

Adkins & Matchett (UK) Limited

**Director's report and financial
statements**

Registered number 3402949

31 December 2003



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Directors' report

The directors' present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activity

The principal activity of the company in the year under review was that of the provision of specialist technical training for financial institutions.

Business review

The results for the year are shown on page 4. The directors are satisfied with the progress being made by the company.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the year was as follows:

A Matchett

J Matchett

RA Dunicliff

MJ Homer

H Langley (resigned 26 August 2003)

M Moore

C Farrow (appointed 4 April 2003)

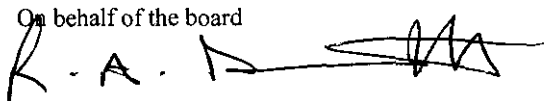
None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to the directors or their immediate families, or exercised by them, during the financial year.

Auditors

A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board



R Dunicliff
Director

Linden House
55 South Bar
Banbury
Oxon
OX16 9AB

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 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 accounts 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 that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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1 North Fourth Street
Central Milton Keynes
Buckinghamshire, MK9 1NE
United Kingdom

Report of the auditors to the members of Adkins & Matchett (UK) Limited

We have audited the financial statements on pages 4 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

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 as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

*Chartered Accountants
Registered Auditor*

24 June 2004

Profit and loss account
for the period ended 31 December 2003

		2003	2002
	<i>Note</i>	£	£
Turnover	2	968,203	811,047
Cost of sales		(591,850)	(506,529)
Gross profit		376,353	304,518
Administrative expenses		(25,724)	(39,352)
Operating profit	3-5	350,629	265,166
Interest receivable and similar income	6	2,771	1,057
Profit on ordinary activities before taxation	3	353,400	266,223
Tax on profit on ordinary activities	7	4,786	(77,388)
Retained profit for the year	13	358,186	188,835

There were no recognised gains or losses in either year other than the retained profit for the financial year.

The notes on pages 6 to 12 form part of these financial statements.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	8		1,647		-
Current assets					
Debtors	9	670,880		240,944	
Cash at bank and in hand		142,588		298,716	
		<u>813,468</u>		<u>539,660</u>	
Creditors: amounts falling due within one year	10	<u>(97,760)</u>		<u>(180,491)</u>	
Net current assets			715,708		359,169
Net assets			717,355		359,169
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		717,255		359,069
Shareholders' funds – equity	14		717,355		359,169

The notes on pages 6 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 28 MAY 2004 and were signed on its behalf by:



R Dunnicliff
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements,

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Fixtures and fittings	-	25% reducing balance
Plant & machinery	-	25% reducing balance

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Notes (continued)

2 Analysis of turnover

The turnover of the company is attributable to the principal activity of the company.

The geographical analysis of turnover is as follows:

	2003 £	2002 £
United Kingdom	593,026	670,403
Rest of the World	375,177	140,644
	<u>968,203</u>	<u>811,047</u>

3 Profit on ordinary activities before taxation

	2003 £	2002 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration	5,000	4,000
Depreciation	600	-
	<u>5,600</u>	<u>4,000</u>

4 Directors' remuneration

	2003 £	2002 £
Directors' emoluments	300,000	76,016
Company contributions to money purchase pension schemes	15,000	-
	<u>315,000</u>	<u>76,016</u>

The aggregate amount of emolument of the highest paid director was £150,000 (2002: £38,008) and company contributions to money purchase pension schemes on his behalf were £nil (2002: nil).

	Number of directors	
	2003	2002
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>1</u>	<u>nil</u>

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2003	2002
Management and administration	1	1
Sales and distribution	1	1
Lecturers and consultants	2	1
	<hr/>	<hr/>
	4	3
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2003	2002
	£	£
Wages and salaries	387,039	269,862
Social security costs	46,477	29,772
Other pension costs	15,000	3,750
	<hr/>	<hr/>
	448,516	303,384
	<hr/>	<hr/>

6 Interest receivable and similar income

	2003	2002
	£	£
Other	2,771	1,057
	<hr/>	<hr/>

Notes (continued)

7 Taxation

Analysis of charge in period

	2003 £	2002 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	50,986
Adjustments in respect of prior periods	-	26,402
	<hr/>	<hr/>
Total current tax	-	77,388
<i>Deferred tax (see note 9)</i>		
Origination/reversal of timing differences		
Relating to current year	(3,555)	-
Relating to prior year	(1,231)	-
	<hr/>	<hr/>
	(4,786)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	(4,786)	77,388
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2002: lower) than the standard rate of corporation tax in the UK 30%, (2002: 20%). The differences are explained below.

	2003 £	2002 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	353,400	266,223
	<hr/>	<hr/>
Current tax at 30% (2002 : 20%)	106,020	79,867
<i>Effects of:</i>		
Capital allowances for period in excess of depreciation	180	67
Group relief	(108,575)	(20,805)
Small companies relief	(1,000)	(8,143)
Adjustments in respect of prior periods	-	26,402
Other short term timing differences	3,375	-
	<hr/>	<hr/>
Total current tax charge (see above)	-	77,388
	<hr/>	<hr/>

Notes (continued)

8 Tangible fixed assets

	Computer Equipment £	Total £
<i>Cost</i>		
At beginning of the year	-	-
Additions	2,247	2,247
	<hr/>	<hr/>
At end of year	2,247	2,247
	<hr/>	<hr/>
<i>Depreciation</i>		
At beginning of the year	-	-
Charge for year	600	600
	<hr/>	<hr/>
At end of the year	600	600
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2003	1,647	1,647
	<hr/>	<hr/>
At 31 December 2002	-	-
	<hr/>	<hr/>

9 Debtors

	2003 £	2002 £
Trade debtors	57,437	110,337
Other debtors	105,607	130,607
Amounts owed to group companies	503,050	-
Deferred tax asset (note 11)	4,786	-
	<hr/>	<hr/>
	670,880	240,944
	<hr/>	<hr/>

Included within other debtors is a balance of £105,607 that is due over one year (see note 17)

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	9,324	22,196
Corporation tax	-	77,388
Other taxation and social security	23,414	15,334
Accruals and deferred income	29,520	60,698
Other creditors	4,875	4,875
Amounts owed to group companies	30,627	-
	<hr/>	<hr/>
	97,760	180,491
	<hr/>	<hr/>

Notes (continued)

11 Provisions for liabilities and charges

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2003 Taxation including deferred taxation
	£
At beginning of period	-
Charge to the profit and loss account for the period	4,786
	<hr/>
At the end of the period	4,786
	<hr/>

The elements of deferred taxation are as follows:

	2003	2002
	£	£
Difference between accumulated depreciation and capital allowances	286	-
Tax losses	4,500	-
	<hr/>	<hr/>
At the end of the period (note 9)	4,786	-
	<hr/>	<hr/>

12 Called up share capital

	2003	2002
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

13 Profit and loss account

	£
At beginning of the year	359,069
Profit for the year	358,186
	<hr/>
At end of the year	717,255
	<hr/>

Notes (continued)

14 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	358,186	188,835
Net addition to shareholders' funds	358,186	188,835
Opening shareholders' funds	359,169	170,334
Closing shareholders' funds	717,355	359,169

15 Commitments

There were no annual commitments under non-cancellable operating leases.

16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £15,000 (2002: £3,750).

There was outstanding contributions at the end of the financial period of £11,250 (2002: £3,750).

17 Related party disclosure

The company is controlled by its ultimate holding company The Matchett Group Limited. The company has taken advantage of the exemptions contained in FRS8 which applies to group undertakings and has not disclosed details of transactions with group companies which are included in the consolidated accounts of its holding company.

Included within debtors is a directors loan account balance of £105,607 due from A Matchett. This balance arose in the financial year ended 31 December 2001 when customer receipts due to Adkins & Matchett (UK) Limited were paid into the bank account of Alastair Matchett & Associates, his unincorporated business. The directors of The Matchett Group Limited, the company's parent company have agreed that the balance will not be repaid for a period of at least twelve months from the date of signing these financial statements.

At the year-end the company owed Adkins, Matchett & Toy US Ltd £4,875 (2002: £4,875). No trading took place between these companies during the year.

18 Ultimate holding company

The smallest group and the largest group in which the results of the company are consolidated is that headed by The Matchett Group Limited. The consolidated accounts of The Matchett Group Limited are available from The Registrar of Companies, Companies House, Crown Way, Cardiff. No other group accounts include the results of the company.