

**PERA CONSULTING LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 1995**



# PERA CONSULTING LIMITED

## DIRECTORS REPORT

The Directors have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 31st December 1995.

### PRINCIPAL ACTIVITIES

The principal activity of the company is that of contract consultancy.

### REVIEW OF BUSINESS

The trading results for the year are set out on page 4 of the financial statements and show a net surplus before taxation of £253,000 (1994 : £106,000).

### FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

In early January 1996, the company acquired a 100% holding in Neville Clarke International Limited, the holding company of a group of companies based in the UK, America and the Far East for £2,750,000. The group specialise in consultancy advice and training and will increase the company's share of this expanding market. In order to finance the acquisition, the company increased its authorised and issued share capital by £2,999,900 and subsequently sold these shares to Pera International, its holding company.

### DIRECTORS AND THEIR INTERESTS

The Directors of the company and their interests in the issued share capital during the year were as follows:

	1995	1994
R A Armstrong (Chairman)	-	-
Dr D E Fuller (resigned 24th April 1995)	-	50,100
P A Spenley	-	25,000
D Riley	-	25,000
H Poulson	-	-
M S Brill (appointed 28th March 1995)	-	-
M J Kemm (appointed 28th March 1995)	-	-
	-----	-----
	-	100,100
	=====	=====

On the 28th March 1995, Mrs M S Brill and Mr M J Kemm were appointed directors of the company and Mrs M S Brill succeeded Dr D E Fuller as Managing Director.

Other Directors interests are dealt with in note 18 of the financial statements.

### INSURANCE OF DIRECTORS

The group maintains insurance for the group directors in respect of their duties as directors of the group.

### HOLDING COMPANY

Details of the immediate holding company are dealt with in note 16 of the financial statements.

PERA CONSULTING LIMITED

DIRECTORS REPORT  
(continued)

**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 then 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.

**AUDITORS**

Messrs Gibson Appleby, Chartered Accountants, have indicated their willingness to be re-appointed as auditors to the company in accordance with Section 384(1) of the Companies Act 1985.

BY ORDER OF THE BOARD



M J Kemm  
Secretary

# AUDITORS REPORT TO THE MEMBERS OF

## PERA CONSULTING LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors.**

As described on page 2 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 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 31st December 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

10 June 1996

Gibson Appleby

Gibson Appleby  
Chartered Accountants and Registered Auditor  
Blenheim House  
120 Church Street  
BRIGHTON  
BN1 1AU

**PERA CONSULTING LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**

for the year ended 31st December 1995

		1995		1994	
	Note	£'000	£'000	£'000	£'000
<b>INCOME</b>	10		3,379		3,430
Materials and sub-contract charges			(308)		(371)
			-----		-----
			3,071		3,059
Staff costs	11	1,877		2,083	
Depreciation		211		236	
Other operating charges	12	693		594	
		-----		-----	
			2,781		2,913
			-----		-----
<b>OPERATING SURPLUS</b>			290		146
Amounts written off investments	3		-		(5)
			-----		-----
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>			290		141
Interest receivable	13		3		3
Interest payable	13		(40)		(38)
			-----		-----
<b>SURPLUS BEFORE TAXATION</b>			253		106
Taxation	14		(121)		1
			-----		-----
<b>SURPLUS FOR THE FINANCIAL YEAR</b>			132		105
<b>RETAINED DEFICIT BROUGHT FORWARD</b>			(90)		(195)
			-----		-----
<b>RETAINED SURPLUS/(DEFICIT) CARRIED FORWARD</b>			42		(90)
			=====		=====

**Continuing Activities**

None of the Company's activities were acquired or discontinued during the above two financial years.

**Total Recognised Gains and Losses**

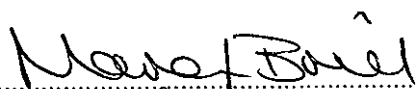
The company has no recognised gains or losses other than the surplus for the above two financial years.

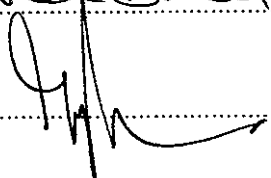
PERA CONSULTING LIMITED

BALANCE SHEET as at 31st December 1995

	Note	1995		1994	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	2		474		614
Investments	3		-		-
			----		----
<b>CURRENT ASSETS</b>			474		614
Debtors	4	1,686		1,146	
Cash at bank and in hand		183		2	
		----		----	
		1,869		1,148	
<b>CREDITORS</b> : amounts falling due within one year	5	(644)		(236)	
		----		----	
<b>NET CURRENT ASSETS</b>			1,225		912
			----		----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,699		1,526
<b>CREDITORS</b> : amounts falling due after more than one year:					
Convertible debt	6		(847)		(806)
			----		----
<b>NET ASSETS</b>			852		720
			=====		=====
<b>SHARE CAPITAL</b>	7		1,000		1,000
Other reserves	8		(190)		(190)
Income and Expenditure account	8		42		(90)
			----		----
<b>EQUITY SHAREHOLDERS FUNDS</b>	9		852		720
			=====		=====

Approved by the Board of Directors on 19 March 1996

.....  
 Director

.....  
 Director

**PERA CONSULTING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31st December 1995**

**1. ACCOUNTING POLICIES**

**a. BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention which does not take into account the effects of inflation, and are in accordance with applicable accounting standards.

**b. FIXED ASSETS - DEPRECIATION**

Depreciation is calculated to write off the cost of each fixed asset over its estimated useful life using the following rates:

Plant and machinery:	
Electronic equipment	25% on cost per annum
Computer equipment	25% on cost per annum
Other plant and machinery	25% on cost per annum
 Furniture and fittings	 25% on cost per annum
 Motor vehicles	 25% on cost per annum

**c. INVESTMENTS**

Investments in associated undertakings are shown at the company's share of the underlying net assets less provisions, at cost.

**d. BASIS OF CONSOLIDATION**

As explained in note 16 of the financial statements, the company is a wholly owned subsidiary of Pera International, the ultimate UK parent company, and has not, therefore, prepared consolidated financial statements by virtue of section 228 of the Companies Act 1985.

**e. AMOUNTS RECOVERABLE ON CONTRACTS (WORK IN PROGRESS)**

Amounts recoverable on contracts comprises the cost to the Company of work performed on contract work together with an appropriate proportion of overheads and attributable surplus, less any expected losses.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 1995

1. ACCOUNTING POLICIES (continued)

f. INCOME – Contract Work

This represents the net value of work performed during the year less provisions for amounts invoiced in advance and estimated losses and write-offs on uncompleted contracts.

g. FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction, and are reflected in the profit and loss account as and when incurred.

h. FINANCE COSTS OF DEBT

The finance costs of debt are allocated to each period over the term of the debt and charged to profit and loss account at a constant rate on the outstanding amount.

i. LEASED EQUIPMENT

Expenditure incurred on capital equipment acquired either under finance or operating leasing arrangements is charged to Income and Expenditure account in the period the costs are incurred. If assets acquired under finance leases had been capitalised, then the effect on the financial statements is not considered to be material.

j. CASHFLOW STATEMENT

The company has taken advantage of the exemption in FRS1 from producing a cashflow statement on the grounds that it is a wholly owned subsidiary of an EC parent company which prepares its own cashflow statement.

k. DEFERRED TAXATION

Provision is made for deferred taxation at appropriate future rates of corporation tax using the liability method, on all material timing differences, to the extent that it is probable that a liability or asset will crystallise. In view of losses brought forward, no provision is considered to be necessary.



**PERA CONSULTING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st December 1995

2. TANGIBLE FIXED ASSETS	Plant and Machinery £'000	Furniture Fixtures Fittings £'000	Motor Vehicles £'000	Total £'000
<b>COST/VALUATION</b>				
As at 1st January 1995	303	105	472	880
Additions	33	-	125	158
Disposals	-	-	(155)	(155)
Inter group transfers	(79)	-	52	(27)
	-----	-----	-----	-----
As at 31st December 1995	257	105	494	856
	=====	=====	=====	=====
<b>DEPRECIATION</b>				
As at 1st January 1995	102	38	126	266
Charge for the year	58	26	127	211
Disposals	-	-	(80)	(80)
Inter group transfers	(30)	-	15	(15)
	-----	-----	-----	-----
As at 31st December 1995	130	64	188	382
	=====	=====	=====	=====
<b>NET BOOK VALUE</b>				
At 31st December 1995	127	41	306	474
	=====	=====	=====	=====
At 31st December 1994	201	67	346	614
	=====	=====	=====	=====
				<b>1995</b>
<b>3. FIXED ASSET INVESTMENTS</b>				<b>£'000</b>
Shares in Associated Undertakings				
Cost				
At 1st January and 31st December 1995				5
				=====
Amounts written off				
At 1st January and 31st December 1995				5
				=====
<b>NET BOOK VALUE</b>				
At 31st December 1994 and 31st December 1995				-
				=====

The investment represents a 20% holding of ordinary RM 1,000 shares in Pera Asia Sdn. Bhd., a company incorporated in Malaysia. The company's principal business is contract consultancy. In view of losses incurred to date, the company has fully provided for this investment.

**PERA CONSULTING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31st December 1995**

	1995 £'000	1994 £'000
<b>4. DEBTORS</b>		
Trade debtors	883	553
Amounts recoverable on contracts	776	465
Amounts due from parent company (see below)	-	96
Prepayments	27	32
	-----	-----
	1,686	1,146
	=====	=====

The amount due from the parent company relates to day to day trading transactions. The amount is lent on an interest free and unsecured basis and no fixed terms for repayment have been stipulated.

	1995 £'000	1994 £,000
<b>5. CREDITORS : amounts falling due within one year</b>		
Bank overdrafts and other loans	92	88
Payments received in advance	110	24
Trade creditors	59	32
Other creditors	86	41
Amount due to parent company	52	-
Corporation tax	121	1
Other taxation and social security costs	116	46
Accruals and deferred income	8	4
	-----	-----
	644	236
	=====	=====

The amount due to the parent company relates to day to day trading transactions. The amount is lent on an interest free and unsecured basis and no fixed terms for repayment have been stipulated.

	1995 £'000	1994 £'000
<b>6. CREDITORS : amounts falling due after more than one year:</b>		
Loan due to parent company		
- convertible debt due between two and five years	847	806
	=====	=====

The loan plus accumulated interest from the parent company is due for repayment on 31st December 1998. Interest is charged at 5% per annum and is also repayable at the end of the repayment term. In the event of a default of the loan repayment, the parent company has the right to convert the loan into ordinary shares at their nominal value. The loan is secured by a floating charge on the assets of the company.

PERA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 1995

	1995 £'000	1994 £'000
--	---------------	---------------

7. SHARE CAPITAL

Authorised

1,750,100 Ordinary £1 shares

1,750  
=====

1,750  
=====

Allotted, Issued and fully paid

1,000,100 ordinary £1 shares

1,000  
=====

1,000  
=====

	Other Reserves £'000	Income and Expenditure Account £'000	Total £'000
8. RESERVES			
At 1st January 1995	(190)	(90)	(280)
Surplus for the year	-	132	132
	-----	-----	-----
At 31st December 1995	(190)	42	148
	=====	=====	=====

9. SHAREHOLDERS FUNDS

There were no movements on shareholders funds other than as disclosed in the profit and loss account.

10. INCOME

Consultancy and training

3,379  
=====

3,430  
=====

Income has not been analysed by geographical markets.

11. STAFF COSTS

The Company employed an average of 37 (1994 : 54) members of staff during the year, and costs paid to them are analysed below:

	1995 £'000	1994 £'000
Wages and salaries	1,518	1,738
Social security costs	138	164
Staff pension costs (see note 17)	153	168
Other staff costs	68	13
	-----	-----
	1,877	2,083
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 1995

## 11. STAFF COSTS (continued)

Staff costs include emoluments paid to 4 directors (1994 : 3). These totalled £357,422 (1994 : £273,734) and include performance related bonuses. Pension contributions, and other benefits amounted to £51,580 (1994 : £78,734).

Note 17 gives details of the pension scheme operated by the company.

	1995 £'000	1994 £'000
Emoluments of:		
Chairman	-	-
Highest paid Director	112	102
	=====	=====

Other Directors received emoluments falling in the following ranges:

	No	No
£45,000 - £50,000	1	-
£60,000 - £65,000	-	1
£75,000 - £80,000	1	-
£80,000 - £85,000	-	1
£85,000 - £90,000	1	-
	=====	=====

## 12. OTHER OPERATING CHARGES INCLUDE

	1995 £'000	1994 £'000
Audit fees	18	9
Loss on sale of fixed assets	22	40
Plant hire	3	3
	=====	=====

## 13. INTEREST RECEIVABLE/(PAYABLE)

	1995 £'000	1994 £'000
Interest Receivable		
Interest received on short term bank deposits	3	3
	=====	=====
Interest Payable		
Interest payable on convertible debt to parent undertaking.	(40)	(38)
	=====	=====

PERA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 1995

	1995 £'000	1994 £'000
<b>14. TAXATION</b>		
Corporation tax		
UK Corporation tax due @ 33%	121	1
	-----	-----
	121	1
	=====	=====

**15. FUTURE COMMITMENTS**

Capital commitments authorised by the Board of Directors.

(a) Contracted for but not provided	-	-
	=====	=====
(b) Authorised but not contracted for	50	336
	=====	=====

**16. ULTIMATE HOLDING COMPANY**

The company is an immediate subsidiary company of Pera International, a company limited by guarantee and registered in England and Wales, which prepares group accounts.

**17. STAFF PENSION SCHEME**

The company belongs to the pension scheme of Pera International, the holding company. The staff pension scheme provides defined pension benefits (based on final salaries), and life assurance cover for eligible employees. It is secured by a self investment fund. Pension costs paid for the year have been charged directly to the Profit and Loss Account. Further details including the latest actuarial valuation of the scheme are disclosed in the report and accounts of Pera International.

**18. PERA INTERNATIONAL INVESTMENT SCHEME**

Since 1989 the group has operated an incentive scheme for directors, managers and other key members of staff. Amounts are provided for on an annual basis in the financial statements and become payable in the event that the employee concerned remains with the group for five years. Payments due were made in January 1994 and January 1995. In view of the uncertainty of liabilities provided subsequently crystallising, relevant disclosure details relating to directors and staff costs are reflected in the financial statements in the period the amounts become payable.

**19. DIRECTORS INTERESTS**

Some of the directors of the company are also directors of the holding company and fellow subsidiary companies. Day to day transactions between the company and these companies have taken place during the year on a normal commercial basis. The directors have no beneficial interests in any of these companies.