

Chartwell Bratt (Publishing and Training) Limited

Registered No. 1318921

DIRECTORS

K J Munro

S Persson (appointed 28 April 1997; resigned 31 March 1998)

S J Munro (appointed 31 March 1998)

SECRETARY

K J Munro

AUDITORS

Ernst & Young

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

BANKERS

Barclays Bank PLC

7 High Street

Chislehurst

Kent BR7 5AB

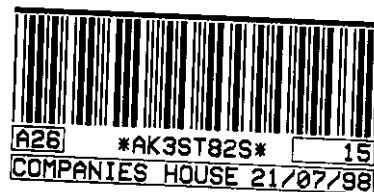
REGISTERED OFFICE

10A Royal Parade

Chislehurst

Kent BR7 6NR

ERNST & YOUNG



Chartwell Bratt (Publishing and Training) Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 1997.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £206 (1996 - £434).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activities during the year were the supply of training programmes and educational publishing.

EVENTS SINCE THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the company has been sold to the director, K J Munro.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

J B Bratt (died 17 March 1997)

K J Munro

S Persson (appointed 28 April 1997)

At the balance sheet date there were no directors' interests requiring disclosure under the Companies Act 1985.

In addition, on 31 March 1998, S Persson resigned as a director and S J Munro was appointed a director.

On that date the entire share capital of the company was transferred to K J Munro.

By order of the board



K J Munro
Secretary

9 JUN 1998

Chartwell Bratt (Publishing and Training) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 of the company 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- 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 keeping 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.

REPORT OF THE AUDITORS

to the members of Chartwell Bratt (Publishing and Training) Limited

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

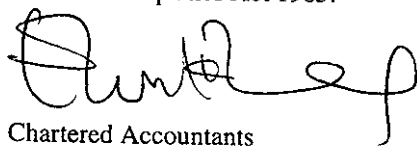
Basis of opinion

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 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 affairs of the company as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditor
London

11 June 1998

Chartwell Bratt (Publishing and Training) Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1997

	Notes	1997 £	1996 £
TURNOVER	2	459,524	378,936
Cost of sales		268,767	230,985
GROSS PROFIT		190,757	147,951
Administrative expenses		283,360	258,578
		(92,603)	(110,627)
Other operating income		96,561	115,041
OPERATING PROFIT	3	3,958	4,414
Interest payable	5	872	2,857
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,086	1,557
Taxation	6	2,880	1,123
PROFIT FOR THE FINANCIAL YEAR		206	434

There are no recognised gains and losses other than the profit for the year.

Chartwell Bratt (Publishing and Training) Limited

BALANCE SHEET at 31 December 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	7	7,000	18,337
CURRENT ASSETS			
Stocks	8	15,667	83,094
Debtors	9	60,254	74,635
		75,921	157,729
CREDITORS: amounts falling due within one year	10	60,056	87,147
NET CURRENT ASSETS		15,865	70,582
TOTAL ASSETS LESS CURRENT LIABILITIES		22,865	88,919
CREDITORS: amounts falling due after more than one year	11	-	66,260
		22,865	22,659
CAPITAL AND RESERVES			
Called up share capital	14	20,000	20,000
Profit and loss account	15	2,865	2,659
		22,865	22,659



K J Munro

Director

9 JUN 1998

Chartwell Bratt (Publishing and Training) Limited

NOTES TO THE ACCOUNTS

at 31 December 1997

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 at rates calculated to write off the cost, less estimated residual value, of each asset by the reducing balance method at the following annual rates:

Plant and machinery	-	20%
Fixtures and fittings	-	20%
Motor vehicles	-	25%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a non-contributory defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is anticipated the timing differences will reverse.

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 retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services in the UK which fall within the company's continuing ordinary activities, and is stated net of value added tax.

Other operating income represents fees chargeable to group companies.

Chartwell Bratt (Publishing and Training) Limited

NOTES TO THE ACCOUNTS at 31 December 1997

3. OPERATING PROFIT

This is stated after charging/(crediting):

	1997 £	1996 £
Auditors' remuneration	9,000	7,000
Depreciation of owned assets	3,003	4,861
Exchange gains	(13,976)	(13,385)
Hire of equipment	2,320	2,140
Loss on disposal of fixed assets	7,534	-

Directors' remuneration:

None of the directors were remunerated by the company (1996 - £nil).

Chartwell Associates, of which K J Munro is a partner, received fees totalling £72,744 (1996 - £75,120) for management and secretarial services (and in 1996 for the provision of business premises).

4. STAFF COSTS

	1997 £	1996 £
Wages and salaries	49,823	45,133
Social security costs	4,269	4,675
Pension contributions	2,069	2,160
	<u>56,161</u>	<u>51,968</u>

The average weekly number of employees during the year was made up as follows:

	1997 No.	1996 No.
Office and management	<u>3</u>	<u>3</u>

5. INTEREST PAYABLE

	1997 £	1996 £
Bank overdraft interest	687	1,921
Finance charges payable under finance leases	185	936
	<u>872</u>	<u>2,857</u>

6. TAXATION

	1997 £	1996 £
Corporation tax on the result for the year	<u>2,880</u>	<u>1,123</u>

Chartwell Bratt (Publishing and Training) Limited

NOTES TO THE ACCOUNTS at 31 December 1997

7. TANGIBLE FIXED ASSETS

	<i>Motor vehicles</i> £	<i>Plant and machinery</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
Cost:				
At 1 January 1997	14,000	49,235	10,214	73,449
Disposals	(14,000)	(12,000)	(2,800)	(28,800)
At 31 December 1997	-	37,235	7,414	44,649
Depreciation:				
At 1 January 1997	10,678	36,385	8,049	55,112
Provided during the year	-	2,570	433	3,003
On disposals	(10,678)	(7,720)	(2,068)	(20,466)
At 31 December 1997	-	31,235	6,414	37,649
Net book value:				
At 31 December 1997	-	6,000	1,000	7,000
At 1 January 1997	3,322	12,850	2,165	18,337

8. STOCKS

	<i>1997</i> £	<i>1996</i> £
Finished goods and goods for resale	15,667	74,202
Work in progress	-	8,892
	<u>15,667</u>	<u>83,094</u>

9. DEBTORS

	<i>1997</i> £	<i>1996</i> £
Trade debtors	33,583	62,061
Amounts owed by parent undertaking	17,328	-
Other debtors	9,343	11,674
Amounts owed by fellow subsidiaries	-	384
Prepayments and accrued income	-	516
	<u>60,254</u>	<u>74,635</u>

Chartwell Bratt (Publishing and Training) Limited

NOTES TO THE ACCOUNTS at 31 December 1997

10. CREDITORS: amounts falling due within one year

	1997 £	1996 £
Bank overdraft	1,548	20,543
Trade creditors	34,643	50,210
Corporation tax	2,500	1,600
Other taxes and social security costs	545	6,112
Other creditors and accruals	20,820	8,682
	<u>60,056</u>	<u>87,147</u>

11. CREDITORS: amounts falling due after more than one year

	1997 £	1996 £
Amount due to fellow subsidiary undertaking	-	66,260
	<u>-</u>	<u>66,260</u>

12. PENSION COMMITMENTS

The company has a defined contribution pension scheme for one employee (1996 - two). The pension cost charge represents contributions paid by the company to the fund and amounted to £2,069 (1996 - £2,160). There were no contributions payable to the fund at the year end.

13. OTHER FINANCIAL COMMITMENTS

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	1997 £	Office equipment 1996 £
Operating leases which expire: within two to five years	<u>2,568</u>	<u>2,140</u>

14. SHARE CAPITAL

	1997 No.	Authorised 1996 No.	Allotted, called up and fully paid 1997 £	1996 £
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

Chartwell Bratt (Publishing and Training) Limited

NOTES TO THE ACCOUNTS

at 31 December 1997

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At 1 January 1996	20,000	2,225	22,225
Profit for the financial year		434	434
At 1 January 1997	20,000	2,659	22,659
Profit for the financial year		206	206
At 31 December 1997	20,000	2,865	22,865

16. ULTIMATE PARENT UNDERTAKING

At the balance sheet date the ultimate parent undertaking of the group of undertakings for which group accounts are drawn up and which the company was a member was Bratt International AB, incorporated in Sweden.

17. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the entire share capital of the company has been sold to the director, K J Munro.