

THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

31 MARCH 1997

Registered number: 2027199

PHILIP THOMAS

CHARTERED CERTIFIED ACCOUNTANT

Reading



THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 1997

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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 1997

INCORPORATED	England 19 October 1987
COMPANY NUMBER	2027199
CHAIRMAN	Wilfred Eaton
OTHER DIRECTOR	Donald Richard Hornblow
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 Chartered Certified Accountant Penvose House Broad Lane Upper Bucklebury Reading Berks RG7 6QH

THE CONSULTANCY CORPORATION LIMITED

DIRECTORS' REPORT

31 March 1997

The directors present their report and the audited financial statements for the year ended 31 March 1997.

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 1997 Ordinary shares	1 April 1996 Ordinary shares
Wilfred Eaton	16,162	16,162
Donald Richard Hornblow	24,309	24,309

David Morffew who was a director at 1 April 1996, resigned on 30 September 1996. He did not hold any shares in the company.

Auditor

Philip Thomas has agreed to offer 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 provided by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board

Mrs Catherine Frances Hornblow
Secretary

Mountbarrow House
12 Elizabeth Street
London
SW1W 9RB

11 July 1997

C. Hornblow

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:

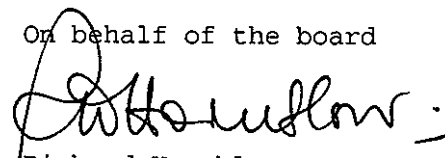
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

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

11 July 1997

On behalf of the board


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 historical cost convention and 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.

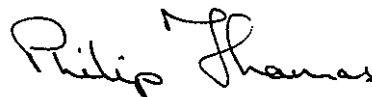
Basis of opinion

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 1997 and of its profit 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
Chartered Certified Accountant

Reading
11 July 1997

THE CONSULTANCY CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1997

	Note	1997 £	1996 £
Turnover		2,043,460	2,103,074
Cost of sales		(1,714,000)	(1,643,038)
Gross profit		329,460	460,036
Net operating expenses			
Distribution costs		(11,082)	(22,809)
Administrative expenses		(314,131)	(466,882)
Other operating income		244	357
Operating profit/(loss)	2	4,491	(29,298)
Interest payable	4	(2,160)	(2,335)
Profit/(loss) on ordinary activities before taxation		2,331	(31,633)
Taxation	5	(2,060)	4,560
Profit/(loss) on ordinary activities after taxation		271	(27,073)
retained for the year	14		

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 1997 or 1996 other than the profit/(loss) for the year.

THE CONSULTANCY CORPORATION LIMITED

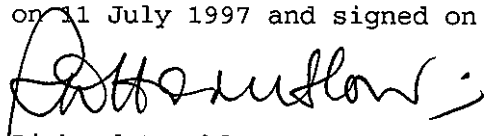
BALANCE SHEET

at 31 March 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	6	19,569	34,637
Investments	7	-	60
		<u>19,569</u>	<u>34,697</u>
Current assets			
Debtors	8	321,682	335,947
Cash at bank and in hand		711	414
		<u>322,393</u>	<u>336,361</u>
Creditors: amounts falling due within one year	9	(286,885)	(307,845)
Net current assets		<u>35,508</u>	<u>28,516</u>
Total assets less current liabilities		<u>55,077</u>	<u>63,213</u>
Creditors: amounts falling due after more than one year	10	-	(8,405)
		<u>55,077</u>	<u>54,808</u>
Capital and reserves			
Called up share capital	12	50,250	50,250
Share premium account	13	19,750	19,750
Profit and loss account	14	(14,923)	(15,192)
Total shareholders' funds	11	<u>55,077</u>	<u>54,808</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 5 to 12 were approved by the board of directors on 11 July 1997 and signed on its behalf by:


Richard Hornblow
Director

THE CONSULTANCY CORPORATION LIMITED**NOTES ON FINANCIAL STATEMENTS****31 March 1997****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 Sections 246 to 247 of the Companies Act 1985 for small companies.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives 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.

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

2 Operating profit/(loss)

	1997 £	1996 £
Operating profit/(loss) is stated after crediting		
Interest receivable	244	357
Profit on foreign exchange	-	742
Profit on sale of assets	2,587	-
	<u> </u>	<u> </u>
and after charging		
Auditors' remuneration	850	1,312
Operating leases		
Hire of plant and machinery	8,065	9,386
Rent	10,200	10,200
Loss on sale of assets	-	2,414
Loss on foreign exchange	1,125	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 6)		
owned assets	10,655	12,276
	<u> </u>	<u> </u>

3 Directors

	1997 £	1996 £
Directors' emoluments	85,934	99,273
	<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 £6,875 (1996 £7,750).

4 Interest payable

	1997 £	1996 £
Finance lease and hire purchase contracts	2,238	2,511
Other interest payable	(78)	(176)
	<u> </u>	<u> </u>
	2,160	2,335
	<u> </u>	<u> </u>

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

5 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 24% (1996 25%)	2,060	(3,969)
Over provision in earlier years	-	(591)
	<u>2,060</u>	<u>(4,560)</u>

6 Tangible fixed assets

Cost	Land and Buildings £	Plant and Machinery etc £	Total £
1 April 1996	7,045	92,868	99,913
Disposals	-	12,274	12,274
	<u>7,045</u>	<u>80,594</u>	<u>87,639</u>
31 March 1997	7,045	80,594	87,639
Depreciation			
1 April 1996	2,010	63,266	65,276
Charge for year	503	10,152	10,655
Disposals	-	7,861	7,861
	<u>2,513</u>	<u>65,557</u>	<u>68,070</u>
31 March 1997	2,513	65,557	68,070
Net book amount			
31 March 1997	<u>4,531</u>	<u>15,038</u>	<u>19,569</u>
1 April 1996	<u>5,035</u>	<u>29,602</u>	<u>34,637</u>

Fixed assets, included in the above, which are held under hire purchase or finance leases are as follows : Motor vehicles £7,304 (1996 £13,559).

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

7 Fixed asset investments

	Investments other than loans £
Cost	
1 April 1996	60
Disposals	(60)
31 March 1997	-
Net book amount	
31 March 1997	-
1 April 1996	60

8 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	164,041	177,466
Other debtors	157,641	158,481
	321,682	335,947

Other debtors includes a balance in respect of D R Hornblow, which was overdrawn throughout the year, totalling £875 (1996 £875). The balance was repaid in full in April 1997.

9 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank overdrafts	138,664	123,119
Trade creditors	2,249	61,329
Corporation tax	1,241	-
Other taxation and social security	7,871	29,002
Other creditors	136,860	94,395
	286,885	307,845

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 1997

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

	1997 £	1996 £
Other creditors	-	8,405
	-	8,405

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	7,304	8,792
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- 11 **Reconciliation of movements in shareholders' funds**

	1997 £	1996 £
Profit/(loss) for the financial year representing a Net addition to/(subtraction from) shareholders' funds	271	(27,073)
Opening shareholders' funds	54,806	81,879
Closing shareholders' funds	55,077	54,806

- 12 **Called up share capital**

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	100,000	100,000	100,000	100,000
Allotted called up and fully paid				
Authorised share capital	50,250	50,250	50,250	50,250

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

13 Share premium account

1997
£1 April 1996
and
31 March 1997

19,750

14 Profit and loss account

1997
£1 April 1996
Retained profit for the year

31 March 1997(15,194)
271

(14,923)

15 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 1998

	1997	1996
	Other	Other
	£	£
Expiring between one and three years	11,673	11,673
	<u>11,673</u>	<u>11,673</u>