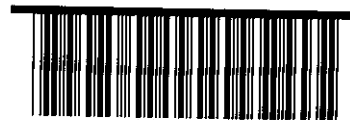


NH COMPUTER TRAINING PLC

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31ST DECEMBER 1999**



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NH COMPUTER TRAINING PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999

INCORPORATION NUMBER

3061401

INCORPORATED IN

ENGLAND AND WALES

DIRECTORS

S.A. RADEREE
A.G. RADEREE
I.G.M. ESSACK
R. REED
S. KIRK
J.A. MANJOO

SECRETARY

C.E. SHELLEY

REGISTERED OFFICE

CITFIN HOUSE
73 GREAT EASTERN STREET
LONDON
EC2A 3HR

AUDITORS

BDO STOY HAYWARD
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
8 BAKER STREET
LONDON
W1M 1DA

NH COMPUTER TRAINING PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999

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NH COMPUTER TRAINING PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1999

The Directors have pleasure in submitting to the members the Annual Report together with the Financial Statements of the company for the year ended 31st December 1999.

CHANGE OF NAME

On 31st July 1998 the company changed its name from Computer Office Systems (COSY) Ltd. To NH Computer Training Plc.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statement for each financial year which give a true and fair view of the state of affairs of the company and of the results for that year. 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;

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 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.

RESULTS AND REVIEW OF THE BUSINESS

The results for the year under review are as disclosed in the attached accounts.

The 1999 financial year saw additional revenue growth and investment in establishing a further three centres in the UK, as well as having two newly opened centres. The addition of these centres now adds a vital network through the backbone of the UK and now sets out the New Horizons as a national, company run, franchise.

The investment to date has now established a company model which will allow increased growth in both revenues and profits. A change in the accounting method for revenue has meant that the growth in revenue has been suppressed on a like for like basis, but has meant that we are now deferring the revenue to more accurately reflect delivery of the training rather than invoicing.

Operationally the company has real focus on growth and profit and is starting to enjoy the benefits of being a national company producing high quality, volume and tailored training. After the depressed market for training in the fourth quarter in 1999 due to Y2K factors, the directors are confident of good growth in 2000.

NH COMPUTER TRAINING PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1999
(CONTINUED...)

DIRECTORS

The directors in office during the year had no beneficial interests, including family interests, in the shares of the company. The directors in office during the year were :-

| | |
|---------------|--|
| S.A. RANDEREE | |
| I.G.M. ESSACK | |
| A.G. RANDEREE | |
| Z.J. VAKIL | (Resigned 07.07.00) |
| R. REED | |
| J.A. MANJOO | (Appointed 01.01.99) |
| J. BALCOMBE | (Appointed 12.04.99 – Resigned 07.07.00) |
| S. KIRK | (Appointed 12.04.99) |
| R. PRATT | (Resigned 31.12.99) |

PRINCIPAL ACTIVITIES

The principal activities of the company are those of Computer Software Training.

DIVIDENDS

The Directors do not recommend that a dividend be declared for the year under review.

TAXATION

In the opinion of the Directors the company is a “Close Company” within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

YEAR 2000

The directors recognised the Year 2000 problem as a potentially serious business issue. They considered the risks and implications for the company and also the systems of major customers and suppliers. At the beginning of the year, the company’s computer systems and associated software were already Y2K compliant. Additional costs not covered by existing contracts were not material. Since the end of 1999 the company has experienced no problems. The board, however, is continuing to monitor the issue both internally and externally.

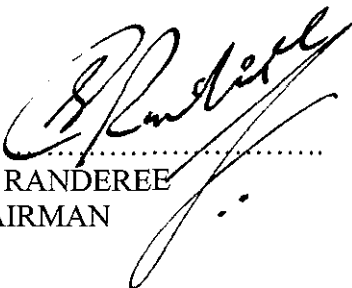
NH COMPUTER TRAINING PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1999
(CONTINUED...)

AUDITORS

Andertons resigned as Auditors of the company during the year and BDO Stoy Hayward were appointed.

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the reappointment of BDO Stoy Hayward as Auditors to the company will be put to the Annual General Meeting.

On behalf of the Board


.....
S.A. RANDEREE
CHAIRMAN

30TH OCTOBER 2000

REPORT OF THE AUDITORS TO THE MEMBERS OF
NH COMPUTER TRAINING PLC

We have audited the Financial Statements set out on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 3, 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 that 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatements 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 financial affairs at 31st December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO BDO Hayward

BDO STOY ~~HAYWARD~~
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
8 BAKER STREET
LONDON
W1M 1DA

30TH OCTOBER 2000

NH COMPUTER TRAINING PLC
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1999

| | <u>1999</u> | <u>1998</u> |
|--|-----------------------------|-----------------------------|
| <u>TURNOVER</u> (Note 1) | £ 5,009,667 | £ 2,836,443 |
| <u>DIRECT COSTS</u> | (4,530,936) | (1,467,178) |
| <u>GROSS PROFIT</u> | <u>478,731</u> | <u>1,369,265</u> |
| <u>LESS : EXPENSES</u> | | |
| Establishment Expenses | £ 562,314 | £ 267,387 |
| Administrative and Selling Expenses | 2,919,853 | 1,679,430 |
| Other Operating Expenses | 724,428 | 199,238 |
| | <u>(4,206,595)</u> | <u>(2,146,055)</u> |
| <u>OPERATING LOSS</u> (Note 2) | <u>(3,727,864)</u> | <u>(776,790)</u> |
| <u>OTHER INCOME</u> (Note 3) | 702 | 23,658 |
| Interest Payable and Similar Charges (Note 4) | (32,586) | (14,933) |
| | <u> </u> | <u> </u> |
| <u>LOSS ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u> | <u>(3,759,748)</u> | <u>(768,065)</u> |
| <u>TAXATION</u> (Note 5) | <u>-</u> | <u>-</u> |
| <u>LOSS ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u> | <u>(3,759,748)</u> | <u>(768,065)</u> |
| <u>DIVIDENDS</u> | <u>-</u> | <u>-</u> |
| <u>RETAINED LOSS FOR THE YEAR</u> | <u>£ (3,759,748)</u> | <u>£ (768,065)</u> |

There are no gains or losses for the year other than those recognised in the Profit and Loss Account.

The company did not acquire or discontinue any activities during the year.

The Notes on Pages 9 to 16 form an integral part of these Accounts.

NH COMPUTER TRAINING PLC

BALANCE SHEET

AT 31ST DECEMBER 1999

| <u>FIXED ASSETS</u> | <u>1999</u> | <u>1998</u> |
|---|--------------------|--------------------|
| Intangible Assets (Note 6) | £ 1,451,037 | £ 1,445,339 |
| Tangible Assets (Note 7) | 1,889,321 | 1,523,238 |
| Investments (Note 8) | 12,384 | - |
| | ----- | ----- |
| | 3,352,742 | 2,968,577 |
| <u>CURRENT ASSETS</u> | | |
| Stocks (Note 9) | £ 109,917 | £ 98,085 |
| Debtors (Note 10) | 1,500,259 | 933,718 |
| Cash at Bank and in Hand | 69,959 | 333,050 |
| | ----- | ----- |
| | 1,680,135 | 1,364,853 |
| <u>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR (Note 11)</u> | <u>2,375,759</u> | <u>1,363,267</u> |
| <u>NET CURRENT(LIABILITIES)/ASSETS</u> | <u>(695,624)</u> | <u>1,586</u> |
| | ----- | ----- |
| | 2,657,118 | 2,970,163 |
| <u>CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Note 12)</u> | <u>(1,102,748)</u> | <u>(2,656,045)</u> |
| | ----- | ----- |
| | £ 1,554,370 | £ 314,118 |
| | ===== | ===== |

CAPITAL AND RESERVES

| | | |
|--|--------------------|------------------|
| <u>CALLED UP SHARE CAPITAL (Note 13)</u> | £ 6,600,000 | £ 1,600,000 |
| <u>PROFIT AND LOSS ACCOUNT (Note 14)</u> | (5,045,630) | (1,285,882) |
| | ----- | ----- |
| <u>SHAREHOLDERS FUNDS (Note 15)</u> | <u>£ 1,554,370</u> | <u>£ 314,118</u> |
| | ===== | ===== |

Included in Shareholders' Funds is an amount of £5,000,000 (1998: Nil) in respect of non-equity interests.

Approved by the Board on 30th October 2000


.....
S. A. RANDEREE
DIRECTOR


.....
J.A. MANJOO
DIRECTOR

The Notes on pages 9 to 16 form an integral part of these Accounts.

NH COMPUTER TRAINING PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

1. ACCOUNTING POLICIES

Basis of Preparation

These Accounts have been prepared under the historical cost convention, in accordance with applicable accounting standard on a going concern basis and assume the continuation of the existing financial facilities available to the company.

There have been no significant changes in the basis of preparation of the accounts during the year except as stated under policy for "Turnover" below.

Stocks

Stocks are valued at the lower of cost and net realisable value by the directors.

Depreciation

Depreciation is provided on fixed assets at the following annual rates which are estimated to write Off their cost over their expected useful lives :

| | |
|-----------------------------------|------------------------------|
| Computer Equipment | 33.33% per annum – On Cost |
| Furniture, Fittings and Equipment | 10% per annum – On Cost |
| Leasehold Improvements | 5% - 10% per annum – On Cost |
| Trademarks | 5% per annum – On Cost |
| Development Costs | 20% per annum – On Cost |

Turnover

Turnover represents the total invoiced value exclusive of Value Added Tax in respect of training courses booked during the year. This year there has been a change in accounting policy, some revenue has been deferred in accordance with accruals concept :

| | |
|----------------------------|---------------|
| Technical Training Revenue | over 6 months |
| Club Revenue | over 6 months |
| Voucher Revenue | over 6 months |

Foreign Currency

All transactions in foreign currencies have been converted at the rates prevailing on the date of the transactions. Current Assets and Liabilities in foreign currencies have been translated at the rates of exchange ruling at the date of the Balance Sheet.

NH COMPUTER TRAINING PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

(CONTINUED...)

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under then are charged to the Profit and Loss Account on a straight-line basis over the lease term.

Deferred Taxation

Deferred taxation is provided using the liability method, only where there is a reasonable probability that it will become payable in the foreseeable future.

Cash Flow Statement

The company has used the exemption under Financial Reporting Standard 1 not to prepare a cash flow statement as it is consolidated in the financial statements of its immediate parent company.

Contribution to Pension Funds

The company operates a defined contribution pension scheme via one of the Group companies. The assets of the scheme are held separately from those of the company in independently administered funds. Pension payments are charged against the profits in the year to which they relate.

2. OPERATING RESULTS

Operating results are stated after charging :

| | <u>1999</u> | <u>1998</u> |
|---------------------------|--------------------------|--------------------------|
| Directors' Emoluments | £ 277,859 | £ 94,057 |
| Auditors Remuneration | 8,000 | 7,000 |
| Bank Charges and Interest | 32,586 | 14,933 |
| Depreciation | 400,096 | 169,218 |
| Amortisation | 245,108 | 10,607 |
| Equipment Hire | 15,512 | 7,476 |
| Hire of Motor Vehicles | 92,876 | 57,230 |
| | <u><u> </u></u> | <u><u> </u></u> |

NH COMPUTER TRAINING PLC
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1999
(CONTINUED...)

2.1 **DIRECTORS AND EMPLOYEES**

Staff cost during the year were as follows :-

| | <u>1999</u> | <u>1998</u> |
|-----------------------|--------------------|--------------------|
| Salaries | £ 4,600,808 | £ 2,150,264 |
| Social Security Costs | 409,591 | 210,657 |
| Pension Costs | 71,119 | 35,269 |
| | <u>£ 5,081,518</u> | <u>£ 2,396,190</u> |

The average number of employees including directors during the year was as follows :-

| <u>1999</u> | <u>1998</u> |
|---------------|---------------|
| 218 | 155 |
| <u> </u> | <u> </u> |

The directors' emoluments were as follows :-

| | <u>1999</u> | <u>1998</u> |
|-----------------------|------------------|-----------------|
| Directors' Salaries | £ 261,458 | £ 82,608 |
| Pension Contributions | 16,401 | 11,449 |
| | <u>£ 277,859</u> | <u>£ 94,057</u> |

The emoluments of the highest paid director were £82,292 (including pension contributions of £7,292).

3. **OTHER INCOME**

Other income relates to the sale of computer based training CDs.

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

| | <u>1999</u> | <u>1998</u> |
|---------------------------|---------------|---------------|
| Bank Charges and Interest | £ 32,586 | £ 14,933 |
| | <u> </u> | <u> </u> |

NH COMPUTER TRAINING PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

(CONTINUED...)

5. TAXATION

Corporation Tax

No provision for Corporation Tax is made as a result of tax losses available for the year.

Deferred Taxation

The company's accounting policy in respect of deferred tax is set out in Note 1 above. No provision has been made for deferred taxation, as the directors do not expect timing differences to reverse in the foreseeable future.

6. INTANGIBLE ASSETS

| <u>COST OR VALUATION</u> | <u>TRADEMARKS</u> | <u>DEVELOPMENT COSTS</u> | <u>TOTAL</u> |
|--------------------------|-------------------|------------------------------|--------------------|
| Balance at 01.01.99 | £ 500,000 | £ 955,946 | £ 1,455,946 |
| Additions | 9,060 | 241,746 | 250,806 |
| Balance at 31.12.99 | <u>£ 509,060</u> | <u>£ 1,197,692</u> | <u>£ 1,706,752</u> |
| <u>AMORTISATION</u> | | | |
| Balance at 01.01.99 | £ 10,607 | £ - | £ 10,607 |
| Charge for Year | 25,000 | 220,108 | 245,108 |
| Balance at 31.12.99 | <u>£ 35,607</u> | <u>£ 220,108</u> | <u>£ 255,715</u> |
| <u>NET BOOK VALUE</u> | | | |
| At 31.12.99 | <u>£ 473,453</u> | <u>£ 977,584</u> | <u>£ 1,451,037</u> |
| At 31.12.98 | <u>£ 489,393</u> | <u>£ 955,946</u> | <u>£ 1,445,339</u> |

Trademarks relates to the cost of acquiring the licence to use the "New Horizons" trademark. Development costs relate to the set up of new centres and are written off over five years.

NH COMPUTER TRAINING PLC**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER 1999****(CONTINUED...)****7. TANGIBLE ASSETS**

| | <u>LEASEHOLD IMPROVEMENTS TOTAL</u> | <u>COMPUTER</u> | <u>FURNITURE FITTING & EQUIPMENT</u> | <u>EQUIPMENT</u> |
|--------------------------|---|--------------------|--|--------------------|
| <u>COST OR VALUATION</u> | | | | |
| Balance at 01.01.99 | £ 566,399 | £ 788,135 | £ 361,145 | £ 1,715,679 |
| Additions | 274,459 | 345,412 | 152,009 | 771,880 |
| Disposals | - | (8,586) | - | (8,586) |
| Balance at 31.12.99 | <u>£ 840,858</u> | <u>£ 1,124,961</u> | <u>£ 513,154</u> | <u>£ 2,478,973</u> |
| <u>DEPRECIATION</u> | | | | |
| Balance at 01.01.99 | £ 31,408 | £ 119,589 | £ 41,444 | £ 192,441 |
| Charge for the Year | 43,506 | 310,898 | 45,692 | 400,096 |
| Disposal Adjustments | - | (2,885) | - | (2,885) |
| Balance at 31.12.99 | <u>£ 74,914</u> | <u>£ 427,602</u> | <u>£ 87,136</u> | <u>£ 589,652</u> |
| <u>NET BOOK VALUE</u> | | | | |
| At 31.12.99 | <u>£ 765,944</u> | <u>£ 697,359</u> | <u>£ 426,018</u> | <u>£ 1,889,321</u> |
| At 31.12.98 | <u>£ 534,991</u> | <u>£ 668,546</u> | <u>£ 319,701</u> | <u>£ 1,523,238</u> |

8. INVESTMENTS

| | <u>Subsidiary Undertaking</u> |
|---|-----------------------------------|
| Balance at 1 st January 1999 | £ - |
| Addition during the Year | 12,384 |
| Balance at 31 st December 1999 | <u>£ 12,384</u> |

The company owns 76% of the issued share capital of NH Computer Training GmbH, a company incorporated in Germany, which provides computer software training services.

NH COMPUTER TRAINING PLC**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER 1999****(CONTINUED...)****9. STOCKS**

| | <u>1999</u> | <u>1998</u> |
|------------|------------------|-----------------|
| Manuals | £ 103,398 | £ 98,085 |
| CBT – CD's | 4,522 | - |
| Stationery | 1,997 | - |
| | <u>£ 109,917</u> | <u>£ 98,085</u> |

10. DEBTORS

| | <u>1999</u> | <u>1998</u> |
|---|--------------------|------------------|
| Trade Debtors and Prepayments | £ 851,874 | £ 661,644 |
| Amounts Owing from Group Undertakings | 450,871 | 144,212 |
| Amounts Owing from Related Undertakings | 17,987 | - |
| Vat & Other Debtors | 179,527 | 127,862 |
| | <u>£ 1,500,259</u> | <u>£ 933,718</u> |

**11. CREDITORS : AMOUNTS FALLING DUE
WITHIN ONE YEAR**

| | <u>1999</u> | <u>1998</u> |
|---------------------------------------|--------------------|--------------------|
| Bank Overdrafts | £ 196,477 | £ 27,445 |
| Other Loans | 36,070 | 78,000 |
| Trade Creditors | 614,495 | 627,150 |
| Amounts Owing to Group Undertakings | 113,662 | 349,652 |
| Amounts Owing to Related Undertakings | 367,246 | - |
| Other Taxation and Social Security | 331,428 | 201,369 |
| Accruals and Other Creditors | 716,381 | 79,651 |
| | <u>£ 2,375,759</u> | <u>£ 1,363,267</u> |

**12. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

| | <u>1999</u> | <u>1998</u> |
|-------------------------------------|--------------------|--------------------|
| Shareholders Loan | £ 1,054,748 | £ 1,566,951 |
| Other Loans | 48,000 | 48,000 |
| Amounts due from Group Undertakings | - | 1,041,094 |
| | <u>£ 1,102,748</u> | <u>£ 2,656,045</u> |

The above loans are unsecured, interest free and with no set repayment date.

N.H. COMPUTER TRAINING PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

(CONTINUED...)

13. CALLED UP SHARE CAPITAL

| | <u>1999</u> | <u>1998</u> |
|--|---------------------|--------------------|
| <u>Authorised</u> | | |
| Ordinary Shares of £1 each | £ 5,000,000 | £ 5,000,000 |
| Preference Shares of £1 each | 10,000,000 | - |
| | <u>£ 15,000,000</u> | <u>£ 5,000,000</u> |
| <u>Issued and Fully Paid</u> | | |
| 1,600,000 Ordinary Shares of £1 each | £ 1,600,000 | £ 1,600,000 |
| 5,000,000 Preference Shares of £1 each | 5,000,000 | - |
| | <u>£ 6,600,000</u> | <u>£ 1,600,000</u> |

During the year 5,000,000 Redeemable Preference Shares of £ 1 each were issued at par value. They are convertible 5% non-cumulative, non-voting, non-participating and are redeemable at par value between 1st January 2002 and 31st December 2004 at the option of the company. They rank in priority to the Ordinary Shares for repayment in the event of the company being wound up.

14. PROFIT AND LOSS ACCOUNT

| | <u>1999</u> | <u>1998</u> |
|-------------------|----------------------|----------------------|
| Opening Balance | £ (1,285,882) | £ (517,817) |
| Loss for the Year | (3,759,748) | (768,065) |
| Closing Balance | <u>£ (5,045,630)</u> | <u>£ (1,285,882)</u> |

15. MOVEMENTS IN SHAREHOLDERS' FUNDS

| | <u>1999</u> | <u>1998</u> |
|-----------------------------|--------------------|------------------|
| Opening Shareholders' Funds | £ 314,118 | £ (117,817) |
| Retained Loss for the Year | (3,759,748) | (768,065) |
| Share Capital Issued | 5,000,000 | 1,200,000 |
| Closing Shareholders' Funds | <u>£ 1,554,370</u> | <u>£ 314,118</u> |

NH COMPUTER TRAINING PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

(CONTINUED...)

16. CAPITAL COMMITMENTS

| | <u>1999</u> | <u>1998</u> |
|--|-------------|-------------|
| Contracted | £ - | £ 258,668 |
| Authorised by the Directors but not Contracted | £ - | £ 800,000 |

17. RELATED PARTY DISCLOSURES

As 90% or more of the company's voting rights are controlled within the Cosy Plc group, the company has taken advantage of the exemption not to disclose transactions with undertakings which are part of that group.

Group financial statements of Cosy Plc are available to the public, on payment of the appropriate fee, from Companies House, Crown Way, Cardiff CF14 3UZ.

18. CONTINGENT LIABILITIES

The company is facing four cases for unfair dismissals brought by former employees in the Industrial Tribunals. A possible liability is estimated to be around £30,750 but the company will strongly challenge these cases believing it had followed correct procedures.

The company is also facing a legal action brought by Amethyst Ltd (in liquidation). A possible liability of £90,000 is being contested in the purchase of some Amethyst Ltd assets.

19. ULTIMATE PARENT COMPANY

The company's ultimate parent company is DCD Holdings Ltd, a company incorporated in Jersey.