

European Business School (London) Limited

REPORT AND FINANCIAL STATEMENTS

31 August 2000

Company Registration No. 2699580



European Business School (London) Limited

DIRECTORS AND OFFICERS

DIRECTORS

Mrs G M Payne
Y Makar

Chairman

SECRETARY

W M Hughes

REGISTERED OFFICE

Inner Circle
Regent's Park
London NW1 4NS

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

European Business School (London) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of European Business School (London) Limited for the year ended 31 August 2000.

PRINCIPAL ACTIVITIES

The company did not trade during the year.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has not traded during the year and is not likely to do so in the foreseeable future.

DIVIDENDS

No dividend has been proposed by the directors for the year (1999: £200,000).

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Directors' interests in the shares of the company, including family interests, were as follows:

Mrs G M Payne - Chairman
Y Makar

No director had any interest as defined by the Companies Act in the shares of the company at either 31 August 1999 or 31 August 2000.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



W M Hughes
Secretary

European Business School (London) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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' REPORT TO THE MEMBERS OF EUROPEAN BUSINESS SCHOOL (LONDON) LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and accounting policies as set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of 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 at 31 August 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Registered Auditors
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

21st March 2001

European Business School (London) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 August 2000

	Notes	Discontinued operations 2000 £	Discontinued operations 1999 £
TURNOVER		-	-
Other operating income	2	75	-
Administrative expenses		(822)	121,609
OPERATING (LOSS)/PROFIT	3	(747)	121,609
Interest receivable		174	3,205
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(573)	124,814
Tax on (loss)/profit on ordinary activities	5	-	360
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(573)	125,174
Dividends		-	(200,000)
RETAINED LOSS FOR YEAR	9	(573)	(74,826)

The operating loss for the year arises from the company's discontinued operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

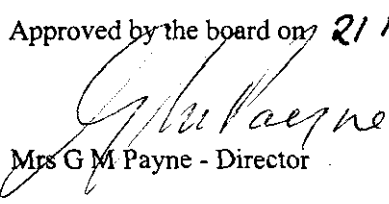
European Business School (London) Limited

BALANCE SHEET

31 August 2000

	Notes	2000 £	1999 £
CURRENT ASSETS			
Debtors	6	606	192,008
Cash at bank and in hand		-	10,335
		<u>606</u>	<u>202,343</u>
CREDITORS: Amounts falling due within one year	7	-	(201,164)
NET CURRENT ASSETS		<u>606</u>	<u>1,179</u>
NET ASSETS		<u>606</u>	<u>1,179</u>
CAPITAL AND RESERVES			
Called up share capital	8	10	10
Profit and loss account	9	596	1,169
SHAREHOLDERS' FUNDS	10	<u>606</u>	<u>1,179</u>

Approved by the board on 21 March 2001


Mrs G M Payne - Director

European Business School (London) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

DEFERRED TAXATION

Deferred taxation is calculated on the liability method and provision is made to the extent that it is probable that a liability will become payable in the foreseeable future.

European Business School (London) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2000

1 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)profit on ordinary activities before taxation derives from the same class of business as noted in the directors' report and was made in the same geographical area.

2 OTHER OPERATING INCOME

	2000 £	1999 £
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Sundry income	75	-
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3 OPERATING (LOSS)/PROFIT

	2000 £	1999 £
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Operating (loss)/profit is stated after charging:
Auditors' remuneration

	61	1,351
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4 EMPLOYEES AND DIRECTORS

No staff were employed by the company during the year.

No emoluments were paid to any of the directors during the year (1999: Nil).

5 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
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Based on the (loss)/profit for the year:
Overprovision in previous years

	-	(360)
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6 DEBTORS

	2000 £	1999 £
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Amount due from holding company	606	192,008
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7 CREDITORS: Amounts falling due within one year

	2000 £	1999 £
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Other creditors	-	414
Accruals and deferred income	-	750
Dividend payable	-	200,000
	-	201,164

European Business School (London) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2000

8	SHARE CAPITAL	2000 £	1999 £
	Authorised:		
	100 ordinary shares of £1 each	100	100
	Allotted, issued and fully paid:		
	10 ordinary shares of £1 each	10	10
9	PROFIT AND LOSS ACCOUNT	2000 £	1999 £
	1 September 1999	1,169	75,995
	Loss for the financial year	(573)	(74,826)
	31 August 2000	596	1,169
10	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2000 £	1999 £
	(Loss)/profit for the financial year	(573)	125,174
	Dividends	-	(200,000)
	Net reduction to shareholders' funds	(573)	(74,826)
	Opening shareholders' funds	1,179	76,005
	Closing shareholders' funds	606	1,179

11 ULTIMATE PARENT COMPANY

The company's ultimate parent company is European Business School Educational Trust Limited, a registered charity.

12 RELATED PARTY TRANSACTIONS

The following related party transactions took place during the year:

Party	Relationship	Year end debtor/ (creditor) balance £
European Business School Educational Trust	(i)	606

No (i) is the ultimate parent company.