watts

SECRETARY

S C Mogano

AUDITORS

Ernst & Young LLP
One Colmore Square
Birmingham
B4 6HQ

BANKERS

Bank of Scotland
11 Renfield Street
Glasgow
G2 5EZ

SOLICITORS

McLay Murray & Spens
3 Glenfinlas Street
Edinburgh
EH3 6AQ

McClure Naismith
292 St Vincent Street
Glasgow G2 5TQ

Shakespeares Solicitors
Somerset House
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B2 5DJ

REGISTERED OFFICE

10 Castle Street
Edinburgh
EH2 3AT

Callpoint Limited (formerly Pertemps Callpoint Limited)

DIRECTOR'S REPORT

The director presents his report and financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company was as a holding company for its fully-owned subsidiary, to whom it supplied and invoiced management services.

The company changed its name on 6th November 2003 to Callpoint Limited.

Following the performance of the subsidiary company for the year to 31 December 2003, the management charges invoiced did not cover the company's administrative charges and a small loss was incurred for the year. Subsequent to the decision to prepare the accounts on the break-up basis in 2002, the intercompany loan and the investment in subsidiary were written off, and estimated future operating losses provided for, resulting in a total loss of £2,501,057 in 2002.

In February 2003, Venture Investment Placement Limited (formerly Pertemps Group Limited) increased its shareholding and became the company's immediate and ultimate parent undertaking.

The subsidiary company Callpoint Europe Limited continued to trade at a loss in 2003 and on 31st December 2003 the trade, assets and certain liabilities were transferred to Callpoint (Bath Street) Limited (formerly Contact 4 Partnership Limited, formerly Dalglen (No 886) Limited) for consideration of £1. Callpoint (Bath Street) Limited also assumed responsibility for the obligations on the Scottish leasehold properties. On 31st December 2003, Callpoint (Bath Street) Limited was wholly owned by Callpoint Europe Limited.

In January 2004, 85% of the shares in Callpoint (Bath Street) Limited were sold to Callpoint Partnership Limited (formerly Dalglen (No 889) Limited) for £65,000.

Callpoint (Bath Street) Limited is now in liquidation and cannot meet its obligations under the sale agreement with the subsidiary company, Callpoint Europe Limited which is also in liquidation. As a consequence, the director has decided to prepare these accounts on the break-up basis.

RESULTS AND DIVIDENDS

The loss after tax for the year amounted to £530 (2002: £2,501,057) and the directors do not recommend a dividend (2002: £Nil). The loss for the year has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors serving during the year and their interest in the share capital of the company are as follows:

	<i>31 December 2003 No.</i>	<i>31 December 2002 No.</i>
I Dobbin (resigned 15 January 2004)	-	-
E Gowrie (resigned 15 January 2004) - Ordinary shares of £1	10,000	10,000
Preference shares class B	75,000	75,000
T Watts	-	-

C Findlay resigned as a director on 30 June 2003, H Bethune resigned 31 January 2003, B Clapham resigned 10 February 2003, G Munro resigned on 30 April 2003 and J Nixon resigned on 1 September 2003.

T Watts' interests in the share capital of the ultimate parent undertaking, Venture Investment Placement Limited (formerly Pertemps Group Limited), are disclosed within the accounts of that company. This company became the ultimate parent undertaking from February 2003.

There are no other director's interests requiring disclosure under the Companies Act 1985.

Callpoint Limited (formerly Pertemps Callpoint Limited)

DIRECTOR'S REPORT

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

SPECIAL PROVISIONS RELATING TO SMALL COMPANIES

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

T Watts
Director

Date 27 May 2005

Callpoint Limited (formerly Pertemps Callpoint Limited)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the director 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 of the company for that year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALLPOINT LIMITED (formerly Pertemps Callpoint Limited)

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller entities. The financial statements have been prepared on the break-up basis.

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.

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 United Kingdom law and 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 provisions of the Companies Act 1985 applicable to small companies. 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.

Basis of audit opinion

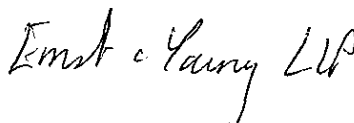
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985 applicable to small companies.

Ernst & Young LLP
Registered Auditor
Birmingham



Date 27/5/05

Callpoint Limited (formerly Pertemps Callpoint Limited)

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2003

		2003	2002
	Notes	£	£
TURNOVER	2	51,500	1,000
Administrative expenses		(5,470)	(2,502,080)
OPERATING PROFIT/(LOSS)	3	46,030	(2,501,080)
Bank interest receivable		73	23
Group loan interest payable		(47,470)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,367)	(2,501,057)
Tax on loss on ordinary activities	4	837	-
RETAINED LOSS FOR THE YEAR	9	(530)	(2,501,057)

The company had no recognised gains or losses in either period other than those included in the profit and loss account shown above.

The above turnover and costs incurred relate to discontinuing activities. See the Director's report for further details.

Callpoint Limited (formerly Pertemps Callpoint Limited)

BALANCE SHEET at 31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors	6	22,700	542
Cash at bank and in hand		429	79
		<u>23,129</u>	<u>621</u>
CREDITORS: amounts falling due within one year	7	(1,207,937)	(1,207,599)
NET CURRENT LIABILITIES		<u>(1,184,808)</u>	<u>(1,206,978)</u>
NET LIABILITIES		<u>(1,184,808)</u>	<u>(1,206,978)</u>
CAPITAL AND RESERVES			
Called up share capital	8	729,500	706,800
Share Premium Account	9	586,200	586,200
Profit and loss account	9	(2,500,508)	(2,499,978)
SHAREHOLDERS' DEFICIT	9	<u>(1,184,808)</u>	<u>(1,206,978)</u>
Equity		(1,859,808)	(1,881,978)
Non-equity		675,000	675,000
		<u>(1,184,808)</u>	<u>(1,206,978)</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved on behalf of the board on the date shown below.

T Watts
Director

Date

27 May 2005

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2003

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The company has taken advantage of the exemption in the Companies Act 1985 s228 not to produce group accounts by virtue of it being part of another group. These financial statements therefore present information about the company and not of the group.

Fundamental accounting concept

The financial statements have been prepared on the break-up basis reflecting the subsidiary's sale of shares in Callpoint (Bath Street) Limited in January 2004. Accordingly, adjustments have been made to provide for the diminution in value of all fixed assets so as to reduce their carrying value to their estimated realisable amount, to provide for any further liabilities which will arise, including post year end operating losses and to reclassify fixed asset and long-term liabilities as current assets and liabilities.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Taxation - Group relief

No payment is made for group relief surrendered.

Fixed Asset Investments

Fixed asset investments are recorded at cost less any provision for diminution.

2. TURNOVER

Turnover, which is stated net of value added tax and trade discounts, is attributable to the one discontinuing principal activity of the company. The whole of the turnover is to the UK market.

Callpoint Limited (formerly Pertemps Callpoint Limited)

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

3. OPERATING PROFIT/(LOSS)

This is stated after charging:

	2003	2002
	£	£
Auditors' remuneration	3,968	2,500
Provision against investment	-	18,000
Provision against intercompany debtor	1,197,269	1,282,961
(Release)/provision for future losses	(1,197,269)	1,197,269
	<u> </u>	<u> </u>

A provision for future losses of £1,197,269 was included within administrative expenses in the year ended 31 December 2002.

No directors received any remuneration for their services to this company (2002: £nil).

4. TAXATION

a) Tax on ordinary activities

The tax charge is made up as follows:

	2003	2002
	£	£
UK corporation tax (see note 4(b)):		
(Over)-provision for previous years	(837)	-
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	(837)	-
	<u> </u>	<u> </u>

b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002: 30%).

The differences are reconciled below:

	£	£
Loss on ordinary activities before tax	(1,367)	(2,501,057)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%).	(410)	(750,317)
Expenses not deductible for tax purposes	-	749,469
Unrelieved tax losses	410	848
Adjustments in respect of previous years	(837)	-
	<u> </u>	<u> </u>
Total current tax (note 4a)	-	-
	<u> </u>	<u> </u>

There is no provided or unprovided deferred tax (2002: £nil).

Callpoint Limited (formerly Pertemps Callpoint Limited)

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

5. INVESTMENTS

<i>Shares in subsidiary undertaking</i>	£
Cost:	
At 1 January 2003 and at 31 December 2003	18,000
	<u> </u>
Provision for diminution in value:	
At 1 January 2003 and at 31 December 2003	18,000
	<u> </u>
Net book value:	
At 31 December 2003	-
	<u> </u>
At 31 December 2002	-
	<u> </u>

The investment represents 100% of the ordinary share capital of Callpoint Europe Limited. Callpoint Europe Limited provided facilities for the operation of call centres. On 31st December 2003, the trade, assets and certain liabilities of Callpoint Europe Limited were transferred to Callpoint (Bath Street) Limited, a wholly owned subsidiary of Callpoint Europe Limited, for £1. In January 2004, 85% of the shares in Callpoint (Bath Street) Limited were sold. The investment in Callpoint Europe Limited has therefore been provided for in full.

Callpoint Europe Limited is incorporated in England and Wales and is now in liquidation.

Callpoint Europe Limited made a loss of £nil in 2003 (2002: £3,201,271).

The net liabilities of Callpoint Europe Limited at 31 December 2002 and 31 December 2003 were £3,209,521.

6. DEBTORS

	2003	2002
	£	£
Other debtors	-	542
Unpaid share capital	22,700	-
	<u>22,700</u>	<u>542</u>

Callpoint Limited (formerly Pertemps Callpoint Limited)

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

7. CREDITORS: amounts falling due within one year

	2003	2002
	£	£
Loan	1,150,000	-
Trade creditors	-	2,806
Proposed dividend	3,217	3,217
Accruals and deferred income	54,720	2,750
Other creditors	-	1,197,989
Corporation tax	-	837
	<u>1,207,937</u>	<u>1,207,599</u>

The £1,150,000 (2002: £Nil) loan from Venture Investment Placement Limited is repayable on demand and is secured by a floating charge over the whole of the Company's property.

8. SHARE CAPITAL

	2003	2002
	£	£
Authorised:		
Equity interests:		
100,000 (2002: 40,000) ordinary shares of £1 each	100,000	40,000
Non-equity interests:		
200,000 preference shares of £1 each class A	200,000	200,000
475,000 preference shares of £1 each class B	475,000	475,000
	<u>775,000</u>	<u>715,000</u>
Allotted and called up		
Equity interests:		
Fully paid – 31,800 ordinary shares of £1 each	31,800	31,800
Unpaid shares – 22,700 ordinary shares of £1 each	22,700	-
	<u>54,500</u>	<u>54,500</u>
Non-equity interests:		
200,000 preference shares of £1 each class A	200,000	200,000
475,000 preference shares of £1 each class B	475,000	475,000
	<u>729,500</u>	<u>706,800</u>

On 10 February 2003, the authorised nominal capital of the company has been increased by 60,000 shares of £1 each. Subsequently, in February 2003, an additional 22,700 ordinary £1 shares were issued at par. The shares are unpaid.

Callpoint Limited (formerly Pertemps Callpoint Limited)

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

8. SHARE CAPITAL (CONTINUED)

Both classes of preference shares have the same rights attached to them, including the right to a 7% dividend per annum but no voting rights. The Company can redeem some or all of the preference shares on giving 30 days' notice. Any preference shares remaining in issue at 31 May 2008 shall be redeemed. On a return of capital on liquidation or otherwise, the assets of the company available for distribution will be applied first in repaying the 'A' preferential shareholders and second in repaying the 'B' preferential shareholders. Both classes of shareholders will be paid the capital amounts paid and any accrued fixed preferential dividends. The shareholders of 'A' preference shares will also be paid a premium of £1 per share. In the event of a proposed liquidation of the company, both classes of preferential shareholders have voting rights.

9. SHAREHOLDERS' DEFICIT

	<i>Share Capital</i>	<i>Share Premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£
At 1 January 2002	306,800	586,200	1,079	894,079
Shares issued	400,000	-	-	400,000
Loss for the year	-	-	(2,501,057)	(2,501,057)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	706,800	586,200	(2,499,978)	(1,206,978)
Shares issued	22,700	-	-	22,700
Loss for the year	-	-	(530)	(530)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	<u>729,500</u>	<u>586,200</u>	<u>(2,500,508)</u>	<u>(1,184,808)</u>

10. RELATED PARTY TRANSACTIONS

The company provided management services to its wholly owned subsidiary company, Callpoint Europe Limited. The total value of the services provided in the year ended 31 December 2003 was £51,500 (2002: £1,000). The amount owing from Callpoint Europe Limited at 31 December 2003 was £2,481,460 (2002: £1,282,961). This debt has been provided for in full.

From February 2003, Venture Investment Placement Limited (formerly Pertemps Group Limited) increased its shareholding and became the company's immediate and ultimate parent undertaking. Subsequent to the increase in shareholding in 2003, Venture Investment Placement Limited has made additional funding of £1,150,000 available to Callpoint Limited and its subsidiary, Callpoint Europe Limited. Interest of £47,470 was charged to the profit and loss account and all of this was payable at the balance sheet date. The amount owing from Venture Investment Placement Limited at the balance sheet date was £22,700 (2002: £nil) in respect of the new shares issued.

On 30th April 2003, a floating charge was granted by Callpoint Limited in favour of Venture Investment Placement Limited over the whole of the company's property.

Callpoint Limited (formerly Pertemps Callpoint Limited)

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

11. CONTROLLING PARTY

From February 2003, Venture Investment Placement Limited (formerly Pertemps Group Limited) increased its shareholding and became the company's immediate and ultimate parent undertaking, a company incorporated in England and Wales.

This is the largest and smallest group of which the Company was a member and for which group accounts are prepared. Copies of these accounts are available from the registered office of Venture Investment Placement Limited.

The controlling party of Venture Investment Placement Limited is Mr T Watts.

12. CONTINGENT LIABILITIES

Following the sale of the business of the subsidiary, (note 5) Callpoint Europe Limited to Callpoint (Bath Street) Limited and its subsequent liquidation, there is currently some doubt as to whether Callpoint (Bath Street) Limited will fulfil all of its obligations, in particular with regard to a lease on a Scottish property. Callpoint Limited may have a liability in respect of this lease but the directors consider this to be highly unlikely.