

Revised

2368173

CORPORATE CONNECTIONS LIMITED
REPORT AND ACCOUNTS
FOR THE PERIOD ENDED
31ST DECEMBER 1989

LONGCROFTS
Chartered Accountants
Longcroft House,
Victoria Avenue,
Bishopsgate,
London EC2M 4NS.

COMPANIES HOUSE
23 JUN 1990
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OFFICERS AND ADVISERS

CORPORATE CONNECTIONS LIMITED

DIRECTORS:

P.J. Hayes
S. Gladwin
M.S. Paul

SECRETARY:

P.J. Hayes

AUDITORS:

Longcrofts
Chartered Accountants,
Longcroft House,
Victoria Avenue,
Bishopsgate,
London, EC2M 4NS.

BANKERS:

Barclays Bank Plc,
15 Langham Place,
London, W1A 4NX.

REGISTERED OFFICE:

15 New Bridge Street,
London, EC4V 6AU.

The directors have pleasure in submitting their first report together with the accounts of the company for the period ended 31st December 1989

INCORPORATION AND CHANGE OF NAME

The company was incorporated on 4th April, 1989 under the name of Rakeset Limited and changed its name to Corporate Connections Limited with effect from 24th July, 1989.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company commenced trading on 1st July 1989 and its principal activity is the provision of marketing and public relations consultancy services.

The Directors are satisfied with the performance of the company in the period and look forward to an improvement in the forthcoming year.

RESULTS AND DIVIDENDS

The results for the period are set out on page 6.

The directors do not recommend the payment of a dividend and accordingly the loss of £13,339 has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:-

P.J.Hayes	(appointed 7th July 1989)
S.Gladwin	(appointed 7th July 1989)
M.S.Paul	(appointed 7th July 1989)

In accordance with the company's Articles of Association, the directors will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

Throughout the year the Directors had no direct beneficial interest in the share capital of the company. The interests of M.S. Paul in the share capital of the ultimate holding company, WSP Holdings plc, are shown in that company's accounts.

FIXED ASSETS

Purchase of fixed assets which arose in the normal course of trading are disclosed in note 6 to the accounts.

STATUS

The company is a close company within the provisions of Section 414 of the Income and Corporation Taxes Act 1988.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the reappointment of Longcrofts as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD

PJH P.J. HAYES

26th March, 1990

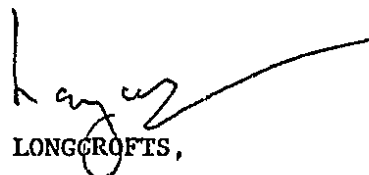
Secretary

We have audited the financial statements on pages 6 to 11 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 31st December 1989 of its loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Longcroft House,
Victoria Avenue,
Bishopsgate,
London EC2M 4NS.

26th March, 1990



LONGCROFTS,

Chartered Accountant

PROFIT AND LOSS ACCOUNT

CORPORATE CONNECTIONS LIMITED
FOR THE PERIOD ENDED 31ST DECEMBER 1989

	<u>Notes</u>	6 Months to <u>31.12.89</u>
Turnover	2	64,218
Cost of sales		<u>(29,514)</u>
GROSS PROFIT		34,704
Administration expenses		<u>(47,054)</u>
Interest payable		<u>(989)</u>
Loss on ordinary activities before taxation	3	<u>(13,339)</u>
Taxation on loss on ordinary activities	5	<u>3,848</u>
Loss on ordinary activities after taxation		<u><u>(9,491)</u></u>
STATEMENT OF RETAINED RESERVES		
Loss for period		<u>(9,491)</u>
Losses at 31st December 1989		<u><u>(9,491)</u></u>

The notes on pages 9 to 11 form an integral part of these Accounts.

CORPORATE CONNECTIONS LIMITED

BALANCE SHEET

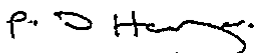
AS AT 31ST DECEMBER 1989

	<u>Notes</u>	<u>1989</u> <u>£</u>
FIXED ASSETS		
Tangible assets	6	31,412
CURRENT ASSETS		
Debtors	7	<u>35,719</u>
		35,719
CREDITORS: amounts falling due within one year	8	<u>(70,922)</u>
NET CURRENT LIABILITIES		<u>(35,203)</u>
Total assets less current liabilities		(3,791)
CREDITORS: amounts falling due after more than one year	8	<u>(5,698)</u>
Net liabilities		<u>(9,489)</u>
Called up share capital	9	2
Profit and loss account		<u>(9,491)</u>
		<u>(9,489)</u>

The accounts set out on pages 6 to 11 were approved by the Board of Directors on the 26th March, 1990 and were signed on its behalf by:-


M.S. PAUL

P.J. HAYES


P. J. Hayes

) Directors
)

SOURCE AND APPLICATION
OF FUNDS

CORPORATE CONNECTIONS LIMITED
FOR THE PERIOD ENDED 31ST DECEMBER 1989

	<u>1989</u> £
SOURCE OF FUNDS	
Loss before taxation	(13,339)
Adjustments for items not involving the movements of funds:-	
Depreciation	<u>5,154</u>
Funds absorbed by operations	(8,185)
Funds from Other Sources:	
Issue of shares	<u>2</u>
Total Source of Funds	(8,183)
APPLICATION OF FUNDS	
Purchase of tangible fixed assets	<u>(36,566)</u>
Net application of funds	<u>(44,749)</u>
The net application of funds is represented by the following changes in working capital:	
Debtors	35,719
Creditors	<u>(72,694)</u>
	(36,975)
Movement in net liquid funds:	
Bank overdraft	<u>(7,774)</u>
	<u>(44,749)</u>

1. ACCOUNTING POLICIES

Accounting basis

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value of sales excluding value added tax.

Depreciation

Depreciation is provided at a rate calculated to write off the cost of the asset by equal annual instalments over its expected useful life. The rates applicable are as follows:-

Motor Vehicles	- 25%
Computer software	- 33%

Leasing and hire purchase

The capital cost of equipment acquired under finance leases and hire purchase agreements is capitalised in the balance sheet.

Finance costs are charged to the profit and loss account evenly over the period of the agreement.

Obligations under finance leases and hire purchase agreements are included in creditors net of finance costs allocated to future periods.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

Turnover arises from a single activity performed solely in the United Kingdom.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging:-

	6 months to <u>31.12.1989</u> £
Directors' remuneration	33,330
Depreciation	5,154
Audit fee	500
Equipment leasing	2,778
	<u> </u>

CORPORATE CONNECTIONS LIMITED

NOTES TO THE ACCOUNTS (CONTD.) FOR THE PERIOD ENDED 31ST DECEMBER 1989

4. EMPLOYEES

1989

Staff costs during the period, including directors were:

Wages and salaries	30,000
Social security costs	<u>3,135</u>
	<u>33,135</u>

Included in staff costs is directors' remuneration (excluding pension contributions) as follows:-

Highest paid director 16,925

Other directors' emoluments fell within the following ranges:-

£0 - £ 5,000	1
£15,001 - £20,000	<u>1</u>

The average weekly number of persons employed during the period, including directors was 2

5. TAXATION ON ORDINARY ACTIVITIES

Group relief surrender 3,848

6. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u> £	<u>Computer Software</u> £	<u>Total</u> £
COST			
Additions	<u>22,566</u>	<u>14,000</u>	<u>36,566</u>
At 31st December 1989	<u>22,566</u>	<u>14,000</u>	<u>36,566</u>
DEPRECIATION			
Charge for the period	<u>2,821</u>	<u>2,333</u>	<u>5,154</u>
At 31st December 1989	<u>2,821</u>	<u>2,333</u>	<u>5,154</u>
Net book value			
At 31st December 1989	<u>£19,745</u>	<u>£11,667</u>	<u>£31,412</u>

The motor vehicles above are held under hire purchase agreements.

CORPORATE CONNECTIONS LIMITED

NOTES TO THE ACCOUNTS (CONTD.) FOR THE PERIOD ENDED 31ST DECEMBER 1989

7. DEBTORS

1989

Trade debtors	15,029
Amounts due from group companies	20,099
Prepayments	591
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	35,719
	<hr/>

8. CREDITORS

Amounts falling due within one year	
Bank overdraft	7,774
Trade creditors	29,247
Amounts due to group companies	-
Other taxes and social security costs	14,084
Other creditors	9,049
Obligations under hire purchase agreements	8,088
Accruals and deferred income	2,630
	<hr/>
	70,922
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Amounts falling due after more than one year

Obligations under hire purchase agreements (within two to five years)	5,698
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9. SHARE CAPITAL

Authorised: £1 Ordinary shares	1,000
Allotted, called up and fully paid: £1 Ordinary shares	2
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10. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is WSP Holdings plc, a company incorporated in England.

11. OBLIGATIONS UNDER OPERATING LEASES

The company has commitments in the next year in respect of an operating lease for equipment expiring within one to two years of £5,400.

12. PENSION CONTRIBUTIONS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £180.