

Co. House

BUSINESS STRATEGIES (LONDON) LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2001

Registered Number: 2225244



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2001

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BUSINESS STRATEGIES (LONDON) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2001

The directors present their annual report on the affairs of the company together with the financial statements and report of the auditors for the year ended 31st March 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of providing analysis of market prospects and business conditions.

RESULTS AND DIVIDENDS

The Loss for the year is set out on page 5. The directors do not propose that a dividend be paid in respect of the year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the shares of the company at the beginning and end of the year were as follows:-

	Number of Shares Held At	
	31st March 2001	31st March 2000
C P H Burton	-	27,036
N Blake	-	12,928
P De Cintra	-	10,733
R Holt	-	250
T Wardle	-	250
A A B MacDonald	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of the 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:-

- 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 financial statements;
- iv) prepare the financial statements 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 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.

FIXED ASSETS

Movements in fixed assets are set out in note 4 to the accounts.

BUSINESS STRATEGIES (LONDON) LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST MARCH 2001

SHARE CAPITAL

During the year the whole of the company's issued share Capital was acquired by Business Strategies Holdings Limited as part of a restructuring programme.

AUDITORS

A resolution will be placed before the Annual General Meeting to re-appoint Harding Edgar & Co. as auditors for the ensuing year, in accordance with Section 385(2) of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

The above report has been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


Secretary

192 Vauxhall Bridge Road
London
SW1V 1DX

20th August 2001

BUSINESS STRATEGIES (LONDON) LIMITED

AUDITORS' REPORT TO THE MEMBERS OF

BUSINESS STRATEGIES (LONDON) LIMITED

We have audited the Financial Statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 1, the company's directors are responsible for the preparation of the 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 company's affairs as at 31st March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Harding Edgar & Co

HARDING EDGAR & CO.

Chartered Accountants
Registered Auditors

9 Limes Road
Beckenham
Kent
BR3 6NS

20th August 2001

BUSINESS STRATEGIES (LONDON) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2001**

	Note	2001 £	2000 £
TURNOVER - Continuing Operations	2	2,016,112	2,142,816
Cost of Sales		(341,583)	(411,613)
		<hr/>	<hr/>
Gross Profit		1,674,529	1,731,203
Administrative Expenses		(1,779,673)	(1,700,708)
		<hr/>	<hr/>
		(105,144)	30,495
Other Income		162	165
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(104,982)	30,660
Tax Credit /(Tax) on Ordinary Activities		11,000	(6,822)
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(93,982)	23,838
Dividends	3	-	(100)
(LOSS)/RETAINED PROFIT FOR THE YEAR		<hr/> <hr/>	<hr/> <hr/>

All Turnover and Costs relate to continuing activities.

All recognised gains and losses are included in the Profit & Loss account.

A Movement of Shareholders Funds Statement is shown in Note 14 to the Accounts.

BUSINESS STRATEGIES (LONDON) LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible Assets	4		131,571		122,221
Investments	5		-		-
CURRENT ASSETS					
Work in Progress	6	5,000		-	
Debtors	7	725,183		641,497	
Cash at Bank and in Hand		-		1,583	
			730,183	643,080	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	8	(684,259)		(499,898)	
NET CURRENT ASSETS					
			45,924		143,182
TOTAL ASSETS LESS CURRENT LIABILITIES					
			177,495		265,403
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	9		(67,742)		(61,668)
			<u>£ 109,753</u>		<u>£ 203,735</u>
CAPITAL AND RESERVES					
Called Up Share Capital	10		52,000		10,400
Share Premium Account	11		80,627		122,227
Profit and Loss Account	12		(22,874)		71,108
			<u>£ 109,753</u>		<u>£ 203,735</u>

The accounts have been prepared in accordance with the special provisions of VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standards for Smaller Enterprises.

The accounts were approved by the Board on 20th August 2001 and signed on its behalf by:


C P H Burton

BUSINESS STRATEGIES (LONDON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2001****1. ACCOUNTING POLICIES****a) Basis of Accounting**

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

b) Tangible Fixed Assets

Tangible fixed assets are shown at cost, net of accumulated depreciation. Depreciation is calculated to write off the cost of fixed assets over their expected useful lives, as follows:-

Motor Vehicles	25% reducing balance
Computer Equipment	33 ¹ / ₃ % reducing balance
Office Equipment	25% reducing balance
Office Furniture and Fittings	25% reducing balance

c) Turnover

Turnover represents amounts receivable, net of Value Added Tax, in respect of services provided during the period.

d) Work in Progress

Work in progress represents work done but not billed at the year end and is stated at the lower of cost and net realisable value.

e) Deferred Income

Deferred income represents amounts received in respect of contracts that run beyond the current financial period.

f) Pension Scheme

The Company operates a Defined Contribution Pension Scheme. The assets of the Scheme are held separately from those of the Company in an independently administered fund. The pension charge represents the amounts payable by the Company to the scheme.

g) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise in the foreseeable future

h) Group Accounts

Group Accounts have not been prepared as the Company is itself a member of a Group and is also exempt as a Small company

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2001 £	2000 £
Auditors' remuneration	3,000	3,000
Depreciation	47,395	40,454
Loss on disposal of Fixed Assets	15,721	8,826
Directors' Emoluments (including benefits)	436,229	476,864
	<u> </u>	<u> </u>

3. DIVIDENDS

Final Dividend for year to 31st March 2001

-	100
<u> </u>	<u> </u>

BUSINESS STRATEGIES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2001

4. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Computer Equipment £	Office Equipment £	Office Furniture & Fittings £	Data £	Leasehold Improve- ments £	Total £
COST							
At 1st April 2000	108,706	167,178	10,913	11,626	6,140	16,045	320,608
Additions	34,525	16,008	3,500	30,914	-	-	84,947
Disposals	(53,606)	(28,285)	(5,045)	(5,471)	-	-	(92,407)
At 31 st March 2001	<u>89,625</u>	<u>154,901</u>	<u>9,368</u>	<u>37,069</u>	<u>6,140</u>	<u>16,045</u>	<u>313,148</u>
DEPRECIATION							
At 1 st April 2000	49,607	122,030	5,719	8,096	4,912	8,023	198,387
Charge for the Year	18,645	14,438	2,118	8,292	1,228	2,674	47,395
Eliminated on disposal	(33,641)	(21,894)	(4,470)	(4,200)	-	-	(64,205)
At 31 st March 2001	<u>34,611</u>	<u>114,574</u>	<u>3,367</u>	<u>12,188</u>	<u>6,140</u>	<u>10,697</u>	<u>181,577</u>
NET BOOK VALUE							
At 31 st March 2001	<u>£55,014</u>	<u>£40,327</u>	<u>£6,001</u>	<u>£24,881</u>	<u>£ -</u>	<u>£5,348</u>	<u>£ 131,571</u>
At 31 st March 2000	<u>£59,099</u>	<u>£ 45,148</u>	<u>£5,194</u>	<u>£3,530</u>	<u>£ 1,228</u>	<u>£8,022</u>	<u>£ 122,221</u>

Included in Fixed Assets are Motor Vehicles with a Net Book Value at 31st March 2001 of £ 55,014 (2000 : £ 59,099) purchased under finance leases. The related depreciation charge for the year was £18,645 (2000: £ 18,300).

Included in Fixed Assets is Computer Equipment with a Net Book Value at 31st March 2000 of £26,026 (2000: £23,285) purchased under finance leases. The related depreciation charge for the year was £12,479 (2000: £ 11,469). Also included is Furniture with a Net Book Value of £23,185. The related depreciation charge for the year was £7,729

5. FIXED ASSET INVESTMENTS

Fixed Asset Investments represents the cost of the acquisition of the whole of the issued Share Capital of Staniland Hall Associates Limited, a company incorporated in England and Wales. That Company has since remained dormant. The total Share Capital and reserves of the subsidiary at 31st March 2001 was £ NIL

6. WORK IN PROGRESS

Work in progress is valued at the lower of cost and net realisable value and comprises:

	2001 £	2000 £
Work done but unbilled	<u>£ 5,000</u>	<u>£ -</u>

BUSINESS STRATEGIES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2001

7. DEBTORS	2001 £	2000 £
Trade Debtors	557,867	575,320
Prepayments	58,226	45,785
Other Debtors	25,410	20,392
Corporation Tax Recoverable	8,680	-
Amount due from Holding Company	75,000	-
	<u>£ 725,183</u>	<u>£ 641,497</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:	2001 £	2000 £
Trade Creditors	153,671	106,095
Other Taxes and Social Security Costs	134,736	115,676
Corporation Tax Payable	-	11,000
Obligations Under Finance Leases (See note 9)	42,778	21,137
Accruals and Deferred Income	227,332	230,770
Amounts owed to group undertakings	38,873	-
Bank Overdraft	86,869	15,220
	<u>£ 684,259</u>	<u>£ 499,898</u>
9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2001 £	2000 £
Obligations Under Finance Leases	110,520	82,805
Less: Current Installments (See note 8)	(42,778)	(21,137)
	<u>£ 67,742</u>	<u>£ 61,668</u>
10. CALLED UP SHARE CAPITAL	2001 £	2000 £
Ordinary Shares of 10p Each		
Authorised Share Capital	<u>£ 12,500</u>	<u>£ 12,500</u>
Issued, Allotted and Fully Paid		
At 1 st April 2000	10,400	10,400
Bonus Issue	41,600	-
	<u>£ 52,000</u>	<u>£ 10,400</u>

On 27th July 2000 the Company made a bonus issue at the rate of four new Ordinary 10p shares for each one held at that date by capitalising part of the credit on the Share Premium Account (see note 11). This was carried out as part of a Group re-organisation.

BUSINESS STRATEGIES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 2001

11. SHARE PREMIUM ACCOUNT

	2001	2000
	£	£
Balance at 1st April 2000	122,227	115,827
Premium on Shares Issued in the Year	-	6,400
Bonus Issue (see note 10)	(41,600)	-
Balance at 31st March 2001	<u>£ 80,627</u>	<u>£122,227</u>

12. PROFIT AND LOSS ACCOUNT

At 1st April 2000	71,108	47,370
(Loss)/Profit for the Year	(93,982)	23,738
At 31 March 2001	<u>£ (22,874)</u>	<u>£ 71,108</u>

13. OPERATING LEASE COMMITMENTS

At 31st March 2001 the company had annual commitments under non-cancelable operating leases as set out below:

	Land and Buildings	
	2001	2000
	£	£
Operating Leases Expiring Within 1 to 2 Years	<u>49,650</u>	<u>49,650</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2001	2000
	£	£
(Loss)/Profit for the Financial Year	(93,982)	23,838
Dividends	-	(100)
Proceeds from Issue of Shares	-	6,500
	<u>(93,982)</u>	<u>30,238</u>
Opening Shareholders Funds	203,735	173,497
Closing Shareholders Funds	<u>£ 109,753</u>	<u>£ 203,735</u>

15. PENSIONS

The Company operates a contributory money purchase pension scheme on behalf of the Directors and certain employees. The cost to the Company in the year was £ 78,174 (2000 £ 76,345).

16. ULTIMATE PARENT UNDERTAKING

The Company's Ultimate Parent Undertaking is Business Strategies Holdings PLC, a Company incorporated in England & Wales.