

Company Registration Number: -2706280

**Officemarket Limited  
Accounts  
Year Ended 30<sup>th</sup> June 1999**



**Officemarket Limited**  
**Directors and Officers**

**Year Ended 30<sup>th</sup> June 1999**

**Directors**

Peter A Winslow  
Ian R Leech

**Secretary**

Ian R Leech

**Registered Office**

Budget House  
Bretton Way  
Bretton  
Peterborough  
PE3 8BG

**Auditors**

Moore Stephens  
Chartered Accountants  
St Paul's House  
Warwick Lane  
London  
EC4P 4BN

**Officemarket Limited**  
**Report of the Directors**

**Year Ended 30<sup>th</sup> June 1999**

The Directors present their report with the audited consolidated financial statements for the year ended 30th June 1999

**Activities and business review**

The company provides marketing and other services to customers, which include other subsidiaries of Budget Group. During the year, client information and intellectual property rights belonging to another group company were purchased. The company has entered into a long term licence agreement for the use of these rights which will generate future income. The loss for the year was £15,385.

On the 30<sup>th</sup> June 1999, Budget Insurance Services Limited became a wholly owned subsidiary of Officemarket Limited. The Directors do not recommend payment of a dividend for the year.

**Year 2000**

The Directors have reviewed the risks associated with the year 2000, both with regard to internal use of computer systems and embedded chips and in connection with relationships to third parties. They are satisfied that no significant problems will arise. The costs associated with year 2000 compliance are not material. The company will continue to monitor for potential problems associated with the year 2000 and establish action programmes as appropriate.

**Directors**

None of the Directors had any interest in the share capital of the company at any time during the year. On the 1<sup>st</sup> July 1999, Peter Winslow purchased 100,000 ordinary shares of £1 each in Officemarket Limited.

**Charitable and other donations**

No charitable or political donations were made during the year.

**Auditors**

The auditors Messrs. Moore Stephens, are willing to continue in office. A resolution for their reappointment and authorising the Directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

By the Order of the Board



Secretary  
21<sup>st</sup> October 1999

**Officemarket Limited**  
**Statement of Directors' Responsibilities**

**Year Ended 30<sup>th</sup> June 1999**

Company law requires the directors to prepare financial statements for each financial year, which comply with the provisions of the Companies Act 1985. 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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the company and group which will ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Officemarket Limited**  
**Auditor's Report to the Shareholders of Officemarket Limited**

**Year Ended 30<sup>th</sup> June 1999**

We have audited the financial statements on pages 6 to 12.

**Respective responsibilities of Directors and Auditors**

As described on page 4 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 financial statements. It also includes an assessment of 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 affairs of the company and group at 30th June 1999 and of the group result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St Paul's House  
Warwick Lane  
London, EC4P 4BN

*Moore Stephens*

Moore Stephens  
Registered Auditor  
Chartered Accountants

*25 October 1999*

**1. Accounting Convention**

These financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies, which the directors have adopted within that convention, are set out below.

**2. Preparation of Accounts**

No profit or loss account for the company has been presented as permitted by section 230 of the Companies Act 1985.

**3. Consolidation**

The consolidated financial statements include the results of Officemarket Limited and its' subsidiary (see note 5). These have been consolidated under the equity method. No comparatives for the consolidated results are shown, as this is the first year of preparing consolidated accounts.

**4. Taxation**

The taxation charge in the profit and loss account includes deferred taxation on timing differences other than those likely to continue in the foreseeable future.

**5. Turnover**

**Holding Company**

No turnover arose in the company in the year.

**Subsidiary**

Turnover consists of commission and fees on insurance business transacted. Credit is taken for fees when charged and commission when the policy is incepted subject to a deferral of income to future periods in respect of future costs and charges. Alterations in brokerage arising from premium adjustments are accounted for when such payments are made. The turnover and loss on ordinary activities are attributable to the company's principal activity.

**6. Management Charge**

The management charge levied by Budget Group Limited is to cover administration and other expenses.

**7. Cash Flow Statement**

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to produce a cash flow statement, as its parent company prepares consolidated financial statements.

**8. Intangible Asset**

**Holding Company**

The intangible asset represents the amount paid for the purchase of the "Budget" brand name and logo from Budget Insurance Services Limited. This intangible asset is considered to have any indefinite useful life and no amortisation has been provided.

**Subsidiary**

The intangible asset represents the development costs relating to the household project, which will be amortised over three years commencing September 1999 when the project went live.

**9. Purchased Goodwill**

Purchased Goodwill is capitalised and will be amortised over its useful life.

**Officemarket Limited**  
**Consolidated Profit and Loss Account**

**Year Ended 30<sup>th</sup> June 1999**

		1999
	<u>Note</u>	<u>£</u>
Turnover		-
Operating Expenses	2	(15,385)
Other Income		-
		<hr/>
(Loss) before tax		(15,385)
Tax	3	-
		<hr/>
(Loss) after tax		(15,385)
Accumulated (losses) to 30 <sup>th</sup> June 1998		(130,382)
		<hr/>
Accumulated (losses) at 30 <sup>th</sup> June 1999		(145,767)
		<hr/>

The group had no recognised gains and losses other than those included in the profit and loss account set out above, and therefore no separate statement of total recognised gains and losses has been prepared.

**Officemarket Limited**  
**Company Balance Sheet as at 30<sup>th</sup> June 1999**

**Year Ended 30<sup>th</sup> June 1999**

	Note	<u>£</u>	<u>1999</u>	<u>£</u>	<u>1998</u>	<u>£</u>
<b>Fixed assets</b>						
Intangible asset	4		6,750,000			-
Investments	5		8,000,000			-
			<u>14,750,000</u>			
<b>Current assets</b>						
Debtors	6	2		7,439		
Cash at bank & in hand		-		1		
<b>Total Current Assets</b>			<u>2</u>	<u>7,440</u>		
<b>Creditors : amounts falling due within one year</b>	7	(12,995,769)		(137,820)		
<b>Net current (liabilities)</b>			<u>(12,995,767)</u>		<u>(130,380)</u>	
<b>Total assets less current liabilities</b>			<u>1,754,233</u>		<u>(130,380)</u>	
<b>Equity Share Capital &amp; Reserves</b>						
Called Up Equity Share Capital	8		1,900,000			2
Profit & Loss Account	9		(145,767)		(130,382)	
<b>Equity Shareholders Funds</b>			<u>1,754,233</u>		<u>(130,380)</u>	

The Board of Directors approved the financial statements on 21<sup>st</sup> October 1999.

Director



Director





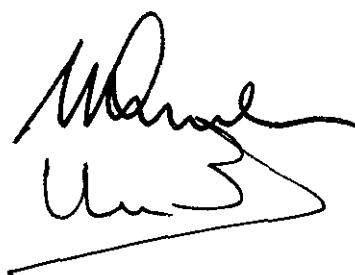
**Officemarket Limited**  
**Consolidated balance sheet as at 30<sup>th</sup> June 1999**

**Year Ended 30<sup>th</sup> June 1999**

	<u>Notes</u>	<u>1999</u>	
		<u>£</u>	<u>£</u>
<b>Fixed assets</b>			
Intangible assets	4		6,932,112
<b>Current assets</b>			
Debtors	6	22,532,295	
<b>Creditors: amounts falling due within one year</b>		<u>(27,710,174)</u>	
<b>Net current assets/(liabilities)</b>			<u>(5,177,879)</u>
<b>Total assets less current liabilities</b>			<u>1,754,233</u>
<b>Equity Share Capital &amp; Reserves</b>			
Called Up Equity Share Capital			1,900,000
Profit and loss account			(145,767)
<b>Equity Shareholders Funds</b>	9		<u>1,754,233</u>

Director

Director



**1. Going Concern Basis**

The Directors of the company have received an undertaking of continuing support from the parent company. Accordingly, the statements are prepared on a going concern basis.

**2. Other Operating Expenses**

1999  
£

Group

Operating expenses include the following: -

Auditors remuneration:

Audit

1,000

Other Services

-

Management charge

9,000

Budget Group Limited pays the Directors' emoluments.

**3. Taxation**

Due to the availability of tax losses, no provision is made in these financial statements for either corporation tax or deferred tax.

**4. Intangible assets**

	<b>Budget Insurance Services Brand <u>Group and Company</u></b>	<b>Goodwill <u>Group</u></b>	<b>Software Development Costs <u>Group</u></b>
Cost as at 1 <sup>st</sup> July 1998	-	-	-
Addition during year	6,750,000	57,112	125,000
Cost as at 30 <sup>th</sup> June 1999	<u>6,750,000</u>	<u>57,112</u>	<u>125,000</u>

**5. Investment in group undertakings**

Company

Additions during year – Budget Insurance Services Ltd

8,000,000

Investment at cost as at 30<sup>th</sup> June 1999

8,000,000

100% of the equity share capital of Budget Insurance Services Limited, a company incorporated in England and Wales, was acquired on 30<sup>th</sup> June 1999. The main activity of the company is that of providing insurance broking services. Consolidated accounts have been prepared for Officemarket Limited for the year ended 30<sup>th</sup> June 1999, consolidating the subsidiaries result from the date of acquisition.

Both companies have coterminous accounting periods.

**Officemarket Limited****Year Ended 30<sup>th</sup> June 1999**

Per FRS 7 a fair value table is required for an acquisition as follows:

	£
Intangible assets	125,000
<u>Debtors</u>	
Trade	21,707,983
Other Group Companies	8,824,310
<u>Creditors</u>	
Overdraft	(10,888,276)
Trade	(9,413,742)
Other Group Companies	(1,218,568)
Other	(1,193,819)
Net assets acquired	7,942,888
Goodwill	57,112
Fair value at 30 <sup>th</sup> June 1999	8,000,000
Consideration – Cash paid	8,000,000

The investment in Budget Insurance Services Limited has been accounted for at cost. It is anticipated that the value of the company is expected to grow in the foreseeable future.

	1999	1998
<b>6. Debtors</b>		
<u>Company</u>		
Amounts owed by holding company	2	7,437
Trade debtors	-	2
	2	7,439
<u>Group</u>		
Trade debtors	21,707,984	7,437
Amounts owed by group Companies	824,311	2
	22,532,295	7,439
<b>7. Creditors : amounts falling due within one year</b>		
<u>Company</u>		
Amounts owed to fellow subsidiaries	8,228,205	137,820
Overdraft	4,767,564	-
	12,995,769	137,820
<u>Group</u>		
Amounts owed to group Companies	1,446,773	137,820
Bank overdraft	15,655,840	-
Trade creditors	9,413,742	-
Accruals and deferred income	618,473	-
Other creditors	575,346	-
	27,710,174	137,820

The company's bank overdraft is secured by an all moneys guarantee from Budget Group Limited dated 26<sup>th</sup> March 1998 in respect of the Company's debts and liabilities to the Bank for a principal amount of £7,600,000 plus interest and other costs as detailed in the guarantee and an unlimited debenture dated 20<sup>th</sup> March 1998.

**Officemarket Limited****Year Ended 30<sup>th</sup> June 1999****8. Equity share capital**

	1999	1998
Authorised	2,000,000	1,000
Ordinary shares of £1 each		
Issued, allotted and fully paid		
Ordinary shares of £1 each	1,900,000	2

On 29<sup>th</sup> June 1999, the authorised share capital of the company was increased by 1,999,000 shares of £1 each. The shares rank pari passu in all respects with the existing ordinary shares.

1,899,998 shares of £1 each were allotted at par and were fully paid on the 29<sup>th</sup> June 1999.

**9. Reconciliation of movements in equity shareholders funds**

	1999		1998
	<u>Group</u>	<u>Company</u>	<u>Company</u>
Opening equity shareholders funds	(130,380)	(130,380)	(160,279)
Profit/(loss) for the financial year	(15,385)	(15,385)	29,899
Increase in equity share capital	1,899,998	1,899,998	-
Closing equity shareholders funds	(1,754,233)	(1,754,233)	(130,380)

**10. Related Parties**

The company is exempt from disclosure requirements in respect of intra group transactions, which are dealt with in the consolidated accounts of the holding company, Budget Group Limited.

The accounts of the company are consolidated into those of the parent company, Budget Group Limited, which is incorporated in England and Wales.

**11. Post Balance Sheet Events**

100,000 £1 ordinary shares were issued, allotted and fully paid on 1<sup>st</sup> July 1999. All shares were issued to P Winslow on 1<sup>st</sup> July 1999. On this date the issued, allotted and fully paid shares of £1 each increased to 2,000,000.

**12. Parent Undertaking**

The company's parent undertaking at the year-end was Budget Group Limited. Copies of the group financial statements are available from Budget House, Bretton Way, Peterborough.

The directors regard Reef Holdings Limited, incorporated in Guernsey, as the ultimate holding company.