

THE CONSULTANCY CORPORATION PLC

FINANCIAL STATEMENTS

31 MARCH 2000

Registered number: 2027199

PHILIP THOMAS

CHARTERED CERTIFIED ACCOUNTANTS

Reading



THE CONSULTANCY CORPORATION PLC
FINANCIAL STATEMENTS
for the year ended 31 March 2000

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The following pages do not form part of the statutory accounts

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THE CONSULTANCY CORPORATION PLC

COMPANY INFORMATION

31 March 2000

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 Bank plc PO Box 2566 Reading Berks RG1 2RS
AUDITORS	Philip Thomas Chartered Certified Accountants Penvose House Broad Lane Upper Bucklebury Reading Berks RG7 6QH

THE CONSULTANCY CORPORATION PLC

DIRECTORS' REPORT

31 March 2000

The directors present their report and the audited financial statements for the year ended 31 March 2000.

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 2000 Ordinary shares	1 April 1999 Ordinary shares
Wilfred Eaton	21,270	21,270
Donald Richard Hornblow	22,749	22,749

Charitable and political donations

Payments of a charitable nature made during the year amounted to £590 (1999 £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

14 June 2000

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

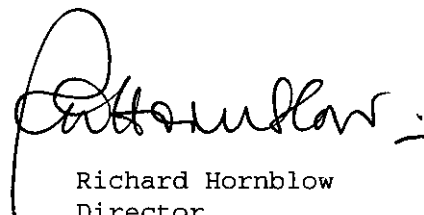
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

14 June 2000

On behalf of the board



Richard Hornblow
Director

THE CONSULTANCY CORPORATION PLC**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.

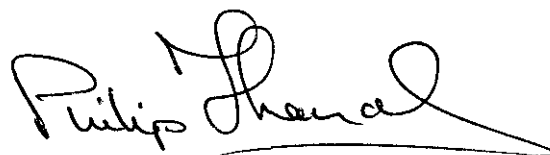
Basis of opinion

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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Philip Thomas
Registered Auditors
Chartered Certified Accountants

Reading
14 June 2000

THE CONSULTANCY CORPORATION PLC

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2000

	Note	2000 £	1999 £
Turnover		6,319,273	7,048,344
Cost of sales		(5,529,474)	(6,286,443)
Gross profit		789,799	761,901
Net operating expenses			
Distribution costs		(16,575)	(18,858)
Administrative expenses		(523,881)	(569,671)
Other operating income		880	2,850
Profit on ordinary activities before taxation		250,223	176,222
Taxation	4	(52,662)	(41,576)
Profit on ordinary activities after taxation		197,561	134,646
Dividends	5	(26,183)	(28,368)
Retained profit for the year	12	171,378	106,278

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 2000 or 1999 other than the profit for the year.

THE CONSULTANCY CORPORATION PLC

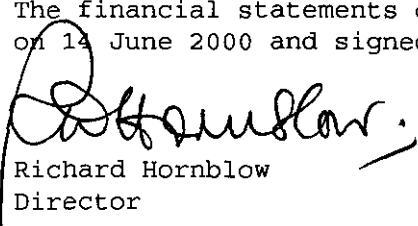
BALANCE SHEET

at 31 March 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	6		17,581		8,092
Current assets					
Debtors	7	912,456		976,529	
Cash at bank and in hand		203,219		80,767	
		<u>1,115,675</u>		<u>1,057,296</u>	
Creditors: amounts falling due within one year	8	(733,080)		(836,586)	
Net current assets			<u>382,595</u>		<u>220,710</u>
Total assets less current liabilities			<u>400,176</u>		<u>228,802</u>
Capital and reserves					
Called up share capital	10		50,000		50,000
Share premium account	11		1,250		1,250
Profit and loss account	12		<u>348,926</u>		<u>177,552</u>
Total shareholders' funds	9		<u>400,176</u>		<u>228,802</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 14 June 2000 and signed on its behalf by:



Richard Hornblow
Director

THE CONSULTANCY CORPORATION PLC**NOTES ON FINANCIAL STATEMENTS****31 March 2000****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.

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.

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
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.

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.

Research and Development

Expenditure incurred in developing systems and methodologies for generating future income streams will be carried forward and written off over the estimated future period the income will be generated.

THE CONSULTANCY CORPORATION PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

2 Operating profit

	2000 £	1999 £
Operating profit is stated after crediting:		
Interest receivable	880	2,850
Profit on foreign exchange	-	1,601
	<u> </u>	<u> </u>
and after charging:		
Auditors' remuneration	1,800	1,200
Operating leases:		
Rent	11,250	11,498
Loss on foreign exchange	7,594	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 6):		
Owned assets	2,346	3,374
	<u> </u>	<u> </u>

3 Directors

	2000 £	1999 £
Directors' emoluments	106,745	108,726
	<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 £12,000 (1999 £11,200).

4 Taxation

	2000 £	1999 £
Corporation tax on profit on ordinary activities at 20% (1999 21%)	52,662	40,441
Under provision in earlier years	-	1,135
	<u> </u>	<u> </u>
	52,662	41,576
	<u> </u>	<u> </u>

5 Dividends

	2000 £	1999 £
Equity - ordinary/interim	26,183	28,368
	<u> </u>	<u> </u>

THE CONSULTANCY CORPORATION PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

6 Tangible fixed assets

Cost	Land and Buildings £	Plant and Machinery etc £	Total £
1 April 1999	7,045	56,435	63,480
Additions	9,400	2,435	11,835
31 March 2000	16,445	58,870	75,315
Depreciation			
1 April 1999	3,520	51,868	55,388
Charge for the year	503	1,843	2,346
31 March 2000	4,023	53,711	57,734
Net book amount			
31 March 2000	12,422	5,159	17,581
1 April 1999	3,525	4,567	8,092

7 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Trade debtors	828,643	920,692
Other debtors	83,813	55,837
	912,456	976,529

The company has an confidential financing agreement with Lloyds TSB Commercial Finance. The funds in use at 31 March 2000 were fnil (1999 £102,779). The company has given a debenture over all of its assets as security for funds advanced under the agreement.

8 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdrafts	19,444	397,237
Trade creditors	528,055	304,231
Corporation tax	59,753	40,441
Other taxation and social security	28,977	55,701
Other creditors	96,851	38,976
	733,080	836,586

THE CONSULTANCY CORPORATION PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

9 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	197,561	134,646
Dividends	(26,183)	(28,368)
	171,378	106,278
Own shares purchased/issued	-	(18,750)
Net addition to shareholders' funds	171,378	87,528
Opening shareholders' funds	228,798	141,274
Closing shareholders' funds	<u>400,176</u>	<u>228,802</u>

10 Called up share capital

	2000		1999	
	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>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

11 Share premium account

	2000 £
1 April 1999 and 31 March 2000	<u>1,250</u>

12 Profit and loss account

	2000 £
1 April 1999	177,548
Retained profit for the year	<u>171,378</u>
31 March 2000	<u>348,926</u>

THE CONSULTANCY CORPORATION PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

13 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 2001

	2000 Plant & Other £	1999 Plant & Other £
Expiring		
Within one year	23,678	36,370
Within two to five years	4,804	33,358
	28,482	69,728