

APEX RESOURCE MANAGEMENT LTD

MODIFIED STATUTORY ACCOUNTS

YEAR ENDED 31ST MAY 1998

Registered Number 1982554



REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
APEX RECRUITMENT SERVICES LTD
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

I have audited the accounts set out on pages 2 to 5 together with the full statutory accounts of the company. The scope of my work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In my opinion the company is entitled to the exemptions as set out in the directors statement on page 2 and the abbreviated accounts have been properly prepared in accordance with Part 111 of Schedule 8 to the Companies Act 1985.

On 6th July 1998 I reported to the shareholders on the statutory accounts of the company for the year ended 31st May 1998 prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part 1 of Schedule 8. My report under section 235 of the Companies Act 1985 was as follows:-

"I have audited the accounts set out on pages 3-11 which have been prepared under the historic cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 1, the company's director is responsible for the preparation of accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

BASIS OF OPINION

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements by the director in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In my opinion the accounts give a true and fair view of the state of the Company's affairs at 31 May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies."

A.J.B.

A.J. Bratton

Chartered Accountant and Registered Auditor

2 Priory Court, Priory Farm, Studley, Warwickshire, B80 7BB

7th February 1999

APEX RESOURCE MANAGEMENT LTD.

ABBREVIATED BALANCE SHEET AS AT 31 MAY 1998

| | Notes | £ | 1998 £ | £ | 1997 £ |
|--|-------|---------|-----------|---------|-----------|
| FIXED ASSETS | | | | | |
| Intangible Asset - Goodwill | | | 0 | | 0 |
| Tangible Assets | 3 | 50,923 | | 62,291 | |
| Investments | 2 | 5,041 | | 5,041 | |
| | | | 55,964 | | 67,332 |
| Net Fixed Assets | | | 55,964 | | 67,332 |
| CURRENT ASSETS | | | | | |
| Cash at bank and in hand | | | 0 | | 0 |
| Debtors | 4 | | 596,070 | | 501,647 |
| Total Current Assets | | | 596,070 | | 501,647 |
| CREDITOR: (amounts due in one year) | | | | | |
| Bank loans and overdrafts | 6 | 258,747 | | 235,119 | |
| Other Creditors | 5 | 342,874 | | 273,711 | |
| Total Creditors | | | 601,621 | | 508,830 |
| Net Current Assets/ (Liabilities) | | | (5,551) | | (7,183) |
| Total Assets less Current Liabilities | | | 50,413 | | 60,149 |
| CAPITAL AND RESERVES | | | | | |
| Called up Share Capital | 7 | | 2 | | 2 |
| Revenue Reserve | | | 50,411 | | 60,147 |
| | | | 50,413 | | 60,149 |

The directors have taken advantage of the exemptions conferred by Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.



K. Marchington
Director



D. Marchington
Secretary

Approved by the Board

July 1998

APEX RESOURCE MANAGEMENT LTD

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(I) Basis of accounting

The accounts have been prepared under the historical cost convention.

(I) Sales

Sales represent the total amount receivable in the ordinary course of business for services sold during the year.

(ii) Depreciation

Depreciation of fixed assets is on a straight line basis at rates estimated to write off each asset over its useful life as follows:-

Plant, equipment, computer software and motor vehicles: 10-30%

(iii) Repairs and Renewals

Repairs and renewals are charged to revenue in the year in which the expenditure is incurred.

(iv) Deferred taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only in the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

4.DEBTORS

| | 31/5/98 | 31/5/97 |
|---------------|---------------|---------------|
| | £ | £ |
| Trade Debtors | 559961 | 466688 |
| Others | <u>36109</u> | <u>34959</u> |
| | <u>596070</u> | <u>501647</u> |

5. OTHER CREDITORS

| | 31/5/98 | 31/5/97 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Trade Creditors | 23040 | 24138 |
| Accruals | 61996 | 58550 |
| Collector of Taxes (PAYE/NHI) | 84673 | 49483 |
| Customs and Excise | 127354 | 112116 |
| Corporation Tax | 45811 | 29424 |
| | <u>342874</u> | <u>273711</u> |

6.BANK LOAN & OVERDRAFTS

The bank overdraft of £258747 at 31 May 1998 (1997 £235119) is repayable in one year.

The overdraft is secured by fixed and floating charges on the Company's assets in favour of National Westminster Bank plc.

7.SHARE CAPITAL

Authorised at 31 May 1998 (and 1997) : £10000 (10000 at £1)

Issued and fully paid at 31 May 1998 (and 1997) : £2 (2 at £1)

8.CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date (1997 none)

9.CAPITAL COMMITMENT

There were no capital commitments at the balance sheet date (1997 none)