

ADVANCED PERSONNEL TECHNOLOGY LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001

Registered Number: 1819939



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DIRECTORS' REPORT

The directors submit their report and the audited accounts for the year ended 30 September 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company continued to be that of helping employers to improve the match between people, work and organisations through the use of objective tools for their assessment and development.

The entire share capital of the Company was acquired by SHL Group plc on 9 February 2001. Subsequently the activities of the Company were integrated into those of SHL (UK) Limited, a subsidiary of SHL Group plc.

REVIEW OF BUSINESS

The results for the year are set out in the attached profit and loss account on page 6.

DIVIDENDS

A dividend of £844,000 (2000: £288,000) was paid during the year. The directors do not propose a final dividend.

DIRECTORS

The directors who held office during the year were as follows:

A.E. Burnip – appointed 9 February 2001, resigned 30 August 2002
D.R. Price – appointed 31 May 2001
J. Bergwerk
A.W.J. Swayne – appointed 9 February 2001, resigned 31 May 2001

E. V. Lancaster was appointed as a director on 7 January 2003.

None of the directors holds a beneficial interest in the share capital of the Company.

The beneficial interests of the directors in the share capital of SHL Group plc were:

	30 September 2001 10p Ordinary shares	30 September 2000 10p Ordinary shares
A.E. Burnip	618,440	618,440
D.R. Price	3,491	3,491

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

The directors hold options over SHL Group plc 10p ordinary shares at 30 September 2001 as follows:

	Date of Grant	Number of 10p ordinary shares	Exercise Price	Date from when exercisable	Expiry date
A.E. Burnip	08.09.1997	142,000	140.8p	09.09.2001	08.09.2004
	16.12.1998	25,000	137.5p	16.12.2001	15.12.2005
	10.12.1999	5,000	207.5p	10.12.2002	09.12.2006
D.R. Price	04.01.2000	1,000	207.5p	03.01.2003	03.01.2007
	09.01.2001	982	198.5p	10.01.2004	10.01.2008

J.Bergwerk held no interest in SHL Group plc shares at 30 September 2001 and 30 September 2000.

The mid-market price of the SHL Group plc ordinary shares at 30 September 2001 was 76.5p (2000: 264.5p). The high and low mid-market prices of the SHL Group plc ordinary shares during the year 1 October 2000 to 30 September 2001 were 259p and 74p, respectively.

POLICY ON PAYMENT TO SUPPLIERS

Where the supply of goods and services is satisfactory and in the absence of any dispute, the Company's policy is to pay its suppliers in accordance with the terms agreed prior to the supply of goods and services. Where no such agreement exists the Company's policy is to pay suppliers in accordance with the terms contained in the invoice. At 30 September 2001 the company had no trade creditors.

AUDITORS

During the year Errington Langer Pinner resigned as auditors and KPMG Audit Plc was appointed. A resolution is to be proposed at the forthcoming Annual General Meeting for the re-appointment of KPMG Audit Plc as auditors of the company.

By Order of the Board

David Price
Secretary



The Pavilion
1 Atwell Place
Thames Ditton
Surrey
KT7 0NE
13 January 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- iv) prepare the accounts 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ADVANCED PERSONNEL TECHNOLOGY LIMITED

We have audited the accounts on pages 6 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

BASIS OF AUDIT 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 judgments made by the directors in the preparation of the accounts, 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 other irregularity or error. 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 30 September 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
LONDON

25 January 2003

ADVANCED PERSONNEL TECHNOLOGY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £'000	2000 £'000
TURNOVER		1,016	2,688
Administrative expenses		(1,159)	(2,473)
OPERATING (LOSS)/PROFIT	5	(143)	215
Interest receivable and similar income	6	23	45
Profit on disposal of listed investments		-	65
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(120)	325
Taxation on (loss)/profit on ordinary activities	7	21	(59)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(99)	266
Dividends paid and proposed	8	(844)	(288)
RETAINED LOSS FOR THE FINANCIAL YEAR	13	(943)	(22)

The turnover and operating loss for 2001 are generated entirely from discontinued activities.

The Company has no recognised gains or losses other than the loss for the year. There is no difference between loss before tax as shown in the profit and loss above and historical profit before tax for the current year.

ADVANCED PERSONNEL TECHNOLOGY LIMITED

**BALANCE SHEET
AT 30 SEPTEMBER 2001**

	Notes	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	9	-	78
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors due within one year	10	530	373
Cash		86	1,238
		<hr/>	<hr/>
		616	1,611
CREDITORS: amounts falling due within one year	11	(72)	(1,061)
		<hr/>	<hr/>
NET CURRENT ASSETS		544	550
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		544	628
CREDITORS: amounts falling due after more than one year	11	(435)	-
		<hr/>	<hr/>
NET ASSETS		<u>109</u>	<u>628</u>
CAPITAL AND RESERVES			
Called up share capital	12	11	10
Share premium account	12	429	6
Profit and loss account	13	(331)	612
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		<u>109</u>	<u>628</u>

These accounts were approved by the Board on 13 January 2003 and signed on its behalf by:



Emma Lancaster
Director

NOTES TO THE ACCOUNTS (forming part of the accounts)

1. STATEMENT OF ACCOUNTING POLICIES

The following principal accounting policies have been adopted consistently in dealing with items which are considered material in relation to the Company's accounts:

A. Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention. The Company is exempt from the requirement of Financial Reporting Standard No. 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of SHL Group plc and its cash flows are included within the consolidated cash flow statement of that Company.

The Company has adopted FRS 18 *Accounting Policies* this year. This has not had a significant effect on the results or net assets of the Company.

B. Tangible Fixed Assets

Depreciation is provided at rates calculated to write off the cost of each asset less its estimated residual value over its estimated useful life. The principal annual rates used are:

Equipment, furniture and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment (within equipment, furniture and fittings)	33% straight line

C. Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation on timing differences between the treatment of certain items for accounting and taxation purposes is provided to the extent that a liability or an asset is expected to crystallise within the foreseeable future.

D. Turnover

Turnover represents the value of goods and services provided net of VAT.

E. Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

F. Pension Schemes

The Company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

NOTES TO THE ACCOUNTS (continued)

2. STAFF COSTS

	2001 £'000	2000 £'000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	783	1,661
Social security costs	86	192
Pension and other costs	50	21
	<u>919</u>	<u>1,874</u>

	2001 No	2000 No
The average weekly number of employees until the transfer to SHL (UK) was as follows:		
Consultants	14	11
Office and administration	5	2
Other	3	3
	<u>22</u>	<u>16</u>

3. DIRECTORS' REMUNERATION

	2001 £'000	2000 £'000
Salaries as executive directors	34	760
Pension contributions	50	21
	<u>84</u>	<u>781</u>

The highest paid director received emoluments, excluding pension contributions, of £34,000 (2000: £760,000) during the year ended 30 September 2001. Pension contributions of £50,000 (2000: £21,000) were also paid on behalf of the highest paid director.

4. PENSION SCHEME

The Company operated a defined contribution pension scheme. The cost of the scheme for the year ended 30 September 2001 was £50,000 (2000: £21,000).

ADVANCED PERSONNEL TECHNOLOGY LIMITED

NOTES TO THE ACCOUNTS (continued)

5. OPERATING (LOSS)/PROFIT

	2001 £'000	2000 £'000
Operating (loss)/profit is stated after charging:		
Depreciation	16	33
Auditors' remuneration - audit	-	3
Other fees paid to the auditors - accounting services	-	4

Audit fees are met by SHL Group plc.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £'000	2000 £'000
Bank interest	23	45

7. TAXATION

	2001 £'000	2000 £'000
The tax charge on (loss)/profit on ordinary activities for the year was as follows:		
UK Corporation tax at 30% (2000: 30%)	107	59
Under accrual on prior year	1	-
Deferred tax	(129)	-
	(21)	59

8. DIVIDENDS PAID AND PROPOSED

	2001 £'000	2000 £'000
Ordinary dividend paid	844	288

ADVANCED PERSONNEL TECHNOLOGY LIMITED

NOTES TO THE ACCOUNTS (continued)

9. TANGIBLE FIXED ASSETS

	Equipment Furniture & Fittings £'000	Motor Vehicles £'000	Total £'000
Cost:			
At 1 October 2000	97	92	189
Additions	12	-	12
Disposals	(80)	(38)	(118)
Transfer to group companies	(29)	(54)	(83)
At 30 September 2001	-	-	-
Depreciation:			
At 1 October 2000	60	51	111
Charge for the year	12	4	16
Disposals	(57)	(26)	(83)
Transfer to group companies	(15)	(29)	(44)
At 30 September 2001	-	-	-
Net book value: At 30 September 2001	-	-	-
Net book value: At 30 September 2000	37	41	78

10. DEBTORS: due within one year

	2001 £'000	2000 £'000
Trade debtors	25	368
Amounts owed by fellow subsidiary undertakings	376	-
Other debtors	-	5
Deferred tax	129	-
	<u>530</u>	<u>373</u>

11. CREDITORS: amounts falling due within one year

	2001 £'000	2000 £'000
Other creditors including taxation and social security		
Corporation tax	51	184
Other creditors	21	877
	<u>72</u>	<u>1,061</u>

CREDITORS: amounts falling due after more than one year

	2001 £'000	2000 £'000
Other creditors	<u>435</u>	<u>-</u>

Other creditors: amounts falling due after more than one year represent a provision for bonuses due to employees payable in February 2003.

ADVANCED PERSONNEL TECHNOLOGY LIMITED

NOTES TO THE ACCOUNTS (continued)

12. SHARE CAPITAL AND SHARE PREMIUM

	Called up Share Capital £'000	Share Premium Account £'000
At 1 October 2000	10	6
Additions in year	1	423
At 30 September 2001	<u>11</u>	<u>429</u>
	2001	2000
Authorised	£'000	£'000
1,000,000 Ordinary shares of 10p	100	100
	<u>£'000</u>	<u>£'000</u>
Allotted, called up and fully paid (2000: 96,105 ordinary shares of 10p each) (2001: 111,955 ordinary shares of 10p each)	11	10
	<u></u>	<u></u>

On 9 February 2001 employees exercised 15,850 share options over ordinary shares of 10p each at £26.79 per share.

13. PROFIT AND LOSS ACCOUNT

	£'000
At 1 October 2000	612
Retained loss for the year	(943)
	<u></u>
At 30 September 2001	<u>(331)</u>

14. RELATED PARTY TRANSACTIONS

The Company is exempt from the requirements of Financial Reporting Standard No 8 (Related Party Disclosures) to disclose transactions with other group undertakings as it is a wholly owned subsidiary.

15. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of SHL Group plc, which is incorporated and registered in England. The consolidated accounts of SHL Group plc are available to the public and may be obtained from The Pavilion, 1 Atwell Place, Thames Ditton, Surrey KT7 0NE.