

**NH Computer Training Plc**

**Report and Financial Statements**

**Year Ended**

**31 December 2001**



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COMPANIES HOUSE 24/08/02

**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

# **NH COMPUTER TRAINING PLC**

**Annual report and financial statements for the year ended 31 December 2001**

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Directors

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## **Directors**

S A Randeree  
R Reed  
M Smith

## **Secretary and registered office**

C E Shelley, Citfin House, 73 Great Eastern Street, London, EC2A 3HU.

## **Company number**

3061401

## **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

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# NH COMPUTER TRAINING PLC

## Report of the directors for the year ended 31 December 2001

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The directors present their report together with the audited financial statements for the year ended 31 December 2001.

### Results and dividend

The profit and loss account is set out on page 5 and shows the result for the year.

The directors do not recommend a dividend in respect of the year.

### Principal activities, trading review and future developments

The principal activities of the company continue to be the provision of computer software training. The directors believe that the results for the year were within expectations, given the trading conditions which existed during the year. There have been no events since the balance sheet date which materially affect the position of the company.

### Directors

The directors of the company during the year were:

S A Randeree	
A G Randeree	(resigned 1 January 2001)
I G M Essack	(resigned 31 October 2002)
R Reed	
S Kirk	(resigned 1 January 2001)
M Smith	(appointed 1 January 2001)
Z J Vakil	(resigned 1 January 2001)
J Balcombe	(resigned 1 January 2001)

The directors in office during the year did not have any beneficial interests, including family interests, in the share capital of the company.

### Policy on the payment of creditors

It is the company's policy to settle the terms of payment with its suppliers when agreeing the terms of each transaction. The company ensures that the suppliers are made aware of the terms of payment and endeavours to abide by them.

The number of days purchases represented by trade creditors at 31 December 2001 was 77 days (2000 – 64 days).

## NH COMPUTER TRAINING PLC

### Report of the directors for the year ended 31 December 2001 (*Continued*)

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#### Directors' responsibilities (*Continued*)

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 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.

#### Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

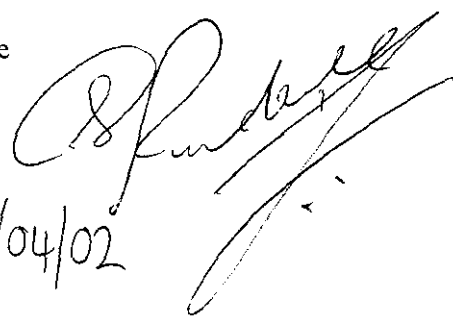
#### On behalf of the Board

S A Randeree

Chairman

Date

23/04/02



# NH COMPUTER TRAINING PLC

## Report of the independent auditors

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### To the shareholders of NH Computer Training Plc

We have audited the financial statements of NH Computer Training Plc for the year ended 31 December 2001 on pages 5 to 15 which have been prepared under the accounting policies set out on pages 7 and 8.

#### *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 audit opinion*

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained below. 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. However, in our opinion, circumstances exist which, under Financial Reporting Standard 11 "Impairment of fixed assets and goodwill", indicate that an impairment review should have been carried out. No impairment review has been carried out and, accordingly, we have been unable to satisfy ourselves that fixed assets are fairly stated at their carrying value of £2,229,763.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## NH COMPUTER TRAINING PLC

### Report of the independent auditors (*Continued*)

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#### *Fundamental uncertainty – going concern*

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the outcome of negotiations with the parent company regarding future funding requirements. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding. Details of the circumstances relating to this fundamental uncertainty are described in note 21. Our opinion is not qualified in this respect.

#### *Opinion: disclaimer on view given by financial statements*

Because of the possible effect of the limitation of evidence available to us in respect of fixed assets, we are unable to form an opinion as to whether the financial statements give a true and fair view of the company's affairs as at 31 December 2001 and of its result for the year then ended or whether they have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to fixed assets we have not obtained all the information and explanations that we considered necessary for the purposes of our audit.

*BDO Stoy Hayward*

**BDO STOY HAYWARD**

*Chartered Accountants  
and Registered Auditors  
London*

23 April 2002

# NH COMPUTER TRAINING PLC

## Profit and loss account for the year ended 31 December 2001

	Note	2001 £	2001 £	2000 £	2000 £
Turnover	2		7,101,187		7,411,818
Cost of sales			(5,535,272)		(6,001,669)
<b>Gross profit</b>			<b>1,565,915</b>		<b>1,410,149</b>
Establishment expenses		493,295		494,336	
Administrative expenses		1,907,846		2,173,476	
Other operating expenses		857,001		973,177	
			(3,258,142)		(3,640,989)
<b>Operating loss</b>	5		<b>(1,692,227)</b>		<b>(2,230,840)</b>
Interest payable and similar charges	6		(117,175)		(70,552)
<b>Loss on ordinary activities before and after taxation</b>			<b>(1,809,402)</b>		<b>(2,301,392)</b>

There are no gains or losses for the year other than those recognised in the profit and loss account.  
All amounts relate to continuing activities.

The notes on pages 7 to 15 form part of these financial statements.

# NH COMPUTER TRAINING PLC

## Balance sheet at 31 December 2001

	Note	2001 £	2001 £	2000 £	2000 £
<b>Fixed assets</b>					
Intangible assets	8		974,152		1,257,595
Tangible assets	9		1,255,611		1,493,289
Investments	10		-		8,148
			2,229,763		2,759,032
<b>Current assets</b>					
Stocks	11	62,162		45,764	
Debtors and prepayments	12	1,022,447		1,580,239	
Cash at bank and in hand		117,839		60,347	
			1,202,448		1,686,350
<b>Creditors: amounts falling due within one year</b>	13	4,065,867		3,018,362	
<b>Net current liabilities</b>			(2,863,419)		(1,332,012)
<b>Total assets less current liabilities</b>			(633,656)		1,427,020
<b>Creditors: amounts falling due after more than one year</b>	14		(1,922,768)		(2,174,042)
			(2,556,424)		(747,022)
<b>Capital and reserves</b>					
Called up share capital	15		6,600,000		6,600,000
Profit and loss account	16		(9,156,424)		(7,347,022)
<b>Shareholders' funds</b>	17		(2,556,424)		(747,022)

Included in shareholders funds is an amount of £5,000,000 in respect of non-equity interests.

The financial statements were approved by the Board on

S A Randeree

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) Directors

M Smith

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The notes on pages 7 to 15 form part of these financial statements.



# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001

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## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards on a going concern basis and assume the provision of additional financial facilities being made available to the company as explained in note 21. The following principal accounting policies have been applied:

### *Turnover*

Turnover represents the total invoiced value exclusive of value added tax in respect of services provided during the year.

### *Depreciation and amortisation*

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

Leasehold improvements	-	5% - 10% per annum
Furniture, fittings and equipment	-	10% per annum
Computer equipment	-	33⅓% per annum
Trademarks	-	5% per annum
Development costs	-	20% per annum

### *Stocks*

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

### *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.

### *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 them are charged to the profit and loss account on straight-line basis over the lease term.

# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

## 1 Accounting policies (*Continued*)

### *Foreign currency*

All transactions in foreign currencies are converted at the rates prevailing on the date of the transactions. Current assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the date of the balance sheet.

### *Contribution to pension funds*

The company operates a defined contribution pension scheme via a related company. 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.

### *Cash flow statement*

The financial statements do not include a cash flow statement as required by FRS1. A cash flow statement has not been included in the financial statements as, in the opinion of the directors, the expense of preparing a statement is not justified.

## 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

## 3 Employees

	2001 £	2000 £
Staff costs consist of:		
Wages and salaries	4,286,913	4,583,439
Social security costs	411,655	436,645
Pension costs	40,567	45,351
	<hr/>	<hr/>
	4,739,135	5,065,435
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The average number of employees during the year was 186 (2000 – 203).

# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 *(Continued)*

## 4 Directors

	2001 £	2000 £
The directors' emoluments were as follows:		
Directors' salaries	106,931	141,756
Pension contributions	5,250	7,313
	<u>112,181</u>	<u>149,069</u>

## 5 Operating loss

	2001 £	2000 £
This has been arrived at after charging		
Depreciation	376,908	484,196
Amortisation	283,442	283,442
Auditors remuneration	10,500	9,000
Equipment hire	27,345	29,139
Hire of motor vehicles	17,697	49,468
Operating leases – land and buildings	638,167	636,504
	<u>1,488,169</u>	<u>1,495,759</u>

## 6 Interest payable and similar charges

	2001 £	2000 £
Bank charges and interest	117,175	70,552
	<u>117,175</u>	<u>70,552</u>

# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

## 7 Taxation on profit from ordinary activities

### *Corporation tax*

No provision for corporation tax is made as a result of sufficient tax losses available from previous years.

### *Deferred taxation*

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

## 8 Intangible assets

	Trademarks £	Development costs £	Total £
<i>Cost or valuation</i>			
At 1 January 2001 and at 31 December 2001	509,060	1,287,692	1,796,752
<i>Depreciation</i>			
At 1 January 2001	61,512	477,646	539,158
Provided for the year	25,906	257,536	283,442
At 31 December 2001	87,418	735,182	822,600
<i>Net book value</i>			
At 31 December 2001	421,642	552,510	974,152
At 31 December 2000	447,549	810,046	1,257,595

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

# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

## 9 Tangible assets

	Leasehold Improvements £	Computer equipment £	Furniture, fittings and equipment £	Total £
<i>Cost or valuation</i>				
At 1 January 2001	884,114	1,142,424	540,599	2,567,137
Additions	34,825	79,199	25,206	139,230
At 31 December 2001	<b>918,938</b>	<b>1,221,623</b>	<b>565,805</b>	<b>2,706,367</b>
<i>Depreciation</i>				
At 1 January 2001	135,249	799,241	139,358	1,073,848
Provided for the year	63,705	258,032	55,170	376,908
At 31 December 2001	<b>198,954</b>	<b>1,057,273</b>	<b>194,528</b>	<b>1,450,756</b>
<i>Net book value</i>				
At 31 December 2001	<b>719,984</b>	<b>164,350</b>	<b>371,277</b>	<b>1,255,611</b>
At 31 December 2000	<b>748,865</b>	<b>343,183</b>	<b>401,241</b>	<b>1,493,289</b>

## 10 Investments

	Subsidiary undertakings £
<i>Cost</i>	
At 1 January 2001	8,148
Disposed during the year	(8,148)
At 31 December 2001	-

The company owned 50% of the issued share capital of NH Computer Training GmbH, a company incorporated in Germany, which provides computer software training services. The entire shareholding was disposed of at cost on 18 October 2001.

# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

## 11 Stocks

	2001 £	2000 £
Manuals	55,127	39,597
Computer based training CD's	4,529	3,366
Stationery	2,506	2,801
	<u>62,162</u>	<u>45,764</u>

## 12 Debtors

	2001 £	2000 £
Trade debtors	683,629	803,911
Amounts owed from group undertakings	2,231	427,514
Other debtors	204,266	177,053
Prepayments and accrued income	132,321	171,761
	<u>1,022,447</u>	<u>1,580,239</u>

An amount of £193,401 is included within other debtors relating to rent deposits. This falls due for recovery after more than one year.

## 13 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank overdrafts	376,453	364,544
Trade creditors	1,171,164	1,052,624
Amounts owed to group undertakings	-	67,425
Amounts owing to related undertakings	106,155	170,481
Taxation and social security	1,348,057	324,574
Other creditors	222,216	119,345
Accruals and deferred income	841,822	919,369
	<u>4,065,867</u>	<u>3,018,362</u>

# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

## 14 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Shareholders' loan	1,922,768	2,174,042

The shareholders loans are non-interest bearing, unsecured and have no fixed terms for repayment.

## 15 Share capital

	2001 Number	2000 Number	Authorised 2001 £	2000 £
Preference shares of £1 each	10,000,000	10,000,000	10,000,000	10,000,000
Ordinary shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
	15,000,000	15,000,000	15,000,000	15,000,000

	2001 Number	2000 Number	Issued and fully paid 2001 £	2000 £
Preference shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
Ordinary shares of £1 each	1,600,000	1,600,000	1,600,000	1,600,000
	6,600,000	6,600,000	6,600,000	6,600,000

The 5,000,000 Redeemable preference shares of £1 each are convertible, 5% non-cumulative, non-voting, non-participating and are redeemable at par value between 1 January 2002 and 31 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.

# NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 (Continued)

## 16 Profit and loss account

	2001 £	2000 £
Opening balance	(7,347,022)	(5,045,630)
Loss for the year	(1,809,402)	(2,301,392)
	<hr/>	<hr/>
Closing balance	(9,156,424)	(7,347,022)
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## 17 Movement in shareholders' funds

	2001 £	2000 £
Opening shareholders' funds	(747,022)	1,554,370
Retained loss for the year	(1,809,402)	(2,301,392)
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Closing shareholders' funds	(2,556,424)	(747,022)
	<hr/>	<hr/>

## 18 Commitments under operating leases

As at 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2001 £	2000 £
Operating leases which expire:		
Within one year	163,240	129,140
In two to five years	80,149	80,149
Over five years	198,450	198,450
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	441,839	407,739
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## NH COMPUTER TRAINING PLC

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

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### 19 Contingent liabilities

The company is facing three cases for unfair dismissals brought by former employees in the Industrial Tribunals. The outcome of these actions are currently unknown and no liability is therefore included in these financial statements in the directors' opinion no material amounts will become payable as but the company will strongly challenge these cases believing it had followed correct procedures.

The company is also facing a claim for non-payment of an ex-gratia amount of £75,000 brought by a former director. The payment was dependent upon the company meeting certain performance criteria, which it failed to meet in the opinion of the directors. Accordingly no provision has been made for this amount.

### 20 Ultimate parent company

At 31 December 2001 the company's ultimate parent company and controlling party was DCD Holdings Limited, a company incorporated in Jersey, which is the parent of the largest group of which the company is a member. The immediate parent company was Berrybourne Limited, a company registered in England and Wales, which is the parent of the smallest group of which the company is a member.

Copies of the financial statements of Berrybourne Limited are available from Companies House.

### 21 Going concern

The financial statements have been prepared on the going concern basis which is dependent upon future funding being made available. The directors are currently in discussions with the ultimate parent company in this respect and are confident that adequate funding will be made available.

If adequate funding is not made available and should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which may arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.