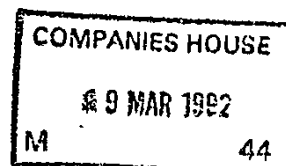


1483830

STEER DAVIES & GLEAVE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1991



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COMPANY INFORMATION

COMPANY NUMBER

1883830

DIRECTORS

J.K. Steer
P.D. Twelftree
L.G. Wilumsen
R.P. Kilvington
M. Benwell
C.H. Russell

SECRETARY

D.A. Nutt

REGISTERED OFFICE

Barbican House
26-34 Old Street
London EC1V 9HL

BUSINESS ADDRESS

23 Sheen Road
Richmond
Surrey TW9 1BN

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 1991.

Principal activity

The principal activity of the company is the provision of a transport consultancy service to public utilities as well as private companies.

The company's subsidiaries provide a similar service outside the United Kingdom and one subsidiary specialises in research and consultancy in travel, tourism and leisure.

Business review and future developments

The state of the company's affairs are as shown in the attached financial statements. Both the level of business and the year end financial position were satisfactory. Although, turnover increased in the year, the company made a loss in the year. The directors are hopeful that better results will be achieved in 1992.

Fixed assets

The changes in the fixed assets are shown in the notes to the financial statements.

Directors and their interests

The directors who served during the year and their interests in the share capital of the company was as follows :-

	<i>Ordinary £0.01 Shares</i> 31 March 1991	<i>Ordinary £1.0 shares</i> 31 March 1990
J K Steer (Chairman)	2,639,400	26,394
P D Twelftree	719,800	2,226
L G Willumsen	719,800	954
R P Kilvington	719,800	2,226
M. Benwell	159,963	-

C.H. Russell was appointed as a director on 13 May 1991

During the year the Ordinary shares of £1 each were subdivided into 100 Ordinary shares of 1 pence each and a further 2,152,010 Ordinary shares of 1 pence each issued at a total premium of £43,364.

Close company provisions

So far as the directors are aware the company was, at the end of the accounting period, a close company within the meaning of the Income and Corporation Taxes Act 1988.

DIRECTORS' REPORT (continued)

Auditors

Pursuant to a written resolution of the members, the company has dispensed with the holding of Annual General Meetings, the requirement to lay accounts at such meetings, and the obligations to appoint auditors annually. Messrs. Blackstone Franks & Co., Chartered Accountants, will therefore continue as auditors.

BY ORDER OF THE BOARD

D.A. Nutt
Secretary

DA Nutt

Date:

13 March 1992

AUDITORS REPORT TO THE MEMBERS OF
STEER DAVIES & GLEAVE LIMITED

We have audited the financial statements on pages 5 to 16 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1991 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 31 March 1991 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

Blackstone Franks & Co

BLACKSTONE FRANKS & CO.
Chartered Accountants

Date: 12 March 1992

Ref : DSF/S410

Blackstone Franks & Co.
Chartered Accountants
Barbican House 26-34 Old Street
London EC1V 9HL

Tel. 071-250-3300 Fax. 071-250-1402

STEER DAVIES & GLEAVE LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1991

Note		1991 £	1991 £	1990 £	1990 £
2	FEES EARNED		4,304,302		3,710,603
	Change in work-in-progress		45,200		(37,872)
			4,349,502		3,672,731
3	External charges	1,112,144		911,375	
	Staff costs	2,016,317		1,529,590	
	Depreciation	109,961		82,510	
	Other operating charges	1,241,981		953,843	
			4,480,403		(3,477,318)
4	OPERATING (LOSS)/PROFIT		(130,901)		195,413
	Interest receivable and similar income		4,591		2,476
5	Interest payable and similar charges		(88,940)		(64,412)
	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(215,250)		133,477
6	Tax on ordinary activities		47,800		(39,155)
	(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(167,450)		94,322
	Retained profit brought forward		379,351		285,029
	RETAINED PROFIT CARRIED FORWARD		£211,901		£379,351

The notes on pages 8 to 16 form part of these financial statements

BALANCE SHEET
as at 31 March 1991

Note		1991 £	1991 £	1990 £	1990 £
	FIXED ASSETS				
7	Tangible assets		315,897		286,926
8	Investments		2,683		2,050
			318,580		288,976
	CURRENT ASSETS				
9	Work-in-progress	74,000		28,800	
10	Debtors	1,221,273		1,246,934	
	Cash at bank and in hand	941		2,148	
		1,296,214		1,277,882	
11	CREDITORS: Amounts falling due within one year	(1,320,644)		(1,165,824)	
	NET CURRENT (LIABILITIES)/ASSETS		(24,430)		112,058
12	DEBTORS: Amounts falling due after more than one year		104,577		110,223
	TOTAL ASSETS LESS CURRENT LIABILITIES		398,727		511,257
13	CREDITORS: Amounts falling due after more than one year	(88,742)		(96,936)	
14	PROVISIONS FOR LIABILITIES AND CHARGES	(1,400)		(3,200)	
			(90,142)		(100,106)
			£308,585		£411,151
	FINANCED BY:				
16	Capital and reserves				
	Called-up share capital		53,320		31,800
17	Share premium		43,364		-
	Profit and loss account		211,901		379,351
			£308,585		£411,151

Approved by: Director : J.K. Steer

Director : P.D. Twelftree

Date : 12/3/92

The notes on pages 8 to 16 form part of these financial statements

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 March 1991

	1991 £	1991 £	1990 £	1990 £
(ABSORPTION)/SOURCE OF FUNDS				
(Loss)/profit on ordinary activities before taxation		(215,250)		133,477
ADJUSTMENT FOR ITEMS NOT INVOLVING THE MOVEMENT OF FUNDS				
Profit on sale of car		(1,244)		-
Depreciation		109,961		82,510
TOTAL (ABSORBED)/GENERATED FROM OPERATIONS		(106,533)		215,987
FUNDS FROM OTHER SOURCES				
Issue of shares	64,884		-	
Sale of motor car	2,300		-	
		(67,184)		-
APPLICATION OF FUNDS				
Taxation paid	44,985		59,808	
Purchase of tangible fixed assets	139,988		214,212	
Increase in investments	633		1,732	
		(185,606)		(275,752)
		£(224,955)		£(59,765)
CHANGES IN WORKING CAPITAL				
Work-in-progress		45,200		(37,872)
Debtors		(76,292)		298,420
Creditors		(115,998)		(138,432)
		(147,090)		122,116
MOVEMENT IN NET LIQUID FUNDS				
(Increase) in bank overdraft		(76,658)		(182,812)
(Decrease)/increase in cash in hand		(1,207)		931
		£(224,955)		£(59,765)

The notes on pages 8 to 16 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1991

1. ACCOUNTING POLICIES**a) Accounting convention**

The financial statements have been prepared in accordance with approved Accounting Standards under the historical cost convention.

b) Group accounts

The company has taken advantage of the exemption from preparing group accounts as it qualifies as a small-sized group under Section 249 of the Companies Act 1985.

c) Depreciation

Tangible fixed assets are depreciated at annual rates to write off the cost of the assets over their estimated useful lives less residual values using the following rates:-

	<i>% per annum</i>	<i>method</i>
Motor vehicles	20% - 25%	per annum on cost
Office equipment	10%	per annum on cost
Computer equipment	25%	per annum on cost
Leasehold costs		over lease term

d) Work-in-progress

Work-in-progress has been valued at the lower of cost, including appropriate overhead expenses, and net realisable value. Net realisable value is based on estimated fee income, less further costs expected to be incurred to completion of the contract.

e) Deferred taxation

Provision is made at current rates of tax for future corporation tax liabilities arising from material timing differences in the treatment of items in the accounts and their treatment for tax purposes, except to the extent that the liability is not expected to arise in the foreseeable future.

f) Foreign currency transactions

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All profits and losses on exchange are dealt with in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

1. ACCOUNTING POLICIES (continued)**g) Hire purchase commitments**

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are dealt with in the profit and loss account as incurred.

h) Pensions

The company operates a defined contribution pension scheme for certain staff, which requires contributions to be made to an independently managed fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. FEES EARNED

Fees earned represent billings for professional fees and reimbursable expenses in respect of the proportion of work completed. Fees earned are stated net of Value Added Tax.

3. STAFF COSTS

	1991 £	1990 £
The total remuneration, including directors, was :-		
Wages and salaries	1,791,623	1,380,988
Social security costs	164,208	109,856
Other pension costs	60,486	38,746
	<u>£2,016,317</u>	<u>£1,529,590</u>
Included in the above is the directors' remuneration which, together with the estimated value of benefits in kind, amounted to	<u>£279,029</u>	<u>£177,204</u>
The average number of persons employed by the company, including directors, during the year was :-		
	<i>Number</i>	<i>Number</i>
Management and administration	<u>80</u>	<u>73</u>
Emoluments of:		
Chairman	£ 61,799	£ 55,475
Highest paid director	£ 72,435	£ 55,475

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

3. STAFF COSTS (continued)

Other directors' emoluments, excluding pension contributions fell into the following brackets:

	<i>Number</i>	<i>Number</i>
£25,001 to £30,000	-	2
£35,001 to £40,000	1	-
£45,001 to £50,000	1	2
£60,001 to £65,000	1	-

4. OPERATING (LOSS)/PROFIT

	1991 £	1990 £
Operating (loss)/profit is stated after charging:		
Auditors' remuneration	14,000	13,000
Hire of equipment and motor vehicles	59,128	40,845

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1991 £	1990 £
Bank interest	70,306	45,434
Finance charges on lease purchases	3,202	3,574
Interest on loan from pension fund	15,432	15,404
	£ 88,940	£ 64,412

6. TAX ON ORDINARY ACTIVITIES

	1991 £	1990 £
United Kingdom taxation based on profit for the year:		
Corporation tax (recoverable)/payable (1990 - 35%)	(44,985)	46,000
(Over) provision of tax in earlier years	(1,015)	(5,045)
Deferred taxation	(1,800)	(1,800)
	£(47,800)	£ 39,155

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

7. TANGIBLE FIXED ASSETS

	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Computer equipment</i>	<i>Leasehold costs</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
As at 1 April 1990	55,221	166,657	254,830	11,868	488,576
Additions	-	39,604	86,509	13,875	139,988
Disposals	(7,800)	-	-	-	(7,800)
As at 31 March 1991	47,421	206,261	341,339	25,743	620,764
Depreciation:					
As at 1 April 1990	15,207	28,564	155,122	2,757	201,650
Provided for year	12,262	18,500	76,336	2,663	109,961
Disposals	(6,744)	-	-	-	(6,744)
As at 31 March 1991	20,725	47,064	231,458	5,620	304,867
Net Book Value:					
As at 31 March 1991	£ 26,696	£159,197	£109,881	£ 20,123	£315,897
As at 31 March 1990	£ 40,014	£138,053	£ 99,708	£ 9,111	£286,926

The net book value of tangible fixed assets of £315,897 (1990 - £286,926) includes an amount of £36,128 (1990 - £45,323) of assets held under hire purchase contracts. Depreciation charged in the year on these assets amounted to £9,350 (1990 - £15,873).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

8. INVESTMENTS

	1991 £	1990 £
Shares at cost at 1 April 1990	1,810	1,810
Additions	633	-
<hr/>	<hr/>	<hr/>
Loans	2,443	1,810
	240	240
<hr/>	<hr/>	<hr/>
	£ 2,683	£ 2,050

The company holds 10% or more of the equity of the following companies:

Name	Country of incorporation	Nature of shareholding	Percentage owned
SDG International Limited	England	Ordinary shares of £1 each	100%
Steer Davies & Gleave (New Zealand) Limited	New Zealand	Ordinary shares of N.Z.\$1 each	100%
Cleverdon Steer Limited	England	Ordinary shares of £1 each	75%
Hague Consulting Group B.V.	Holland	Capital stock shares H.Fl.100 each	16.8%
Kozlekede's KFT	Hungary	Capital stock	10%

The issued shares of Steer Davies & Gleave (New Zealand) Limited are unpaid.

Cleverdon Steer Limited specialises in research and consultancy work in the travel and leisure industry, and SDG International Limited provides a similar service outside the United Kingdom.

The principal activity of the other companies is transport consultancy.

9. WORK IN PROGRESS

	1991	1990
At lower of cost and net realisable value	£ 74,000	£ 28,800

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

**10. DEBTORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	1991 £	1990 £
Trade debtors	876,723	767,374
Amounts recoverable on contracts	101,171	295,000
Prepayments	54,047	69,059
Other debtors	3,604	8,860
Corporation tax recoverable	44,985	-
Amounts due from subsidiary undertakings	130,743	106,641
	<u>£1,221,273</u>	<u>£1,246,934</u>

**11. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	1991 £	1990 £
Trade creditors	525,003	361,612
Bank overdraft	393,982	317,324
Corporation tax	-	46,000
Other taxes and social security	191,550	159,531
Accruals and deferred income	180,623	250,399
Other creditors	21,323	18,806
Obligations under hire purchase contracts	8,163	12,152
	<u>£1,320,644</u>	<u>£1,165,824</u>

The bank overdraft is secured by debenture on the companies' assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

**12. DEBTORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	1991 £	1990 £
Amount due by subsidiary undertaking	61,542	61,542
Other debtors (rent deposit)	43,035	48,681
	<u>£104,577</u>	<u>£110,223</u>

**13. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	1991 £	1990 £
Loan	85,000	85,000
Obligations under hire purchase contracts	3,742	11,906
	<u>£ 88,742</u>	<u>£ 96,906</u>

The loan of £85,000 is secured on pension policies providing retirement benefits for directors and is repayable on 31 March 1994. The loan bears interest at 3% above Barclays Bank plc Base Rate.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	1991 £	1990 £
Deferred taxation in respect of accelerated capital allowances:		
Balance brought forward	3,200	5,000
Credit to profit and loss account	(1,800)	(1,800)
Balance carried forward	<u>£ 1,400</u>	<u>£ 3,200</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

15. LEASING OBLIGATIONS

	1991 £	1990 £
Gross obligations under lease purchases:		
Payable within one year	10,652	15,354
Payable in second to fifth year	4,284	14,936
	14,936	30,290
Less: Finance charges allocated to future periods	(3,031)	(6,232)
	£ 11,905	£ 24,058
Annual commitments under operating leases for:		
Vehicles and equipment leases expiring in:		
Second to fifth year	24,000	24,000
Leases for property expiring within five years	160,000	160,000
Leases for property expiring over five years	40,000	40,000
	£224,000	£224,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1991

16. SHARE CAPITAL

	1991 £	1990 £
Authorised:		
Ordinary shares of £1.00 each	-	1,000,000
Ordinary shares of £0.01 each	1,000,000	-
	<u>£1,000,000</u>	<u>£1,000,000</u>
Allotted, called-up and fully paid:		
Ordinary shares of £1.00 each	-	31,800
Ordinary shares of £0.01 each	53,320	-
	<u>£ 53,320</u>	<u>£ 31,800</u>

On 26 July 1990 all Ordinary shares of £1.00 each, issued and unissued were subdivided into 100 Ordinary shares of £0.01 each.

During the year 2,152,010 Ordinary shares of £0.01 were issued at a premium of £0.02015 each. Total capital raised by the company was £64,884 which includes the share premium of £43,364.

17. SHARE PREMIUM

	1991	1990
Premium on issue of shares	£ 43,364	£ -

18. PENSION COMMITMENTS

The company operates a defined contribution pension schemes. 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 £60,486 (1990 - £38,746). There were contributions of £18,600 (1990 - £27,304) outstanding at the year end.

19. COMPARATIVES

As explained in the accounting policy note, the company has taken advantage of the exemption from preparing group accounts. The comparatives shown in these financial statements have been revised to reflect the company's affairs and consolidated figures have been eliminated.