

**LPC CONSULTING LIMITED  
FINANCIAL STATEMENTS  
FOR  
31ST DECEMBER 1999**

**Company Registration Number 2881390**

**CARRINGTONS**

Accountants & Registered Auditors  
Carrington House  
170 Greenford Road  
Harrow  
Middlesex, HA1 3QX



**LPC CONSULTING LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 1999**

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**LPC CONSULTING LIMITED**  
**THE DIRECTOR'S REPORT**  
**YEAR ENDED 31ST DECEMBER 1999**

The director has pleasure in presenting her report and the unaudited financial statements of the company for the year ended 31st December 1999.

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of management consultants.

**THE DIRECTOR AND HER INTERESTS IN SHARES OF THE COMPANY**

The director who served the company during the year together with her beneficial interests in the shares of the company was as follows:

|                 | Equity ordinary Shares of £1 each |                   |
|-----------------|-----------------------------------|-------------------|
|                 | At 31 December 1999               | At 1 January 1999 |
| Mrs M V Malcolm | <u>50</u>                         | <u>50</u>         |

**PURCHASE OF OWN SHARES**

During the year, the company has bought back 50 of its ordinary share from Mr B R Edwards, a director of the company, at a total cost of £97,035. The transaction represented 50% of the issued ordinary share capital.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
 St Stephens House  
 Arthur Road  
 Windsor  
 Berks  
 SL4 1RY

Signed by order of the director



MR REUBEN A Malcolm  
 Company Secretary

Approved by the director on 26th October 2000

**LPC CONSULTING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 1999**

|  | Note | 1999<br>£    | 1998<br>£       |
|--|------|--------------|-----------------|
| <b>TURNOVER</b>                                      |      | 58,784       | 104,216         |
| Cost of sales  |      | -            | 2,909           |
| <b>GROSS PROFIT</b>                                  |      | 58,784       | 101,307         |
| Distribution Costs                                   |      | 979          | -               |
| Administrative expenses                              |      | 64,039       | 120,442         |
| <b>OPERATING LOSS</b>                                | 2    | (6,234)      | (19,135)        |
| Interest receivable                                  |      | 2,715        | 6,147           |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>   |      | (3,519)      | (12,988)        |
| Tax on loss on ordinary activities                   | 4    | 5,104        | 2,317           |
| <b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b> |      | <u>1,585</u> | <u>(10,671)</u> |

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

## LPC CONSULTING LIMITED

## BALANCE SHEET

31ST DECEMBER 1999

|   | Note | 1999           | 1998            |
|---|------|----------------|-----------------|
|   |      | £              | £               |
| <b>FIXED ASSETS</b>                                   |      |                |                 |
| Intangible assets                                     | 5    | 1              | 1               |
| Tangible assets                                       | 6    | <u>9,862</u>   | <u>13,149</u>   |
|   |      | 9,863          | 13,150          |
| <b>CURRENT ASSETS</b>                                 |      |                |                 |
| Debtors   | 7    | 8,111          | 1,551           |
| Cash at bank and in hand                              |      | <u>66,749</u>  | <u>72,412</u>   |
|   |      | 74,860         | 73,963          |
| <b>CREDITORS: Amounts falling due within one year</b> | 8    | <u>(7,715)</u> | <u>(11,690)</u> |
| <b>NET CURRENT ASSETS</b>                             |      | <u>67,145</u>  | <u>62,273</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>77,008</u>  | <u>75,423</u>   |

The balance sheet continues on the following page.

The notes on pages 5 to 8 form part of these financial statements.

## LPC CONSULTING LIMITED

BALANCE SHEET *(continued)*

31ST DECEMBER 1999

|                                | Note | 1999<br>£     | 1998<br>£     |
|--------------------------------|------|---------------|---------------|
| <b>CAPITAL AND RESERVES</b>    |      |               |               |
| Called-up equity share capital | 10   | 50            | 50            |
| Other reserves                 |      | 50            | 50            |
| Profit and Loss Account        | 11   | 76,908        | 75,323        |
| <b>SHAREHOLDERS' FUNDS</b>     | 12   | <u>77,008</u> | <u>75,423</u> |

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges her responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 26th October 2000

MRS M V MALCOLM



**LPC CONSULTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 1999**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Cash flow statement**

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 25% on reducing balance  
 Motor Vehicles - 25% on reducing balance

**2. OPERATING LOSS**

Operating loss is stated after charging:

|                        | 1999           | 1998     |
|------------------------|----------------|----------|
|                        | £              | £        |
| Depreciation           | 3,287          | 4,384    |
| Operating lease costs: |                |          |
| Land and buildings     | <u>(5,416)</u> | <u>-</u> |

**LPC CONSULTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 1999**

**3. DIRECTOR'S EMOLUMENTS**

The director's aggregate emoluments in respect of qualifying services were:

|  | 1999<br>£     | 1998<br>£     |
|--|---------------|---------------|
| Aggregate emoluments   | 22,000        | 26,550        |
| Value of company pension contributions to money purchase schemes | <u>9,667</u>  | <u>7,266</u>  |
|  | <u>31,667</u> | <u>33,816</u> |

The number of directors who are accruing benefits under company pension schemes were as follows:

|                        | 1999<br>No. | 1998<br>No. |
|------------------------|-------------|-------------|
| Money purchase schemes | <u>1</u>    | <u>1</u>    |

**4. TAX ON LOSS ON ORDINARY ACTIVITIES**

|  | 1999<br>£      | 1998<br>£      |
|--|----------------|----------------|
| Corporation Tax                          | -              | -              |
| Adjustment in respect of previous years: |                |                |
| Corporation Tax                          | <u>(5,104)</u> | <u>(2,317)</u> |
|  | <u>(5,104)</u> | <u>(2,317)</u> |

**5. INTANGIBLE FIXED ASSETS**

|  | Goodwill<br>£ |
|--|---------------|
| <b>COST</b>                                |               |
| At 1st January 1999 and 31st December 1999 | <u>1</u>      |
|  | <u>-</u>      |
| <b>NET BOOK VALUE</b>                      |               |
| At 31st December 1999                      | <u>1</u>      |
| At 31st December 1998                      | <u>1</u>      |

**LPC CONSULTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 1999**

**6. TANGIBLE FIXED ASSETS**

|  | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£    |
|--|-----------------------------|------------------------|---------------|
| <b>COST</b>                                |                             |                        |               |
| At 1st January 1999 and 31st December 1999 | <u>16,052</u>               | <u>9,100</u>           | <u>25,152</u> |
| <b>DEPRECIATION</b>                        |                             |                        |               |
| At 1st January 1999                        | 9,728                       | 2,275                  | 12,003        |
| Charge for the year                        | <u>1,581</u>                | <u>1,706</u>           | <u>3,287</u>  |
| At 31st December 1999                      | <u>11,309</u>               | <u>3,981</u>           | <u>15,290</u> |
| <b>NET BOOK VALUE</b>                      |                             |                        |               |
| At 31st December 1999                      | <u>4,743</u>                | <u>5,119</u>           | <u>9,862</u>  |
| At 31st December 1998                      | <u>6,324</u>                | <u>6,825</u>           | <u>13,149</u> |

**7. DEBTORS**

|                                | 1999<br>£    | 1998<br>£    |
|--------------------------------|--------------|--------------|
| Trade debtors                  | 4,938        | 1,238        |
| Prepayments and accrued income | <u>3,173</u> | <u>313</u>   |
|                                | <u>8,111</u> | <u>1,551</u> |

**8. CREDITORS: Amounts falling due within one year**

|                                     | 1999<br>£  | £            | 1998<br>£  | £             |
|-------------------------------------|------------|--------------|------------|---------------|
| Other creditors including taxation: |            |              |            |               |
| PAYE and social security            | 735        |              | -          |               |
| VAT                                 | <u>402</u> |              | <u>947</u> |               |
|                                     |            | 1,137        |            | 947           |
| Accruals and deferred income        |            | <u>6,578</u> |            | <u>10,743</u> |
|                                     |            | <u>7,715</u> |            | <u>11,690</u> |

**9. RELATED PARTY TRANSACTIONS**

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**LPC CONSULTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 1999**

**10. SHARE CAPITAL****Authorised share capital:**

|  | 1999         | 1998         |
|--|--------------|--------------|
|  | £            | £            |
| 1,000 Equity ordinary shares of £1.00 each | <u>1,000</u> | <u>1,000</u> |

**Allotted, called up and fully paid:**

|  | 1999      | 1998        |
|--|-----------|-------------|
|  | £         | £           |
| Ordinary share capital brought forward | 50        | 100         |
| Purchase of own equity shares          | <u>-</u>  | <u>(50)</u> |
|  | <u>50</u> | <u>50</u>   |

**11. PROFIT AND LOSS ACCOUNT**

|   | 1999          | 1998            |
|---|---------------|-----------------|
|   | £             | £               |
| Balance brought forward                       | 75,323        | 183,079         |
| Retained profit/(loss) for the financial year | 1,585         | (10,671)        |
| Purchase of own shares                        | <u>-</u>      | <u>(97,085)</u> |
| Balance carried forward                       | <u>76,908</u> | <u>75,323</u>   |

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|   | 1999          | 1998           |
|---|---------------|----------------|
|   | £             | £              |
| Profit/(Loss) for the financial year                | 1,585         | (10,671)       |
| Purchase of own equity shares                       | (50)          |                |
| Premium on purchase of own equity shares            | (97,035)      |                |
| less nominal value of non-equity shares repurchased | <u>(50)</u>   |                |
|   | -             | (97,135)       |
| Net addition/(reduction) to funds                   | 1,585         | (107,806)      |
| Opening shareholders' equity funds                  | <u>75,423</u> | <u>183,179</u> |
| Closing shareholders' equity funds                  | <u>77,008</u> | <u>75,373</u>  |