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COMPANY NO. 3093787

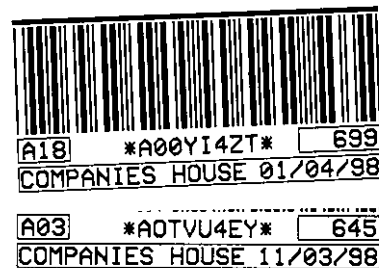
*Amending*

**INDEPENDENT GROUP PLC**

Report and Financial Statements

Period ended

30 November 1996



**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

# **INDEPENDENT GROUP PLC**

**Annual report and financial statements for the period ended 30 November 1996**

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## **Directors**

M J Brown  
Company Directors Limited

## **Secretary and registered office**

Temple Secretaries Limited, 74-80 Middlesex Street, London, E1 7EZ

## **Company number**

3093787

## **Bankers**

Barclays Bank Plc, 155 Bishopsgate, London EC2M 3XA

## **Solicitors**

Finers, 179 Great Portland Street, London

## **Auditors**

BDO Stoy Hayward, Northside House, 69 Tweedy Road, Bromley, Kent, BR1 3WA

# **INDEPENDENT GROUP PLC**

## **Report of the directors for the period ended 30 November 1996**

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The directors present their report together with the audited financial statements for the period ended 30 November 1996. The company was incorporated on 22 August 1995.

### **Results and dividends**

The results of the group for the period are set out on page 4.

The directors do not recommend the payment of a dividend.

### **Principal activities, trading review and future developments**

The principal activity of the group is accountancy and consultancy services and the provision of independent financial advice.

The directors consider that the results of the group are satisfactory.

### **Directors**

The directors of the company during the period and their beneficial interests in the ordinary share capital of the company were as follows:-

	Ordinary shares of £1 each 30 November 1996
✓ M J Brown	45,180
Company Directors Limited	-
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Mr D A Owen, who resigned as a director during the period, owned 5020 ordinary £1 shares as at 30 November 1996

## INDEPENDENT GROUP PLC

Report of the directors for the period ended 30 November 1996 (*Continued*)

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### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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.

### Auditors

BDO Stoy Hayward, who were appointed as the company's auditors by the directors during the period, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

### By order of the Board



M J Brown  
Director

4 June 1997

# INDEPENDENT GROUP PLC

## Report of the auditors

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### To the shareholders of Independent Group Plc

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 9.

#### *Respective responsibilities of directors and auditors*

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and 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 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 and group affairs at 30 November 1996 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Stoy Hayward*

#### **BDO STOY HAYWARD**

*Chartered Accountants  
and Registered Auditor*

Northside House  
69 Tweedy Road  
Bromley  
Kent  
BR1 3WA

4 June 1997

# INDEPENDENT GROUP PLC

## Consolidated profit and loss account for the period ended 30 November 1996

	Note	1996 £
Turnover	2	904,499
Cost of sales		314,550
		<hr/>
Gross profit		589,949
Administrative expenses		514,390
		<hr/>
		75,559
Other operating income		10,000
		<hr/>
Operating profit	5	85,559
Interest receivable		2,357
		<hr/>
Profit on ordinary activities before taxation		87,916
Taxation on profit from ordinary activities	6	22,123
		<hr/>
Profit on ordinary activities after taxation	12	65,793
		<hr/>

All amounts relate to continuing activities.

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

The notes on page 9 to 13 form part of these financial statements

## INDEPENDENT GROUP PLC

### Consolidated statement of total recognised gains and losses for the period ended 30 November 1996

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	Note	1996 £
Profit for the financial period		65,793
New share capital subscribed	11	12,700
		<hr/>
		78,493
		<hr/>

The notes on pages 9 to 13 form part of these financial statements.

**INDEPENDENT GROUP PLC****Consolidated balance sheet as at 30 November 1996**

	Note	£	1996 £
<b>Fixed assets</b>			
Tangible assets	7		34,725
<b>Current assets</b>			
Debtors	9	21,629	
Cash at bank and in hand		328,806	
		<hr/>	
		350,435	
<b>Creditors: amounts falling due within one year</b>	10	327,037	
		<hr/>	
<b>Net current assets</b>			23,398
			<hr/>
			58,123
			<hr/>
<b>Capital and reserves</b>			
Called up share capital	11		12,700
Profit and loss account	12		45,423
			<hr/>
<b>Shareholders' funds</b>			58,123
			<hr/>

The financial statements were approved by the Board on 4 June 1997.

The notes on pages 9 to 13 form part of these financial statements

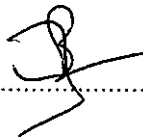


# INDEPENDENT GROUP PLC

Balance sheet as at 30 November 1996

	Note	£	1996	£
<b>Fixed assets</b>				
Investments	8			204
<b>Current assets</b>				
Debtors	9	12,879		
<b>Creditors: amounts falling due within one year</b>	10	113		
				<u>12,766</u>
<b>Net assets</b>				<u>12,970</u>
<b>Capital and reserves</b>				
Called up share capital	11		12,700	
Profit and loss account	12		270	
				<u>12,970</u>
<b>Shareholder's funds</b>				<u>12,970</u>

The financial statements were approved by the Board on 4 June 1997.

x   
.....  
M J Brown  
Director

The notes on pages 9 to 13 form part of these financial statements.

**INDEPENDENT GROUP PLC****Consolidated cash flow statement for the period ended 30 November 1996**

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	<b>Note</b>	<b>1996 £</b>
<b>Net cash inflow from operating activities</b>	15	375,289
<b>Returns on investments and servicing of finance</b>		
Interest received		2,357
<b>Investing activities</b>		
Purchase of tangible fixed assets		(41,696)
		<hr/>
<b>Net cash inflow before financing</b>		335,950
<b>Financing</b>		
Issue of share capital	17	12,700
		<hr/>
<b>Increase in cash and cash equivalents</b>	16	348,650
		<hr/>

The notes on pages 9 to 13 form part of these financial statements

# INDEPENDENT GROUP PLC

Notes forming part of the financial statements for the period ended 30 November 1996

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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. The following principal accounting policies have been applied:

### *Basis of consolidation*

The consolidated financial statements incorporate the results of Independent Group Plc and all of its subsidiary undertakings as at 30 November 1996 using the acquisition method of accounting.

### *Turnover*

Turnover, which is stated net of value added tax, represents commission and fees received. For one subsidiary, fees are generally collected on a monthly basis and invoiced annually at each client's year end.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual value, of all fixed assets over their expected useful life as follows:

Office equipment	-	$33\frac{1}{3}\%$ per annum on written down value.
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### *Deferred Taxation*

Provision is made for material timing differences between the treatment of certain items of taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

### *Foreign currency*

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liability are translated at the rate ruling at the balance sheet date. Any differences are taken to the profit and loss account.

### *Accruals*

Included within accruals is a provision which is made future clawback relating to commission receive where the indemnity period is still outstanding. In this period the provision is calculated at  $33\frac{1}{3}\%$  on the aggregate of commission income received less actual clawback.

### *Goodwill*

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is written off through the profit and loss account reserve at the date of acquisition.

# INDEPENDENT GROUP PLC

Notes forming part of the financial statements for the period ended 30 November 1996

## 2 Turnover and profits

The turnover and profit before taxation are wholly attributable to the principal activity of the company. No geographical analysis of turnover has been provided as the directors considers it seriously prejudicial to the company's interests.

3 Employees	1996 £
Staff costs consist of:	
Wages and salaries	335,958
Social security costs	31,607
	<hr/>
	367,565
	<hr/>

The average number of employees, including directors, during the year was 26.

## 4 Directors

Directors emoluments consist of:

Fees	42,014
	<hr/>

## 5 Operating profit

This has been arrived at after charging:

Depreciation	17,336
Auditors remuneration	2,450
	<hr/>

## 6 Taxation on profit from ordinary activities

UK Corporation tax	22,123
	<hr/>

## INDEPENDENT GROUP PLC

Notes forming part of the financial statements for the period ended 30 November 1996

<b>7</b>	<b>Tangible assets</b>	<b>Office Equipment</b>
	<b>Group</b>	
	<i>Cost</i>	
	Additions and as at 30 November 1996	52,061
	<i>Depreciation</i>	
	Charge for period and as at 30 November 1996	17,336
	<i>Net book value</i>	
	At 30 November 1996	34,725
<b>8</b>	<b>Fixed asset investments</b>	<b>Group undertakings</b>
	<b>Company</b>	
	<i>Cost and net book value</i>	
	Additions and as at 30 November 1996	204

The following were acquired during the period and were subsidiary undertakings at 30 November 1996 and have all been included in the consolidated financial statements using the acquisition method of accounting.

Name	Proportion of Voting rights and ordinary Share capital held	Date of Combination	Nature of business
Independent Accountancy Services Limited	100%	1 December 1995	Provider of Accountancy Services
IAS Management Limited	100%	1 December 1995	Provider of Consultancy Services
IAS Financial Advisory Services Limited	100%	22 October 1995	Provider of Independent Financial Advice.

# INDEPENDENT GROUP PLC

Notes forming part of the financial statements for the period ended 30 November 1996

9	Debtors		Group £	Company £
	Amounts due from subsidiary undertaking		-	12,879
	Trade debtors		18,442	-
	Other debtors		6	-
	Prepayments		3,181	-
			<hr/>	<hr/>
			21,629	12,879
			<hr/>	<hr/>
	All amounts fall due for payment within one year.			
10	Creditors: amounts falling due within one year			
	Bank overdrafts		21	21
	Amounts due from subsidiary undertakings		-	4
	Other taxation and social security costs		63,851	-
	Corporation tax		22,431	88
	Other creditors		8,300	-
	Accruals		232,434	-
			<hr/>	<hr/>
			327,037	113
			<hr/>	<hr/>
11	Share capital			
		Authorised 1996 £	Allotted, called up and fully paid 1996 £	Allotted, called up and part paid 1996 £
	Ordinary shares of £1 each	100,000	200	12,500
		<hr/>	<hr/>	<hr/>
12	Profit and loss account		Group £	Company £
	Retained profit for the period		65,793	270
	Goodwill on acquisition written off		(20,370)	-
			<hr/>	<hr/>
	At 30 November 1996		45,423	270
			<hr/>	<hr/>

# INDEPENDENT GROUP PLC

\*Notes forming part of the financial statements for the period ended 30 November 1996

13 Reconciliation of movements in shareholders' funds	Group £	Company £
Profit for the financial period	65,793	270
Goodwill on acquisition written off	(20,370)	-
Issue of shares in period	12,700	12,700
	<hr/>	<hr/>
	58,123	12,970
	<hr/>	<hr/>

## 14 Profit for the financial year

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group profit for the period includes a profit after tax of £270 which is dealt with in the financial statements of the parent company.

## 15 Reconciliation of operating profit to net cash inflow from operating activities

	1996 £
Operating profit	85,559
Depreciation	17,336
Amortisation	-
Decrease in debtors	12,185
Increase in creditors	260,209
	<hr/>
Net cash inflow from operating activities	375,289
	<hr/>

	Cash at Bank £	Bank overdrafts £	Total £
16 Analysis of changes in cash equivalents during the period			
Balance at 22 August 1995	8,760	(28,625)	(19,865)
Net cash inflow	320,046	28,604	348,650
	<hr/>	<hr/>	<hr/>
Balance at 30 November 1996	328,806	(21)	328,785
	<hr/>	<hr/>	<hr/>

## 17 Analysis of the changes in financing during the period

	Share Capital £
Balance at 22 August 1995	-
Issue of new share capital	12,700
	<hr/>
Balance at 30 November 1996	12,700
	<hr/>