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**WORKING TRANSITIONS LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 JULY 1996**

**Company Number: 2807276**

**REGISTRAR'S COPY**



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**Directors**

J Horsted  
N Lewis

**Company Secretary**

J Horsted

**Business Address and  
Registered Office**

John Clare House  
The Avenue  
Cliftonville  
Northampton NN1 5BT

**Bankers**

National Westminster Bank plc  
PO Box 21  
41 The Drapery  
Northampton NN1 2EY

**Auditors**

Littlejohn Frazer  
Chartered Accountants  
and Registered Auditors  
1 Park Place  
Canary Wharf  
London E14 4HJ

**Solicitors**

Howes Percival  
Oxford House  
Cliftonville  
Northampton NN1 5PN

The Directors have pleasure in presenting their Report together with the Accounts for the year ended 31 July 1996.

### Results and Dividends

The profit for the year before taxation amounted to £ 174,197 (1995 - £209,905). The tax charge was £51,605 (1995 - £53,837) leaving a profit after taxation of £122,592 (1995 - £156,068).

During the year the Directors authorised the payment of an interim dividend of £48,000. No final dividend is proposed.

### Review of the Business

The principal activity of the Company is to act as human resource consultants. The Directors are pleased to report that the Company has traded profitably during the year.

### Directors' Interests in Shares

The Directors during the year and their interests in the share capital of the Company were as follows:

	At 31 July 1996 Ordinary shares	At 1 August 1995 Ordinary shares
J Horsted	1,000	1,000
N Lewis	1,000	1,000
R Walden (ceased 31 January 1997)	1,000	1,000

### Auditors

A resolution confirming the appointment of Littlejohn Frazer as auditors and proposing their reappointment will be put to the Annual General Meeting.

By Order of the Board



J Horsted

Secretary

22 May 1997

**To the Members of Working Transitions Limited**

We have audited the Accounts on pages 5 to 11 which have been prepared under the Accounting Policies set out on page 7.

**Respective Responsibilities of Directors and Auditors**

As described on page 7 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

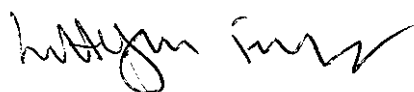
**Basis of Opinion**

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 Accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Accounts 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 Accounts 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 Accounts.

**Opinion**

In our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 31 July 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Littlejohn Frazer

Chartered Accountants  
and Registered Auditors

1 Park Place  
Canary Wharf  
London E14 4HJ

23 May 1997

	Note	1996	1995
Turnover	1	622,399	853,272
Cost of sales		(71,781)	(184,415)
		<hr/>	<hr/>
Gross Profit		550,618	668,857
Net operating expenses	2	(356,206)	(469,936)
		<hr/>	<hr/>
Operating Profit		194,412	198,921
Interest receivable	4	9,785	10,984
Provision against cost of investments	5	(30,000)	-
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		174,197	209,905
Taxation	6	51,605	53,837
		<hr/>	<hr/>
Profit on Ordinary Activities after Taxation		122,592	156,068
Dividends	7	(48,000)	(150,000)
		<hr/>	<hr/>
Retained profit for the period		74,592	6,068
Retained profit brought forward		30,463	24,395
		<hr/>	<hr/>
Retained Profit carried forward		£105,055	£30,463
		<hr/> <hr/>	<hr/> <hr/>

The Company had no recognised gains or losses other than the profit for the financial year as stated above.

There is no material difference between the reported profit for 1996 and 1995 and the profit for those years as restated on a historical cost basis.

The movement in shareholders' funds is solely attributable to the movement in the Company's Profit and Loss Account as shown above.

The Accounting Policies and Notes on pages 7 to 11 form part of these Accounts.

	Note	1996	1995
<b>Fixed Assets</b>			
Tangible assets	8	66,362	21,156
Investments	9	-	30,000
		<hr/>	<hr/>
		66,362	51,156
<b>Current Assets</b>			
Debtors	10	13,436	34,484
Cash at bank and in hand		149,560	247,475
		<hr/>	<hr/>
		162,996	281,959
Creditors: due within one year	11	121,303	229,652
		<hr/>	<hr/>
<b>Net Current Assets</b>		41,693	52,307
		<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>		108,055	103,463
Creditors: due after one year	12	-	70,000
		<hr/>	<hr/>
		£108,055	£33,463
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
Called-up share capital	14	3,000	3,000
Profit and Loss Account		105,055	30,463
		<hr/>	<hr/>
		£108,055	£33,463
		<hr/>	<hr/>

Approved by the Board on 22 May 1997

J Horsted



) Director

The Accounting Policies and Notes on pages 7 to 11 form part of these Accounts.

## Statement of Directors' Responsibilities

Company law requires the Directors to prepare Accounts for each financial period 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 Accounts the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments 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 Accounts;
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining 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 Accounts 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. The Accounting Policies selected are set out below.

## Accounting Policies

### Basis of Accounting

The Accounts are prepared under the historical cost basis of accounting and comply with applicable Accounting Standards.

### Turnover

Turnover represents the invoiced amount of services provided net of Value Added Tax.

### Depreciation

Depreciation is provided on all tangible fixed assets, at average rates calculated to write off the cost, less any estimated residual value of each category of asset evenly over their expected useful lives as follows:

Office equipment and furniture	- 4 years straight line
Motor vehicles	- 4 years straight line

### Leasing and Hire Purchase Commitments

Rentals paid under operating leases are charged to income as incurred.

### Deferred Taxation

Deferred Taxation is provided using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

### Pension Contributions

The Company operates a defined contribution scheme for its senior employees. The funds of the scheme are administered by trustees and are separate from the Company. Contributions are paid by the Company and employees. The pension charge represents contributions payable by the Company for the year. The Company's liability is limited to the amounts of the contribution.

### Exceptional Items

Exceptional items are material items which fall within the ordinary activities of the company and which need to be disclosed by virtue of their size or incidence. Such items are included within operating profit unless they represent profits and losses on the sale or termination of an operation, costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the company's operations; profits or losses on the disposal of fixed assets; or provisions in respect of such items. In these cases, separate disclosure is provided on the face of the profit and loss account after operating profit.

## 1. Turnover

The turnover and pre-tax profit are wholly attributable to the Company's principal activity and was all generated from trading within the United Kingdom.

## 2. Operating Profit

1996

1995

This is stated after charging:

Auditors' remuneration	£ 2,925	£ 2,500
Depreciation	£ 10,679	£ 7,027
Hire of other assets - operating leases	£ 31,661	£ 33,054
	<u>£</u>	<u>£</u>

## 3. Employees

## Staff Costs (including Directors)

Wages and salaries	176,612	250,821
Social security costs	20,373	21,994
Other pension costs	18,537	43,650
	<u>£215,522</u>	<u>£316,465</u>

## Average number of employees during the period

	No.	No.
Consultancy	3	3
Administration	6	6
	—	—
	9	9
	<u>==</u>	<u>==</u>

## Directors' Emoluments

Emoluments (including pension contributions and benefits-in-kind)	£164,050	£276,300
	<u>£</u>	<u>£</u>

## Emoluments, excluding pension contributions

Highest paid Director	£65,437	£92,446
Other Directors, by bands:	No.	No.
£ 40,001 - £ 45,000	2	-
£ 65,001 - £ 70,000	-	1
£ 70,001 - £ 75,000	-	1
	—	—
	2	2
	<u>==</u>	<u>==</u>

## 4. Interest Receivable

Bank interest receivable	£9,785	£10,984
	<u>£</u>	<u>£</u>

## 5. Exceptional Item

Full provision has been made against the Company's fixed asset investments as shown in note 9. The Directors consider that a permanent diminution in value has occurred and the carrying value, at cost of £30,000 has been provided for, resulting in a nil carrying value at 31 July 1996. There is no tax effect as a result of this item.

## 6. Taxation

	1996	1995
Corporation Tax at 25%	50,500	53,000
Underprovision in previous years	1,105	837
	<u>51,605</u>	<u>53,837</u>

## 7. Dividends

Ordinary	<u>£48,000</u>	<u>£150,000</u>
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## 8. Tangible Fixed Assets

Cost	Office equipment and furniture	Motor vehicles	Total
At 1 August 1995	33,888	-	33,888
Additions	1,272	54,613	55,885
	<u>35,160</u>	<u>54,613</u>	<u>89,773</u>
At 31 July 1996	<u>35,160</u>	<u>54,613</u>	<u>89,773</u>
Depreciation			
At 1 August 1995	12,732	-	12,732
Charge for the year	8,790	1,889	10,679
	<u>21,522</u>	<u>1,889</u>	<u>23,411</u>
At 31 July 1996	<u>21,522</u>	<u>1,889</u>	<u>23,411</u>
Net Book Value			
At 31 July 1996	<u>£13,638</u>	<u>£52,724</u>	<u>£66,362</u>
At 31 July 1995	<u>£21,156</u>	<u>£ -</u>	<u>£21,156</u>

## 9. Fixed Assets - Investments

## Cost

At 1 August 1995 and 31 July 1996	30,000
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## Provisions

At 1 August 1995	-
Provided in the year	30,000

At 31 July 1996	30,000
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## Net Book Value

At 31 July 1996	£ -
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At 31 July 1995	£30,000
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The Company holds more than 10% of the issued share capital of the following undertakings:

Name	Nature of business	Country of registration	Shares held Class	%
Research Net Limited	Human resource consultants	England	Ordinary	25

## 10. Debtors

	1996	1995
Trade debtors	6,524	26,035
Other debtors	2,100	5,100
Prepayments and accrued income	4,812	3,349
	<u>£13,436</u>	<u>£34,484</u>

## 11. Creditors: amounts falling due within one year

Trade creditors	58,888	47,517
Other taxation and social security	4,590	20,592
Corporation Tax	38,500	15,500
Advance Corporation Tax	12,000	15,000
Accruals and deferred income	7,325	106,292
Other creditors	-	24,751
	<u>£121,303</u>	<u>£229,652</u>

## 12. Creditors: amounts falling due after one year

Creditors	£ -	£70,000
	<u>          </u>	<u>          </u>

## 13. Obligations under Operating Leases

The minimum lease payments to which the Company is committed under non-cancellable operating leases for the coming year are:

	1996	1995	1996	1995
	Office premises		Other	
On leases expiring:				
Within one year	£5,438	£11,550	£ -	£21,504
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 14. Called-up Share Capital

	1996	1995	1996	1995
	Authorised		Allotted, called-up and fully paid	
Ordinary shares of £1 each	£50,000	£50,000	£3,000	£3,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>