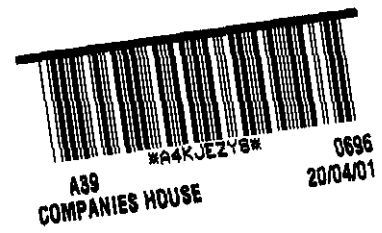


Company Registration No. 3743194 (England and Wales)

**EMPRESARIA GROUP PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**



**EMPRESARIA GROUP PLC**

**COMPANY INFORMATION**

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<b>Directors</b>	M W R Hunt T J D Sheffield J D G Holme D M Telling N C Hall-Palmer
<b>Secretary</b>	R J Ahmed
<b>Company number</b>	3743194
<b>Registered office</b>	4 Peveril Court 6-8 London Road Crawley RH10 2JE
<b>Auditors</b>	Saffery Champness Fairfax House Fulwood Place Gray's Inn London WC1V 6UB
<b>Bankers</b>	HSBC P O Box 120 49 Corn Street Bristol Great Britain BS99 7SP
<b>Advisors</b>	Field Fisher Waterhouse 35 Vine Street London EC3N 2AA

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# EMPRESARIA GROUP PLC

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# **EMPRESARIA GROUP PLC**

## **CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000**

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The year 2000 was the fourth year since Empresaria was first created and the first full year following the introduction to OFEX in 1999. Performance in the year was encouraging with profits pre-tax and non-recurring items of £630 thousand being generated on a turnover of £12.8 million. This is compared to figures of £95 thousand and £4.8 million respectively for the 8 months to 31<sup>st</sup> December 1999.

The growth achieved in the year represents the development of the more established companies in the group and their proportionately increased financial contribution. In the financial illustrations forming part of the Information Memorandum issued in May 1999 prior to the issue of new shares we stated that we expected attributable profits (post tax and minorities) for existing businesses to reach £532 thousand in 2000. In the event, those ongoing businesses contributed net profits in excess of this figure. The disparity between this achievement and the lower figure of £310 thousand reported is due to the investment in 7 new companies in the intervening 20 months following the circulation of the Information Memorandum.

We are already seeing a number of these recently established businesses move from start up losses to profitability which augers well for the future.

**D M Telling**

**GROUP MANAGING DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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**Review of business**

The year 2000 represented a transition in the development of the group with the business mix changing from predominantly start up companies to that of more established, profitable businesses. Growth in both turnover and underlying profit (before tax and non-recurring items) on 1999 was 167% and 562% respectively although exact comparisons are difficult with 1999 being an 8 month trading period. This rate of growth reflects not only a contribution from start up companies but also our focus on expanding the more established successful businesses.

**Market sector focus**

An important strategic development in 2000 was the classification of each group company by market sector focus. The individual companies continue to operate autonomously but now within one of the following defined market sectors:

- Financial Services
- Technology, Media and Telecommunications (TMT)
- Industry and Commerce
- Public Services

This change provides a framework within which to develop stronger co-operation between companies with shared client markets. In addition it highlights the core activities of the group and the sectors that we are targeting for new start ups.

**New businesses**

A further five new companies were set up in 2000. Social Work Associates Limited commenced trading in January to focus on the provision of qualified social workers to the public sector. In March we set up DriveLink (London) Limited in line with our strategy to expand our successful contract driver brand operations. In July we set up Daniel Alexander International Limited to provide retained search and selection services to the "e-business" markets across Europe. At the end of the year we set up two further businesses; the first, Financial Technology Assignments Limited, places contract and permanent IT staff within the City and the second, McGhee Davis Associates Limited, is a search and selection practice focussing on finance and accountancy.

**Existing operations**

**Financial Services**

The Financial Services Sector consists of Mansion House Executive (Insurance search), Lime Street Recruitment (Insurance contingency), Lindsey Morgan Associates (Banking operations) and Financial Technology Assignments (IT) which, as mentioned, started trading at the end of the year. Substantial progress has been made in the year with turnover for the sector increasing by 172%. Lindsey Morgan Associates has made a rapid transition from start up to profit and is now being supported by Lime Street which has made an encouraging start to 2001. Mansion House Executive did not produce the profit growth anticipated in the year but is expected to return to an upward growth curve in the current year.

**GROUP MANAGING DIRECTOR'S REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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**Existing operations (continued)**

**TMT**

The two established companies in this sector, Technology Assignments (IT) and VPS Recruitment (media/secretarial) both saw turnover and profit growth in the year. The TMT sector has been undergoing some well publicised difficulties in recent months and a side effect of this market turmoil has been a transfer of resources at Technology Assignments away from the emerging technologies arena and into the niche area of documentation and technical authors where they have a strong market presence.

**Industry and Commerce**

This sector consists of DriveLink (contract HGV drivers), MVP (supply chain personnel), TMR (property and building services) and McGhee Davis (accountancy and finance). DriveLink maintained the rapid growth shown in 1999 with branch numbers at DriveLink (South East) increasing from three to six in the year and continues to consolidate its position as a strong regional brand. The integration of MVP within the group following the asset purchase from the receivers in late 1999 took longer than anticipated but the company ended the year in a stable state and has made a positive start to 2001. TMR has contributed profits for the first time, largely due to its redefined focus on the property and building services sector. As with the DriveLink brand, we believe that there is an opportunity to expand the TMR brand to other parts of the UK. In 2001 we have already established TMR (Bristol) Limited to mirror the operations of the existing Maidstone business.

**Public Services**

This sector currently consists of Greycoat Placements (domestic and child care) and Social Work Associates. Greycoat Placements continues to grow in both turnover and profit terms and is strongly placed in the growing UK domestic recruitment market.

**Technology**

We continue to invest in technology and applications that add value to our business. There is particular focus on developing the internet capabilities of individual group companies. The internet adds significant value to the recruitment process, particularly in the increased efficiency of communication and the ability to source candidates. This improved process assists established "bricks and mortar" businesses in providing an improved service to their clients. I have seen scant evidence so far that this new capability renders commercially viable a dedicated on-line recruitment company.

**Future prospects**

As stated in last year's directors' report, we expected 2000 to show an improvement in performance based on sales and profit growth. I expect 2001 to show continued growth with turnover and profit increasing in the year despite the concern of some commentators as to future economic outlook. The strength of Empresaria is the philosophy that underpins it combined with the dedication of the hard working staff within it and I welcome this opportunity to thank them for their contribution.

**M W R Hunt**

# EMPRESARIA GROUP PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

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The directors present their report and financial statements for the year ended 31 December 2000.

### Principal activities

The principal activities of the company were that of investing in recruitment companies and providing management services.

### Review of the business

This is covered by the Group Managing Director's Report.

### Results and dividends

The results for the period are set out on page 8. The directors do not recommend the payment of a dividend.

### Directors

The following directors have held office since 1 January 2000:

#### Executive Directors

M W R Hunt

C R I Perkins

N C Hall-Palmer

(Resigned 8 May 2000)

(Appointed 25 February 2000)

#### Non-Executive Directors

T J D Sheffield

J D G Holme

D M Telling

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary Shares of 2p each	
	31 December 2000	31 December 1999
M W R Hunt	6,123,333	5,973,332
T J D Sheffield	583,333	583,333
J D G Holme	250,000	250,000
D M Telling	250,000	250,000
N C Hall-Palmer	500,000	-

T J D Sheffield holds a further interest in 12,833,333 shares by virtue of his interest in the share capital of Sheffield-Haworth Limited.

M W R Hunt has an interest in a further 1,100,000 shares by virtue of the shares held by his wife.

## **EMPRESARIA GROUP PLC**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2000**

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#### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be re-appointed as auditors of the company will be put to the Annual General Meeting.

#### **Corporate Governance Statement**

The directors of Empresaria Group plc acknowledge their responsibility to maintain an effective system of internal control and are committed to a high standard of corporate governance.

The principal components of this system are:

Empresaria Group plc's operations are structured into profit centres. Annual budgets are prepared for each profit centre and approved by the Board of Directors. The performance of each profit centre against budget is monitored on a monthly basis. Significant variances against budget are thoroughly investigated.

The Board of Directors meets every month to review the performance of the Group. Members of the Board of Directors meet formally with operating company management on a regular basis to review business performance and to address operational and strategic issues.

There existed within the Group appropriate levels of delegated authority covering the key areas of the Group's operations.

#### **Policy and practice on the payment of creditors**

The company does not follow any specified code or standard on payment practice. However, it is the company's policy to negotiate terms with its suppliers and to ensure that they are aware of the terms of payment when business is agreed. It is the company's policy to abide by these terms. Suppliers are paid on average within 30 days.

**EMPRESARIA GROUP PLC**

**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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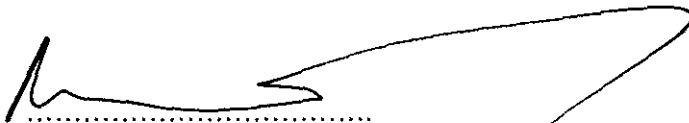
**Directors' responsibilities**

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 group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements,
- 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 of the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



M W R Hunt  
Director

5<sup>th</sup> April 2001

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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We have audited the financial statements on pages 8 to 22. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 6, the company's directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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 Companies Act 1985. 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 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 or material inconsistencies with the financial statements.

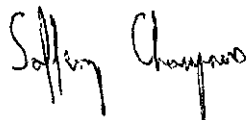
**Basis of opinion**

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 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 group'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 affairs of the company and the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Saffery Champness**

Chartered Accountants  
Registered Auditors

Fairfax House  
Fulwood Place  
Gray's Inn  
London  
WC1V 6UB

5<sup>th</sup> April 2001

**EMPRESARIA GROUP PLC****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	Year ended 31 December 2000 £'000's	8 Months ended 31 December 1999 £'000's
<b>Turnover</b>			
Continuing operations	2	12,788	4,796
Cost of sales		(6,837)	(2,315)
<b>Gross profit</b>		5,951	2,481
Administrative expenses		(5,362)	(2,330)
<b>Operating profit</b>			
Continuing operations	3	589	151
Interest receivable and similar income	4	59	30
Interest payable and similar charges	5	(100)	(53)
Profit/(loss) on disposal of unlisted investments		16	(33)
<b>Profit on ordinary activities before taxation</b>		564	95
Tax on profit on ordinary activities	6	(112)	(108)
<b>Profit/(loss) on ordinary activities after taxation</b>		452	(13)
Minority equity interests		(142)	(54)
<b>Profit/(loss) on ordinary activities attributable to the members of Empresaria Group Plc</b>	14	310	(67)
<b>Basic earning/(loss) per share</b>	21	1 pence	(0.2 pence)

There are no recognised gains and losses other than those passing through the profit and loss account.

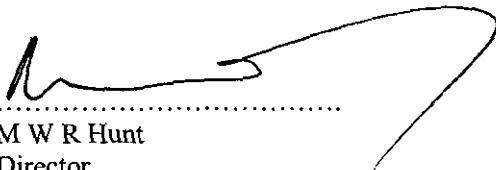
The notes on pages 12 to 22 form part of these financial statements.

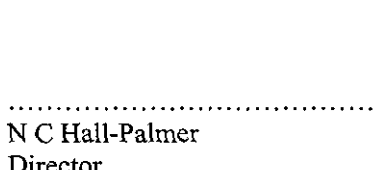
**EMPRESARIA GROUP PLC**

**CONSOLIDATED BALANCE SHEET  
AT 31 DECEMBER 2000**

	Notes	2000 £000's	1999 £000's
<b>Fixed assets</b>			
Goodwill - Positive goodwill		619	605
Negative goodwill		(364)	(381)
Total goodwill	7	<u>255</u>	<u>224</u>
Tangible assets	8	<u>236</u>	<u>161</u>
		491	385
<b>Current assets</b>			
Debtors	10	3,074	1,676
Cash at bank and in hand		2,257	1,260
		<u>5,331</u>	<u>2,936</u>
Creditors: Amounts falling due within one year	11	<u>(3,510)</u>	<u>(1,637)</u>
<b>Net current assets</b>		<u>1,821</u>	<u>1,299</u>
<b>Total assets less current liabilities</b>		2,312	1,684
Creditors: Amounts falling due after more than one year (including convertible debt)	12	(258)	(179)
		2,054	1,505
Minority interests			
Equity interest		(420)	(181)
		<u>1,634</u>	<u>1,324</u>
<b>Capital and reserves</b>			
Called up share capital	13	672	672
Share premium account	14	682	682
Profit and loss account	14	280	(30)
<b>Shareholders' funds - equity interests</b>	15	<u>1,634</u>	<u>1,324</u>

Approved by the directors on 2001

  
.....  
M W R Hunt  
Director

  
.....  
N C Hall-Palmer  
Director

The notes on pages 12 to 22 form part of these financial statements.

**EMPRESARIA GROUP PLC**

**BALANCE SHEET  
AT 31 DECEMBER 2000**

	Notes	2000 £000's	1999 £000's
<b>Fixed assets</b>			
Tangible assets	8	52	1
Investments	9	1,362	1,120
		<u>1,414</u>	<u>1,121</u>
<b>Current assets</b>			
Debtors	10	364	135
Cash at bank and in hand		1,231	738
		<u>1,595</u>	<u>873</u>
Creditors: Amounts falling due within one year	11	(1,736)	(676)
<b>Net current (liabilities)/assets</b>		<u>(141)</u>	<u>197</u>
<b>Total assets less current liabilities</b>		1,273	1,318
Creditors: Amounts falling due after more than one year	12	(6)	-
		<u>1,267</u>	<u>1,318</u>
<b>Capital and reserves</b>			
Called up share capital	13	672	672
Share premium account	14	682	682
Profit and loss account	14	(87)	(36)
<b>Shareholders' funds – equity interests</b>	15	<u>1,267</u>	<u>1,318</u>

Approved by the directors on *5 April* 2001

.....  
M W R Hunt  
Director

.....  
N C Hall-Palmer  
Director

The notes on pages 12 to 22 form part of these financial statements.

EMPRESARIA GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2000

	Year ended		8 Months ended	
	31 December 2000	31 December 1999	31 December 1999	31 December 1999
	£000's	£000's	£000's	£000's
<b>Net cash inflow/(outflow) from operating activities</b>	1	520		(261)
<b>Returns on investments and servicing of finance</b>				
Interest received		59		30
Interest paid		(100)		(53)
Dividends paid to minority shareholders in Subsidiary undertakings		(19)		-
<b>Net cash outflow for returns on investments and servicing of finance</b>		(60)		(23)
<b>Taxation</b>		(117)		-
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets		(291)		(187)
<b>Net cash outflow for capital expenditure</b>		(291)		(187)
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings		-		(148)
Net overdrafts on disposal of subsidiary undertakings		-		60
Net cash acquired with subsidiary undertakings		-		101
Sale of subsidiary undertaking		-		50
<b>Net cash inflow for acquisitions and disposals</b>		-		63
<b>Net cash inflow/(outflow) before financing</b>		52		(408)
<b>Financing</b>				
Issuing of new loan stock		73		-
Issue of ordinary share capital		-		942
<b>Net cash inflow from financing</b>		73		942
<b>Increase in cash in the period</b>	2	125		534

The notes on pages 12 to 22 form part of these financial statements.

EMPRESARIA GROUP PLC

NOTES TO THE CONSOLIDATE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2000

1 Reconciliation of operating profit to net cash inflow/(outflow)  
from operating activities

	2000 £000's	1999 £000's
Operating profit	589	151
Depreciation of tangible assets	204	97
Amortisation of goodwill	10	8
Loss on disposal of tangible fixed assets	12	-
Increase in debtors	(1,382)	(1,016)
Increase in creditors	1,087	499
<b>Net cash inflow/(outflow) from operating activities</b>	<u>520</u>	<u>(261)</u>

2 Analysis of net funds

	1 January 2000 £000's	Cash flow £000's	Other non-cash changes £000's	31 December 2000 £000's
Net cash:				
Cash at bank and in hand	1,260	997	-	2,257
Overdrafts	(566)	(872)	-	(1,438)
	<u>694</u>	<u>125</u>	<u>-</u>	<u>819</u>
Debt	(179)	(79)	-	(258)
<b>Net funds</b>	<u>515</u>	<u>46</u>	<u>-</u>	<u>561</u>

3 Reconciliation of net cash flow to movement in net funds

	2000 £000's	1999 £000's
Increase in cash in the period	125	694
Cash inflow from increase in debt	(79)	(179)
<b>Movement in net funds in the period</b>	<u>46</u>	<u>515</u>
Opening net funds	515	-
<b>Closing net funds</b>	<u>561</u>	<u>515</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000

---

**1 Accounting policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

**1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable accounting standards.

**1.3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2000. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

**1.4 Turnover**

Turnover represents amounts receivable for services net of VAT and trade discounts.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	over 1 to 2 years
Leasehold property	over the term of the lease
Motor vehicles	over 5 years

**1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**1.7 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

**1.8 Goodwill**

Positive and negative goodwill represent the excess or surplus cost of acquisition over the fair value of the separable net assets of the business acquired. Positive and negative goodwill are amortised through the profit and loss account in equal instalments over their estimated useful lives.

**1.9 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged on a straight line over the term of the lease.

**1.10 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

**EMPRESARIA GROUP PLC**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**2 Turnover**

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

**3 Operating profit**

	<b>2000</b>	<b>1999</b>
	<b>£000's</b>	<b>£000's</b>
This is stated after charging:		
Depreciation of tangible assets	204	97
Auditors' remuneration	33	22
Auditors' fees for non audit services	11	11
Operating lease charges - land and buildings	354	166
- other	-	35
Amortisation of goodwill	10	8
Loss on sale of tangible fixed assets	12	-
Non-recurring costs	66	-

The non-recurring costs relate to the incentivisation of new directors and reorganisation costs relating to MVP.

**4 Interest receivable and similar income**

	<b>2000</b>	<b>1999</b>
	<b>£000's</b>	<b>£000's</b>
Bank interest	59	30

**5 Interest payable and similar charges**

	<b>2000</b>	<b>1999</b>
	<b>£000's</b>	<b>£000's</b>
On amounts payable to factors	98	52
Bank loans and overdrafts	1	1
Lease finance charges and hire purchase interest	1	-
	<b>100</b>	<b>53</b>

**6 Taxation**

	<b>2000</b>	<b>1999</b>
	<b>£000's</b>	<b>£000's</b>
<b>UK Current year taxation</b>		
UK Corporation tax at 30% on the result for the year	158	107
Deferred taxation (see note 10)	(32)	-
<b>Prior years</b>		
UK Corporation tax	(14)	1
	<b>112</b>	<b>108</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000

7 Goodwill	Positive £000's	Negative £000's	Total £000's
<b>Cost</b>			
At 1 January 2000	633	(401)	232
Additions	41	-	41
<b>At 31 December 2000</b>	<u>674</u>	<u>(401)</u>	<u>273</u>
<b>Amortisation</b>			
At 1 January 2000	28	(20)	8
Charge for the period	27	(17)	10
<b>At 31 December 2000</b>	<u>55</u>	<u>(37)</u>	<u>18</u>
<b>Net book value</b>			
<b>At 31 December 2000</b>	<u>619</u>	<u>(364)</u>	<u>255</u>
<b>At 31 December 1999</b>	<u>605</u>	<u>(381)</u>	<u>224</u>

Positive and negative goodwill arising on the acquisition of all the subsidiaries is being amortised over 20 years. In the opinion of the directors this represents a prudent estimate of the period over which the group will derive economic benefits from the goodwill existing at the date of acquisition. The period of amortisation of negative goodwill is reviewed on an annual basis by the directors.

8 Tangible fixed assets - Group

	Leasehold property £000's	Fixtures fittings and equipment £000's	Motor Vehicles £000's	Total £000's
<b>Cost</b>				
At 1 January 2000	10	323	-	333
Additions	5	250	36	291
Disposals	-	(42)	-	(42)
	<u>15</u>	<u>531</u>	<u>36</u>	<u>582</u>
<b>Depreciation</b>				
At 1 January 2000	9	163	-	172
On disposal	-	(30)	-	(30)
Charge for period	2	199	3	204
	<u>11</u>	<u>332</u>	<u>3</u>	<u>346</u>
<b>Net book value</b>				
<b>At 31 December 2000</b>	<u>4</u>	<u>199</u>	<u>33</u>	<u>236</u>
<b>At 31 December 1999</b>	<u>1</u>	<u>160</u>	<u>-</u>	<u>161</u>

**EMPRESARIA GROUP PLC**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**8 Tangible fixed assets - Company**

	<b>Fixtures fittings and equipment £000's</b>	<b>Motor Vehicles £000's</b>	<b>Total £000's</b>
<b>Cost</b>			
At 1 January 2000	2	-	2
Additions	48	26	74
	<u>50</u>	<u>26</u>	<u>76</u>
<b>Depreciation</b>			
At 1 January 2000	1	-	1
Charge for the period	20	3	23
	<u>21</u>	<u>3</u>	<u>24</u>
<b>Net book value</b>			
At 31 December 2000	<u>29</u>	<u>23</u>	<u>52</u>
At 31 December 1999	<u>1</u>		<u>1</u>

**9 Fixed asset investments - Company**

	<b>Shares in subsidiary undertakings £000's</b>
<b>Cost</b>	
At 1 January 2000	1,120
Additions	252
Disposals	(10)
At 31 December 2000	<u>1,362</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000

9 Fixed asset investments – Company (continued)

Holding of more than 20%

The company holds shares in the following subsidiary companies:

Company	Share held Class	%	Nature of business
<b>Central</b>			
Empresaria Plc	“A” Ordinary	100	Dormant
Greycoat Investments Limited	“A” Ordinary	100	Dormant
Empresaria Managed Services Limited	“A” Ordinary	100	Dormant
TMR Contracts Limited	“A” Ordinary	100	Dormant
ProSource Limited	Ordinary	100	Procurement Services
Interim Management International Limited	“A” Ordinary	100	Dormant
<b>Financial Service Sector</b>			
Mansion House Executive Limited	“A” Ordinary	52	Recruitment consultants
Lindsey Morgan Associates Limited	“A” Ordinary	81	Recruitment consultants
Lime Street Recruitment Limited	“A” Ordinary	86	Recruitment consultants
Financial Technology Assignments Limited	“A” Ordinary	80	Recruitment consultants
<b>Technology, Media and Telecommunications Sector</b>			
Technology Assignments Limited	“A&B” Ordinary	81	Recruitment consultants
VPS Limited	“A&B” Ordinary	81	Recruitment consultants
Daniel Alexander International Limited	“A” Ordinary	84	Recruitment consultants
<b>Industry and Commerce Sector</b>			
Technical and Management Resources Limited	“A” Ordinary	78	Recruitment consultants
Drivelink South East Limited	“A” Ordinary	56	Recruitment consultants
MVP (Search & Selection) Limited	“A” Ordinary	97	Recruitment consultants
McGhee Davis Limited	“A” Ordinary	79	Recruitment consultants
Drivelink (London) Limited	“A” Ordinary	84	Recruitment consultants
TMR Bristol Limited	“A” Ordinary	100	Dormant
<b>Public Services Sector</b>			
Greycoat Placements Limited	“A” Ordinary	51	Recruitment consultants
Social Work Associates Limited	“A” Ordinary	81	Recruitment consultants

**EMPRESARIA GROUP PLC**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

10 Debtors	Group		Company	
	2000 £000's	1999 £000's	2000 £000's	1999 £000's
Trade debtors	2,541	1,288	82	-
Amounts owed by subsidiary undertakings	-	-	214	104
Other debtors	291	199	44	6
Prepayments and accrued income	242	189	24	25
	<u>3,074</u>	<u>1,676</u>	<u>364</u>	<u>135</u>

Included in other debtors is the provision for a deferred tax asset of £32,000 for the group (company £2,000). This relates to timing differences arising on the excess of depreciation over capital allowances. There is no unprovided deferred tax.

11 Creditors: Amounts falling due within one year	Group		Company	
	2000 £000's	1999 £000's	2000 £000's	1999 £000's
Bank loans and overdrafts	1,438	566	947	-
Net obligations under finance lease and hire purchase contracts	3	-	3	-
Trade creditors	897	407	59	17
Amounts owed to subsidiary undertakings	-	-	653	583
Corporation tax	124	119	-	-
Taxes and social security costs	486	163	14	6
Other creditors	37	24	-	-
Accruals and deferred income	525	358	60	70
	<u>3,510</u>	<u>1,637</u>	<u>1,736</u>	<u>676</u>

Bank loans and overdrafts are secured by a fixed charge over the book debts of the group, and are repayable upon demand. Interest is charged at 1.5% above base rate.

12 Creditors: Amounts falling due after more than one year	Group		Company	
	2000 £000's	1999 £000's	2000 £000's	1999 £000's
Net obligations under finance lease and hire purchase contracts	6	-	6	-
Loan stock	252	179	-	-
	<u>258</u>	<u>179</u>	<u>6</u>	<u>-</u>

The loan stock is convertible, redeemable, interest free and unsecured. It may be converted at the holders option into fully paid "B" Ordinary shares of £1 each in subsidiary companies at times until 31 January 2008 to 31 December 2011. If the loan stock is not converted it will be redeemable at par at times between 31 January 2008 to 31 December 2011.

During the year £73,000 of loan stock was issued at par value.

EMPRESARIA GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000

12	Creditors: Amounts falling due after more than one year (continued)	Group		Company	
		2000 £000's	1999 £000's	2000 £000's	1999 £000's
	<b>Net obligations under finance leases and hire purchase contracts</b>				
	Repayable within one year	3	-	3	-
	Repayable between one and five years	6	-	6	-
		<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>
	Included in liabilities falling due within one year	(3)	-	(3)	-
		<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>
13	<b>Share capital</b>			<b>2000 £000's</b>	<b>1999 £000's</b>
	<b>Authorised</b> 75,000,000 Ordinary Shares of 2p each			<u>1,500</u>	<u>1,500</u>
	<b>Allotted, called up and fully paid</b> 33,598,185 Ordinary Shares of 2p each			<u>672</u>	<u>672</u>
14	<b>Statement of movement on reserves</b>			<b>Share premium account £000's</b>	<b>Profit and loss account £000's</b>
	<b>Group</b>				
	Balance at 1 January 2000			682	(30)
	Retained profit for the year			-	310
	<b>Balance at 31 December 2000</b>			<u>682</u>	<u>280</u>
	<b>Company</b>				
	Balance at 1 January 2000			682	(36)
	Loss for the year			-	(51)
	<b>Balance at 31 December 2000</b>			<u>682</u>	<u>(87)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000

<b>15 Reconciliation of movements in shareholders' funds – Group</b>	<b>2000</b>	<b>1999</b>
	<b>£000's</b>	<b>£000's</b>
Profit/(loss) for the financial year	310	(67)
Transfer to share premium account	-	38
Net proceeds from issue of shares	-	1,353
<b>Net addition to shareholders' funds</b>	<b>310</b>	<b>1,324</b>
Opening shareholders' funds	1,324	-
<b>Closing shareholders' funds</b>	<b>1,634</b>	<b>1,324</b>
<b>Reconciliation of movements in shareholders' funds - Company</b>		
Loss for the financial year	(51)	(73)
Transfer to share premium account	-	38
Net proceeds from issue of shares	-	1,353
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(51)</b>	<b>1,318</b>
Opening shareholders' funds	1,318	-
<b>Closing shareholders' funds</b>	<b>1,267</b>	<b>1,318</b>
<b>16 Contingent liabilities</b>		
Cross guarantees exist in respect of bank overdrafts between all of the group companies.		
<b>17 Directors' emoluments</b>	<b>2000</b>	<b>1999</b>
	<b>£000's</b>	<b>£000's</b>
Emoluments for qualifying services	136	71
Company pension contributions to Money Purchase Scheme	4	4
	<b>140</b>	<b>75</b>

The number of directors accruing benefits under money purchase pension scheme arrangements was 2 (1999: 2).

The emoluments of directors disclosed above includes the following amounts paid to the highest paid director.

	Chairman		Highest paid director	
	2000 £000's	1999 £'000s	2000 £000's	1999 £000's
Emoluments	-	-	78	40
Company pension contributions to money purchase pension schemes	-	-	3	-
	<b>-</b>	<b>-</b>	<b>81</b>	<b>40</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**18 Employees****Number of employees**

The average monthly number of employees (including directors)	<b>2000</b>	<b>1999</b>
	<b>Number</b>	<b>Number</b>
Sales and administration	99	50

**Employment costs**

	<b>£000's</b>	<b>£000's</b>
Wages and salaries	3,992	1,178
Social security costs	459	154
Other pensions costs	8	4
	<u>4,459</u>	<u>1,336</u>

**19 Control**

The company does not have an ultimate controlling party.

**20 Financial commitments**

At 31 December 2000 the group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>		<b>Total</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Expiry date</b>						
Within one year	184	-	-	-	184	-
Between two to five years	86	71	-	12	86	83
	<u>270</u>	<u>71</u>	<u>-</u>	<u>12</u>	<u>270</u>	<u>83</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

21 Basic earnings/(loss) per share	2000 Number	1999 Number
Ordinary shares of 2 pence each (weighted average)	33,598,185	28,129,311
	<b>£000's</b>	<b>£000's</b>
Profit/(loss) for the financial period	310	(67)

In the directors opinion, the fully diluted earnings per share figure can not be effectively calculated, therefore, it has not been given. However, it is not anticipated that it would alter the basic earning per share figure by a material amount.

**22 Profit of parent company**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial period was £51,000 (1999: £73,000).

**23 Related party transactions**

There were no material related party transactions during the year.

Intra-group management charges and net interest charges which have been removed on consolidation amounted to £354,631 (1999: £131,548) and £6,332 (1999: £23,795) respectively.

**24 Derivatives and other financial instruments**

The group does not have any derivatives, the only other financial instruments within the accounts (short term debtors and creditors are excluded) are bank loans and overdrafts, and loan stock.

Details of the group loan stock is given in note 12 to the accounts.

Bank loans and overdrafts are detailed in note 11 to the accounts.

**25 Pension costs**

The pension cost charge represents contributions payable by the company to individual pension schemes and amounted to £8,000 (1999: £4,000). Contributions totalling £3,000 (1999: £4,000) were payable to the fund at the year end and are included in creditors.