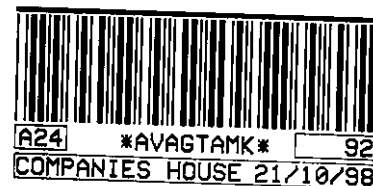


Registered no: 2389033

Randstad Employment Bureau Limited  
Annual report  
for the year ended 31 December 1997



# **Randstad Employment Bureau Limited**

## **Annual report for the year ended 31 December 1997**

	<b>Pages</b>
<b>Director's report</b>	1 - 2
<b>Report of the auditors</b>	3
<b>Profit and loss account</b>	4
<b>Balance sheet</b>	5
<b>Notes to the financial statements</b>	6 - 12

## **Director's report for the year ended 31 December 1997**

The director presents his report and the audited financial statements for the year ended 31 December 1997.

### **Principal activity**

The company's principal activity continued to be that of an employment business hiring out temporary staff.

### **Review of business**

The profit and loss account for the year is set out on page 4.

The company's turnover has grown over the year and with a move to profitability both the level of business and the year end financial position were satisfactory. The director expects that the company will continue to grow strongly for the foreseeable future.

### **Dividends**

The director does not recommend the payment of a dividend.

### **Director**

The director of the company at 31 December 1997, who held office for the whole of the year ended on that date, is shown below:

G J Rakhorst                      (Chairman)

### **Director's interests in shares of the company**

The director did not have any interest in the share capital of the company at 1 January 1997 or at 31 December 1997.

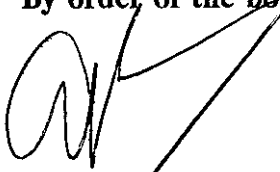
## Director's responsibilities

The director is required by UK company law to prepare financial statements for each financial year that give a true and fair view of state of affairs of the company as at the end of the financial year and of the result of the company for that period.

The director confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1997. The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis (see note 1 to the financial statements).

The director is responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



G J Rakhorst  
Director

**Report of the auditors to the members of  
Randstad Employment Bureau Limited**

We have audited the financial statements on pages 4 to 12.

**Respective responsibilities of director and auditors**

As described on page 2, the company's director is 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.

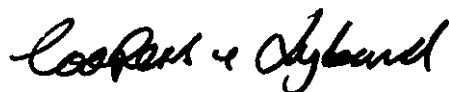
**Basis of opinion**

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 director 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 the company's affairs at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
Reading

*20th October 1998*

**Profit and loss account  
for the year ended 31 December 1997**

	Notes	1997 £	1996 £
Turnover	2	13,857,385	8,886,238
Cost of sales		(10,678,234)	(6,829,809)
		<hr/>	<hr/>
Gross profit		3,179,151	2,056,429
Administrative expenses		(3,116,168)	(2,253,786)
		<hr/>	<hr/>
Operating profit/(loss)		62,983	(197,357)
Investment income	5	113	1,579
Interest payable	6	(27,405)	(2,353)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	2,7	35,691	(198,131)
Tax on profit/(loss) on ordinary activities	8	-	11,105
		<hr/>	<hr/>
Retained profit/(loss) for the financial year	15	35,691	(187,026)
		<hr/> <hr/>	<hr/> <hr/>

The results for the years above are derived entirely from continuing operations.

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the years stated above, and their historical cost equivalents.


# Randstad Employment Bureau Limited

5

## Balance sheet at 31 December 1997

	Notes	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	9	<u>725,577</u>	<u>595,328</u>
<b>Current assets</b>			
Debtors	10	2,402,860	1,746,948
Cash at bank and in hand		<u>552,761</u>	<u>-</u>
		2,955,621	1,746,948
<b>Creditors: amounts falling due within one year</b>	11	<u>1,633,589</u>	<u>1,299,044</u>
<b>Net current assets</b>		<u>1,322,032</u>	<u>447,904</u>
<b>Total assets less current liabilities</b>		<u>2,047,609</u>	<u>1,043,232</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>468,686</u>	<u>-</u>
<b>Capital and reserves</b>			
Called-up share capital	14	3,010,000	2,510,000
Profit and loss account (deficit)	15	<u>(1,431,077)</u>	<u>(1,466,768)</u>
<b>Equity shareholders' funds</b>	16	<u>1,578,923</u>	<u>1,043,232</u>
		<u>2,047,609</u>	<u>1,043,232</u>

The financial statements on pages 4 to 12 were approved by the director on  
14 October 1998:



**G J Bakhorst**  
Director

**Notes to the financial statements  
for the year ended 31 December 1997****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention. Randstad Holding nv, the ultimate parent company, has indicated that it will make available such funds as are necessary to allow the company to continue trading for the foreseeable future and consequently the financial statements have been prepared on a going concern basis.

**Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset, evenly over its expected useful life, as follows:

Operating software	25% per annum
Computer equipment	25% per annum
Fixtures, fittings and office equipment	25% per annum
Leasehold improvements	12½% to 20% per annum
Freehold buildings	3% per annum

**Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

**Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Revenue and expenditure items are translated at the average rate of exchange for the month in which the transaction takes place. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

**Turnover**

Turnover represents the value of services rendered during the year, excluding Value Added Tax.



**Deferred taxation**

Provision is made for deferred taxation, using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

**Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents amounts payable by the company to the fund.

**Related party transactions**

Transactions between the company and other group companies, including their associates and joint ventures, have not been disclosed in accordance with the exemption in FRS 8 paragraph 3(c).

**Cash flow statement**

The company has taken advantage of the exemption for subsidiary companies as its ultimate parent company prepares consolidated financial statements which are publicly available. Accordingly, a cash flow statement has not been included in these financial statements.

**2 Turnover and profit/(loss) on ordinary activities before taxation**

All of the turnover and profit/(loss) on ordinary activities before taxation arises in the United Kingdom and is derived from the principal activity of the company.

**3 Director's emoluments**

The remuneration paid to the director of Randstad Employment Bureau Limited, to whom retirement benefits are accruing under a money purchase scheme was:

	1997 £	1996 £
Aggregate emoluments	120,421	115,262
Company pension contributions to money purchase scheme	9,240	8,842

## 4 Employee information

The average monthly number of persons (including the executive director) employed during the year was:

	1997 Number	1996 Number
Office staff	61 =	46 =
	1997 £	1996 £
Staff costs (for the above persons):		
Wages and salaries	1,256,430	1,015,986
Social security costs	136,460	96,985
Pension costs	48,441	38,060
	<u>1,441,331</u>	<u>1,151,031</u>

## 5 Investment income

	1997 £	1996 £
Interest receivable	113 =	1,579 =

## 6 Interest payable

	1997 £	1996 £
Bank overdraft	5,035	-
Group loans	22,370	2,353
	<u>27,405</u>	<u>2,353</u>

## 7 Profit/(loss) on ordinary activities before taxation

	1997 £	1996 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year on tangible owned fixed assets	155,248	101,988
Auditors' remuneration:		
Audit services	12,500	10,000
Other services	3,650	2,500
Hire of plant and machinery - operating leases	74,863	62,456
Hire of other assets - operating leases	138,083	86,459
	<u></u>	<u></u>

## 8 Tax on profit/(loss) on ordinary activities

	1997 £	1996 £
United Kingdom corporation tax at 33%:		
Current	-	-
Over provision in respect of prior years:		
Current	-	(11,105)
	<u>-</u>	<u>(11,105)</u>
	<u>-</u>	<u>(11,105)</u>

At 31 December 1997, the company has trading losses available for offset against future profits of approximately £907,000 (1996: £1,117,000). These losses have been agreed to 31 December 1996.

## 9 Tangible fixed assets

	Freehold land and buildings £	Fixtures fittings and equipment £	Computer equipment and software £	Short leasehold improve- ments £	Total £
<b>Cost</b>					
At 1 January 1997	287,246	244,779	91,946	358,282	982,253
Additions	-	92,275	6,407	186,815	285,497
	<u>287,246</u>	<u>337,054</u>	<u>98,353</u>	<u>545,097</u>	<u>1,267,750</u>
<b>At 31 December 1997</b>	<b>287,246</b>	<b>337,054</b>	<b>98,353</b>	<b>545,097</b>	<b>1,267,750</b>
<b>Depreciation</b>					
At 1 January 1997	9,879	129,870	67,350	179,826	386,925
Charge for year	8,617	55,920	9,652	81,059	155,248
	<u>18,496</u>	<u>185,790</u>	<u>77,002</u>	<u>260,885</u>	<u>542,173</u>
<b>At 31 December 1997</b>	<b>18,496</b>	<b>185,790</b>	<b>77,002</b>	<b>260,885</b>	<b>542,173</b>
<b>Net book value</b>					
At 31 December 1997	<u>268,750</u>	<u>151,264</u>	<u>21,351</u>	<u>284,212</u>	<u>725,577</u>
<b>Net book value</b>					
At 31 December 1996	<u>277,367</u>	<u>114,909</u>	<u>24,596</u>	<u>178,456</u>	<u>595,328</u>

## 10 Debtors

	1997 £	1996 £
<b>Amounts falling due within one year</b>		
Trade debtors	2,139,564	1,622,900
Amounts owed by group undertakings	-	25,000
Prepayments and accrued income	237,973	73,725
Corporation tax recoverable	2,073	2,073
	<u>2,379,610</u>	<u>1,723,698</u>
<b>Amounts falling due after one year</b>		
Other debtors	23,250	23,250
	<u>2,402,860</u>	<u>1,746,948</u>

## 11 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank overdraft	-	137,354
Trade creditors	150,096	94,653
Amounts owed to group undertakings	6,821	187,102
Other taxation and social security payable	1,048,629	693,226
Other creditors	274,694	151,096
Accruals and deferred income	153,349	35,613
	<u>1,633,589</u>	<u>1,299,044</u>

## 12 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Loan from group undertaking	<u>468,686</u>	<u>-</u>

The loan is repayable on 31 December 2001, is unsecured and is subject to interest at the rate of 7½% per annum.

## 13 Deferred tax

Deferred taxation recognised in the financial statements and the amount not recognised of the total potential asset, are as follows:

	Amount recognised		Amount not recognised	
	1997	1996	1997	1996
	£	£	£	£
Tax effect of timing differences because of:				
Excess of depreciation over capital allowances	-	-	12,247	17,383
Other	-	-	22,598	12,703
	<u>-</u>	<u>-</u>	<u>34,845</u>	<u>30,086</u>
	<u>-</u>	<u>-</u>	<u>34,845</u>	<u>30,086</u>

## 14 Called-up share capital

	1997	1996
	£	£
<b>Authorised</b>		
30,100 (1996: 25,100) ordinary shares of £100 each	3,010,000	2,510,000
	<u>3,010,000</u>	<u>2,510,000</u>
<b>Allotted, called-up and fully paid</b>		
30,100 (1996: 25,100) ordinary shares of £100 each	3,010,000	2,510,000
	<u>3,010,000</u>	<u>2,510,000</u>

On 30 December 1997, the company increased its authorised share capital by 5,000 ordinary shares of £100 and subsequently issued the same number of shares for a total cash consideration of £500,000.

## 15 Profit and loss account

	£
At 1 January 1997 (deficit)	(1,466,768)
Profit for the year	35,691
	<u>(1,431,077)</u>
At 31 December 1997 (deficit)	<u>(1,431,077)</u>

## 16 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit/(loss) for the financial year	35,691	(187,026)
New share capital issued	500,000	-
Net increase/(reduction) in shareholders' funds	535,691	(187,026)
Opening shareholders' funds	1,043,232	1,230,258
Closing shareholders' funds	1,578,923	1,043,232

## 17 Financial commitments

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as follows:

	1997		1996	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within one year	-	-	14,500	18,812
Expiring between two and five years inclusive	63,500	82,608	15,000	26,104
Expiring in over five years	89,000	-	52,350	-
	152,500	82,608	81,850	44,916

## 18 Capital commitments

At 31 December 1997 the company had capital commitments contracted but not provided for of £212,733 (1996: £Nil).

## 19 Ultimate and immediate parent company and controlling parties

The directors regard Randstad Holding nv, a company incorporated in Holland and Randstad UK Holding Ltd, as the ultimate and immediate parent companies respectively and the ultimate and immediate controlling parties, respectively. According to the register kept by the company, Randstad UK Holding Ltd has a 100% interest in the equity capital of Randstad Employment Bureau Limited at 31 December 1997. Copies of the ultimate parent company's consolidated financial statements can be obtained from the Company Secretary, Randstad Holding nv, Diemermere 25, Diemen, The Netherlands.