

Registered number  
2855561

Mane Contract Services Limited

Report and Accounts

28 August 2005



*Ian Kattē & Co*

**Mane Contract Services Limited**  
**Company Information**

**Directors**

L Pacelli  
R Motyczak  
I Bowers

**Secretary**

R Motyczak

**Auditors**

Ian Katte & Co.  
Lyndale House  
24 High Street  
Addlestone  
Surrey  
KT15 1TN

**Registered office**

UCB House  
3 George Street  
Watford  
Hertfordshire  
WD18 0UH

**Registered number**

2855561

## **Mane Contract Services Limited**

### **Directors' Report**

The directors present their report and accounts for the year ended 28 August 2005.

#### **Principal activities and review of the business**

The company's principal activity during the year continued to be that of staff employment agency for technical staff.

Turnover has increased by approximately 41% during the period and the company experienced a significant increase in profitability having benefited from its continuing expansion. The board consider that the company is in a good position to take advantage of any opportunities which may arise in the future.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £479,586. The directors recommended and paid ordinary dividends of £150,000, making the total of ordinary dividends £150,000 for the year which, after payment of preference dividends of £9,840, leaves a profit of £319,746 to be retained.

#### **Future developments**

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales.

#### **Directors**

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	28 Aug 2005	29 Aug 2004
L Pacelli	48,750	50,000
R Motyczak	1,250	-
I Bowers	-	-
	£1 Preference shares	
	28 Aug 2005	29 Aug 2004
L Pacelli	-	-
R Motyczak	-	-
I Bowers	-	-

#### **Auditors**

A resolution to reappoint Ian Katte & Co. as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 7 April 2006.

  
L Pacelli  
Director

**Mane Contract Services Limited**  
**Statement of Directors' Responsibilities**

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts 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.

# Ian Katté & Co

BUSINESS ADVISERS · CHARTERED ACCOUNTANTS · REGISTERED AUDITORS



## **Independent auditors' report to the shareholders of Mane Contract Services Limited**

We have audited the accounts of Mane Contract Services Limited for the 52 weeks ended 28 August 2005 which comprise pages 5 to 15. These accounts have been prepared under the historical cost convention and 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 auditor's 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 with the company 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 United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 28 August 2005 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Ian Katté & Co.  
Registered auditors

Lyndale House  
24 High Street  
Addlestone  
Surrey  
KT15 1TN

7 April 2006

LYNDALE HOUSE, 24 HIGH STREET, ADDLESTONE, SURREY KT15 1TN

Ian Katté, BSc, FCA    TELEPHONE: 01932 855385    FAX: 01932 855584    E-mail: [ian@iankatté.co.uk](mailto:ian@iankatté.co.uk)

**Mane Contract Services Limited**  
**Profit and Loss Account**  
**for the 52 weeks ended 28 August 2005**

	Notes	52 weeks ended 28 August 2005 £	52 weeks ended 29 August 2004 £
<b>Turnover</b>	2	33,254,277	23,549,417
Cost of sales		(28,086,268)	(19,796,965)
<b>Gross profit</b>		5,168,009	3,752,452
Administrative expenses		(4,331,319)	(3,278,617)
<b>Operating profit</b>	3	836,690	473,835
Income from investments		2,600	2,600
Interest payable	6	(187,778)	(125,720)
<b>Profit on ordinary activities before taxation</b>		651,512	350,715
Tax on profit on ordinary activities	7	(171,926)	(107,435)
<b>Profit for the financial year</b>		479,586	243,280
Dividends:			
preference dividend on non-equity shares	8	(9,840)	(9,840)
ordinary dividend on equity shares	9	(150,000)	(175,000)
		(159,840)	(184,840)
<b>Retained profit for the financial year</b>	18	319,746	58,440

**Continuing operations**

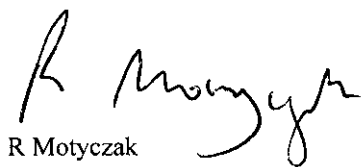
None of the company's activities were acquired or discontinued during the above two financial years.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two financial years.

**Mane Contract Services Limited**  
**Balance Sheet**  
**as at 28 August 2005**

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	10	94,822	109,075
Investments	11	65,000	65,000
		<u>159,822</u>	<u>174,075</u>
<b>Current assets</b>			
Debtors	12	5,848,807	4,183,433
Cash at bank and in hand		1,693	9,065
		<u>5,850,500</u>	<u>4,192,498</u>
<b>Creditors: amounts falling due within one year</b>	13	(5,326,630)	(3,990,367)
<b>Net current assets</b>		<u>523,870</u>	<u>202,131</u>
<b>Total assets less current liabilities</b>		<u>683,692</u>	<u>376,206</u>
<b>Creditors: amounts falling due after more than one year</b>	14	-	(1,712)
<b>Provisions for liabilities and charges</b>			
Deferred taxation	16	(5,642)	(16,190)
Other provisions		-	-
		<u>678,050</u>	<u>358,304</u>
<b>Capital and reserves</b>			
Called up share capital	17	100,000	100,000
Profit and loss account	18	578,050	258,304
<b>Shareholders' funds:</b>			
Equity		<u>628,050</u>	<u>308,304</u>
Non-equity		<u>50,000</u>	<u>50,000</u>
	19	<u>678 050</u>	<u>358,304</u>

  
R Motyczak  
Director  
Approved by the board on 7 April 2006

**Mane Contract Services Limited**  
**Cash Flow Statement**  
**for the 52 weeks ended 28 August 2005**

	Notes	2005 £	2004 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		836,690	473,835
Depreciation charges		81,446	39,165
Increase in debtors		(1,665,374)	(1,215,614)
Increase in creditors		1,185,096	1,107,929
<b>Net cash inflow from operating activities</b>		<u>437,858</u>	<u>405,315</u>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash inflow from operating activities</b>		437,858	405,315
<b>Returns on investments and servicing of finance</b>	20	(195,018)	(132,960)
<b>Taxation</b>		(81,051)	(76,074)
<b>Capital expenditure</b>	20	<u>(67,193)</u>	<u>(49,203)</u>
		94,596	147,078
<b>Equity dividends paid</b>		<u>(150,000)</u>	<u>(175,000)</u>
		(55,404)	(27,922)
<b>Financing</b>	20	(3,772)	(3,772)
<b>Decrease in cash</b>		<u>(59,176)</u>	<u>(31,694)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Decrease in cash in the period</b>		(59,176)	(31,694)
<b>Decrease in debt and lease financing</b>		3,772	3,772
<b>Change in net debt</b>	21	<u>(55,404)</u>	<u>(27,922)</u>
<b>Net funds at 29 August</b>		<u>3,581</u>	<u>31,503</u>
<b>(Net debt)/net funds at 28 August</b>		<u>(51,823)</u>	<u>3,581</u>



**Mane Contract Services Limited**  
**Notes to the Accounts**  
**for the 52 weeks ended 28 August 2005**

**1 Accounting policies**

***Accounting convention***

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

***Depreciation***

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

Leasehold land and buildings	over the lease term
Plant and machinery	over 2 to 5 years

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**2 Turnover**

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to one continuing activity, that of staff employment agency.

**Mane Contract Services Limited**  
**Notes to the Accounts**  
**for the 52 weeks ended 28 August 2005**

	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
<b>3 Operating profit</b>		
This is stated after charging:		
Depreciation of owned fixed assets	81,446	37,912
Depreciation of assets held under finance leases and hire purchase contracts	-	1,253
Operating lease rentals - land buildings	141,065	80,124
Auditors' remuneration	6,500	6,000
	<hr/>	<hr/>
	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
<b>4 Directors' emoluments</b>		
Emoluments	539,709	502,684
Company contributions to money purchase pension schemes	19,058	15,074
	<hr/>	<hr/>
	558,767	517,758
Highest paid director:		
Emoluments	220,348	206,151
Company contributions to money purchase pension schemes	1,779	1,400
	<hr/>	<hr/>
	222,127	207,551
	<hr/>	<hr/>
	<b>52 weeks ended 28 August 2005 Number</b>	<b>52 weeks ended 29 August 2004 Number</b>
<b>Number of directors in company pension schemes:</b>		
Money purchase schemes	3	3
	<hr/>	<hr/>
	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
<b>5 Staff costs</b>		
Wages and salaries	2,645,481	2,041,376
Social security costs	326,814	248,540
Other pension costs	48,116	32,339
	<hr/>	<hr/>
	3,020,411	2,322,255
	<hr/>	<hr/>
	<b>52 weeks ended 28 August Number</b>	<b>52 weeks ended 29 August Number</b>
<b>Average number of employees during the year</b>		
Administration	70	48
	<hr/>	<hr/>

**Mane Contract Services Limited**  
**Notes to the Accounts**  
**for the 52 weeks ended 28 August 2005**

	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
<b>6 Interest payable</b>		
Other loans	186,950	124,990
Interest on late paid tax	828	730
	<u>187,778</u>	<u>125,720</u>

	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
<b>7 Taxation</b>		
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	230,000	100,073
Adjustments in respect of previous periods	(47,526)	-
	<u>182,474</u>	<u>100,073</u>
Deferred tax:		
Origination and reversal of timing differences	(10,548)	7,362
	<u>171,926</u>	<u>107,435</u>
Tax on profit on ordinary activities		

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
Profit on ordinary activities before tax	<u>651,512</u>	<u>350,715</u>
Standard rate of corporation tax in the UK	30%	30%
	<u>£</u>	<u>£</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax	195,454	105,215
Effects of:		
Expenses not deductible for tax purposes	23,998	4,190
Depreciation for period in excess of capital allowances	10,548	1,013
Effects of marginal rate relief	-	(10,345)
Adjustments to tax charge in respect of previous periods	(47,526)	-
Current tax charge for period	<u>182,474</u>	<u>100,073</u>

**Mane Contract Services Limited**  
**Notes to the Accounts**  
**for the 52 weeks ended 28 August 2005**

	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
<b>8 Non-equity dividends</b>		
Non-equity dividends on preference shares	<u>9,840</u>	<u>9,840</u>

	<b>52 weeks ended 28 August 2005 £</b>	<b>52 weeks ended 29 August 2004 £</b>
<b>9 Equity dividends</b>		
Equity dividends on ordinary shares - interim paid	<u>150,000</u>	<u>175,000</u>

**10 Tangible fixed assets**

	<b>Short leasehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>			
At 29 August 2004	40,273	263,813	304,086
Additions	8,511	58,682	67,193
At 28 August 2005	<u>48,784</u>	<u>322,495</u>	<u>371,279</u>
<b>Depreciation</b>			
At 29 August 2004	22,197	172,814	195,011
Charge for the year	12,747	68,699	81,446
At 28 August 2005	<u>34,944</u>	<u>241,513</u>	<u>276,457</u>
<b>Net book value</b>			
At 28 August 2005	<u>13,840</u>	<u>80,982</u>	<u>94,822</u>
At 28 August 2004	<u>18,076</u>	<u>90,999</u>	<u>109,075</u>
		<b>2005 £</b>	<b>2004 £</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts		<u>-</u>	<u>6,764</u>

**Mane Contract Services Limited**  
**Notes to the Accounts**  
**for the 52 weeks ended 28 August 2005**

**11 Investments**

	<b>Other investments £</b>
<b>Cost</b>	
At 29 August 2004	65,000
At 28 August 2005	<u>65,000</u>

The company holds 20% or more of the share capital of the following companies:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Shares held Class</b>	<b>%</b>
The Pasta Bowl Limited	England and Wales	Preference	100

<b>Other investments</b>	<b>2005 £</b>	<b>2004 £</b>
Unlisted investments	<u>65,000</u>	<u>65,000</u>

The total of the share capital and reserves of The Pasta Bowl Limited at 30 September 2005 was £74,111 and its profit before tax for the year then ended was £50,390.

**12 Debtors**

	<b>2005 £</b>	<b>2004 £</b>
Trade debtors	5,432,215	3,938,495
Other debtors	268,517	191,633
Prepayments and accrued income	129,054	53,305
S419 Tax Recoverable	19,021	-
	<u>5,848,807</u>	<u>4,183,433</u>

Included within other debtors is a loan of £76,086 (2004 - £79,182) to L Pacelli, one of the directors. The maximum amount outstanding during the year was £84,182. The loan is interest-free and there are no fixed terms for repayment.

**13 Creditors: amounts falling due within one year**

	<b>2005 £</b>	<b>2004 £</b>
Bank loans and overdrafts	51,804	-
Obligations under finance lease and hire purchase contracts	1,712	3,772
Trade creditors	142,548	103,998
Corporation tax	221,435	120,012
Other taxes and social security costs	741,411	758,750
Other creditors	3,858,282	2,746,859
Accruals and deferred income	309,438	256,976
	<u>5,326,630</u>	<u>3,990,367</u>

Other creditors includes an amount of £3,161,509 (2004: £2,228,762) secured by a debenture over the book debts of the company.

**14 Creditors: amounts falling due after one year**

	<b>2005 £</b>	<b>2004 £</b>
Obligations under finance lease and hire purchase contracts	<u>-</u>	<u>1,712</u>

**Mane Contract Services Limited****Notes to the Accounts****for the 52 weeks ended 28 August 2005**

<b>15 Obligations under finance leases and hire purchase contracts</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts payable:		
Within one year	1,712	3,772
Within two to five years	-	1,712
	<u>1,712</u>	<u>5,484</u>
<b>16 Deferred taxation</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>

Undiscounted provision for deferred tax			5,642	16,190
			<b>2005</b>	<b>2004</b>
			£	£
At 29 August			16,190	8,828
Deferred tax charge in profit and loss account			(10,548)	7,362
At 28 August			<u>5,642</u>	<u>16,190</u>
<b>17 Share capital</b>			<b>2005</b>	<b>2004</b>
			£	£
Authorised:				
Ordinary shares of £1 each			50,000	50,000
19.2% redeemable preference shares of £1 each			50,000	50,000
			<u>100,000</u>	<u>100,000</u>
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
19.2% redeemable preference	50,000	50,000	50,000	50,000
			<u>100,000</u>	<u>100,000</u>
<b>18 Profit and loss account</b>			<b>2005</b>	<b>2004</b>
			£	£
At 29 August			258,304	199,864
Retained profit			319,746	58,440
At 28 August			<u>578,050</u>	<u>258,304</u>
<b>19 Reconciliation of movement in shareholders' funds</b>			<b>2005</b>	<b>2004</b>
			£	£
At 29 August			358,304	299,864
Profit for the financial year			479,586	243,280
Dividends			(159,840)	(184,840)
At 28 August			<u>678,050</u>	<u>358,304</u>

**Mane Contract Services Limited**  
**Notes to the Accounts**  
**for the 52 weeks ended 28 August 2005**

<b>20 Gross cash flows</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Dividends received	2,600	2,600
Interest paid	(187,778)	(125,720)
Preference dividends paid	(9,840)	(9,840)
	<u>(195,018)</u>	<u>(132,960)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	<u>(67,193)</u>	<u>(49,203)</u>
<b>Financing</b>		
Capital element of finance lease rental payments	<u>(3,772)</u>	<u>(3,772)</u>

**21 Analysis of changes in net debt**

	<b>At 29 Aug 2004</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 28 Aug 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	9,065	(7,372)		1,693
Overdrafts	-	(51,804)		(51,804)
		<u>(59,176)</u>		
Finance leases	(5,484)	3,772		(1,712)
<b>Total</b>	<u>3,581</u>	<u>(55,404)</u>	<u>-</u>	<u>(51,823)</u>

**22 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	<b>Land and buildings 2005</b>	<b>Land and buildings 2004</b>	<b>Other 2005</b>	<b>Other 2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire:				
within one year	107,166	-	-	-
within two to five years	13,500	120,666	-	-
	<u>120,666</u>	<u>120,666</u>	<u>-</u>	<u>-</u>



**Mane Contract Services Limited**  
**Notes to the Accounts**  
**for the 52 weeks ended 28 August 2005**

**23 Transactions with directors**

During the year funds totalling £165,530 were advanced by the company to Brookes Contract Services Limited, a company of which L Pacelli and R Motyczak (both directors of this company) are shareholders and of which L Pacelli is a director. The loan bears no interest and there are no fixed terms for repayment. At the year end a provision of £41,234 had been made against this debtor balance to provide for the amount of the balance that the directors believe is unrecoverable.

**24 Controlling party**

The company is controlled by its director, L Pacelli.