

THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

31 MARCH 1999

Registered number: 2027199

PHILIP THOMAS

CHARTERED CERTIFIED ACCOUNTANTS

Reading



THE CONSULTANCY CORPORATION LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 1999

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The following pages do not form part of the statutory accounts

Trading and profit and loss account	Appendix 1
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THE CONSULTANCY CORPORATION LIMITED

COMPANY INFORMATION

31 March 1999

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	Lloyds TSB Plc Commercial Banking Centre 1\2 Market Place Reading Berks RG1 2EQ
AUDITORS	Philip Thomas Chartered Certified Accountants Penvose House Broad Lane Upper Bucklebury Reading Berks RG7 6QH

THE CONSULTANCY CORPORATION LIMITED

DIRECTORS' REPORT

31 March 1999

The directors present their report and the audited financial statements for the year ended 31 March 1999.

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 1999 Ordinary shares	1 April 1998 Ordinary shares
Wilfred Eaton	21,270	20,100
Donald Richard Hornblow	22,749	24,498

Share capital

During the year the company repurchased and cancelled 3,000 £1 ordinary shares at a price of £6.25 per share. The shares were repurchased and cancelled to prevent a potential sale to an unacceptable third party.

Charitable and political donations

Payments of a charitable nature made during the year amounted to £480.

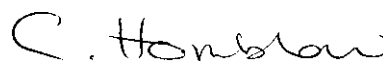
Auditors

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 July 1999

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

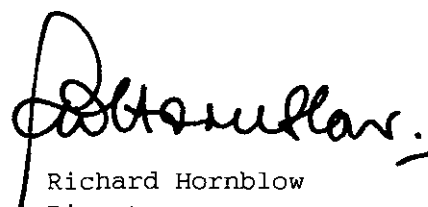
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 July 1999

On behalf of the board



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 11 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 1999 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 Accountants

Reading
19 July 1999

THE CONSULTANCY CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1999

	Note	1999 £	1998 £
Turnover	2	7,048,344	4,054,959
Cost of sales		(6,286,443)	(3,527,474)
Gross profit		761,901	527,485
Net operating expenses			
Distribution costs		(18,858)	(10,752)
Administrative expenses		(569,671)	(397,723)
Other operating income		2,850	791
Operating profit	3	176,222	119,801
Interest payable	5	-	(1,603)
Profit on ordinary activities before taxation		176,222	118,198
Taxation	6	(41,576)	(25,719)
Profit on ordinary activities after taxation		134,646	92,479
Dividends	7	(28,368)	(6,283)
Retained profit for the year	14	106,278	86,196

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 were no recognised gains and losses in 1999 or 1998 other than the profit for the year.

THE CONSULTANCY CORPORATION LIMITED

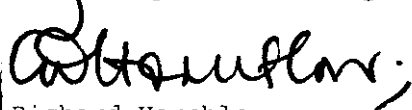
BALANCE SHEET

at 31 March 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	8	8,092	9,198
Current assets			
Debtors	9	976,529	609,830
Cash at bank and in hand		80,767	232,766
		<u>1,057,296</u>	<u>842,596</u>
Creditors: amounts falling due within one year	10	(836,586)	(710,520)
Net current assets		<u>220,710</u>	<u>132,076</u>
Total assets less current liabilities		<u>228,802</u>	<u>141,274</u>
Capital and reserves			
Called up share capital	12	47,250	50,250
Share premium account	13	4,000	19,750
Profit and loss account	14	177,552	71,274
Total shareholders' funds	11	<u>228,802</u>	<u>141,274</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 11 were approved by the board of directors on 19 July 1999 and signed on its behalf by:



Richard Hornblow
Director

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

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 as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Tangible fixed assets

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

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.

Debtors

Debtors upon which advances have been made, under the company's invoice discounting arrangement, are included in the accounts in full. The liability to the company's bankers in respect of the advances is included with the bank overdraft.

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.

2 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.

In the opinion of the directors, 6% of the turnover of the company is attributable to geographical markets outside the UK (1998 7%).

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

3 Operating profit

	1999 £	1998 £
Operating profit is stated after crediting:		
Interest receivable	2,850	791
Profit on foreign exchange	1,601	-
Profit on sale of assets	-	4,031
	<u> </u>	<u> </u>
and after charging:		
Auditors' remuneration	1,200	800
Operating leases:		
Rent	11,498	10,463
Loss on foreign exchange	-	785
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 8):		
Owned assets	3,374	7,000
	<u> </u>	<u> </u>

4 Directors

	1999 £	1998 £
Directors' emoluments	108,726	85,523
	<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 £11,200 (1998 £10,000).

5 Interest payable

	1999 £	1998 £
Finance lease and hire purchase contracts	-	1,603
	<u> </u>	<u> </u>
	-	1,603
	<u> </u>	<u> </u>

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

6 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 21% (1998 21%)	40,441	25,719
Under provision in earlier years	1,135	-
	<u>41,576</u>	<u>25,719</u>

7 Dividends

	1999 £	1998 £
Equity - ordinary/interim	<u>28,368</u>	<u>6,283</u>

8 Tangible fixed assets

Cost	Land and Buildings £	Plant and Machinery etc £	Total £
1 April 1998	7,045	54,167	61,212
Additions	-	2,268	2,268
31 March 1999	<u>7,045</u>	<u>56,435</u>	<u>63,480</u>
Depreciation			
1 April 1998	3,017	48,997	52,014
Charge for the year	503	2,871	3,374
31 March 1999	<u>3,520</u>	<u>51,868</u>	<u>55,388</u>
Net book amount			
31 March 1999	<u>3,525</u>	<u>4,567</u>	<u>8,092</u>
1 April 1998	<u>4,028</u>	<u>5,170</u>	<u>9,198</u>

9 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	920,692	270,697
Other debtors	55,837	339,133
	<u>976,529</u>	<u>609,830</u>

The company has an Invoice Discounting facility with Lloyds TSB Commercial Finance. The funds in use at 31 March 1999 were £102,779 (1998 £188,122). The company has given a debenture over all of its assets as security.

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

10 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdrafts	397,237	145,406
Trade creditors	304,231	200,949
Corporation tax	40,441	24,699
Other taxation and social security	55,701	35,789
Other creditors	38,976	303,677
	<u>836,586</u>	<u>710,520</u>

11 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	134,646	92,479
Dividends	(28,368)	(6,283)
	<u>106,278</u>	<u>86,196</u>
Own shares purchased	(18,750)	-
Net addition to shareholders' funds	87,528	86,196
Opening shareholders' funds	<u>141,274</u>	<u>55,078</u>
Closing shareholders' funds	<u>228,802</u>	<u>141,274</u>

12 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	<u>97,000</u>	<u>97,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid				
Authorised share capital	<u>47,250</u>	<u>47,250</u>	<u>50,250</u>	<u>50,250</u>

THE CONSULTANCY CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

13 Share premium account

	1999 £
1 April 1998	19,750
Costs incurred on share issue	(15,750)
31 March 1999	4,000

14 Profit and loss account

	1999 £
1 April 1998	71,274
Retained profit for the year	106,278
31 March 1999	177,552

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 2000

	1999 Plant & Other £	1998 Plant & Other £
Expiring		
Within one year	33,599	23,577
Within two to five years	33,358	81,791
	66,957	105,368