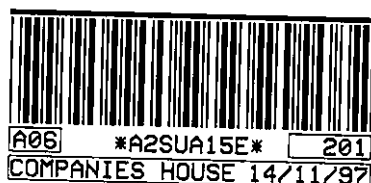


**CHAPPLE LIMITED**  
**COMPANY NUMBER 3020521**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> JULY, 1997**



Hardcastle Burton  
Old School  
The Common, Redbourn  
St Albans, Herts AL3 7NG



Chartered Accountants  
Registered Auditors

**CHAPPLE LIMITED**

**COMPANY NUMBER 3020521**

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31<sup>ST</sup> JULY, 1997**

I submit my annual report and the accounts of the Company for the year ended 31<sup>st</sup> July, 1997.

**DIRECTOR'S RESPONSIBILITIES**

Company law requires me as a director to prepare financial statements for each financial period 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 I am required to:

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

I am responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable me to ensure that the financial statements comply with the Companies Act 1985. I am 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.

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the year continued to be a comprehensive people development service; recruitment through search; stand-alone candidate assessment; personal development planning and corporate development planning.

**DIRECTOR AND SHAREHOLDING**

The director who has served in the year under review and her interests in the share capital of the Company throughout the year were as follows:-

|                  | 1997<br><u>No. of shares</u> | 1996<br><u>No. of shares</u> |
|------------------|------------------------------|------------------------------|
| Ms. S.Y. Chapple | 1                            | 1                            |

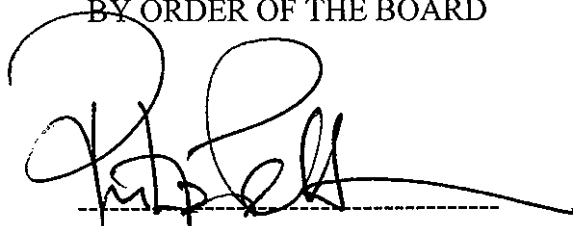
CHAPPLE LIMITED

COMPANY NUMBER 3020521

REPORT OF THE DIRECTOR -2-  
FOR THE YEAR ENDED 31<sup>ST</sup> JULY, 1997

The Report of the Director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



-----  
MR. P.H. PETTIFOR  
COMPANY SECRETARY

Dated this 3rd day of November 1997

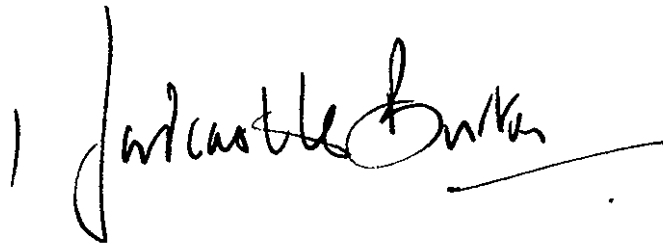
**CHAPPLE LIMITED**

**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED  
ACCOUNTS OF CHAPPLE LIMITED**

In accordance with the instructions of the company's director and in order to assist the director to fulfil her responsibilities, we have prepared the accounts for the year ended 31<sup>st</sup> July 1997 on pages 4 to 9 from the accounting records and from the information and explanations supplied to us.

As described on the balance sheet, the company's director is responsible for the preparation of the accounts and she believes that the company is exempt from audit.

We have not performed an audit in accordance with Auditing Standards or procedures in accordance with the Standards for Reporting Accountants and accordingly we express no opinion on the accounts.

A handwritten signature in black ink, appearing to read 'Hardcastle Burton', with a long horizontal line extending to the right.

HARDCASTLE BURTON  
CHARTERED ACCOUNTANTS

Old School, The Common, Redbourn, Herts. AL3 7NG

Dated this 3rd day of November, 1997

**CHAPPLE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> JULY, 1997**

|                                                                     |       |        |          | Year ended<br>31 <sup>st</sup> July 1996 |          |
|---------------------------------------------------------------------|-------|--------|----------|------------------------------------------|----------|
|                                                                     | Notes | £      | £        | £                                        | £        |
| <u>TURNOVER</u>                                                     | 2     |        | 96,351   |                                          | 46,251   |
| Staff costs                                                         |       | 47,114 |          | 30,021                                   |          |
| Depreciation and other amounts written<br>off tangible fixed assets |       | 863    |          | 187                                      |          |
| Other operating charges                                             |       | 39,364 |          | 27,627                                   |          |
|                                                                     |       | -----  |          | -----                                    |          |
|                                                                     |       |        | 87,341   |                                          | 57,835   |
| <u>OPERATING PROFIT/(LOSS)</u>                                      | 3     |        | 9,010    |                                          | (11,584) |
| Interest payable and similar charges                                | 4     |        | (877)    |                                          | (258)    |
|                                                                     |       |        | -----    |                                          | -----    |
| <u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</u>     |       |        | 8,133    |                                          | (11,842) |
| Tax on ordinary activities                                          | 5     |        | -        |                                          | -        |
|                                                                     |       |        | -----    |                                          | -----    |
| <u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES<br/>AFTER TAXATION</u>      |       |        | 8,133    |                                          | (11,842) |
| Deficit brought forward                                             |       |        | (11,842) |                                          | -        |
| <u>DEFICIT CARRIED FORWARD</u>                                      |       |        | ( 3,709) |                                          | (11,842) |
|                                                                     |       |        | =====    |                                          | =====    |

All of the above relates to the continuing operations of the company.

There were no other recognised gains or losses and therefore no statement of total recognised gains or losses has been prepared.

The annexed notes form part of these financial statements.

**CHAPPLE LIMITED**

**BALANCE SHEET AS AT 31<sup>ST</sup> JULY, 1997**

|                                                |       |          |         | As At<br>31 <sup>st</sup> July 1996 |          |
|------------------------------------------------|-------|----------|---------|-------------------------------------|----------|
|                                                | Notes | £        | £       | £                                   | £        |
| <b><u>FIXED ASSETS</u></b>                     |       |          |         |                                     |          |
| Tangible assets                                | 6     |          | 2,589   |                                     | 563      |
| <b><u>CURRENT ASSETS</u></b>                   |       |          |         |                                     |          |
| Debtors                                        | 7     | 11,134   |         | 6,321                               |          |
| Cash at bank and in hand                       |       | 61       |         | 165                                 |          |
|                                                |       | -----    |         | -----                               |          |
|                                                |       | 11,195   |         | 6,486                               |          |
| <b><u>CREDITORS</u></b>                        |       |          |         |                                     |          |
| Amounts falling due within one year            | 8     | (17,492) |         | (18,890)                            |          |
|                                                |       | -----    |         | -----                               |          |
| <b><u>NET CURRENT LIABILITIES</u></b>          |       |          | (6,297) |                                     | (12,404) |
|                                                |       |          | -----   |                                     | -----    |
| <b><u>NET LIABILITIES</u></b>                  |       |          | (3,708) |                                     | (11,841) |
|                                                |       |          | =====   |                                     | =====    |
| <b><u>CAPITAL AND RESERVES</u></b>             |       |          |         |                                     |          |
| Called up share capital                        | 9     |          | 1       |                                     | 1        |
| Profit and loss account                        |       |          | (3,709) |                                     | (11,842) |
|                                                |       |          | -----   |                                     | -----    |
| <b><u>SHAREHOLDERS' FUNDS – ALL EQUITY</u></b> | 10    |          | (3,708) |                                     | (11,841) |
|                                                |       |          | =====   |                                     | =====    |
| <b><u>DIRECTOR'S STATEMENTS</u></b>            |       |          |         |                                     |          |

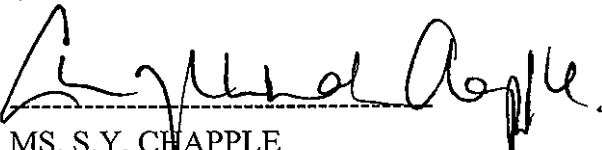
The exemption conferred by Section 249A(1) not to have these accounts audited applies to the Company and the directors confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The director acknowledges her responsibilities for ensuring that:

- a) the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- b) the accounts give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> July, 1997 and of its result for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

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

ON BEHALF OF THE BOARD



MS. S.Y. CHAPPLE  
DIRECTOR

Dated 3<sup>rd</sup> November 1997

The annexed notes form part of these financial statements.

## CHAPPLE LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> JULY, 1997

#### 1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and have been consistently applied within the same accounts.

a) Basis of preparation of financial statements:-

The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on a going concern basis which assumes the continued support of the director and the company's bankers.

b) Depreciation:-

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives at the rate of 25% per annum of net book value.

c) Deferred taxation:-

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of material timing differences to the extent that it is considered that a net liability may crystallise.

d) Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the year of the lease.

#### 2. TURNOVER

Turnover represents the invoiced amounts of services provided to customers, excluding value added tax, during the year and is wholly generated within the United Kingdom.

#### 3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:-

|                                   | <u>1997</u> | <u>1996</u> |
|-----------------------------------|-------------|-------------|
|                                   | £           | £           |
| Directors' emoluments             | 40,109      | 25,390      |
| Depreciation of owned assets      | 863         | 187         |
| Operating lease : office premises | 3,250       | 3,500       |
|                                   | =====       | =====       |

CHAPPLE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> JULY 1997

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges does not include any finance charges payable on finance leases and hire purchase contracts (1996 - Nil)

5. CORPORATION TAX

No provision is required for corporation tax on the profit for the year.

Subject to the agreement of the Inland Revenue the company has losses available to carry forward for corporation tax purposes of approximately £3,700 (1996 - £11,600).

6. TANGIBLE FIXED ASSETS

|                                | <u>Office<br/>Equipment</u><br>£ |
|--------------------------------|----------------------------------|
| <u>Cost</u>                    |                                  |
| At 1 <sup>st</sup> August 1996 | 750                              |
| Additions                      | 2,889                            |
| Disposals                      | -                                |
|                                | -----                            |
| At 31 <sup>st</sup> July, 1997 | 3,639                            |
|                                | =====                            |
| <u>Depreciation</u>            |                                  |
| At 1 <sup>st</sup> August 1996 | 187                              |
| Charge for the year            | 863                              |
| Disposals                      | -                                |
|                                | -----                            |
| At 31 <sup>st</sup> July, 1997 | 1,050                            |
|                                | =====                            |
| <u>Net Book Value</u>          |                                  |
| At 31 <sup>st</sup> July, 1996 | 563                              |
|                                | =====                            |
| At 31 <sup>st</sup> July, 1997 | 2,589                            |
|                                | =====                            |

**CHAPPLE LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> JULY 1997**

7. DEBTORS

|                               | <u>1997</u> | <u>1996</u> |
|-------------------------------|-------------|-------------|
|                               | £           | £           |
| Trade debtors                 | 10,939      | 6,251       |
| Other debtors and prepayments | 195         | 70          |
|                               | -----       | -----       |
|                               | 11,134      | 6,321       |
|                               | =====       | =====       |

All the above amounts fall due within one year.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                      | <u>1997</u> | <u>1996</u> |
|--------------------------------------|-------------|-------------|
|                                      | £           | £           |
| Bank overdraft (secured – see below) | 226         | 10,830      |
| Trade creditors                      | 3,784       | 2,243       |
| Social security and other taxes      | 8,322       | 3,609       |
| Director's current account           | 1,054       | -           |
| Other creditors and accruals         | 4,106       | 2,208       |
|                                      | -----       | -----       |
|                                      | 17,492      | 18,890      |
|                                      | =====       | =====       |

The Bank overdraft is secured by a legal charge over property owned by the Director personally and over a life assurance policy.

9. CALLED UP SHARE CAPITAL

|                                           | <u>1997</u> | <u>1996</u> |
|-------------------------------------------|-------------|-------------|
|                                           | £           | £           |
| <u>Authorised</u>                         |             |             |
| 100,000 Ordinary shares of £1 each        | 100,000     | 100,000     |
|                                           | =====       | =====       |
| <u>Allotted, called up and fully paid</u> |             |             |
| 1 Ordinary share of £1                    | 1           | 1           |
|                                           | =====       | =====       |

CHAPPLE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> JULY, 1997

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

|                                           | <u>1997</u> | <u>1996</u> |
|-------------------------------------------|-------------|-------------|
|                                           | £           | £           |
| Profit/(Loss) for the financial year      | 8,133       | (11,842)    |
| Dividends                                 | -           | -           |
|                                           | -----       | -----       |
|                                           | 8,133       | (11,842)    |
| Share capital subscribed                  | -           | 1           |
|                                           | -----       | -----       |
|                                           | 8,133       | (11,841)    |
| Opening deficiency of Shareholder's Funds | (11,841)    | -           |
|                                           | -----       | -----       |
| Closing deficiency of Shareholder's Funds | (3,708)     | (11,841)    |
|                                           | =====       | =====       |

11. RELATED PARTY TRANSACTIONS

The company rents office space and purchases related goods and services on normal commercial terms from Pettifor Morrow Limited, a company which is owned by Mr. P.H. Pettifor who is the Company Secretary of Chapple Limited and the director's husband.

In the year ended 31<sup>st</sup> July 1997, the company paid rent of £3,250 and purchased related goods and services with a value of £2,614. At 31<sup>st</sup> July 1997, the amount due to Pettifor Morrow Limited was £466.