


1948405

Duhig Berry Limited

Report and Accounts

31 OCTOBER 1994

 ERNST & YOUNG



Duhig Berry Limited

Registered No. 1948405

DIRECTORS

A J Duhig
A D Berry
G James
D G West
P A Radcliffe

SECRETARY

A J Duhig

AUDITORS

Ernst & Young
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

BANKERS

Royal Bank of Scotland
156 High Street
Southampton
SO9 5TJ

SOLICITORS

Penningtons
70 Richmond Hill
Bournemouth
Dorset
BH2 6JA

REGISTERED OFFICE

Templars House
Hampshire Corporate Park
Templars Way
Chandlers Ford
Hampshire
SO5 3RY

Duhig Berry Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 October 1994.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £113,446. An interim dividend of £50,874 has been paid and, since no final dividend is proposed, this leaves an amount of £62,572 to be retained.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

As in previous years the company's principal activity during the year continued to be the provision of strategy and project management consultancy services.

The company this year took three major steps towards achieving its long term strategy.

The first step was the formal launch of its new project manager contracting business, which was accompanied by a re-naming of the company's services to "Managing Change Through Projects".

The second step was winning the Government contract to design the new version of the project management methodology, PRINCE.

The third step was the establishment and opening of its northern office, based in Manchester.

Despite these investments, the company achieved its income target of £2.6m, a 30% increase over last year, and this year's operating profit was sustained at £170,000.

With these moves in place, the company has been able to set even higher growth targets in turnover and profit for the next five years.

FIXED ASSETS

The significant changes in fixed assets during the year are summarised in note 8 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors at 31 October 1994 and their interests in the share capital of the company were as follows:

	<i>At 31 October 1994</i>	<i>At 1 November 1993</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
A J Duhig	21,941	22,500
A D Berry	21,941	22,500
G James	1,486	-
D G West	1,632	-
P A Radcliffe (appointed 1 May 1994)	-	-

The company has a share option scheme by which directors are able to subscribe for ordinary shares in the company. The interests of the directors were as follows:

	<i>At 1 November</i>	<i>Granted</i>	<i>Exercised</i>	<i>At 31 October</i>
	<i>1993</i>	<i>during year</i>	<i>during year</i>	<i>1994</i>
G James	1,500	-	1,000	500
D G West	1,500	-	1,000	500

The options are exercisable between 1 March 1994 and 2 March 2001 at a price of £1 each.

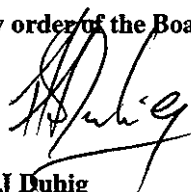
Duhig Berry Limited

DIRECTORS' REPORT

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



A J Duhig

Secretary

24 March 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on a 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of Duhig Berry Limited

We have audited the accounts on pages 6 to 13 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

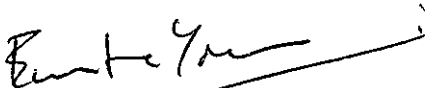
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 October and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Southampton

24 March 1995

Duhig B erry Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 October 1994

	Notes	1994 £	1993 £
TURNOVER	2	2,643,639	2,003,806
Cost of sales		1,571,253	1,079,196
Gross profit		1,072,386	924,610
Administrative expenses		901,435	671,362
OPERATING PROFIT	3	170,951	253,248
Interest receivable		1,787	4,437
Interest payable	5	(19,690)	(23,785)
		(17,903)	(19,348)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		153,048	233,900
Taxation on profit on ordinary activities	6	39,602	59,796
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		113,446	174,104
Dividend	7	50,874	44,350
RETAINED PROFIT FOR THE YEAR		62,572	129,754

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £113,446 in the year ended 31 October 1994 and of £174,104 in the year ended 31 October 1993.

Duhig Berry Limited

BALANCE SHEET

at 31 October 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible assets	8	269,041	195,461
Investment in subsidiary undertaking	9	2	2
		<u>269,043</u>	<u>195,463</u>
CURRENT ASSETS			
Work in progress		24,480	-
Debtors : amounts falling due after more than one year		36,315	37,656
: amounts falling due within one year	10	622,149	422,678
Cash at bank and in hand		193	53,900
		<u>683,137</u>	<u>514,234</u>
CREDITORS: amounts falling due within one year	11	<u>421,198</u>	<u>270,504</u>
NET CURRENT ASSETS		<u>261,939</u>	<u>243,730</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>530,982</u>	<u>439,193</u>
CREDITORS: amounts falling due after more than one year			
Obligations under finance leases	12	107,300	80,583
Pension loan	13	45,000	45,000
		<u>152,300</u>	<u>125,583</u>
		<u>378,682</u>	<u>313,610</u>
CAPITAL AND RESERVES			
Called up share capital	16	47,000	45,000
Share premium account	17	500	-
Profit and loss account	17	331,182	268,610
		<u>378,682</u>	<u>313,610</u>



A J Duhig

Director

24 March 1995

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

Consolidated accounts have not been prepared since the subsidiary undertaking is a dormant company and as such is immaterial.

Cash flow statement

The company has utilised the exemptions provided under Financial Reporting Standard No.1 as a small company and has not presented a cash flow statement.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold premises	-	over the term of the lease
Computer equipment	-	33.33% on cost
Other office equipment	-	10% to 25% on cost
Motor vehicles	-	20% on cost

Work in progress

Work in progress represents the cost of preparatory work in respect of specific contracts, and is stated net of any provision required to reflect non recovery.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

Leasing and hire purchase commitments

Assets held 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 charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

The turnover and pre-tax profit is attributable to one activity, the provision of management, administration and consultancy services.

Duhig Berry Limited

NOTES TO THE ACCOUNTS

at 31 October 1994

2. TURNOVER (continued)

An analysis of turnover by geographical market is given below:

	1994	1993
	£	£
United Kingdom	2,252,833	1,930,088
Hong Kong and Singapore	31,700	52,143
European Community	-	6,882
United States of America	359,106	14,693
	<u>2,643,639</u>	<u>2,003,806</u>

3. OPERATING PROFIT

(a) This is stated after charging:

	1994	1993
	£	£
Auditors' remuneration	6,700	6,100
Depreciation of owned fixed assets	35,306	20,162
Depreciation of assets held under finance leases and hire purchase contracts	28,357	32,082
Operating lease rentals - equipment	14,783	10,227
- land and buildings	72,630	72,630
	<u>157,776</u>	<u>141,201</u>

(b) Directors' remuneration

	1994	1993
	£	£
Fees	42,333	20,000
Emoluments (including pension contributions)	298,597	256,327
	<u>340,930</u>	<u>276,327</u>

Directors' emoluments (excluding pension contributions) fell within the following ranges:

	1994	1993
	No.	No.
£15,001 - £20,000	1	-
£20,001 - £25,000	-	2
£25,001 - £30,000	2	1
£30,001 - £35,000	-	1
£35,001 - £40,000	2	-
	<u>3</u>	<u>4</u>

The emoluments, excluding pension contributions, of the chairman were £62,555 (1993: £59,658) and of the highest paid director were £81,397 (1993: £65,893).

Duhig Berry Limited

NOTES TO THE ACCOUNTS

at 31 October 1994

4. STAFF COSTS	1994	1993
	£	£
Wages and salaries	937,980	755,002
Social security costs	92,942	70,118
Other pension costs	65,093	66,053
	<u>1,096,015</u>	<u>891,173</u>

The average weekly number of employees during the year was made up as follows:

	1994	1993
	No.	No.
Directors	5	4
Consultants	13	12
Administration	23	15
	<u>41</u>	<u>31</u>

5. INTEREST PAYABLE	1994	1993
	£	£
Bank interest	2,564	1,871
Loan interest	2,575	5,729
Finance lease and hire purchase interest	14,551	16,185
	<u>19,690</u>	<u>23,785</u>

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES	1994	1993
	£	£
Based on the profit for the year:		
Corporation tax at 25% (1993: 25%)	39,602	60,555
(Under)/over provision in prior year	-	(759)
	<u>39,602</u>	<u>59,796</u>

7. DIVIDEND	1994	1993
	£	£
Ordinary - interim paid	<u>50,874</u>	<u>44,350</u>

Duhig Bérny Limited

NOTES TO THE ACCOUNTS

at 31 October 1994

8. TANGIBLE FIXED ASSETS

	<i>Short leasehold premises</i>	<i>Computer equipment</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 November 1993	2,121	64,322	83,613	199,020	349,076
Additions	-	85,095	14,982	57,443	157,520
Disposals	-	-	-	(50,553)	(50,553)
At 31 October 1994	2,121	149,417	98,595	205,910	456,043
Depreciation:					
At 1 November 1993	2,121	38,433	50,698	62,363	153,615
Provided during the year	-	22,827	11,262	29,574	63,663
Disposals	-	-	-	(30,276)	(30,276)
At 31 October 1994	2,121	61,260	61,960	61,661	187,002
Net book value:					
At 31 October 1994	-	88,157	36,635	144,249	269,041
At 1 November 1993	-	25,889	32,915	136,657	195,461

The net book value of assets held under finance leases and hire purchase agreements at 31 October 1994 was £181,532 (1993: £126,556).

9. INVESTMENT IN SUBSIDIARY

Simpact Systems Limited, a dormant company registered in England, is a wholly owned subsidiary undertaking.

10. DEBTORS

	<i>1994</i>	<i>1993</i>
	£	£
Trade debtors	582,663	396,467
Other debtors	1,020	1,829
Prepayments	38,466	24,382
	622,149	422,678

Duhig Berry Limited

NOTES TO THE ACCOUNTS

at 31 October 1994

11. CREDITORS: amounts falling due within one year	1994	1993
	£	£
Bank overdraft	56,485	-
Obligations under finance leases and hire purchase contracts	65,239	34,108
Trade creditors	121,723	69,238
Current corporation tax	31,318	46,976
Other taxes and social security costs	53,316	60,030
Other creditors	1,402	2,558
Accruals and deferred income	91,715	57,594
	<u>421,198</u>	<u>270,504</u>

12. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	1994	1993
	£	£
Amounts payable:		
within one year	65,239	34,107
within two to five years	107,300	80,583
	<u>172,539</u>	<u>114,690</u>

13. PENSION LOAN

The outstanding loan bears interest at 3% above Royal Bank of Scotland base rate. It is repayable as follows:

- 5 instalments of £4,500 per annum commencing 6 July 1999.
- 5 instalments of £4,500 per annum commencing 6 January 2003.

14. CAPITAL COMMITMENTS

At 31 October 1994 the company had no authorised capital expenditure (1993 - £Nil).

15. LEASING COMMITMENTS

At 31 October 1994 the company had annual commitments under non-cancellable operating leases as set out below:

	1994	1993
	Land and buildings	Land and buildings
	£	£
Operating leases which expire:		
in over five years	<u>72,630</u>	<u>72,630</u>

Duhig B  ry Limited

NOTES TO THE ACCOUNTS

at 31 October 1994

16. SHARE CAPITAL

		<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
	<i>1994</i>	<i>1993</i>	<i>1994</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>
			<i>£</i>
Ordinary shares of £1 each	500,000	500,000	47,000
			45,000

17. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
		<i>£</i>	<i>£</i>	<i>£</i>
At 1 November 1992	45,000	-	138,856	183,856
Profit for the year	-	-	174,104	174,104
Dividend	-	-	(44,350)	(44,350)
At 1 November 1993	45,000	-	268,610	313,610
Profit for the year	-	-	113,446	113,446
Dividend	-	-	(50,874)	(50,874)
Other movements: shares issued	2,000	500	-	2,500
At 31 October 1994	47,000	500	331,182	378,682