



**Bray Leino Training for Change Limited**

Financial statements for the year ended 31 December 2001  
together with directors' and auditors' reports

Registered number: 02904433



## Directors' report

For the year ended 31 December 2001

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2001.

### Principal activity

The principal activity of the company was that of training consultants.

### Directors and their interests

The directors who served during the year were as follows:

D W Morgan	
T R Coates	
A de Bats	
M J Harvey	(resigned 9 November 2001)
M A J Kusmidrowicz	(resigned 7 September 2001)
L C Walker	
D J Nelson	
S A Davidson	(resigned 30 April 2001)
T M Graunke	(appointed 11 April 2001)
J C Hanson-Smith	(appointed 11 April 2001)
N Walpole	(appointed 1 July 2001)

None of the directors have any interests in the shares of the company or other group companies which are required to be disclosed under the provisions of the Companies Act 1985.

### 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.

### Auditors

During the year, Francis Clark resigned as auditors of the company and Arthur Andersen were appointed to fill the casual vacancy arising.

The Old Rectory  
Filleigh  
Devon  
EX32 0RX

By order of the Board,



T R Coates  
Director

26 June 2002

## Statement of directors' responsibilities

31 December 2001

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:

- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

**To the Shareholders of Bray Leino Training for Change Limited:**

We have audited the financial statements of Bray Leino Training for Change Limited for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet, and the related Notes numbered 1 to 14. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 at 31 December 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**

Abbots House  
Abbey Street  
Reading  
Berkshire  
RG1 3BD

26 June 2002

# Profit and loss account

For the year ended 31 December 2001

	Notes	2001 £	(Note 14) 2000 £
<b>Turnover</b>		4,197,229	2,487,253
Cost of sales		(2,942,347)	(1,601,420)
<b>Gross profit</b>		1,254,882	885,833
Distribution costs		(82,863)	(62,830)
Administrative expenses		(806,131)	(517,464)
<b>Operating profit</b>	1	365,888	305,539
Interest receivable		10,219	6,661
Interest payable		(1,673)	(3,482)
<b>Profit on ordinary activities before taxation</b>		374,434	308,718
Tax on profit on ordinary activities	3	(127,373)	(95,717)
<b>Profit on ordinary activities after taxation</b>		247,061	213,001
Equity dividends paid		-	(89,457)
<b>Retained profit for the financial year</b>		247,061	123,544

There are no recognised gains and losses other than the results for the year as set out above.

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

The accompanying notes are an integral part of this profit and loss account.

# Balance sheet

31 December 2001

	Notes	2001 £	(Note 14) 2000 £
<b>Fixed assets</b>			
Intangible assets	4	132,011	157,542
Tangible assets	5	167,952	204,551
		<u>299,963</u>	<u>362,093</u>
<b>Current assets</b>			
Stocks		10,300	1,633
Debtors	6	818,337	478,773
Cash at bank and in hand		901,980	64,705
		<u>1,730,617</u>	<u>545,111</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(1,307,281)</u>	<u>(403,922)</u>
<b>Net current assets</b>		<u>423,336</u>	<u>141,189</u>
<b>Total assets less current liabilities</b>		<u>723,299</u>	<u>503,282</u>
<b>Creditors: Amounts falling due after more than one year</b>	8	<u>(40,590)</u>	<u>(67,634)</u>
		<u>682,709</u>	<u>435,648</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	9	<u>(21,000)</u>	<u>(21,000)</u>
<b>Net assets</b>		<u>661,709</u>	<u>414,648</u>
<b>Capital and reserves</b>			
Called-up equity share capital	11	100	100
Profit and loss account	12	661,609	414,548
<b>Equity shareholders' funds</b>		<u>661,709</u>	<u>414,648</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Signed on behalf of the Board

*Andre' De Bats*

Director  
A DE BATS

26 June 2002

The accompanying notes are an integral part of this balance sheet.

## Statement of accounting policies

31 December 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

### **Intangible assets – research and development**

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit. This period is three years. Provision is made for any impairment.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold property	-	15 years straight line, even when the lease term is shorter
Plant and machinery	-	15% reducing balance
Technical equipment	-	25% straight line
Motor vehicles	-	25% straight line

Residual value is calculated on prices prevailing at the date of acquisition.

### **Work in progress**

Work in progress is stated at the lower of cost and net realisable value, cost being the invoiced cost of goods and services supplied by outside parties for jobs in production.

Net realisable value is based on estimated invoice value less further costs expected to be incurred to completion.

### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at cost. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

## Statement of accounting policies (continued)

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### **Taxation**

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Provision is made at current rates for taxation deferred in respect of all timing differences only to the extent that they are expected to reverse in the future without being replaced.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### **European grant income**

Capital grants receivable are shown as deferred income and are credited to the profit and loss account by instalments over the expected useful lives of the assets concerned.

## Notes to financial statements (continued)

### 1 Operating profit

Operating profit is stated after charging:

	2001 £	2000 £
Staff pension contributions	27,276	29,558
Amortisation of intangible assets	25,531	-
Depreciation and amounts written off tangible fixed assets		
- owned	38,267	42,418
- held under hire purchase contracts	21,182	20,119
Loss on disposal of fixed assets	724	-
Auditors' fees	5,800	3,000
	<u>          </u>	<u>          </u>

### 2 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2001 £	2000 £
Aggregate emoluments including company contributions to money purchase schemes	301,552	253,077
	<u>          </u>	<u>          </u>

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

	2001 Number	2000 Number
Money purchase schemes	5	3
	<u>          </u>	<u>          </u>

### 3 Tax on profit on ordinary activities

The tax charge comprises:

	2001 £	2000 £
UK corporation tax at 30% (2000:30%)	127,373	74,717
Deferred tax	-	21,000
	<u>127,373</u>	<u>95,717</u>

## Notes to financial statements (continued)

### 4 Intangible fixed assets

	£
<b>Cost</b>	
At 1 January 2001 and 31 December 2001	157,542
<b>Amortisation</b>	
At 1 January 2001	-
Charge	25,531
At 31 December 2001	25,531
<b>Net book value</b>	
At 31 December 2001	132,011
At 31 December 2000	157,542

The intangible fixed assets relate to the development of a CD ROM for training purposes. The development commenced in 2000 and the first sale was made during 2001.

### 5 Tangible fixed assets

	Leasehold property £	Plant and machinery £	Technical equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2001	99,049	32,032	98,301	137,941	367,323
Additions	-	-	38,808	-	38,808
Disposals	-	-	-	(40,500)	(40,500)
At 31 December 2001	99,049	32,032	137,109	97,441	365,631
<b>Depreciation</b>					
At 1 January 2001	17,113	10,414	66,622	68,623	162,772
Charge	6,607	3,243	20,766	28,833	59,449
Disposals	-	-	-	(24,542)	(24,542)
At 31 December 2001	23,720	13,657	87,388	72,914	197,679
<b>Net book value</b>					
At 31 December 2001	75,329	18,375	49,721	24,527	167,952
At 31 December 2000	81,936	21,618	31,679	69,318	204,551

#### *Hire purchase and finance lease agreements*

Included within the net book value of £167,952 is £17,500 (2000: £51,459) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £21,182 (2000: £20,119).

## Notes to financial statements (continued)

### 6 Debtors: amounts falling due within one year

	2001 £	2000 £
Trade debtors	767,280	418,624
Directors' current financial statements	35	434
Other debtors	51,022	59,715
	<u>818,337</u>	<u>478,773</u>

### 7 Creditors: Amounts falling due within one year

	2001 £	2000 £
Obligations under hire purchase agreements	7,919	15,108
Payments received on account	3,730	3,730
Trade creditors	609,026	132,669
Amounts owed to group undertakings	307,860	113,468
Corporation tax	127,400	31,000
PAYE and social security	18,878	21,151
VAT	111,008	43,184
Other creditors	94,400	43,612
Deferred income	27,060	-
	<u>1,307,281</u>	<u>403,922</u>

The following liabilities disclosed under creditors falling due within one year are secured by a charge over the assets leased by the company:

	2001 £	2000 £
Hire purchase agreements	<u>7,919</u>	<u>15,108</u>

## Notes to financial statements (continued)

### 8 Creditors: Amounts falling due after more than one year

	2001 £	2000 £
Obligations under hire purchase agreements	-	7,919
Deferred income	40,590	59,715
	<u>40,590</u>	<u>67,634</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2001 £	2000 £
Hire purchase agreements	<u>-</u>	<u>7,919</u>

### 9 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2001 £	2000 £
Provision brought forward	21,000	-
Increase in provision	<u>-</u>	<u>21,000</u>
Provision carried forward	<u>21,000</u>	<u>21,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2001 £	2000 £
Excess of taxation allowances over depreciation on fixed assets	(8,000)	(8,000)
Development costs	<u>29,000</u>	<u>29,000</u>
	<u>21,000</u>	<u>21,000</u>

### 10 Contingencies

The company has entered into an omnibus guarantee and set off agreement with Lloyds TSB Bank plc in respect of the following group companies:

Bray Leino Group Limited  
Bray Leino Limited  
Blue Sky (UK) Limited  
Entri Research Limited

## Notes to financial statements (continued)

### 11 Share capital

	2001 £	2000 £
<i>Authorised</i>		
Equity shares		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
100 ordinary share of £1 each	<u>100</u>	<u>100</u>

### 12 Profit and loss account

	2001 £	2000 £
Balance brought forward	414,548	291,004
Retained profit for the financial year	<u>247,061</u>	<u>123,544</u>
Balance carried forward	<u>661,609</u>	<u>414,548</u>

### 13 Ultimate parent company

The company's holding company is Bray Leino Limited which is a wholly owned subsidiary of DVC Holdings (UK) Limited, a company incorporated in the United Kingdom. The ultimate parent company and ultimate controlling party is DVC Worldwide LLC, a company incorporated in the United States of America.

DVC Holdings (UK) Limited is the parent company of the smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Secretary, 7 Albemarle Street, London, W15 4HQ.

DVC Worldwide LLC is the parent company of the largest group in which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Secretary, 7 Albemarle Street, London, W15 4HQ.

As a subsidiary undertaking of DVC Worldwide LLC, the company has taken advantage of the exemption in FRS8 "Related party disclosures" from disclosing transactions with other members of the group headed by DVC Worldwide LLC.

### 14 Prior year comparative amounts

The prior year comparative amounts were audited by a firm of Registered Auditors other than Arthur Andersen.