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WORKING TRANSITIONS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 JULY 1995

Company Number: 2807276

REGISTRAR'S COPY



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Directors

R Walden
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 1995.

Results and Dividends

The profit for the year before taxation amounted to £209,905 (1994 profit - £72,395). The tax charge was £53,837 (1994 - £18,000) leaving a profit after taxation of £156,068 (1994 profit - £54,395).

During the year the Directors authorised the payment of an interim dividend of £150,000. 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 1995 Ordinary shares	At 1 August 1994 Ordinary shares
R Walden	1,000	1,000
J Horsted	1,000	1,000
N Lewis	1,000	1,000

Fixed Assets

The changes in fixed assets are shown in the Notes to the Accounts.

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

6 March 1996

To the Members of Working Transitions Limited

We have audited the Accounts on pages 5 to 10 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 1995 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

26 March 1996

WORKING TRANSITIONS LIMITED**PROFIT AND LOSS ACCOUNT ...
Year ended 31 July 1995**

	Note	1995	1994
Turnover - Continuing Operations	1	853,272	718,481
Cost of sales - Continuing Operations		(184,415)	(205,738)
Gross Profit		<u>668,857</u>	<u>512,743</u>
Net operating expenses	2	(469,936)	(446,168)
Operating Profit		<u>198,921</u>	<u>66,575</u>
Interest receivable	4	10,984	5,820
Profit on Ordinary Activities before Taxation		<u>209,905</u>	<u>72,395</u>
Taxation	5	53,837	18,000
Profit on Ordinary Activities after Taxation		<u>156,068</u>	<u>54,395</u>
Dividends	6	(150,000)	(30,000)
Retained profit for the period		<u>6,068</u>	<u>24,395</u>
Retained profit brought forward		24,395	-
Retained Profit carried forward		<u>£30,068</u>	<u>£24,395</u>

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 1995 and 1994 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 10 form part of these Accounts.

WORKING TRANSITIONS LIMITED

BALANCE SHEET
At 31 July 1995

	Note	1995	1994
Fixed Assets			
Tangible assets	7	21,156	17,113
Investments	8	30,000	-
		<hr/>	<hr/>
		51,156	17,113
Current Assets			
Debtors	9	34,484	34,445
Cash at bank and in hand		247,475	223,274
		<hr/>	<hr/>
		281,959	257,719
Creditors: due within one year	10	229,652	177,437
		<hr/>	<hr/>
Net Current Assets		52,307	80,282
		<hr/>	<hr/>
Total Assets less Current Liabilities		103,463	97,395
Creditors: due after one year	11	70,000	70,000
		<hr/>	<hr/>
		£33,463	£27,395
		<hr/>	<hr/>
Capital and Reserves			
Called-up share capital	13	3,000	3,000
Profit and Loss Account		30,463	24,395
		<hr/>	<hr/>
		£33,463	£27,395
		<hr/>	<hr/>

Approved by the Board on 6 March 1996

R Walden

J Horsted



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) Directors
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The Accounting Policies and Notes on pages 7 to 10 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

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.

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**1995****1994**

This is stated after charging:

Auditors' remuneration	£ 2,500	£ 2,500
Depreciation	£ 7,027	£ 5,705
Hire of other assets - operating leases	£ 33,054	£ 21,504
	<hr/>	<hr/>

3. Employees**Staff Costs (including Directors)**

Wages and salaries	250,821	225,573
Social security costs	21,994	23,467
Other pension costs	43,650	37,216
	<hr/>	<hr/>

£316,465**£286,256****Average number of employees during the period****No.****No.**

Consultancy	3	3
Administration	6	4
	<hr/>	<hr/>
	9	7
	<hr/>	<hr/>

Directors' Emoluments

Emoluments (including pension contributions and benefits-in-kind)	£276,300	£246,042
	<hr/>	<hr/>

Emoluments, excluding pension contributions

Highest paid Director	£92,446	£84,592
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Other Directors, by bands:

No.**No.**

£ 60,001 - £ 65,000	-	2
£ 65,001 - £ 70,000	1	-
£ 70,001 - £ 75,000	1	-
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>

4. Interest Receivable

Bank interest receivable	£10,984	£5,820
	<hr/>	<hr/>

5. Taxation

	1995	1994
Corporation Tax at 25%		53,000
Underprovision in previous years		837
		<u>53,837</u>
		<u>£18,000</u>

6. Dividends

Ordinary	£150,000	<u>£30,000</u>
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7. Tangible Fixed Assets

Cost	Office equipment and furniture
At 1 August 1994	22,818
Additions	11,145
Disposals	(75)
	<u>33,888</u>
At 31 July 1995	<u>33,888</u>
Depreciation	
At 1 August 1994	5,705
Charge for the year	7,027
	<u>12,732</u>
At 31 July 1995	<u>12,732</u>
Net Book Value	
At 31 July 1995	<u>£21,156</u>
At 31 July 1994	<u>£17,113</u>

8. Fixed Assets - Investments

Cost and Net Book Value

At 1 August 1994	-
Additions	30,000
	<u>£30,000</u>
At 31 July 1995	<u>£30,000</u>

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

9. Debtors

	1995	1994
Trade debtors	26,035	22,791
Other debtors	5,100	5,100
Prepayments and accrued income	3,349	6,554
	<u>£34,484</u>	<u>£34,445</u>

10. Creditors: amounts falling due within one year

	1995	1994
Trade creditors	47,517	7,558
Other taxation and social security	20,592	20,097
Corporation Tax	15,500	10,500
Advance Corporation Tax	15,000	7,500
Accruals and deferred income	106,292	101,782
Dividend payable	-	30,000
Other creditors	24,751	-
	<u>£229,652</u>	<u>£177,437</u>

11. Creditors: amounts falling due after one year

Deferred income	<u>£70,000</u>	<u>£70,000</u>
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12. Obligations under Operating Leases

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

	1995	1994	1995	1994
	Office premises		Other	
On leases expiring:				
Within one year	11,550	-	21,504	-
Between two and five years	-	11,550	-	21,504
	<u>£11,550</u>	<u>£11,550</u>	<u>£21,504</u>	<u>£21,504</u>

13. Called-up Share Capital

	1995	1994	1994	1994
	Authorised		Allotted, called-up and fully paid	
Ordinary shares of £1 each	<u>£50,000</u>	<u>£50,000</u>	<u>£3,000</u>	<u>£3,000</u>