TOPSTAFF EMPLOYMENT LTD

FINANCIAL STATEMENTS

31 JULY 1997

Registered number: SCO47752

KIDSONS IMPEY

CHARTERED ACCOUNTANTS

Glasgow

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COMPANIES HOUSE 13/11/97

TOPSTAFF EMPLOYMENT LTD

FINANCIAL STATEMENTS

for the year ended 31 July 1997

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1

TOPSTAFF EMPLOYMENT LTD

COMPANY INFORMATION

31 July 1997

NUMBER	SCO47752
DIRECTORS	Mr D Stephen Mrs M K Stephen
SECRETARY	Mr D Stephen
REGISTERED OFFICE	5 Dixon Street Glasgow G1 4AL
BANKERS	The Royal Bank of Scotland plc 22 St Enoch Square Glasgow G1 4DA
AUDITORS	Kidsons Impey Chartered Accountants Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH

TOPSTAFF EMPLOYMENT LTD

DIRECTORS' REPORT

31 July 1997

The directors present their report and the audited financial statements for the year ended 31 July 1997.

Principal activity

The principal activity of the company continues to be that of staff consultants.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 July 1997 Ordinary shares	1 August 1996 Ordinary shares
Mr D Stephen	500	500
Mrs M K Stephen	500	500

Auditors

Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

Mr D Stephen
Secretary

5 Dixon Street
Glasgow
G1 4AL

6 October 1997

TOPSTAFF EMPLOYMENT LTD

STATEMENT OF 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 of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements 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 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.

On behalf of the board

Mr D Stephen
Director

6 October 1997

TOPSTAFF EMPLOYMENT LTD

AUDITORS' REPORT

Auditors' report to the members of

Topstaff Employment Limited

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors
As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 error or other irregularity. 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 the company's affairs as at 31 July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey
Registered Auditors
Chartered Accountants

Glasgow
10 November 1997

TOPSTAFF EMPLOYMENT LTD

PROFIT AND LOSS ACCOUNT

for the year ended 31 July 1997

	Note	1997 £	1996 £
Turnover	2	885,564	1,055,292
Cost of sales		(631,762)	(763,004)
Gross profit		253,802	292,288
Net operating expenses			
Administrative expenses		(246,687)	(281,157)
Other operating income		1,553	2,640
Profit on ordinary activities before taxation		8,668	13,771
Taxation		(2,024)	(3,361)
Profit on ordinary activities after taxation		6,644	10,410
Dividends	5	(6,000)	(10,000)
Retained profit for the year	11	644	410

Movements in reserves are shown in note 11.

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

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

TOPSTAFF EMPLOYMENT LTD

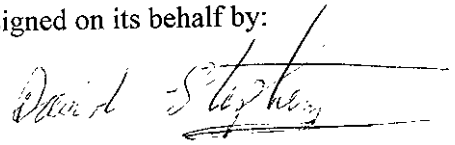
BALANCE SHEET

at 31 July 1997

	Note	1997 £	1997 £	1996 £	1996 £
Fixed assets					
Tangible assets	6		8,839		10,657
Current assets					
Debtors	7	119,248		210,355	
Cash at bank and in hand		36,644		5,841	
		155,892		216,196	
Creditors: amounts falling due within one year	8	(88,190)		(150,956)	
Net current assets			67,702		65,240
Total assets less current liabilities			76,541		75,897
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		75,541		74,897
Total shareholders' funds	9		76,541		75,897

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 10 were approved by the board of directors on 6 October 1997 and signed on its behalf by:



Mr D Stephen
Director

TOPSTAFF EMPLOYMENT LTD

NOTES ON FINANCIAL STATEMENTS

31 July 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Defined contribution scheme

The company operates a defined contribution scheme. The assets of the scheme are held seperately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,550 (1996 £10,910).

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1996 nil)

TOPSTAFF EMPLOYMENT LTD

NOTES ON FINANCIAL STATEMENTS

31 July 1997

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	1,553	2,640
and after charging		
Auditors' remuneration	2,284	2,390
Depreciation of tangible fixed assets (note 6) owned assets	2,418	3,025

4 Directors

	1997 £	1996 £
Directors' emoluments	33,539	43,846

5 Dividends

	1997 £	1996 £
Final	6,000	10,000

6 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1 August 1996	31,401
Additions	600
31 July 1997	32,001
Depreciation	
1 August 1996	20,744
Charge for year	2,418
31 July 1997	23,162
Net book amount	
31 July 1997	8,839
1 August 1996	10,657

TOPSTAFF EMPLOYMENT LTD

NOTES ON FINANCIAL STATEMENTS

31 July 1997

7 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	111,292	199,710
Other debtors	7,956	10,645
	119,248	210,355

8 Creditors: amounts falling due within one year

	1997 £	1996 £
Corporation tax	3,524	5,861
Other taxation and social security	37,650	59,192
Other creditors	47,016	85,903
	88,190	150,956

9 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	6,644	10,410
Dividends	(6,000)	(10,000)
Net addition to shareholders' funds	644	410
Opening shareholders' funds	75,897	75,487
Closing shareholders' funds	76,541	75,897

10 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted called up and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

11 Profit and loss account

	1997 £
1 August 1996	74,897
Retained profit for the year	644
31 July 1997	75,541

12 Directors' interests and loans

Mr D Stephen and Mrs M K Stephen are also directors of Burke Construction Limited.

During the year the company purchased services amounting to £5,000 from Burke Construction Limited. There were no amounts outstanding at the year end.