

THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

31 MARCH 1998

Registered number: 2027199

PHILIP THOMAS

CHARTERED CERTIFIED ACCOUNTANT

Reading



THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 1998

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The following pages do not form part of the statutory accounts

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THE CONSULTANCY CORPORATION LIMITED

COMPANY INFORMATION

31 March 1998

INCORPORATED	in England on 11 June 1986
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
AUDITORS	Philip Thomas Chartered Certified Accountant Penrose House Broad Lane Upper Bucklebury Reading Berks RG7 6QH

THE CONSULTANCY CORPORATION LIMITED

DIRECTORS' REPORT

31 March 1998

The directors present their report and the audited financial statements for the year ended 31 March 1998.

Principal activity

The principal activity of the company was the provision of a range of services to mainframe computer users centred on staff supply.

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 1998	1 April 1997
	Ordinary shares	Ordinary shares
Wilfred Eaton	20,100	16,162
Donald Richard Hornblow	24,498	24,309

Auditors

Philip Thomas have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Mrs Catherine Frances Hornblow
Secretary

Mountbarrow House
12 Elizabeth Street
London
SW1W 9RB

19 June 1998

THE CONSULTANCY CORPORATION LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

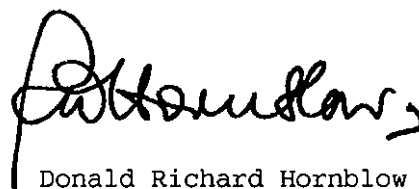
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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 financial statements 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.

19 June 1998

On behalf of the board



Donald Richard Hornblow
Director

THE CONSULTANCY CORPORATION LIMITED**AUDITORS' REPORT****Auditors' report to the members of****The Consultancy Corporation Limited**

We have audited the financial statements on pages 4 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 auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 error or other irregularity. 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 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Philip Thomas
Registered Auditor
Chartered Certified Accountant

Reading
19 June 1998

THE CONSULTANCY CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1998

	Note	1998 £	1997 £
Turnover		4,054,959	2,043,460
Cost of sales		(3,527,474)	(1,714,000)
Gross profit		527,485	329,460
Net operating expenses			
Administrative expenses		(408,475)	(325,213)
Other operating income		791	244
Operating profit	2	119,801	4,491
Interest payable	4	(1,603)	(2,160)
Profit on ordinary activities before taxation		118,198	2,331
Taxation	5	(25,719)	(2,060)
Profit on ordinary activities after taxation		92,479	271
Dividends	6	(6,283)	-
Retained profit for the year	14	86,196	271

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 1998 or 1997 other than the profit for the year.

THE CONSULTANCY CORPORATION LIMITED

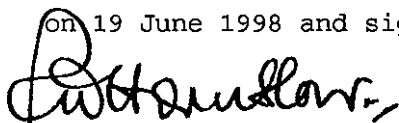
BALANCE SHEET

at 31 March 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	7	9,198	19,569
Current assets			
Debtors	9	609,830	321,682
Cash at bank and in hand		232,766	711
		<u>842,596</u>	<u>322,393</u>
Creditors: amounts falling due within one year	10	<u>(710,520)</u>	<u>(286,885)</u>
Net current assets		<u>132,076</u>	<u>35,508</u>
Total assets less current liabilities		<u>141,274</u>	<u>55,077</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	71,274	(14,923)
Total shareholders' funds	11	<u>141,274</u>	<u>55,077</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 12 were approved by the board of directors on 19 June 1998 and signed on its behalf by:



Donald Richard Hornblow
Director

THE CONSULTANCY CORPORATION LIMITED**NOTES ON FINANCIAL STATEMENTS****31 March 1998****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 qualifies as a small company under the Companies Act 1985.

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 1998

2 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting		
Interest receivable	791	244
Profit on sale of assets	4,031	2,587
	<u> </u>	<u> </u>
and after charging		
Auditors' remuneration	800	850
Operating leases		
Hire of plant and machinery	7,768	8,065
Rent	10,463	10,200
Loss on foreign exchange	785	1,125
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7)		
owned assets	7,000	10,655
	<u> </u>	<u> </u>

3 Directors

	1998 £	1997 £
Directors' emoluments	85,523	85,399
	<u> </u>	<u> </u>
During the year the following number of directors accrued retirement benefits under:	Number	Number
Money purchase pension schemes	1	1
	<u> </u>	<u> </u>

Defined contribution pension 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 £10,000 (1997 £6,875).

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1998

4 Interest payable

	1998	1997
	£	£
Finance lease and hire purchase contracts	1,603	2,238
Other interest payable	-	(78)
	<u>1,603</u>	<u>2,160</u>

5 Taxation

	1998	1997
	£	£
Corporation tax on profit on ordinary activities at 21% (1997 24%)	25,719	2,060
	<u>25,719</u>	<u>2,060</u>

6 Dividends

	1998	1997
	£	£
Equity - ordinary/interim	<u>6,283</u>	<u>-</u>

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1998

7 Tangible fixed assets

Cost	Land and Buildings £	Plant and Machinery etc £	Total £
1 April 1997	7,045	80,594	87,639
Additions	-	4,693	4,693
Disposals	-	(31,120)	(31,120)
31 March 1998	7,045	54,167	61,212
Depreciation			
1 April 1997	2,514	65,556	68,070
Charge for year	503	6,497	7,000
Disposals	-	25,226	25,226
31 March 1998	3,017	46,827	49,844
Net book amount			
31 March 1998	4,028	5,170	9,198
1 April 1997	4,531	15,038	19,569

8 Fixed asset investments

1 April 1997	60
Disposals	(60)
31 March 1998	-

9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	270,697	164,041
Other debtors	339,133	157,641
	609,830	321,682

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1998

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdrafts	145,406	138,664
Trade creditors	200,949	2,249
Obligations under finance leases and hire purchase contracts	-	7,304
Corporation tax	24,699	1,241
Other taxation and social security	35,789	7,871
Other creditors	303,677	129,556
	<u>710,520</u>	<u>286,885</u>

11 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	92,479	271
Dividends	(6,283)	-
Net addition to shareholders' funds	<u>86,196</u>	<u>271</u>
Opening shareholders' funds	55,078	54,806
Closing shareholders' funds	<u>141,274</u>	<u>55,077</u>

12 Called up share capital

	1998		1997	
	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>

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1998

13 Share premium account

1998
£

1 April 1997

and

31 March 1998

19,750

14 Profit and loss account

1998
£

1 April 1997

(14,922)

Retained profit for the year

86,196

31 March 1998

71,274

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 1999

	1998 Plant & Other £	1997 Plant & Other £
Expiring		
Within one year	3,129	-
Within two to five years	17,879	14,802
	<u>21,008</u>	<u>14,802</u>

THE CONSULTANCY CORPORATION LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1998

	1998		1997	
	£	£	£	£
Turnover				
Sales		4,054,959		2,043,460
Cost of sales				
Purchases	3,518,616		1,698,457	
Commission paid	8,858		15,543	
		<u>3,527,474</u>		<u>1,714,000</u>
Gross profit		527,485		329,460
Other operating income				
Bank deposit interest		791		244
		<u>528,276</u>		<u>329,704</u>
Administration expenses	315,219		238,901	
Selling and distribution expenses	18,520		13,869	
Establishment expenses	30,436		39,005	
Financial expenses	45,903		35,598	
		<u>410,078</u>		<u>327,373</u>
Net profit for the year		<u><u>118,198</u></u>		<u><u>2,331</u></u>

THE CONSULTANCY CORPORATION LIMITED

SCHEDULE TO THE TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1998

	1998 £	1997 £
Administration expenses		
Salaries and wages	128,781	88,150
Pension contributions	2,610	3,690
Social security costs	12,776	7,983
Conferences training etc	8,042	(1,335)
Office consumables	1,693	299
Equipment maintenance	4,267	3,676
Vehicle leasing	21,808	11,673
Motor expenses	11,803	6,128
Travel & subsistence	8,614	4,102
Staff welfare	3,268	-
Telephone charges	6,325	5,884
Printing postage and stationery	9,172	9,437
Accountancy costs	4,043	3,277
Sundry expenses	2,591	1,548
Subscriptions & donations	1,608	1,604
Directors' emoluments	69,980	71,000
Directors' social security costs	4,869	6,842
Directors' money purchase pension scheme	10,000	6,875
Depreciation short leasehold	503	503
Depreciation motor vehicles	4,340	8,679
Depreciation computer equipment	2,055	1,371
Depreciation fixtures and fittings	102	102
(Profit) on sale of tangible assets	(4,031)	(2,587)
	<u>315,219</u>	<u>238,901</u>
Selling and distribution expenses		
Advertising	5,636	3,017
Entertaining	5,116	2,787
Computer equipment leasing	7,768	8,065
	<u>18,520</u>	<u>13,869</u>
Establishment expenses		
Heating and lighting	676	896
Staff insurances	6,954	9,916
Insurances	8,369	13,904
Rent	10,463	10,200
General rates	3,974	4,089
	<u>30,436</u>	<u>39,005</u>
Financial expenses		
Bank charges	36,425	27,394
Other interest	-	(78)
Hire purchase interest	1,603	2,238
Legal and professional fees	6,290	4,069
Auditors' remuneration	800	850
Profit/(loss) on foreign exchange	785	1,125
	<u>45,903</u>	<u>35,598</u>