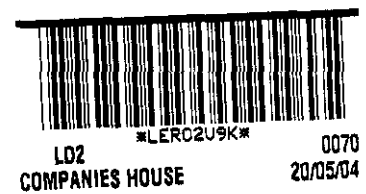


Company Registration Number 2187214

**The Kingstree Group (UK) Limited**

**Abbreviated Accounts**

**31st December 2003**



**CLB**  
Chartered  
Accountants

# THE KINGSTREE GROUP (UK) LIMITED

## Abbreviated Accounts

Year ended 31st December 2003

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# THE KINGSTREE GROUP (UK) LIMITED

## Independent Auditors' Report to the Company

### PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 2 to 7, together with the financial statements of the company for the year ended 31st December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered 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 financial statements.

#### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 7 are properly prepared in accordance with those provisions.

Aldwych House  
81 Aldwych  
London  
WC2B 4HP

23rd April 2004



CLB  
Chartered Accountants  
& Registered Auditors

# THE KINGSTREE GROUP (UK) LIMITED

## Abbreviated Balance Sheet

31st December 2003

	Note	2003 £	2002 £
<b>Fixed Assets</b>	<b>2</b>		
Tangible assets		28,863	50,471
Investments		130,711	130,711
		<u>159,574</u>	<u>181,182</u>
<b>Current Assets</b>			
Debtors		846,416	712,372
Cash at bank and in hand		200	200
		<u>846,616</u>	<u>712,572</u>
<b>Creditors: Amounts falling due within one year</b>	<b>3</b>	<u>668,514</u>	<u>497,110</u>
<b>Net Current Assets</b>		<u>178,102</u>	<u>215,462</u>
<b>Total Assets Less Current Liabilities</b>		<u>337,676</u>	<u>396,644</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	<b>5</b>	1,200	1,200
Share premium account		214,288	214,288
Profit and loss account		122,188	181,156
<b>Shareholders' Funds</b>		<u>337,676</u>	<u>396,644</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 23rd April 2004 and are signed on their behalf by:

L L BOWMAN JR



The notes on pages 3 to 7 form part of these abbreviated accounts.

# THE KINGSTREE GROUP (UK) LIMITED

## Notes to the Abbreviated Accounts

Year ended 31st December 2003

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### 1. Accounting policies

#### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention.

#### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

#### **Cash Flow Statement**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Income received from the "e-learning" programme" is recognised in the profit and loss account in the period in which the programme is performed.

#### **Fixed Assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 4 years straight line
Motor Vehicles	- 4 years straight line
Office Equipment	- 4 years straight line

#### **Finance Lease Agreements**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet as *tangible fixed assets* and are *depreciated over the shorter of the lease terms or their useful economic 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 the profit and loss account on a straight line basis over the terms of the lease.

# THE KINGSTREE GROUP (UK) LIMITED

## Notes to the Abbreviated Accounts

Year ended 31st December 2003

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### 1. Accounting policies *(continued)*

#### **Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension Costs**

Pension contributions are charged to the profit and loss account as incurred.

#### **Deferred Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the 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. Exchange differences are taken into account in arriving at the operating profit.

#### **Fixed Asset Investments**

Fixed asset investments are included at original cost less any amounts written off for permanent diminution in value.

# THE KINGSTREE GROUP (UK) LIMITED

## Notes to the Abbreviated Accounts

Year ended 31st December 2003

### 2. Fixed assets

	Tangible Assets £	Investments £	Total £
<b>Cost</b>			
At 1st January 2003	194,888	130,711	325,599
Additions	4,054	—	4,054
Disposals	(76,907)	—	(76,907)
<b>At 31st December 2003</b>	<b>122,035</b>	<b>130,711</b>	<b>252,746</b>
<b>Depreciation</b>			
At 1st January 2003	144,417	—	144,417
Charge for year	25,663	—	25,663
On disposals	(76,908)	—	(76,908)
<b>At 31st December 2003</b>	<b>93,172</b>	<b>—</b>	<b>93,172</b>
<b>Net Book Value</b>			
<b>At 31st December 2003</b>	<b>28,863</b>	<b>130,711</b>	<b>159,574</b>
At 31st December 2002	50,471	130,711	181,182

### Subsidiary Undertakings

Name of Company	Holding	% held	Country of Incorporation	Nature of Business
The Kingstree Group (Asia) Pte Limited	Ordinary	100%	Singapore	Provision of training & consultancy
The Kingstree Group (Hong Kong) Limited	Ordinary	100%	Hong Kong	Provision of training & consultancy
				2003      2002 £      £

### Aggregate capital and reserves

The Kingstree Group (Asia) Pte Limited	(58,894)	(52,776)
The Kingstree Group (Hong Kong) Limited	(66,530)	(56,756)

### Profit and (loss) for the year

The Kingstree Group (Asia) Pte Limited	(10,100)	(76,582)
The Kingstree Group (Hong Kong) Limited	(14,787)	(66,440)

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so. Therefore, the accounts show information about the company as an individual entity.

# THE KINGSTREE GROUP (UK) LIMITED

## Notes to the Abbreviated Accounts

Year ended 31st December 2003

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### 3. Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	<u>208,574</u>	<u>147,156</u>

### 4. Related party transactions

The Kingstree Group (NA) Inc., which is held under common control, charged the company £25,027 (2002 - £334,931) for management services. The balance owed at the year end is £nil (2002 - £20,771)

During the year the company incurred expenditure of £25,013 (2002 - £13,220) on behalf of The Kingstree Group (IOM) Limited. The balance due at the year end, which is included within trade debtors is £262,540 (2002 - £237,527). This company is not a group company.

During the year the company incurred expenditure on behalf of The Kingstree Group (Hong Kong) Limited of £39,876 (2002 - £117,113). The balance owed by the group company at the year end was £78,945 (2002 - £89,068).

During the year the company incurred expenditure and advances monies on behalf of The Kingstree Group (Asia) Pte Limited of £2,342 (2002 - £54,699). The balance owed by the group company at the year end was £57,041 (2002 - £54,699).

During the year £25,000 (2002 - £nil) was invoiced to Keyprep Limited, a company in which The Kingstree Group (UK) Limited has an interest, for rental of office space. The balance owed by Keyprep Limited at the year end was £nil.

Included in other creditors of £105,527 (2002-£87,478) is an amount of £15,527 (2002-£nil) owed to Keyprep Limited.

All transactions between the companies were at arm's length and on normal commercial terms.



# THE KINGSTREE GROUP (UK) LIMITED

## Notes to the Abbreviated Accounts

Year ended 31st December 2003

### 5. Share capital

#### Authorised share capital:

	2003 £	2002 £
10,150,000 Ordinary shares of £0.01 each	<u>101,500</u>	<u>101,500</u>

#### Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares of £0.01 each	<u>120,013</u>	<u>1,200</u>	<u>120,013</u>	<u>1,200</u>

The company has a share option scheme under which options to subscribe for the company's shares have been granted to certain executives.

Date of option	Option	Price	Lapsed/ Granted	At 31 December 2003
14 July 2001	14,700	2.42	(9,200)	5,500
30 April 2002	13,950	3.49	(8,200)	5,750
18 June 2002	28,750	3.44	(14,250)	14,500
18 December 2003	29,000	3.28	-	29,000

No options were exercised during the year.

### 6. Ultimate controlling party

The company is controlled by Mr L L Bowman jnr and Mrs S R C Bowman.