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JOHNSTON JAMES LIMITED
REPORT AND ACCOUNTS
YEAR ENDED 31st MARCH 1999

Michael G. Ray & Co
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Company No. 3300180 (England & Wales)

JOHNSTON JAMES LIMITED

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for the year ended 31st March 1999

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JOHNSTON JAMES LIMITED

COMPANY INFORMATION

for the year ended 31st March 1999

DIRECTORS: R J Smith
C Phillips

SECRETARY: M G Ray

REGISTERED OFFICE: 20 - 22 Bedford Row
London WC1R 4JS

REGISTERED NUMBER: 3300180

JOHNSTON JAMES LIMITED

REPORT OF THE DIRECTORS for the year ended 31st March 1999

The directors present their report with the accounts of the company for the year ended 31st March 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of management consultancy and training.

DIRECTORS

The directors during the year under review were:

R J Smith
C Phillips

The beneficial interests of the directors holding office on 31st March 1999 in the issued share capital of the company were as follows:

Ordinary £1 shares	31.3.99	31.3.98
R Smith	99	99
C Phillip	1	1

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements 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.

JOHNSTON JAMES LTD

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 Acts 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.

AUDIT

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s249A(1) Companies Act 1985. No notice from any shareholder such as to require an audit has been deposited per the provisions of s249B.

SMALL COMPANY RULES

In preparing this report the directors have taken advantage of the special exemptions applicable to small companies and this report is prepared in accordance with the provisions of Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'R. Smith', is written over a horizontal line.

R Smith - Director

Dated: 15th November 1999

JOHNSTON JAMES LIMITED

PROFIT & LOSS ACCOUNT

YEAR ENDED 31st MARCH 1999

		<u>1999</u>	<u>1998</u>
	Notes	£	£
TURNOVER	2	95,836	144,978
GROSS PROFIT		95,836	144,978
Administrative expenses		<u>85,714</u>	<u>51,074</u>
OPERATING PROFIT	3	10,122	93,904
Interest receivable		<u>1,380</u>	<u>320</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,502	94,224
Tax on profit on ordinary activities	4	<u>2,477</u>	<u>19,836</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		9,025	74,388
RETAINED PROFIT CARRIED FORWARD		83,413 =====	74,388 =====

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses other than the profits for the current year.

The notes on pages 7 and 8 form part of these accounts.

JOHNSTON JAMES LIMITED

BALANCE SHEET

AT 31st MARCH 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
FIXED ASSETS			
Tangible assets	5	32,161	-
CURRENT ASSETS:	6		
Debtors		10,347	62,734
Cash at bank		56,876	<u>39,417</u>
		67,223	102,151
CREDITORS: Amounts falling due within one year	7	<u>15,871</u>	<u>27,663</u>
NET CURRENT ASSETS		<u>51,352</u>	<u>74,488</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		83,513 =====	74,488 =====
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit & loss account		<u>83,413</u>	<u>74,388</u>
Shareholders' funds	9	83,513 =====	74,488 =====

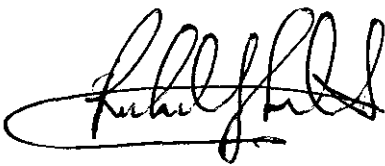
The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s249A(1) Companies Act 1985. No notice from any shareholder such as to require an audit has been deposited per the provisions of s249B.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s221 Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st March 1999 and of its profit or loss for the year then ended in accordance with the requirements of s226, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

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In preparing the accounts the directors have taken advantage of the special exemptions as provided by Part VII of the Companies Act 1985 and has done so on the grounds that the company qualifies as a small company as defined in section 247 Companies Act 1985.

These accounts were approved by the board on 15th November 1999 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'R Smith', with a large, sweeping flourish underneath.

R Smith - Director

The notes on pages 7 to 9 form part of these accounts.

JOHNSTON JAMES LIMITED

NOTES TO THE ACCOUNTS TO 31st MARCH 1999

1. ACCOUNTING POLICIES

(a) Basis of preparation

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report, all of which are continuing.

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

(b) Turnover

Turnover includes net invoiced sales, exclusive of Value Added Tax.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	20% straight line basis
Motor vehicles	25% on reducing balance

(d) Pension costs

The pension charge represents payments to the personal pension plan of one of the Directors, the assets of which are held separately from those of the company and are independently administered.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1999</u>	<u>1998</u>
Directors' emoluments (including pension)	£22,558	19,500
Pension contributions	742	-
Depreciation - owned assets	£9,448	-

4. TAXATION

The tax charge on the profit on the ordinary activities for the year was as follows:

	<u>1999</u>	<u>1998</u>
Based on the adjusted results of the year:		
UK Corporation Tax @ 21%	£2,476	9,836

JOHNSTON JAMES LIMITED

5. TANGIBLE FIXED ASSETS

	<u>Total</u>	<u>Motor Cars</u>	<u>Equipment</u>
Cost at 1.4.98	-	-	-
Additions	41,609	22,516	19,093
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
Cost at 31.3.99	41,609 =====	22,516 =====	19,093 =====
Depreciation			
At 1.4.98	-	-	-
Charge for year	9,448	5,629	3,819
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31.3.99	9,448 =====	5,629 =====	3,819 =====
Net Book Value			
At 31.3.99	32,161 =====	16,887 =====	15,274 =====
At 1.4.98	- =====	- =====	- =====

6. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	<u>1999</u>	<u>1998</u>
Trade debtors	£ 8,993	62,566
Other debtors	<u>£ 1,354</u>	<u>168</u>
	£10,347	62,734

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1999</u>	<u>1998</u>
Trade creditors & accruals	9,159	3,399
Corporation tax	2,477	19,836
Value Added Tax	2,402	557
Social security and other taxes	<u>1,833</u>	<u>3,871</u>
	15,871 =====	27,663 =====

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8. CALLED UP SHARE CAPITAL

Authorised

	<u>1999</u>	<u>1998</u>
Ordinary shares of £1 each	100	100
	===	===

Allotted, Called Up and Fully Paid

Ordinary shares of £1 each	100	100
	===	===

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1999</u>	<u>1998</u>
Profit for year	9,025	74,388
Share capital issued	<u> </u>	<u>100</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	9,025	74,488
Opening shareholders' funds	<u>74,488</u>	<u> </u>
CLOSING SHAREHOLDERS' FUNDS	<u>83,513</u>	<u>74,488</u>
	=====	=====

10. RELATED PARTY TRANSACTIONS

The company purchased services to the value of £14,050 in the ordinary course of business from Richard Smith & Co., a business owned by one of the directors, R J Smith. The company also purchased the tangible fixed assets of Richard Smith & Co. comprising vehicles, furniture and equipment at their written down value which totalled £41,609.