



PERLEASE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

29 FEBRUARY 2000

Company Registration Number: 1499521

PERLEASE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2000

Company registration number:	1499521
Registered office:	Frays Court 71 Cowley Road Uxbridge Middlesex UB8 2AE
Directors:	R Templeman S D Mantell
Secretary:	S D Mantell
Solicitors:	Clarke Wilmott & Clarke
Auditors:	KPMG Audit Plc

PERLEASE LIMITED
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FOR THE YEAR ENDED 29 FEBRUARY 2000

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PERLEASE LIMITED
REPORT OF THE DIRECTORS

The Directors present their report together with financial statements for the year ended 29 February 2000.

Principal activities

The principal activity of the company is that of sales agent.

Results

The loss for the year after taxation amounted to £36,078 (1999: profit of £111,347). The directors do not recommend the payment of a dividend (1999: £nil) leaving a loss of £36,078 (1999: profit of £111,347) retained.

Directors

The Directors in office during the year were as follows:

R Templeman
S D Mantell

None of the directors had any interest in the shares of the company at 29 February 2000 or at any other date during the year.

The interests of directors who are also directors of the ultimate parent undertaking, Prowting Plc, are shown in that company's financial statements.

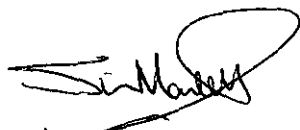
Year 2000

A Year 2000 programme was established to identify the effect that the Year 2000 will have on the company's computer systems, services and products. No difficulties have been experienced to date. The issue is complex, and no business can guarantee that there will be no residual Year 2000 problems. However the Board believes that its plans and the resources allocated were appropriate and adequate to address the issue.

Auditors

KPMG Audit Plc offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Secretary
Frays Court, 71 Cowley Road
Uxbridge, Middlesex UB8 2AE

12 December 2000

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 profit or loss of the Company 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS, KPMG AUDIT PLC, TO THE MEMBERS OF PERLEASE LIMITED

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

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 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 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 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 the company's affairs as at 29 February 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG AUDIT PLC
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LONDON

12 December 2000

PERLEASE LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 29 FEBRUARY 2000

	Notes	2000 £	1999 £
Turnover	2	128,794	233,512
Cost of sales		<u>(66,178)</u>	<u>(41,741)</u>
Gross profit		62,616	191,771
Administrative expenses		<u>(86,683)</u>	<u>(30,000)</u>
(Loss)/profit on ordinary activities before taxation	2	(24,067)	161,771
Tax on (loss)/profit on ordinary activities	4	<u>(12,011)</u>	<u>(50,424)</u>
Retained (loss)/profit for the financial year	8	<u>(36,078)</u>	<u>111,347</u>

There were no recognised gains or losses other than the profit for the year.

PERLEASE LIMITED
BALANCE SHEET
AS AT 29 FEBRUARY 2000

	Notes	2000 £	1999 £
Current assets			
Debtors	5	552,712	949,789
Cash at bank and in hand		<u>558,375</u>	<u>258,340</u>
		1,111,087	1,208,129
Creditors: amounts falling due within one year	6	<u>(50,103)</u>	<u>(111,067)</u>
Net current assets		<u>1,060,984</u>	<u>1,097,062</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	<u>1,060,884</u>	<u>1,096,962</u>
Shareholders' funds	9	<u>1,060,984</u>	<u>1,097,062</u>

The financial statements were approved by the Board of Directors on 12 December 2000.

Director

R. Templeman

The accompanying accounting policies and notes form an integral part of these financial statements.

PERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2000

1 ACCOUNTING POLICIES

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover represents commissions receivable

Foreign currencies

Transactions in foreign currencies are translated at the average exchange rate prevailing during the year.

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to one activity, sales agency.

The profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration		
Audit services	5,000	5,000
Non-audit services	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

3 DIRECTORS AND EMPLOYEES

There were no employees during the year (1999: nil) other than the directors, to whom no emoluments were paid or payable (1999: £nil).

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the loss for the year and represents:

	2000 £	1999 £
UK Corporation tax at 30% (1999: 31%)	(9,886)	50,424
Adjustment in respect of prior year	21,897	0
	<u>12,011</u>	<u>50,424</u>

PERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2000

5 DEBTORS

	2000	1999
	£	£
Amounts falling due within one year:		
Amounts owed by undertakings in which the parent company has a participating interest	427,033	731,206
Amounts owed by parent undertaking	112,257	218,583
Corporation tax	13,422	0
	<u>552,712</u>	<u>949,789</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Amounts owed to parent and fellow subsidiary undertakings	11,603	11,603
Taxation	0	46,464
Other creditors	38,500	53,000
	<u>50,103</u>	<u>111,067</u>

7 SHARE CAPITAL

	2000	1999
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 PROFIT AND LOSS ACCOUNT

	£
At 1 March 1999	1,096,962
Profit for the year	<u>(36,078)</u>
At 29 February 2000	<u>1,060,884</u>

PERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2000

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/Profit for the financial year	(36,078)	111,347
Shareholders' funds at 1 March 1999	1,097,062	985,715
Shareholders' funds at 29 February 2000	<u>1,060,984</u>	<u>1,097,062</u>

10 CONTINGENT LIABILITIES

At 29 February 2000 and 28 February 1999 other than normal trade indemnities, the company had a contingent liability in respect of an unlimited guarantee securing certain bank advances to group undertakings.

11 CASHFLOW STATEMENT

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A cash flow statement is prepared by the ultimate holding company, disclosed in note 12.

12 ULTIMATE HOLDING COMPANY

The ultimate holding company is Prowting PLC which is registered in England and Wales. Copies of the accounts of Prowting PLC may be obtained from Frays Court, 71 Cowley Road, Uxbridge, Middlesex.