

Registered no: 700215

Securicor Recruitment Services Limited  
Annual report  
for the 15 month period ended 31 December 2001



# **Securicor Recruitment Services Limited**

## **Annual report for the 15 month period ended 31 December 2001**

	Pages
Directors' report	1
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6

**Directors' report for the 15 month period ended 31 December 2001**

The directors present their report and the audited financial statements of the company for the 15 month period ended 31 December 2001.

**Principal activity**

The principal activity of the company is that of a generalist recruitment agency hiring out temporary staff and permanent placements on a national basis.

**Review of business and future developments**

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

On 6 April 2001 the entire share capital of the company was purchased by Randstad UK Holdings Limited.

The directors consider the result for the period and the period end position to be satisfactory.

On 1 January 2002 the trade, assets and liabilities, of the company were transferred to another group company, Randstad Employment Bureau Limited for consideration of £7,357,000 credited to intercompany account.

**Dividends**

The directors do not recommend the payment of a dividend (2000: £nil).

**Directors and their interests**

The directors of the company at 31 December 2001, who held office for the whole of the period then ended unless otherwise stated, are given below:

N Buckles	(resigned 5 April 2001)
D G Cowden	(resigned 1 December 2000)
I Cowden	(resigned 5 April 2001)
T L Dighton	(resigned 5 April 2001)
M Farla	(appointed 5 April 2001)
A J Hanscombe	(resigned 29 June 2001)
H Hoogeveen	(appointed 5 April 2001)
P Loughlin	(appointed 3 November 2000, resigned 31 January 2002)
W Seal	(appointed 3 November 2000, resigned 13 July 2001)
C Theodorus	(appointed 5 April 2001)
F O Toole	(resigned 1 October 2001)
K J Youngman	(resigned 3 November 2000)

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (see note 1).

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the 15 month period ended 31 December 2001 and that applicable accounting standards have been followed.

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.

## Employee policies

The company is an equal opportunities employer and gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

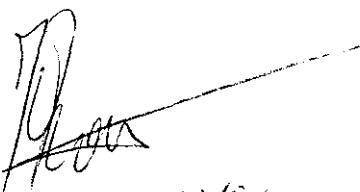
Where people become disabled during the course of their employment, every effort is made to retain their services and to provide retraining, if necessary. All employees are eligible for consideration for appropriate training, career development and promotional opportunities; disabled people are not treated differently in this respect.

The company policy is to consult with employees and their representatives and to provide them with information on the company's progress and other matters affecting them. This policy is carried out through line management channels and through regular meetings with representatives of employees.

## Auditors

During the period, the directors appointed PricewaterhouseCoopers as auditors of the company and a resolution concerning their reappointment will be proposed at the Annual General meeting.

By order of the board



**H/Hoogeveen** 12/9/02  
Director

## Independent auditors' report to the members of Securicor Recruitment Services Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and related notes.

### 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.

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. 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.

### 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 the company's affairs at 31 December 2001 and of its loss for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Reading

12th September 2002

## Profit and loss account for the 15 month period ended 31 December 2001

	Note	15 month period ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
<b>Turnover</b>	2	<b>90,557</b>	72,279
Cost of sales		(71,157)	(57,272)
Gross profit		19,400	15,007
Administrative expenses before exceptional items		(18,855)	(13,308)
Exceptional administrative expenses	7	(1,864)	-
Total administrative expenses		(20,719)	(13,308)
<b>Operating (loss)/profit</b>		<b>(1,319)</b>	1,699
Interest payable and similar charges	3	(326)	(302)
<b>(Loss)/profit on ordinary activities before taxation</b>	4	<b>(1,645)</b>	1,397
Tax credit/(charge) on loss/profit on ordinary activities	8	339	(426)
<b>(Loss)/profit for the financial period</b>	16	<b>(1,306)</b>	971

The results for the periods above are derived entirely from operations that were transferred to a fellow group undertaking subsequent to the year end.

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 (loss)/profit on ordinary activities before taxation and the results for the periods stated above, and their historical cost equivalents.

**Balance sheet as at 31 December 2001**

	Note	31 December 2001 £'000	30 September 2000 £'000
<b>Fixed assets</b>			
Tangible assets	9	792	1,799
Investments	10	-	-
		<b>792</b>	<b>1,799</b>
<b>Current assets</b>			
Debtors	11	11,081	11,445
Cash at bank and in hand		8	7
		<b>11,089</b>	<b>11,452</b>
<b>Creditors - Amounts falling due within one year</b>	12	<b>(8,643)</b>	<b>(8,661)</b>
<b>Net current assets</b>		<b>2,446</b>	<b>2,791</b>
<b>Total assets less current liabilities</b>		<b>3,238</b>	<b>4,590</b>
<b>Provisions for liabilities and charges</b>	14	<b>(57)</b>	<b>(103)</b>
<b>Net assets</b>		<b>3,181</b>	<b>4,487</b>
<b>Capital and reserves</b>			
Called up share capital	15	8,779	8,779
Profit and loss account (deficit)	16	(5,598)	(4,292)
<b>Equity shareholders' funds</b>	17	<b>3,181</b>	<b>4,487</b>

The financial statements on pages 4 to 13 were approved by the board of directors on  
were signed on their behalf by:

and



H Hoogeveen  
Director

12/4/02

## **Notes to the financial statements for the 15 month period ended 31 December 2001**

### **1 Accounting policies**

These financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

#### **Basis of accounting**

The financial statements are prepared on a going concern basis as the ultimate parent company, Randstad Holding n.v., has indicated that it will continue to provide financial support to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date of signing the financial statements.

#### **New accounting standard**

FRS 18 (Accounting policies) has been adopted in the current period. This has not resulted in any changes in accounting policies or estimation techniques.

#### **Tangible fixed assets**

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

Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual value of each asset, on a straight line basis over its expected useful life, as follows:

Short term leasehold properties	over the term of the lease
Fixtures, fittings and equipment	over 3 to 10 years

#### **Deferred taxation**

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

#### **Operating leases**

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

#### **Pensions contributions**

The company makes contributions on behalf of certain employees to a defined benefit pension scheme operated by its former parent undertaking, Securicor Plc. The contributions paid by the company into such defined benefit pension schemes are accounted for as a defined contribution scheme as the company is unable to identify its share of the underlying assets and liabilities in the scheme.

#### **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 period in which they arise.

#### **Turnover**

Turnover represents the invoiced value of services rendered during the year excluding value added tax.

### 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 under the terms of Financial Reporting Standard 1, 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 loss on ordinary activities before taxation

The company's turnover and loss on ordinary activities before taxation were all derived from its principal activity, arising in the United Kingdom.

## 3 Interest payable and similar charges

	15 month period ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
Interest payable on group loans	212	238
Interest payable on bank overdraft	114	64
	<b>326</b>	<b>302</b>

## 4 (Loss)/profit on ordinary activities before taxation

	15 month period ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
<b>(Loss)/profit on ordinary activities before taxation is stated after charging:</b>		
Wages and salaries	9,289	7,151
Social security costs	932	702
Pension costs	207	139
<b>Staff costs</b>	<b>10,428</b>	<b>7,992</b>
Depreciation charge on tangible owned fixed assets:	1,553	549
Auditors' remuneration:		
Audit services	34	22
Non-audit services	10	-
Operating lease charges:		
- other	1,432	931

## 5 Employees

The average monthly number of persons (including the executive directors) employed by the company during the period was:

	15 month period ended 31 December 2001	Year ended 30 September 2000
Operations	241	193
Sales	37	76
Administration	53	34
	331	303

## 6 Directors' emoluments

	15 month period ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
Aggregate emoluments	346	458
Compensation for loss of office	197	30

Retirement benefits are accruing to one director (2000: 8) under a defined benefit scheme.

### Highest paid director

Aggregate emoluments	117	149
Compensation for loss of office	45	-

Defined benefit pension scheme:

Accrued pension at year end	34	11
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## 7 Exceptional items

Exceptional items have been charged to the profit and loss account during the period in relation to additional costs incurred following the acquisition of the company by Randstad UK Holdings Limited. After acquisition the decision was made to integrate the Securicor Recruitment Services business with Randstad Employment Bureau Limited and as a result various fixed assets were no longer required and certain staff were made redundant. A breakdown of the costs incurred is as follows:

	£
Fixed asset write-off	710
Redundancies	447
Property exit costs and onerous lease provisions	144
Computer system integration	289
Costs related to re-branding as Randstad	274
	1,864

**8 Tax credit/(charge) on loss/profit on ordinary activities**

	15 month period ended 31 December 2001 £	Year ended 30 September 2000 £
<b>Tax credit/(charge) on the loss/profit for the period</b>		
Current UK corporation tax at 30% (2000: 32%)	115	(426)
Adjustment in respect of UK corporation tax of prior periods		
- current	221	-
- deferred	3	-
<b>Taxation charge/(credit)</b>	<b>339</b>	<b>(426)</b>

**9 Tangible fixed assets**

	Short term leasehold properties £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>			
At 1 October 2000	744	2,631	3,375
Additions	184	362	546
Disposals	(168)	(653)	(821)
<b>At 31 December 2001</b>	<b>760</b>	<b>2,340</b>	<b>3,100</b>
<b>Accumulated depreciation</b>			
At 1 October 2000	390	1,186	1,576
Charge for the period	129	1,424	1,553
Disposals	(169)	(652)	(821)
<b>At 31 December 2001</b>	<b>350</b>	<b>1,958</b>	<b>2,308</b>
<b>Net book amount</b>			
<b>At 31 December 2001</b>	<b>410</b>	<b>382</b>	<b>792</b>
At 30 September 2000	354	1,445	1,799

**10 Fixed asset investments**

	£'000
<b>Cost</b>	
At 1 October 2000 and 31 December 2001	1,945
<b>Amounts written off</b>	
At 1 October 2000 and 31 December 2001	(1,945)
	-

Details of the subsidiary companies are as follows:

Name of company and country of incorporation	Nature of business	Class of shares held	Proportion of class held	
			Direct	Indirect
Pinpoint Employment Agency Limited				
Great Britain	Dormant	Ordinary	100%	-
Roundpeg Management Services Limited				
Great Britain	Dormant	Ordinary	-	100%
Securicor Recruitment Services Contracts Limited				
Great Britain	Dormant	Ordinary	100%	-

## 11 Debtors

	31 December 2001 £'000	30 September 2000 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	9,868	9,878
Amounts owed by group undertakings	537	1,127
Corporation tax recoverable	219	-
Other debtors	66	64
Prepayments and accrued income	391	376
	<b>11,081</b>	<b>11,445</b>

## 12 Creditors – Amounts falling due within one year

	31 December 2001 £'000	30 September 2000 £'000
Bank overdraft	4,364	1,389
Trade creditors	242	799
Amounts owed to group undertakings	1,716	2,103
Other taxation and social security costs	1,615	3,268
Corporation tax	-	359
Other creditors	16	37
Accruals and deferred income	690	706
	<b>8,643</b>	<b>8,661</b>

### 13 Deferred taxation

Deferred taxation recognised in the financial statements and the amount not recognised of the total potential liability/(asset) are as follows:

	Amount recognised		Amount not recognised	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Tax effect of timing differences due to:				
Excess of depreciation over capital allowances	-	3	(375)	(88)
Other	-	-	(28)	(82)
	-	3	(403)	(170)

### 14 Provision for liabilities and charges

	Onerous lease provision £'000
Balance at 1 October 2000	103
Utilised during the period	(46)
<b>Balance at 31 December 2001</b>	<b>57</b>

The onerous lease provision arises from the requirements of FRS12 to provide for future lease costs on vacant premises.

### 15 Called up share capital

	31 December 2001 £'000	30 September 2000 £'000
<b>Authorised</b>		
22,948,000 ordinary shares of £1 each	22,948	22,948
<b>Allotted issued and fully paid</b>		
8,779,200 ordinary shares of £1 each	8,779	8,779

### 16 Profit and loss account

	£'000
At 1 October 2000 (deficit)	(4,292)
Loss for the period	(1,306)
<b>At 31 December 2001 (deficit)</b>	<b>(5,598)</b>

**17 Reconciliation of movements in shareholders' funds**

	15 month period ended 31 December 2001 £'000	Year ended 30 September 2000 £'000
(Loss)/profit for the period	(1,306)	971
Opening shareholders' funds	4,487	3,516
Closing shareholders' funds	3,181	4,487

**18 Financial commitments**

At 31 December 2001 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2001		2000	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiring within one year	38	39	48	-
Expiring between two to five years	428	261	302	-
Expiring after five years	104	-	149	-
	570	300	499	-

## 19 Related party transactions

On 6 April 2002, the company was acquired by Randstad UK Holdings Limited from Securicor plc and therefore at 31 December 2001 the company is no longer part of Securicor Group. The transactions with Securicor group companies during the period and outstanding balances at 31 December 2001 are as follows:

	Sales to related party £'000	Purchases from related party £'000	Amounts owed (to)/from at 31 December 2001 £'000
Securicor Limited	-	75	(9)
Securicor Cash Services Limited	330	-	58
Securicor Custodial Limited	85	-	-
Securicor Guarding Limited	622	30	112
Securicor Information Systems Limited	24	-	-
Securicor Management Services Limited	-	538	(12)
Securicor Omega Container Limited	7	-	-
Securicor Omega Express Limited	3,972	5	81
Securicor Omega Express (Europe) Limited	165	-	-
Securicor Omega International Limited	539	-	13
Securicor Omega Logistics Limited	462	-	92
Securicor Security Services Limited	-	749	-
Securicor Vehicle Management Limited	-	741	(5)

## 20 Pension costs

The company makes contributions on behalf of certain of its employees to defined benefit pension schemes operated by its former parent undertaking, Securicor Plc.

The contributions paid by the company into such defined benefit pension schemes are accounted for as a defined contribution scheme as the company is unable to identify its share of the underlying assets and liabilities in the scheme. The cost of the contributions to these schemes amounted to £206,918 (2000: £139,364).

## 21 Ultimate and immediate parent company and controlling parties

The directors regard Randstad Holding nv, a company incorporated in Holland and Randstad UK Holdings Limited, 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 Holdings Limited has a 100% interest in the equity capital of Securicor Recruitment Services Limited at 31 December 2001. Copies of the ultimate parent company's consolidated financial statements can be obtained from the Company Secretary, Randstad Holding nv, Diemermer 25, Diemen, The Netherlands.