

REGISTRARS COPY

COMPANY NUMBER 2589408

Regent Technology Limited

Report and Financial Statements

Year Ended

31 March 2000



BDO

BDO Stoy Hayward
Chartered Accountants

REGISTERED COPY

COMPANY NUMBER _____

REGENT TECHNOLOGY LIMITED

Report and financial statements for the year ended 31 March 2000

Contents

Directors

Page:

1	Report of the directors
4	Report of the auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

P D Rowell	D A Burns
D N Campbell	S J Goetz
P J McGovern	S Sanktjohanser
J P Michaels Junior	

Secretary and registered office

G R Gordon
17/21 Victoria Street
Windsor
Berkshire
SL4 1HE

Company number

2589408

Auditors

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey KT17 1HS

REGENT TECHNOLOGY LIMITED

Report of the directors for the year ended 31 March 2000

The directors present their report together with the audited financial statements for the year ended 31 March 2000.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year.

Gross dividends of £365,771 were paid during the year (1999: £10,700).

The directors do not recommend a final ordinary dividend.

Principal activities, trading review and future developments

The principal activity of the company continues to be that of a holding company. On 3 December 1999, the entire issued share capital of the company was acquired by Communication Equity Associates International Limited ("CEA").

Regent is a forward-looking corporate finance group with a management that can run our established operations efficiently and create real shareholder value in new business. The group's managers have proved themselves able to develop new ideas such as the Internet age. This flexibility and creativity has been evident in the reshaping and refocusing that the group has undergone over the past few years and which will continue into 2000.

Last year the company took several important steps forward. The merger with CEA will create a global business with the critical mass necessary to compete in the US and Europe in an increasingly digital world. The merged group will be one of the largest niche consultancies. Clearly, this is the first critical step in making Regent globally competitive.

In 1999 we also announced a very substantial hiring programme. This will allow Regent to focus its management on the markets where we can achieve the highest growth and market leadership. It will also provide a significant source of additional intellectual knowledge and expertise to assist our client base.

A top priority for Regent now is to drive forward the businesses that are already well established in the group. We fully expect to make important progress on this throughout 2000 and have now announced the creation of a private equity division to accelerate that process in the UK. The merger with CEA has solidly placed the Regent group in the leadership position of the high-tech telecoms/IT Corporate Finance market.

There have been no events since the balance sheet date which materially affect the position of the company.

REGENT TECHNOLOGY LIMITED

Report of the directors for the year ended 31 March 2000 (*Continued*)

Charitable and political contributions

During the year the company made charitable contributions of £500.

European Monetary Union

The board has reviewed the impact of the introduction of the Euro and believes that the company's systems are Euro compatible.

Directors

The directors of the company during the year were:

	31 March 2000		1 April 1999 (or date of appointment if later)	
	Options	shares	Options	Shares
P D Rowell	-	-	137	3,820
D N Campbell	-	-	137	2,520
P J McGovern	-	-	-	-
J P Michaels Junior (appointed 3rd December)	-	-	-	-
D A Burns (appointed 3rd December)	-	-	-	-
S J Goetz (appointed 3rd December)	-	-	-	-
S Sanktjohanser (appointed 3rd December)	-	-	-	-

In addition, A Morris, A V Bennett and D A Alway were also directors during the year until 3 December 1999 when they resigned.

J P Michaels Junior, D A Burns and S J Goetz are also directors of the ultimate parent company, Communications Equity Associates International Limited, and their interests in the share capital of that company are shown in its financial statements.

Further details of the directors' share options are shown in note 4.

REGENT TECHNOLOGY LIMITED

Report of the directors for the year ended 31 March 2000 (*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; and
- 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

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



G R Gordon
Secretary

Date 8 November 2000

REGENT TECHNOLOGY LIMITED

Report of the auditors

To the shareholders of Regent Technology Limited

We have audited the financial statements on pages 5 to 17 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 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 state of the company's affairs as at 31 March 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Epsom, Surrey

Date 8 November 2000

REGENT TECHNOLOGY LIMITED**Profit and loss account for the year ended 31 March 2000**

	Note	2000 £	1999 £
Turnover	2	2,479,857	1,398,671
Administrative expenses		(2,494,772)	(1,365,764)
		(14,915)	32,907
Other operating income		42,074	740,751
Operating profit	5	27,159	773,658
Interest receivable		15,395	367
Interest payable and similar charges	6	(1,911)	-
Profit on ordinary activities before taxation		40,643	774,025
Taxation on profit from ordinary activities	7	(33,173)	(43,737)
Profit on ordinary activities after taxation		7,470	730,288
Dividends	8	(331,359)	(10,700)
Retained (loss)/profit for the year		(323,889)	719,588

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There were no movements in shareholders funds apart from the loss for the year.

The notes on pages 7 to 17 form part of these financial statements.

REGENT TECHNOLOGY LIMITED

Balance sheet at 31 March 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	9	197,624	238,493
Investments	10	53,218	499,921
		<u>250,842</u>	<u>738,414</u>
Current assets			
Debtors	11	1,009,714	414,711
Cash at bank and in hand		-	438,188
		<u>1,009,714</u>	<u>852,899</u>
Creditors: amounts falling due within one year	12	720,361	394,425
		<u>289,353</u>	<u>458,474</u>
Net current assets		289,353	458,474
Total assets less current liabilities		<u>540,195</u>	<u>1,196,888</u>
Creditors: amounts falling due after more than one year	13	-	320,010
Provision for liabilities and charges	14	10,928	23,722
		<u>10,928</u>	<u>343,732</u>
		<u>529,267</u>	<u>853,156</u>
Capital and reserves			
Called up share capital	15	10,204	10,204
Share premium account	16	75,178	75,178
Profit and loss account	17	443,885	767,774
		<u>529,267</u>	<u>853,156</u>
Shareholders' funds	18	529,267	853,156

All shareholders' funds are in respect of equity interests.

The financial statements were approved by the Board on

8 November 2000

P D Rowell
Director

The notes on pages 7 to 17 form part of these financial statements.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the value of services supplied during the year to the company's subsidiary undertakings.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	-	Over the term of the lease
Fixtures, fittings and equipment	-	25% per annum on a straight line basis
Computers and telephone equipment	-	33 1/3% per annum on a straight line basis

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Foreign currency

Foreign currency transactions of the company are translated at the rate ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Exemption from group accounts

The company is a wholly owned subsidiary of an EC company, Communications Equity Associates International Limited, and is included in the consolidated accounts of that company. The company has therefore taken advantage of the exemption provided by Section 228 of the Companies Act 1985 not to prepare group accounts.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

1 Accounting policies (*Continued*)

Cash flow statements

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment 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. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they are payable.

Regent Trustees Limited

The company is deemed to have control of the assets, liabilities, income and costs of Regent Trustee Limited. It has therefore been included in the financial statements of the company.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the company.

Analysis by geographical market

	2000 £	1999 £
United Kingdom	1,751,007	1,143,600
EU	443,902	193,503
North America	284,948	61,568
	<u>2,479,857</u>	<u>1,398,671</u>

3 Employees

Staff costs consist of:

	2000 £	1999 £
Wages and salaries	1,271,805	570,105
Social security costs	130,853	61,053
Other pension costs	65,794	46,497
	<u>1,468,452</u>	<u>677,655</u>

The average number of employees, including directors, during the year was as follows:

	Number	Number
Management and administration	<u>16</u>	<u>14</u>

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

4 Directors

	2000 £	1999 £
Directors' emoluments consist of:		
Emoluments	642,161	237,274
Pension	35,676	46,497
	<u>677,837</u>	<u>283,771</u>
Highest paid director		
Emoluments	<u>317,174</u>	<u>237,274</u>
Amounts paid to the company's defined contribution pension scheme	<u>35,676</u>	<u>39,661</u>

There were 2 (1999 - 2) directors in the company's defined contribution pension scheme during the year.

	At 31 March 1999	Granted during the year	Cancelled in year	At 31 March 2000	Exercise price £	Date from Which exercisable	Expiry Date
P D Rowell	60	-	60	-	157.50	18.12.2000	18.12.2007
	37	-	37	-	180.00	18.12.2000	18.12.2007
	40	-	40	-	200.00	18.12.2000	18.12.2007
	<u>137</u>	<u>-</u>	<u>137</u>	<u>-</u>			
D N Campbell	60	-	60	-	157.50	18.12.2000	18.12.2007
	37	-	37	-	180.00	18.12.2000	18.12.2007
	40	-	40	-	200.00	18.12.2000	18.12.2007
	<u>137</u>	<u>-</u>	<u>137</u>	<u>-</u>			
D A Alway	320	-	320	-	157.50	18.12.2000	18.12.2007
	661	-	661	-	180.00	18.12.2000	18.12.2007
	47	-	47	-	200.00	18.12.2000	18.12.2007
	<u>1,028</u>	<u>-</u>	<u>1,028</u>	<u>-</u>			

REGENT TECHNOLOGY LIMITEDNotes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)**5 Operating profit**

	2000 £	1999 £
This has been arrived at after charging/(crediting):		
Rentals under operating leases - buildings	82,154	113,765
Depreciation	84,365	71,374
Auditors' remuneration - audit services	17,953	24,405
- accountancy services	60,726	19,711
Exchange loss/(profit)	101,190	(9,477)
Rent receivable	(7,336)	-
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2000 £	1999 £
Bank loans and overdrafts	1,911	-
	<u> </u>	<u> </u>

7 Taxation on profit from ordinary activities

	2000 £	1999 £
UK corporation tax		
-current year	55,265	46,232
-prior year	(9,298)	-
Transfer to deferred taxation	(12,794)	(2,495)
	<u> </u>	<u> </u>
	33,173	43,737
	<u> </u>	<u> </u>

8 Dividends

	2000 £	1999 £
Ordinary - paid £35.85 (1999 - £1.05) per share	365,771	10,700
Dividends payable to Regent trustees	(34,412)	-
	<u> </u>	<u> </u>
	331,359	10,700
	<u> </u>	<u> </u>

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

9	Tangible assets	Improvements to leasehold properties £	Equipment fixtures and fittings £	Total £
	<i>Cost or valuation</i>			
	At 1 April 1999	196,600	121,324	317,924
	Additions	2,453	41,043	43,496
	At 31 March 2000	199,053	162,367	361,420
	<i>Depreciation</i>			
	At 1 April 1999	37,530	41,901	79,431
	Provided for the year	35,031	49,334	84,365
	At 31 March 2000	72,561	91,235	163,796
	<i>Net book value</i>			
	At 31 March 2000	126,492	71,132	197,624
	At 31 March 1999	159,070	79,423	238,493

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

10 Investments

	Subsidiary undertakings £	Other unlisted investment £	Investment own shares £	Total £
Cost and net book value				
At 1 April 1999	53,219	46,700	400,002	499,921
Disposals	1	46,700	400,002	446,703
	<u>53,218</u>	<u>-</u>	<u>-</u>	<u>53,218</u>
At 31 March 2000				

Investments – Own Shares

	Shares held in Trust Number	Net nominal value £
At 1 April 1999	960	960
Disposal	(960)	(960)
	<u>-</u>	<u>-</u>
At 31 March 2000		

Regent Trustee Limited was established during 1999 to encourage and facilitate the acquisition and holding of shares by and for the benefit of employees. The Trust purchased shares using a loan granted to it by National Westminster Bank Plc which was guaranteed by Regent Technology Limited. In accordance with UITF 13 the assets and liabilities of Regent Trustee Limited were included within the balance sheet of Regent Technology Limited at 31 March 1999. The shares were purchased to satisfy share options granted to employees under the share option scheme. At 31 March 1999, no shares had been conditionally gifted to employees.

During the year the shares were sold and the loan granted by National Westminster Bank Plc and other liabilities of the Trust were settled. The net surplus of the Trust was distributed.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

10 Investments – Subsidiary Undertakings

The following were subsidiary undertakings of the company at 31 March 2000. All subsidiary undertakings are wholly owned.

Name	Nature of business	Shares held by
Regent Associates Limited	Corporate finance advisers	Regent Technology Limited
Regent Associates International Inc (Registered in USA)	Corporate finance advisers	Regent Associates Limited
Regent Associates GmbH (Registered in Germany)	Corporate finance advisers	Regent Associates Limited
Regent Trustee Limited	Dormant	Regent Technology Limited
Target Research Limited	Dormant	Regent Associates Limited

Investments - Other Unlisted

The other unlisted investment represented a 100% holding of the "A" ordinary shares of £1 each and 23.05% of the 10p ordinary shares in Regent GeoCapital Limited. These investments were sold prior to the year end.

11 Debtors

	2000 £	1999 £
Trade debtors	40,140	24
Other debtors	63,203	133,786
Prepayments and accrued income	53,554	42,715
Amounts due from subsidiary undertakings	852,817	238,186
	<hr/>	<hr/>
	1,009,714	414,711
	<hr/>	<hr/>

Included within other debtors is an amount of £63,089 relating to amounts falling due for payment after more than one year.

All other amounts shown under debtors fall due for payment within one year.

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

12 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loan and overdraft (see note 13)	5,741	97,134
Trade creditors	117,059	34,672
Taxation and social security	42,783	22,861
Corporation tax	69,865	47,026
Other creditors	33,176	37,360
Accruals and deferred income	451,737	155,372
	<u>720,361</u>	<u>394,425</u>

13 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Bank loan (secured)	-	320,010
	<u>-</u>	<u>320,010</u>

14 Provisions for liabilities and charges

	2000 £	1999 £
Deferred taxation	10,928	23,722
	<u>10,928</u>	<u>23,722</u>

	2000		1999	
	Unprovided £	Provided £	Unprovided £	Provided £
Accelerated capital allowances	-	10,928	-	23,722
Sundry timing differences	-	-	-	-
Revaluation reserve	-	-	-	-
	<u>-</u>	<u>10,928</u>	<u>-</u>	<u>23,722</u>

Deferred taxation movements are:

	£
At 1 April 1999	23,722
Transfer from profit and loss account	(12,794)
	<u>10,928</u>
At 31 March 2000	<u>10,928</u>

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

15 Share capital

	2000 £	1999 £
Authorised 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Issued, allotted and fully paid 10,204 ordinary shares of £1 each	<u>10,204</u>	<u>10,204</u>

16 Share premium account

	2000 £	1999 £
At 1 April 1999 and 31 March 2000	<u>75,178</u>	<u>75,178</u>

17 Reserves

	Profit and loss account £
At 1 April 1999	767,774
Profit for year	7,470
Dividends	(331,359)
At 31 March 2000	<u>443,885</u>

18 Reconciliation of movements in shareholders' funds

	Company 2000 £	1999 £
Profit for the year	7,470	730,288
Dividends	(331,359)	(10,700)
Opening shareholders' funds	<u>323,889</u>	<u>719,588</u>
	853,156	133,568
Closing shareholders' funds	<u>529,267</u>	<u>853,156</u>

REGENT TECHNOLOGY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

19 Pensions

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 cost charge represents contributions payable by the company to the fund.

20 Commitments under operating leases

As at 31 March 2000, the company had annual commitments under non-cancellable operating leases as set out below:

	2000 Land and buildings £	1999 Land and buildings £
In two to five years	135,630	129,465

Rent for the premises increase each year at agreed levels.

21 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Communications Equity Associates International Limited.

During the year the fees of £23,475 were invoiced to GTI Advisory Limited, a company in which Vince Bennett, a former director of Regent Associates Limited, has an interest. The full amount was outstanding at 31 March 2000.

22 Ultimate parent company

At 31 March 2000 the company's ultimate UK parent company was Communication Equity Associates International Limited.

Copies of the consolidated financial statements of Communication Equity Associates International Limited are available from Companies House.

23 Controlling party

The ultimate controlling party of the company is J P Michaels Junior, a director of Regent Technology Limited.