

Consolidated Profit and Loss account

for the year ended 31 December 2002

	Note	2002 Continuing operations £000	2002 Continuing operations Acquisitions £000	2002 Continuing operations Total £000	2001 Continuing operations Total £000
Turnover	1	502,403	8,568	510,971	422,248
Operating costs		(472,451)	(7,276)	(479,727)	(398,070)
Operating profit before amortisation of goodwill		32,955	1,389	34,344	25,429
Amortisation of goodwill		(3,003)	(97)	(3,100)	(1,251)
Operating profit		29,952	1,292	31,244	24,178
Net interest payable				(3,914)	(1,785)
Profit on ordinary activities before taxation				27,330	22,393
Taxation	2			(10,684)	(8,684)
Profit on ordinary activities after taxation				16,646	13,709
Equity minority interests				(233)	(342)
Profit for the financial year				16,413	13,367
Dividends paid and proposed	3			(6,284)	(5,401)
Retained profit for the financial year				10,129	7,966
Basic earnings per share	4			27.5p	23.6p
Earnings per share before amortisation of goodwill	4			32.7p	25.8p
Diluted earnings per share	4			27.3p	23.4p
Diluted earnings per share before amortisation of goodwill	4			32.5p	25.6p

Consolidated Statement of Total Recognised Gains and Losses

for the year ended 31 December 2002

	2002 £000	2001 £000
Profit for the financial year	16,413	13,367
Currency translation differences on overseas investments	(107)	(555)
Prior year adjustment in 2001	-	(1,081)
Total recognised gains and losses relating to the year	16,306	11,731

Consolidated Balance Sheet

As at 31 December 2002

	2002 £000	2001 £000
Fixed assets		
Positive goodwill	68,529	60,752
Negative goodwill	(2,239)	(105)
	66,290	60,647
Other intangible assets	374	372
Intangible assets	66,664	61,019
Tangible assets	79,815	59,277
Investments	-	-
	146,479	120,296
Current assets		
Stocks	15,147	12,466
Debtors	143,897	120,318
Cash at bank and in hand	16,206	12,209
	175,250	144,993
Creditors: amounts falling due within one year	(141,404)	(129,143)
Net current assets	33,846	15,850
Total assets less current liabilities	180,325	136,146
Creditors: amounts falling due after more than one year	(72,341)	(56,825)
Provision for liabilities and charges	(7,840)	(6,046)
Net assets	100,144	73,275
Capital and reserves		
Called up share capital	6,498	5,968
Share premium account	35,293	22,202
Capital redemption reserve	7,629	7,629
Profit and loss account	46,494	36,472
Equity shareholders' funds	95,914	72,271
Equity minority interests	4,230	1,004
	100,144	73,275

Consolidated Cash Flow Statement

for the year ended 31 December 2002

	2002 £000	2002 £000	2001 £000	2001 £000
Net cash inflow from operating activities		43,171		32,187
Returns on investment and servicing of finance				
Interest received	288		482	
Interest paid	(4,073)		(1,951)	
Interest element of finance lease rental payments	(104)		(71)	
Finance costs of new bank loans	(297)		(1,646)	
Payments to minority interests	(172)		(115)	
		(4,358)		(3,301)
Taxation				
UK corporation tax paid	(403)		(505)	
Overseas tax paid	(8,572)		(7,732)	
		(8,975)		(8,237)
Capital expenditure				
Purchase of intangible fixed assets	(82)		(72)	
Purchase of tangible fixed assets	(16,868)		(11,385)	
Sale of tangible fixed assets	4,250		1,223	
		(12,700)		(10,234)
Acquisitions and disposals				
Acquisition of subsidiary undertakings	(32,941)		(67,343)	
Net cash acquired with subsidiary undertakings	899		13	
		(32,042)		(67,330)
Equity dividends paid		(5,609)		(5,000)
Net cash outflow before use of liquid resources and financing		(20,513)		(61,915)
Management of liquid resources				
(Payments into)/repayments from short term bank deposits		(61)		947
Financing				
Issue of new shares	13,621		7,944	
New bank loans drawn	72,555		62,153	
Repayment of bank loans and loan notes	(54,759)		(18,407)	
Sale and leaseback transactions	739		887	
Capital element of finance lease rental payments	(902)		(396)	
Net cash inflow from financing		31,254		52,181
Increase/(decrease) in cash in the year		10,680		(8,787)

Notes to the accounts

1. Segmental analysis

Turnover, operating profit and net assets may be analysed as follows:

	2002 Continuing operations £000	2002 Continuing operations Acquisitions £000	2002 Continuing operations Total £000	2001 Continuing operations Total £000
Turnover				
<i>Class of business</i>				
Foundation services	356,416	5,025	361,441	347,826
Specialist services	145,987	3,543	149,530	74,422
	502,403	8,568	510,971	422,248
<i>Geographical origin</i>				
United Kingdom	104,704	2,034	106,738	100,130
The Americas	242,567	-	242,567	188,761
Continental Europe and overseas	133,918	1,681	135,599	115,008
Australia	21,214	4,853	26,067	18,349
	502,403	8,568	510,971	422,248
Operating profit				
<i>Class of business</i>				
Foundation services	26,625	761	27,386	23,216
Specialist services	5,490	531	6,021	2,762
	32,115	1,292	33,407	25,978
<i>Geographical origin</i>				
United Kingdom	3,830	117	3,947	3,167
The Americas	19,536	-	19,536	16,344
Continental Europe and overseas	7,490	430	7,920	5,820
Australia	1,259	745	2,004	647
	32,115	1,292	33,407	25,978
Unallocated central costs		-	(2,163)	(1,800)
			31,244	24,178
Net interest payable			(3,914)	(1,785)
Profit on ordinary activities before taxation			27,330	22,393

The amortisation of goodwill has been analysed by geographic segment as follows: United Kingdom £376,000 (2001: £288,000), The Americas £2,802,000 (2001: £1,005,000), Continental Europe and overseas £122,000 (2001: £62,000) and Australia a credit of £200,000 (2001: credit £104,000).

The amortisation of goodwill has been analysed by class of business as follows: Foundation services £292,000 (2001: £336,000), Specialist services £2,808,000 (2001: £915,000).

1. Segmental analysis continued

	2002 £000	2001 £000
Net assets		
<i>Class of business</i>		
Foundation services	73,986	69,532
Specialist services	94,153	66,945
	168,139	136,477
Net debt	(67,995)	(63,202)
	100,144	73,275
<i>Geographical origin</i>		
United Kingdom	22,839	9,194
The Americas	115,507	109,862
Continental Europe and overseas	26,251	15,468
Australia	3,542	1,953
	168,139	136,477
Net debt	(67,995)	(63,202)
	100,144	73,275

In the opinion of the directors: (i) it is not deemed appropriate to analyse net debt and net interest payable thereon by geographic segment, and (ii) turnover by destination is not materially different from turnover by origin.

	2002 £000	2001 £000
2. Taxation		
The taxation charge comprises:		
<i>Current tax</i>		
UK corporation tax on the profits of the period	342	411
Overseas tax	9,555	9,285
Adjustments in respect of previous periods	(1,030)	37
	8,867	9,733
<i>Deferred tax</i>		
Current year	359	(1,049)
Prior year	1,458	-
	1,817	(1,049)
	10,684	8,684

	2002 £000	2001 £000
3. Dividends paid and proposed		
Ordinary dividends on equity shares		
Interim paid	1,995	1,790
Final proposed	4,289	3,611
	6,284	5,401

An interim ordinary dividend of 3.3p (2001: 3.15p) per share was paid on 31 October 2002. The final proposed ordinary dividend of 6.6p (2001: 6.05p) per share will be paid on 30 May 2003 to holders on the register at 2 May 2003.

4. Earnings per share

Earnings per share is calculated as follows:

	2002	2002	2001	2001
	Basic	Diluted	Basic	Diluted
Profit after tax and minority interests	£16,413,000	£16,413,000	£13,367,000	£13,367,000
	No. of	No. of	No. of	No. of
	shares	shares	shares	shares
Weighted average of ordinary shares in issue during the year	59,749,130	59,749,130	56,640,447	56,640,447
Add: Weighted average of shares under option during the year	-	993,116	-	168,862
Add: Weighted average of own shares held	-	218,625	-	318,000
Subtract: Number of shares assumed issued at fair value during the year	-	(827,442)	-	(79,362)
Adjusted weighted average ordinary shares in issue	59,749,130	60,133,429	56,640,447	57,047,947
	pence	Pence	pence	pence
Earnings per share	27.5	27.3	23.6	23.4

Earnings per share before amortisation of goodwill of 32.7p (2001: 25.8p) is calculated based on profit after tax and minority interests before amortisation of goodwill of £19,513,000 (2001: £14,618,000) and the weighted average number of ordinary shares in issue during the year of 59,749,130 (2001: 56,640,447).

Diluted earnings per share before amortisation of goodwill of 32.5p (2001: 25.6p) is calculated based on profit after tax and minority interests before amortisation of goodwill of £19,513,000 (2001: £14,618,000) and the adjusted weighted average number of ordinary shares in issue during the year of 60,133,429 (2001: 57,047,947).

5. Foreign Currencies

Balance sheet items in foreign currencies are translated into Sterling at closing rates of exchange at the balance sheet date. However, if amounts receivable and payable in foreign currencies are covered by a forward contract, the contract rate of exchange is used for translation. Profit and loss accounts and cash flows of overseas subsidiary undertakings are translated into Sterling at average rates for the year.

Exchange differences arising from the retranslation of opening net assets and profit and loss accounts at closing rates of exchange are dealt with as movements on reserves. All other exchange differences are charged to the profit and loss account.

The exchange rates used in respect of principal currencies are:

	2002	2001
US Dollar: average for year	1.50	1.44
US Dollar: year end	1.60	1.45
Australian Dollar: average for year	2.77	2.79
Australian Dollar: year end	2.84	2.84
Euro: average for year	1.59	1.61
Euro: year end	1.53	1.64

6. Basis of preparation

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2002 or 2001 but is derived from those accounts. Statutory accounts for 2001 have been delivered to the Registrar of Companies and those for 2002 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts: their reports were unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985.

Accounts will be posted to shareholders by 10 April 2003. The Annual General Meeting will be held on 13 May 2003.