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Registered number: 02987532

AGENCY 2000 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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AGENCY 2000 LIMITED

COMPANY INFORMATION

DIRECTORS

I McLaven
G Matthews

SECRETARY

Mrs A McLaven

COMPANY NUMBER

02987532

REGISTERED OFFICE

Sovereign House
15 Towcester Road
Old Stratford
Milton Keynes
MK19 6AN

AUDITORS

Thompson Balch Ltd
Chartered Accountants & Registered Auditors
Sovereign House
15 Towcester Road
Old Stratford
Milton Keynes
MK19 6AN

AGENCY 2000 LIMITED

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AGENCY 2000 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the financial statements for the year ended 31 December 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The principal activity of the company continues to be that of employment agency.

BUSINESS REVIEW

The directors are satisfied with the results of the business for the year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £153,870 (2005 - £58,660).

The directors recommended a £8.72 (2005 £7.93) per share dividend during the year.

DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were

	Ordinary shares of £1 each	
	31/12/06	1/1/06
I McLaven	6,304	6,304
G Matthews	6,304	6,304

AGENCY 2000 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**


DISABLED EMPLOYEES

It is the company policy to support the employment and retention of disabled people wherever possible, to provide equal opportunities for appropriate training, career development and promotion to all employees without discrimination of any kind, and to act positively to prevent injury, ill health, damage or loss arising from operations

AUDITORS

The auditors, Thompson Balch Ltd, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 7 March 2007 and signed on its behalf



I McLaven
Director

AGENCY 2000 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AGENCY 2000 LIMITED

We have audited the financial statements of Agency 2000 Limited for the year ended 31 December 2006 set out on pages 5 to 16. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

AGENCY 2000 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AGENCY 2000 LIMITED

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



THOMPSON BALCH LTD

Chartered Accountants
Registered Auditors

Sovereign House
15 Towcester Road
Old Stratford
Milton Keynes
MK19 6AN

7 March 2007

AGENCY 2000 LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
TURNOVER	1,2	7,284,079	7,232,331
COST OF SALES		(5,405,401)	(5,460,504)
GROSS PROFIT		1,878,678	1,771,827
Administrative expenses		(1,932,613)	(1,832,735)
Other operating income	3	256,788	134,931
OPERATING PROFIT	4	202,853	74,023
Interest receivable		1	2
Interest payable	7	(5,774)	(8,365)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		197,080	65,660
TAX ON PROFIT ON ORDINARY ACTIVITIES	8	(43,210)	(7,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	153,870	58,660

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

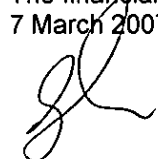
The notes on pages 8 to 16 form part of these financial statements

AGENCY 2000 LIMITED

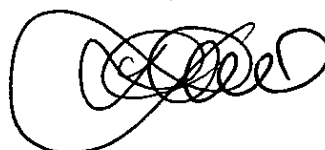
BALANCE SHEET
AS AT 31 DECEMBER 2006

	Note	2006 £	2005 £
COMPUTER EQUIPMENT			
Other fixed assets	9	102,024	127,579
CURRENT ASSETS			
Debtors	10	1,827,224	1,363,395
Cash at bank and in hand		2,454	3,557
		<u>1,829,678</u>	<u>1,366,952</u>
CREDITORS: amounts falling due within one year	11	<u>(1,267,751)</u>	<u>(858,151)</u>
NET CURRENT ASSETS		<u>561,927</u>	<u>508,801</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>663,951</u>	<u>636,380</u>
CREDITORS: amounts falling due after more than one year	12	<u>(20,594)</u>	<u>(36,893)</u>
NET ASSETS		<u>643,357</u>	<u>599,487</u>
CAPITAL AND RESERVES			
Called up share capital	13	12,608	12,608
Profit and loss account	14	630,749	586,879
SHAREHOLDERS' FUNDS - All equity	15	<u>643,357</u>	<u>599,487</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 March 2007



G Matthews
Director



I McLaven
Director

The notes on pages 8 to 16 form part of these financial statements

AGENCY 2000 LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
Net cash flow from operating activities	17	(98,355)	242,239
Returns on investments and servicing of finance	18	(5,773)	(8,363)
Taxation		(6,935)	(52,914)
Capital expenditure and financial investment	18	(12,376)	(28,606)
Equity dividends paid		(110,000)	(100,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(233,439)	52,356
Financing	18	(25,902)	(6,699)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(259,341)	45,657

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 £	2005 £
(Decrease)/Increase in cash in the year	(259,341)	45,657
Cash outflow from decrease in debt and lease financing	25,902	6,699
MOVEMENT IN NET DEBT IN THE YEAR	(233,439)	52,356
Net debt at 1 January 2006	(497,412)	(549,768)
NET DEBT AT 31 DECEMBER 2006	(730,851)	(497,412)

The notes on pages 8 to 16 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

S/Term Leasehold Property	-	25%	reducing balance
Motor Vehicles	-	25%	reducing balance
Office Equipment	-	25%	reducing balance

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company contributes to personal pension plans of employees of the company.

AGENCY 2000 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

2. **TURNOVER**

All turnover arose within the United Kingdom

3. **OTHER OPERATING INCOME**

	2006 £	2005 £
Sundry income	256,788	134,931

4. **OPERATING PROFIT**

The operating profit is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	17,654	17,314
- held under finance leases	17,753	30,544
Auditors' remuneration	9,600	10,119
Operating lease rentals		
- plant and machinery	12,591	10,751
- other operating leases	252,640	152,639

5. **STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2006 £	2005 £
Wages and salaries	5,999,178	6,084,109
Social security costs	433,886	443,273
Other pension costs	13,304	9,854
	6,446,368	6,537,236

The average monthly number of employees, including the directors, during the year was as follows

	2006 No.	2005 No.
Management	7	7
Consultants	22	27
Temporary staff	547	527
	576	561

AGENCY 2000 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

6 DIRECTORS' REMUNERATION

	2006 £	2005 £
Emoluments	<u>115,552</u>	<u>98,918</u>
Company pension contributions to money purchase pension schemes	<u>3,096</u>	<u>3,096</u>

During the year retirement benefits were accruing to 2 directors (2005 - 2) in respect of money purchase pension schemes

7 INTEREST PAYABLE

	2006 £	2005 £
On bank loans and overdrafts	599	670
On finance leases and hire purchase contracts	5,175	7,695
	<u>5,774</u>	<u>8,365</u>

AGENCY 2000 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

8. TAXATION

	2006 £	2005 £
Analysis of tax charge in the year		
UK corporation tax charge on profits of the year	43,275	7,000
Adjustments in respect of prior periods	(65)	-
Total current tax	<u>43,210</u>	<u>7,000</u>
Tax on profit on ordinary activities	<u>43,210</u>	<u>7,000</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (19%). The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	<u>197,080</u>	<u>65,660</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005 - 19%)	37,445	12,475
Effects of:		
Expenses not deductible for tax purposes	5,830	(5,475)
Adjustments to tax charge in respect of prior periods	(65)	-
Current tax charge for the year (see note above)	<u>43,210</u>	<u>7,000</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

AGENCY 2000 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

9 OTHER FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 January 2006	14,318	178,276	109,278	301,872
Additions	-	13,827	6,667	20,494
Disposals	-	(36,257)	-	(36,257)
At 31 December 2006	14,318	155,846	115,945	286,109
Depreciation				
At 1 January 2006	11,401	78,732	84,160	174,293
Charge for the year	729	26,730	7,948	35,407
On disposals	-	(25,615)	-	(25,615)
At 31 December 2006	12,130	79,847	92,108	184,085
Net book value				
At 31 December 2006	2,188	75,999	23,837	102,024
At 31 December 2005	2,917	99,544	25,118	127,579

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2006 £	2005 £
Motor vehicles	73,208	91,631

10. DEBTORS

	2006 £	2005 £
Trade debtors	1,747,620	1,264,861
Other debtors	59,142	76,931
Prepayments and accrued income	20,462	21,603
	1,827,224	1,363,395

Included within other debtors due within one year are loans to I McLaven and G Matthews, both director, amounting to £9,846 (2005 - £17,925) The maximum amount outstanding during the year was £17,925

AGENCY 2000 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

11. CREDITORS:

Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	676,989	418,751
Net obligations under finance leases and hire purchase contracts	35,722	45,325
Corporation tax	43,275	7,000
Social security and other taxes	491,629	366,479
Accruals and deferred income	20,136	20,596
	<u>1,267,751</u>	<u>858,151</u>

12. CREDITORS:

Amounts falling due after more than one year

	2006 £	2005 £
Net obligations under finance leases and hire purchase contracts	<u>20,594</u>	<u>36,893</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2006 £	2005 £
Between one and five years	<u>20,594</u>	<u>36,893</u>

13. SHARE CAPITAL

	2006 £	2005 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
12,608 Ordinary shares of £1 each	<u>12,608</u>	<u>12,608</u>

AGENCY 2000 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

14. RESERVES

	Profit and loss account £
At 1 January 2006	586,879
Profit retained for the year	153,870
Dividends Equity capital	(110,000)
	<u>630,749</u>
At 31 December 2006	<u>630,749</u>

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Opening shareholders' funds	599,487	640,827
Profit for the year	153,870	58,660
Dividends (Note)	(110,000)	(100,000)
Shares issued during the year	-	11,108
Share premium utilised on redemption of shares	-	(11,108)
	<u>643,357</u>	<u>599,487</u>
Closing shareholders' funds	<u>643,357</u>	<u>599,487</u>

16 DIVIDENDS

	2006 £	2005 £
Dividends paid on equity capital	110,000	100,000
	<u>110,000</u>	<u>100,000</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit	202,853	74,023
Depreciation of tangible fixed assets	35,407	47,858
Loss/(profit) on disposal of tangible fixed assets	2,524	(842)
(Increase)/decrease in debtors	(463,828)	323,333
Increase/(decrease) in creditors	124,689	(202,133)
	<u>(98,355)</u>	<u>242,239</u>
Net cash (outflow)/inflow from operations	<u>(98,355)</u>	<u>242,239</u>

AGENCY 2000 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	1	2
Interest paid	(599)	(670)
Hire purchase interest	(5,175)	(7,695)
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	<u>(5,773)</u>	<u>(8,363)</u>
	<u> </u>	<u> </u>
	2006 £	2005 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(20,494)	(62,656)
Sale of tangible fixed assets	8,118	34,050
	<u> </u>	<u> </u>
Net cash outflow from capital expenditure	<u>(12,376)</u>	<u>(28,606)</u>
	<u> </u>	<u> </u>
	2006 £	2005 £
Financing		
Repayment of finance leases	(25,902)	(6,699)
	<u> </u>	<u> </u>

19 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2006 £	Cash flow £	Other non-cash changes £	31 December 2006 £
Cash at bank and in hand	3,557	(1,103)	-	2,454
Bank overdraft	(418,751)	(258,238)	-	(676,989)
	<u>(415,194)</u>	<u>(259,341)</u>	<u>-</u>	<u>(674,535)</u>
Debt.				
Finance leases	(82,218)	25,902	-	(56,316)
	<u>(497,412)</u>	<u>(233,439)</u>	<u>-</u>	<u>(730,851)</u>
Net debt	<u>(497,412)</u>	<u>(233,439)</u>	<u>-</u>	<u>(730,851)</u>

20. PENSION COMMITMENTS

The company is committed to paying equivalent contributions into the Directors' and Employees Personal Pension Schemes

AGENCY 2000 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

21. OPERATING LEASE COMMITMENTS

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
Expiry date:				
Within 1 year	52,425	43,150	10,056	11,988
Between 2 and 5 years	123,978	86,490	14,150	8,991
After more than 5 years	76,000	-	-	-
	<u>252,403</u>	<u>129,640</u>	<u>24,206</u>	<u>20,979</u>