

REGISTRAR OF COMPANIES

THE EGREMONT GROUP LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2003



Company No: 4246721

PETER EDNEY & CO
Chartered Accountants
95 Station Road
Hampton
Middlesex
TW12 2BD

THE EGREMONT GROUP LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 10

THE EGREMONT GROUP LIMITED

DIRECTORS' REPORT

PERIOD ENDED 31 MARCH 2003

The directors present their report and the accounts for the period ended 31 March 2003.

Incorporation and change of name

The company was incorporated on 5 July 2001 as Potatowell Limited. The name of the company was changed to The Egremont Group Limited on 23 April 2002. The company commenced trade on 1 April 2002.

Principal activity and review of the business

The principal activity of the company is management consultants.

Results and dividends

The results for the period are set out on page 4.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the period and their interests in the company are as stated below:

	Ordinary shares
	31/03/03
S M Grist	50
S Connolly	50
P J Jarvis	50

Directors' responsibilities

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

THE EGREMONT GROUP LIMITED

DIRECTORS' REPORT

PERIOD ENDED 31 MARCH 2003

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Peter Edney & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

The directors recommend that Peter Edney & Co remain in office until further notice.

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

This report was approved by the Board in November 2003 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'S M Grist', is written over the printed name.

S M GRIST
COMPANY SECRETARY

**Auditors' report to The Egremont Group Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 10 together with the financial statements of The Egremont Group Limited for the period ended 31 March 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

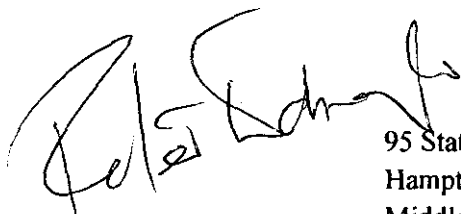
Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the period ended 31 March 2003, and the abbreviated accounts on pages 4 to 10 are properly prepared in accordance with that provision.

PETER EDNEY & CO
Chartered Accountants and
Registered Auditors



95 Station Road
Hampton
Middlesex
TW12 2BD

THE EGREMONT GROUP LIMITED
ABBREVIATED PROFIT AND
FOR THE PERIOD ENDED 31 MARCH 2003

		2003
	Notes	£
TURNOVER		3,376,681
Cost of sales		(1,330,745)
GROSS PROFIT		<u>2,045,936</u>
Administrative expenses		(1,761,584)
OPERATING PROFIT	2	<u>284,352</u>
Other interest receivable and similar income		<u>15,039</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		299,391
Tax on profit on ordinary activities	7	<u>(56,999)</u>
RETAINED PROFIT FOR THE PERIOD		<u><u>242,392</u></u>

The notes on pages 7 to 10 form an integral part of these financial statements.

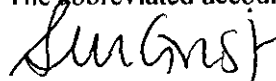
THE EGREMONT GROUP LIMITED**ABBREVIATED BALANCE**

31 MARCH 2003

	Notes	2003 £	£
FIXED ASSETS			
Tangible assets	8		8,033
CURRENT ASSETS			
Debtors	9	685,935	
Cash at bank and in hand		803,405	
		<u>1,489,340</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,254,831)	
NET CURRENT ASSETS			<u>234,509</u>
NET ASSETS			<u>242,542</u>
CAPITAL AND RESERVES			
Called up share capital	11		150
Profit and loss account			<u>242,392</u>
SHAREHOLDERS' FUNDS	12		<u>242,542</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board in November 2003 and signed on its behalf by



S M GRIST
Director

The notes on pages 7 to 10 form an integral part of these financial statements.

THE EGREMONT GROUP LIMITED

CASH FLOW STATEMENT PERIOD ENDED 31 MARCH 2003

	2003	
	£	£
CASH GENERATED FROM OPERATIONS		
OPERATING PROFIT	284,352	
Reconciliation to cash generated from operations:		
Depreciation	3,369	
(Increase) in trade debtors	(666,660)	
(Increase) in other debtors	(19,275)	
Increase in trade creditors	109,616	
Increase in other creditors	1,088,216	
		799,618
CASH FROM OTHER SOURCES		
Interest received	15,039	
Issue of shares for cash	150	
		15,189
APPLICATION OF CASH		
Purchase of tangible fixed assets	(11,402)	
		(11,402)
NET INCREASE IN CASH IN THE PERIOD		803,405
Consisting of:		
Cash at bank and in hand		803,405

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

1.1. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention .

1.2. TURNOVER

Turnover represents the total invoice value, excluding value added tax, of sales made during the period.

1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer Equipment	- 33% straight line
Fixtures, fittings and equipment	- 25% straight line

1.4. PENSIONS

The pension costs charged in the financial statements represent the contribution payable by the company during the period.

2. OPERATING PROFIT

2003

£

Operating profit is stated after charging:

Depreciation and other amounts written off tangible assets

3,369

Auditors' remuneration

3,000

3. INTEREST RECEIVABLE AND SIMILAR INCOME

2003

£

Bank interest

15,039

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2003

4. EMPLOYEES

NUMBER OF EMPLOYEES

The average monthly numbers of employees	2003
(including the directors) during the period were:	4

EMPLOYMENT COSTS

	2003
	£
Wages and salaries	1,398,098
Social security costs	146,125
Other pension costs	65,452
	<u>1,609,675</u>

5. DIRECTORS' EMOLUMENTS

	2003
	£
Remuneration and other emoluments	1,193,810
Pension contributions	65,452
	<u>1,259,262</u>

6. PENSION COSTS

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £65,452.

7. TAXATION

	2003
	£
UK CURRENT YEAR TAXATION	
UK corporation tax	<u>56,999</u>

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2003

8. TANGIBLE FIXED ASSETS	COMPUTER	FIXTURES, FITTINGS AND	TOTAL
	EQUIPMENT	EQUIPMENT	
	£	£	£
COST			
Additions	6,218	5,184	11,402
At 31 March 2003	6,218	5,184	11,402
DEPRECIATION			
Charge for the period	2,073	1,296	3,369
At 31 March 2003	2,073	1,296	3,369
NET BOOK VALUE			
At 31 March 2003	4,145	3,888	8,033

9. DEBTORS	2003
	£
Trade debtors	666,660
Other debtors	2,375
Prepayments and accrued income	16,900
	685,935

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003
	£
Trade creditors	109,616
Corporation tax	56,999
Other taxes and social security costs	104,604
Directors' accounts	40,121
Deferred Income	124,000
Accruals	819,491
	1,254,831

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2003

11. SHARE CAPITAL	2003
	£
ALLOTTED, CALLED UP AND FULLY PAID	
150 Ordinary shares of 1 each	<u>150</u>
12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003
	£
Profit for the period	242,392
Net proceeds of equity share issue	<u>150</u>
Net addition to shareholders' funds	<u>242,542</u>
13. GROSS CASH FLOWS	2003
	£
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	<u>15,039</u>
CAPITAL EXPENDITURE	
Payments to acquire tangible assets	<u>(11,402)</u>
FINANCING	
Issue of ordinary share capital	<u>150</u>
14. ANALYSIS OF CHANGES IN NET FUNDS	CLOSING
	BALANCE
	£
Cash at bank and in hand	<u>803,405</u>
NET FUNDS	<u>803,405</u>