

Company Number: 03012321

ELLIOTT SLONE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1997



ELLIOTT SLONE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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ELLIOTT SLONE LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 1997.

Statement of directors responsibilities

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.
- 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 to 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.

Activities

The principal activity of the Company in the year under review continued to be litigation support consultants.

Directors

The directors during the year and their interests in the Company's ordinary shares at the beginning and end of the year were as follows:

| | <u>1997</u> | <u>1996</u> |
|-------------------------|-------------|-------------|
| A H Slone | 1 | 1 |
| J G B Elliott | 1 | 1 |
| S Nye (resigned 6.4.96) | - | - |
| R Cresswell | - | - |

ELLIOTT SLONE LIMITED

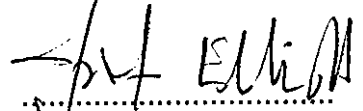
DIRECTORS' REPORT (continued)

Auditors

The auditors, Tang Boler Wiseman, are willing to continue in office and a resolution concerning their re-appointment will be submitted to the Annual General Meeting.

The Directors' Report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985, relating to small companies.

By order of the Board



J Elliott Esq
Secretary/Director

Date 23/12/97

AUDITORS' REPORT TO THE MEMBERS OF

ELLIOTT SLONE LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of Directors and Auditors

As described on page 1 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 the financial statements. It also includes an assessment of the 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 the Company's affairs at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Registered Auditor

Date 9.1.98

Tang Boler Wiseman
The Premier Centre
Abbey Park
Romsey
SO51 9AQ

ELLIOTT SLONE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1997

| | <u>Notes</u> | <u>1997</u> £ | <u>1996</u> £ |
|---|--------------|------------------|------------------|
| Turnover | 2 | 1,002,435 | 949,904 |
| Cost of sales | | 558,580 | 555,904 |
| | | ----- | ----- |
| GROSS PROFIT | | 443,855 | 394,000 |
| Distribution costs | | 73,963 | 54,211 |
| Administrative expenses | | 381,551 | 286,666 |
| | | ----- | ----- |
| OPERATING (LOSS)/PROFIT | 3 - 4 | (11,659) | 53,123 |
| Other interest receivable and similar income | | 411 | 679 |
| Interest payable and similar charges | | 5,472 | 10,478 |
| | | ----- | ----- |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | (16,720) | 43,324 |
| Tax on ordinary activities | 5 | 2,028 | (12,231) |
| | | ----- | ----- |
| (LOSS)/PROFIT FOR THE FINANCIAL PERIOD | | £ (14,692) | £ 31,093 |
| | | ===== | ===== |

Movements on reserves are set out in note 10.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous years.

GAINS AND LOSSES

All recognised gains and losses are included in the profit and loss account.

ELLIOTT SLONE LIMITED


BALANCE SHEET

AS AT 31 MARCH 1997

| | <u>Notes</u> | <u>1997</u> £ | <u>1996</u> £ |
|--|--------------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 44,193 | 17,104 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 226,806 | 142,339 |
| Cash at bank and in hand | | 200 | 58,869 |
| | | 227,006 | 201,208 |
| CREDITORS: amounts falling due within one year | 8 | (219,796) | (143,645) |
| NET CURRENT ASSETS | | 7,210 | 57,563 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 51,403 | 74,667 |
| CREDITORS: amounts falling due after more than one year | 8 | (35,000) | (43,572) |
| | | £ 16,403 | £ 31,095 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 2 | 2 |
| Profit and loss account | 10 | 16,401 | 31,093 |
| SHAREHOLDERS FUNDS | 11 | £ 16,403 | £ 31,095 |

These accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985, relating to small companies.

The accounts were approved by the Board of Directors on 22/12/97


J Elliott Esq
Director

ELLIOTT SLONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

b) Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the Company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a periodic rate of charge. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

c) Depreciation

Depreciation is provided by the Company to write off the cost or valuation of fixed tangible assets over their estimated useful economic lives by equal instalments at the following rates:

| | | |
|----------------|---|-----------|
| Equipment | - | 33.3% |
| Motor vehicles | - | 25% - 50% |

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or the periods of the leases where these are shorter.

d) Stocks

Stocks are valued at the lower of cost and net realisable value. For work in progress and finished goods, cost is taken at production cost which includes an appropriate proportion of overheads.

e) Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

ELLIOTT SLONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

f) Pensions

The Company operates a Defined Contribution Scheme. The Company's contributions are charged against profits in the year in which contributions are made.

g) Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the Balance Sheet date.

Profits and losses arising on the exchange of foreign currencies are dealt with through the Profit and Loss Account.

h) Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

2 TURNOVER AND PROFIT BEFORE TAXATION

All the Company's turnover and pre-tax profit was derived from the activities referred to on the Directors' Report. Turnover consists of the invoiced value (excluding VAT) for goods and services supplied to third parties.

3 OPERATING PROFIT

| | <u>1997</u> | <u>1996</u> |
|--|-------------|-------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of owned assets | 15,703 | 4,295 |
| Auditors' remuneration | 2,500 | 2,500 |
| | ===== | ===== |

4 DIRECTORS REMUNERATION

| | <u>1997</u> | <u>1996</u> |
|------------------------------------|-------------|-------------|
| | £ | £ |
| As a director: | | |
| Emoluments including pension costs | 88,515 | 116,600 |
| Benefits in kind | 2,697 | - |
| | ----- | ----- |
| | £91,212 | £116,600 |
| | ===== | ===== |

ELLIOTT SLONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 TAX ON ORDINARY ACTIVITIES

| | <u>1997</u> | <u>1996</u> |
|---|-------------|-------------|
| Tax based on the profit for the year: | | |
| UK Corporation Tax at 24% (1996 25%) on the profits of the year | £(2,028) | £12,231 |
| | ===== | ===== |

6 FIXED TANGIBLE ASSETS

| | <u>Computer equipment</u> £ | <u>Motor vehicles</u> £ | <u>Fixtures & fittings</u> £ | <u>Total</u> £ |
|-----------------------|------------------------------------|--------------------------------|---|-------------------|
| <u>Cost</u> | | | | |
| Balance b/fwd | 16,099 | 5,300 | - | 21,399 |
| Additions | 32,765 | - | 10,027 | 42,792 |
| | ----- | ----- | ----- | ----- |
| Balance c/fwd | 48,864 | 5,300 | 10,027 | 64,191 |
| | ----- | ----- | ----- | ----- |
| <u>Depreciation</u> | | | | |
| Balance b/fwd | 4,295 | - | - | 4,295 |
| Charge for the year | 11,518 | 2,655 | 1,530 | 15,703 |
| | ----- | ----- | ----- | ----- |
| Balance c/fwd | 15,813 | 2,655 | 1,530 | 19,998 |
| | ----- | ----- | ----- | ----- |
| <u>Net book value</u> | | | | |
| At 31 March 1997 | £33,051 | £2,645 | £ 8,497 | £44,193 |
| | ===== | ===== | ===== | ===== |
| At 31 March 1996 | £11,804 | £5,300 | £ - | £17,104 |
| | ===== | ===== | ===== | ===== |

7 DEBTORS

| | <u>1997</u> £ | <u>1996</u> £ |
|--------------------------------|------------------|------------------|
| <u>Due within one year</u> | | |
| Trade debtors | 210,015 | 140,262 |
| Other debtors | 3,028 | - |
| Prepayments and accrued income | 13,763 | 2,077 |
| | ----- | ----- |
| | £226,806 | £142,339 |
| | ===== | ===== |

ELLIOTT SLONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 CREDITORS

| | <u>1997</u> | <u>1996</u> |
|--|-------------|-------------|
| | £ | £ |
| Creditors: Amounts falling due within one year | | |
| Bank loan and overdrafts | 28,403 | 8,571 |
| Other loans | - | 8,238 |
| Trade creditors | 62,754 | 36,023 |
| Other creditors including taxation and social security | 87,138 | 81,387 |
| Accruals and deferred income | 41,501 | 9,426 |
| | ----- | ----- |
| | £219,796 | £143,645 |
| | ===== | ===== |

Bank loan of £43,571 is secured.

Creditors: Amounts falling due after more than one year

| | | |
|--------------------------|---------|---------|
| Bank loan and overdrafts | £35,000 | £43,572 |
| | ===== | ===== |

9 CALLED UP SHARE CAPITAL

| | <u>Authorised</u> | | <u>Allotted, called up and fully paid</u> | | | |
|----------------------------|-------------------|-------------|---|-----|-------------|-----|
| | <u>1997</u> | <u>1996</u> | <u>1997</u> | | <u>1996</u> | |
| | £ | £ | No | £ | No | £ |
| Ordinary shares of £1 each | £100 | £100 | 2 | £ 2 | 2 | £ 2 |
| | === | === | == | == | == | == |

10 RESERVES

| | <u>Profit and loss account</u> |
|----------------------|--------------------------------|
| | £ |
| At beginning of year | 31,093 |
| Loss for the year | (14,692) |
| | ----- |
| At end of year | £16,401 |
| | ===== |

ELLIOTT SLONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

| | <u>1997</u> | <u>1996</u> |
|--|-------------|-------------|
| | £ | £ |
| (Loss)/Profit for the financial period | (14,692) | 31,093 |
| Issue of shares | - | 2 |
| | ----- | ----- |
| Net (reductions)/additions to shareholders funds | (14,692) | 31,095 |
| Opening shareholders funds | 31,095 | - |
| | ----- | ----- |
| Closing shareholders funds | £16,403 | £31,095 |
| | ===== | ===== |