

THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

31 MARCH 1996

Registered number: 2027199



PHILIP THOMAS

CERTIFIED ACCOUNTANT

Reading

THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 1996

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendices 1 & 2
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THE CONSULTANCY CORPORATION LIMITED

COMPANY INFORMATION

31 March 1996

Incorporated in England on 19 October 1987

COMPANY NUMBER	2027199
CHAIRMAN	Wilfred Eaton
OTHER DIRECTORS	Donald Richard Hornblow David Brian Morffew
SECRETARY	Mrs Catherine Frances Hornblow
REGISTERED OFFICE	Mountbarrow House 12 Elizabeth Street London SW1W 9RB
BANKERS	TSB Abbot's House Abbey Street Reading Berks RG1 3BD
AUDITOR	Philip Thomas Certified Accountant Penvose House Broad Lane Upper Bucklebury Reading Berks RG7 6QH

DIRECTORS' REPORT

31 March 1996

The directors present their report and the audited financial statements for the year ended 31 March 1996.

Principal activity

The principal activity of the company was the provision of a range of services to mainframe computer users centred on staff supply and undertaking bespoke development of business solutions.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1996 Ordinary shares	1 April 1995 Ordinary shares
Wilfred Eaton	16,162	16,162
Donald Richard Hornblow	24,309	25,386
David Brian Morffew	-	-

Auditor

The company's auditors Wheawill & Sudworth resigned during the year and Philip Thomas agreed to fill the casual vacancy and offers himself for re-appointment as auditor of the company.

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

On behalf of the board

Mrs Catherine Frances Hornblow
Secretary

Mountbarrow House
12 Elizabeth Street
London
SW1W 9RB

C. Hornblow

10 July 1996

THE CONSULTANCY CORPORATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

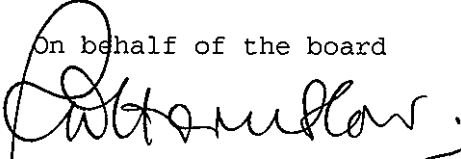
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

10 July 1996

On behalf of the board



Donald Richard Hornblow
Director

THE CONSULTANCY CORPORATION LIMITED**AUDITOR'S REPORT****Auditor's report to the members of****The Consultancy Corporation Limited**

I have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditor

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

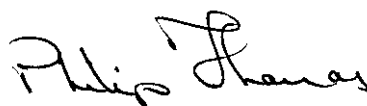
Basis of opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Philip Thomas
Registered Auditor
Certified Accountant

Reading
10 July 1996

THE CONSULTANCY CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1996

	Note	1996 £	1995 £
Turnover	2	2,103,074	1,916,038
Cost of sales		(1,643,038)	(1,487,513)
Gross profit		460,036	428,525
Net operating expenses			
Distribution costs		(22,809)	(25,712)
Administrative expenses		(466,882)	(375,502)
Other operating income		357	499
Operating (loss)/profit	3	(29,298)	27,810
Interest payable	5	(2,335)	(3,854)
(Loss)/profit on ordinary activities before taxation		(31,633)	23,956
Taxation	6	4,560	(8,533)
(Loss)/profit on ordinary activities after taxation		(27,073)	15,423
retained for the year	15		

Movements in reserves are shown in the notes to the financial statements.

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

There are no recognised gains and losses in 1996 or 1995 other than the (loss)/profit for the year.

THE CONSULTANCY CORPORATION LIMITED

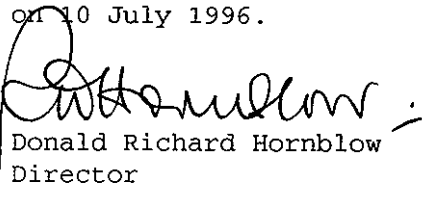
BALANCE SHEET

at 31 March 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	7		34,637		55,894
Investments	8		60		60
			<u>34,697</u>		<u>55,954</u>
Current assets					
Debtors	9	335,947		312,831	
Cash at bank and in hand		414		12,081	
		<u>336,361</u>		<u>324,912</u>	
Creditors: amounts falling due within one year	10	(307,845)		(280,397)	
Net current assets			<u>28,516</u>		<u>44,515</u>
Total assets less current liabilities			63,213		100,469
Creditors: amounts falling due after more than one year	11		(8,405)		(18,588)
			<u>54,808</u>		<u>81,881</u>
Capital and reserves					
Called up share capital	13		50,250		50,250
Share premium account	14		19,750		19,750
Profit and loss account	15		(15,192)		11,880
Total shareholders' funds	12		<u>54,808</u>		<u>81,880</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 4 to 11 were approved by the board of directors on 10 July 1996.


Donald Richard Hornblow
Director

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives or, if held under a finance lease, over the lease term, as follows:

Leasehold land and buildings	- over 14 years
Office equipment	- 15% on cost
Computer equipment	- 33% on cost
Motor vehicles	- 20% on cost
Fixtures and fittings	- 15% on cost

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pensions - Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1984 not to prepare group accounts.

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK & Europe. (1995 nil)

3 Operating (loss)/profit

	1996 £	1995 £
Operating (loss)/profit is stated after crediting		
Interest receivable	357	499
Profit on foreign exchange	742	1,128
	<u> </u>	<u> </u>
and after charging		
Auditors' remuneration	1,312	4,240
Operating leases		
Rent	10,200	10,200
Loss on sale of assets	2,414	260
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7)		
owned assets	12,276	15,992
	<u> </u>	<u> </u>

4 Directors

	1996 £	1995 £
Directors' emoluments	99,273	99,062
	<u> </u>	<u> </u>

Pension costs

Defined contribution scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,750 (1995 £7,750).

5 Interest payable

	1996 £	1995 £
Finance lease and hire purchase contracts	2,511	3,614
Other interest payable	(176)	240
	<u> </u>	<u> </u>
	2,335	3,854
	<u> </u>	<u> </u>

NOTES ON FINANCIAL STATEMENTS

31 March 1996

6 Taxation

	1996 £	1995 £
Corporation tax on loss on ordinary activities at 25% (1995 25%)	(3,969)	8,520
(Over)/under provision in earlier years	(591)	13
	<u>(4,560)</u>	<u>8,533</u>

7 Tangible fixed assets

Cost or valuation	Land and Buildings £	Plant and Machinery etc £	Total £
1 April 1995	7,045	109,412	3,501
Additions	-	3,501	(20,045)
Disposals	-	(20,045)	7,562
	<u>7,045</u>	<u>92,868</u>	<u>99,913</u>
31 March 1996	7,045	92,868	99,913
Depreciation			
1 April 1995	1,507	59,056	60,563
Charge for year	503	11,773	12,276
Disposals	-	(7,562)	(7,562)
	<u>2,010</u>	<u>63,267</u>	<u>65,277</u>
31 March 1996	2,010	63,267	65,277
Net book amount			
31 March 1996	<u>5,035</u>	<u>29,602</u>	<u>34,637</u>
1 April 1995	<u>5,538</u>	<u>50,356</u>	<u>55,894</u>

Fixed assets, included in the above, which are held under hire purchase or finance leases are as follows: motor vehicles £13,559 (1995 - £47,660).

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

8 Fixed asset investments

	Investments other than loans £
Cost	
1 April 1995	60
and at	
31 March 1996	<u>60</u>
Net book amount	
31 March 1996	<u>60</u>
1 April 1995	<u>60</u>

The company's unlisted investment is in the ordinary share capital of The Image System Corporation Ltd, a company incorporated in England & Wales, and comprises of 60% of the issued ordinary share capital.

9 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	177,466	182,051
Other debtors	158,481	130,780
	<u>335,947</u>	<u>312,831</u>

'Other debtors' includes a balance in respect of a director's overdrawn current account, in respect of D R Hornblow, totalling £875 (1995 £1,091). The maximum balance at any time during the year was £1,091.

10 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank overdrafts	123,119	94,412
Trade creditors	61,329	13,244
Other creditors	123,397	172,741
	<u>307,845</u>	<u>280,397</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets.

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

- 11 **Creditors:** amounts falling due after more than one year

	1996 £	1995 £
Other creditors	8,405	18,588
	<u>8,405</u>	<u>18,588</u>

Obligations under finance leases and hire purchase contracts

Amounts included above are repayable over varying periods by monthly instalments as follows:

In the next year	8,792	12,594
	<u>8,792</u>	<u>12,594</u>

- 12 **Reconciliation of movements in shareholders' funds**

	1996 £	1995 £
(Loss)/profit for the financial year representing a Net (subtraction from)/addition to shareholders' funds	(27,073)	15,423
Opening shareholders' funds	81,881	66,458
Closing shareholders' funds	<u>54,808</u>	<u>81,881</u>

- 13 **Called up share capital**

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid				
Authorised share capital	<u>50,250</u>	<u>50,250</u>	<u>50,250</u>	<u>50,250</u>

- 14 **Share premium account**

	1996 £
1 April 1995 and 31 March 1996	<u>19,750</u>

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

15 Profit and loss account

	1996 £
1 April 1995	11,881
Retained loss for the year	(27,073)
31 March 1996	<u>(15,192)</u>

16 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 1997

	1996 £	1995 £
Expiring between two and five years	<u>11,673</u>	<u>9,386</u>
	<u>11,673</u>	<u>9,386</u>