

Registered Number 3548695

CSTIM Limited
Directors' report and financial statements
for the year ended 30 June 2007

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CSTIM Limited

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DIRECTORS' REPORT

The Directors present their report and the audited financial statements of CSTIM Limited ("the Company") for the year ended 30 June 2007

Principal activities

The principal activity of the Company during the year was that of providing management consultancy services to companies engaged in the investment industry. Operations are based in the UK (London and Edinburgh) and Luxembourg serving clients both locally and globally.

Business review

CSTIM's core business as a specialist provider of strategy and business improvement consultancy services to the investment industry continued in the financial year and the results were in line with both management's expectations and the prior year.

Initiatives in the year included the investment in a range of new services for hedge fund managers and life and pension companies and the development of specialist knowledge regarding operating models and IT applications to help clients trade more complex instruments such as derivatives. These developments reflect the business' continual evolution to meet the changing demands and requirements of the industry and its clients.

In January 2007, the Company acquired the remaining 49% of the ordinary share capital of SkillsHub Limited (a resource placement business to the investment industry) for a total maximum consideration of £823,838. As a result of this transaction, the Company now holds 100% of the share capital of SkillsHub Limited (Note 9).

On 1 April 2007, the trade and other assets of SkillsHub Limited and Morse Management Consulting Limited (a fellow subsidiary of Morse plc also providing management consulting services to the investment industry) were transferred to CSTIM Limited to simplify business administration. Further details are given in note 15.

CSTIM's strategy of developing a specialist consultancy business serving the investment industry in a range of geographies remains an important differentiator and the business is seeking increasing opportunities to share its skills and expertise across the various office locations. The Directors believe that the prospects for the future are positive.

Risk

In the UK market, the pressures of increased global competition are a risk for the Company which means that key accounts could be lost to competitors. This risk is minimised by ensuring that clients are offered value adding services, competitive pricing and a high level of customer service focused on long term relationships.

The majority of turnover in the UK is generated in pounds sterling and euros and the risk of this is minimised at group level by the treasury function.

For a more detailed discussion of risks faced as a part of the Morse Group please see Morse plc 2007 accounts, page 19.

Environment

Morse plc, the ultimate parent company of the Company, recognises the importance of the environment and monitors and reviews its current and ongoing impact on the environment as a whole covering all group activities. In the Morse plc annual report and accounts the Company's parent has policies to address environmental impact for the entire group, including that of the Company. Morse plc imposes upon its subsidiary companies compliance with group initiatives to require for

DIRECTORS' REPORT

environmentally friendly disposal of waste, recycling and reducing energy consumption as far as possible

Human resources

Details of employees and associated remuneration costs are provided on pages 12-13 of these financial statements

The company seeks to embrace relevant disability requirements imposed by legislation and makes available necessary training and reasonable alterations to that individual's working environment. Training, career development and promotion is, as far as possible, provided equally to disabled employees as to any other employee on a like for like basis.

Employees have access through the relevant intranet to all corporate policies and practices which form part of the contract of employment. These policies and practices are updated on a regular basis to reflect changes in legislation and enhanced company benefit.

Most employees are entitled to various group wide benefits such as share option schemes, private health insurance, death in service benefit, personal accident insurance, a contributory personal pension policy and other location specific benefits.

Political and charitable donations

The Company made no political donations during the year (2006 £nil). Donations to charities amounted to £4,265 (2006 £2,972).

Results and dividends

The results of the Company are set out in detail on page 6.

The Directors do not recommend the payment of a dividend this year (2006 £nil). The profit for the financial year was £284,146 (2006 £933,715).

Directors

The Directors who served the Company during the period were as follows:

K Alcock	(resigned 7 July 2008)
D Bower	(appointed 19 February 2007, resigned 31 May 2007)
A Burton	
J Charles	(resigned 14 October 2006)
J Connor	
L De Nicola	
E Dodd	(appointed 4 April 2007)
D Lumer	
D McIntyre	(resigned 28 June 2007)
A Stewart	(appointed 19 February 2007, resigned 25 May 2007)
H Ward	

Supplier payment policy and practice

The company supports the Better Payment Practice Code (previously the CBI's Prompt Payers Code), to which it subscribes, when dealing with all its suppliers. A copy of the code can be obtained from the Department of Trade and Industry, DTI Publications, Orderline, Admail 528, London SW1W 8YT.

It is Company policy that payments to suppliers are made in accordance with agreed terms and conditions on an individual basis provided all trading terms and conditions have been complied with.

The average number of creditor days for the Company for the year was 36 (2006 35).

DIRECTORS' REPORT *(continued)*

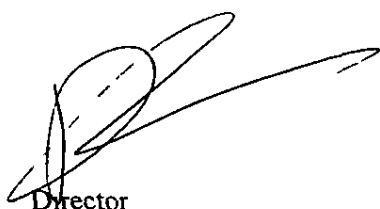
Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

A resolution, pursuant to section 384 of the Companies Act 1985, re-appointing KPMG Audit Plc as auditors for the ensuing year will be placed before the Annual General Meeting

Approved by the Board of Directors and signed on its behalf by



Director

25 September 2008

Profile West
950 Great West Road
Brentford
Middlesex
TW8 9EE

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Independent auditors' report to the members of CSTIM Limited

We have audited the financial statements of CSTIM Limited for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of CSTIM Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

25th September 2008

CSTIM Limited**PROFIT AND LOSS ACCOUNT**
for the year ended 30 June 2007

	Note	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Revenue	2	9,450,500	7,694,981
Cost of sales		(7,483,405)	(5,723,234)
Gross profit		<u>1,967,095</u>	<u>1,971,747</u>
Administrative expenses		(1,400,845)	(1,278,149)
Operating profit		<u>566,250</u>	<u>693,598</u>
Income from shares in group undertaking		27,582	308,946
Profit on disposal of investments		-	117,475
Interest payable and similar charges	5	(17,725)	(2,032)
Interest receivable and similar income	6	71,453	70,554
Profit on ordinary activities before taxation	2-4	<u>647,560</u>	<u>1,188,541</u>
Tax on profit on ordinary activities	7	(363,414)	(254,826)
Profit for the financial year	14	<u>284,146</u>	<u>933,715</u>

All results in the current year and prior period relate to continuing activities

There is no difference between the profit on ordinary activities before taxation and the retained profit for the years stated above and their historical cost equivalents

The company has no recognised gains or losses other than the results for the year as set out above, accordingly a statement of total recognised gains and losses has not been prepared

CSTIM Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 30 June 2007

	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Profit for the financial year	284,146	933,715
Opening shareholders' funds	4,704,038	3,770,323
Closing shareholders' funds	<u>4,988,184</u>	<u>4,704,038</u>

The notes on pages 10 to 19 form part of these accounts

CSTIM Limited**BALANCE SHEET**

as at 30 June 2007

	Note	30 June 2007 £	30 June 2006 £
FIXED ASSETS			
Tangible assets	8	234,551	306,476
Investments	9	1,251,584	246,727
		<u>1,486,135</u>	<u>553,203</u>
CURRENT ASSETS			
Debtors	10	5,503,764	6,159,096
Cash at bank and in hand		2,610,139	1,527,673
		<u>8,113,903</u>	<u>7,686,769</u>
CREDITORS: amounts falling due within one year	11	<u>(4,611,854)</u>	<u>(3,535,934)</u>
NET CURRENT ASSETS		<u>3,502,049</u>	<u>4,150,835</u>
TOTAL NET ASSETS		<u>4,988,184</u>	<u>4,704,038</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	10,400	10,400
Profit and loss account	14	4,846,984	4,562,838
Merger reserve account	14	130,800	130,800
EQUITY		<u>4,988,184</u>	<u>4,704,038</u>

The financial statements were approved by the Board of Directors on 25 September 2008 and signed on its behalf by



Director

The notes on pages 10 to 19 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards, using the following accounting policies which have been consistently applied

Consolidated accounts

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. The financial statements present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Morse plc, the Company has taken advantage of the exemption contained in FRS 8 "Related party disclosures" and has therefore not disclosed transactions or balances which form part of the group. The consolidated financial statements of the Morse plc, within which the Company is included, are available from the address stated in note 17.

Revenue

Revenue represents the value of advisory and resource placement services provided within the Company's ordinary activities net of Value Added Tax. Revenue recognition occurs when persuasive evidence of an arrangement exists, provision of advisory or resource placement services has occurred, the fee is determinable and collectability is probable.

Cash flow statement

The Company has taken advantage of the exemptions permitted by FRS 1 (Revised 1996) "Cash Flow Statement" not to produce a cash flow statement, on the basis that it is a wholly owned subsidiary undertaking of Morse plc and the cash flows of the Company are included within the consolidated group cash flow statement of Morse plc, in its published financial statements.

Tangible fixed assets

The cost of the tangible fixed assets, net of estimated residual value, is depreciated in equal annual instalments over the estimated useful lives of the assets. The estimated useful lives are as follows:

Leasehold improvements	-	Remaining term of the lease
Computers and office equipment	-	3 years
Fixtures and fittings	-	Remaining term of the lease

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pension costs

The Company makes contributions to an independently administered defined contribution scheme. Contributions are charged to the profit and loss account as they accrue. In addition the Company makes contributions to certain employees' personal pension arrangements which are charged to the profit and loss account as they accrue.

1. ACCOUNTING POLICIES (continued)

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date, except as otherwise required by FRS19. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

'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.

Foreign currencies

Transactions denominated in foreign currencies are translated to Sterling at the average monthly exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. These translation differences are included in the profit and loss account.

Exchange differences arising on the company's foreign branch are included in the profit and loss account.

Investments

Investments in subsidiary undertakings are stated at cost less provision for any impairment in value. Trade investments are held at cost less provision for any impairment in value.

NOTES TO THE FINANCIAL STATEMENTS

2. SEGMENTAL REPORTING

(1) Classes of business

The Company has one class of business being that of providing advisory and placement services to companies engaged in the investment management industry

(2) Geographic areas

An analysis of revenue and profit on ordinary activities before taxation is given below

	Year ended 30 June 2007		Year ended 30 June 2006	
	Revenue £	Profit before taxation £	Revenue £	Profit before taxation £
United Kingdom	8,889,036	549,148	6,406,518	1,035,641
Luxembourg	561,464	98,412	1,288,463	152,900
	<u>9,450,500</u>	<u>647,560</u>	<u>7,694,981</u>	<u>1,188,541</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Average monthly number of persons employed (including Directors)

Year ended
30 June 2007

Year ended
30 June 2006

	Number	Number
Management consultants	32	32
Administration staff	19	15
	<u>51</u>	<u>47</u>

Staff costs (including Directors)

Year ended
30 June 2007

Year ended
30 June 2006

	£	£
Salaries	4,591,809	3,578,419
Social security costs	531,983	432,100
Pension costs	301,767	193,137
	<u>5,425,559</u>	<u>4,203,656</u>

Directors' emoluments

Year ended
30 June 2007

Year ended
30 June 2006

	£	£
Aggregate emoluments	689,857	1,015,568
Company contributions to money purchase pension schemes	39,450	63,910
	<u>729,307</u>	<u>1,079,478</u>

NOTES TO THE FINANCIAL STATEMENTS**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

Emoluments of highest paid Director	Year ended 30 June 2007	Year ended 30 June 2006
	£	£
Aggregate emoluments	228,437	285,557
Company contributions to money purchase pension schemes	13,020	16,380
	<u>241,457</u>	<u>301,937</u>

Six Directors participated in the pension scheme

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging / (crediting)	Year ended 30 June 2007	Year ended 30 June 2006
	£	£
Depreciation of tangible fixed assets	87,547	132,847
Auditors' remuneration		
- statutory audit fees	23,067	13,500
- tax advisory	18,500	-
Foreign exchange loss	53,595	16,755
Operating lease rentals - land and buildings	334,543	334,660
Profit on disposal of investments		(117,475)
Loss on disposal of fixed assets	(3,500)	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2007	Year ended 30 June 2006
	£	£
Bank interest payable	<u>17,725</u>	<u>2,032</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 June 2007	Year ended 30 June 2006
	£	£
Bank interest received	25,811	26,184
Interest from associate undertaking	3,303	5,476
Interest from group undertaking	42,339	38,894
Interest receivable and similar income	<u>71,453</u>	<u>70,554</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 June 2007 £	Year ended 30 June 2006 £
<i>UK corporation tax</i>		
Current tax on income for the period	209,022	202,950
Adjustment in respect of prior periods	118,442	3,823
	<u>327,464</u>	<u>206,773</u>
<i>Foreign tax</i>		
Current tax on income for the period	28,900	48,770
Adjustment in respect of prior periods	-	-
Total current tax	<u>356,364</u>	<u>255,543</u>
<i>Deferred tax</i>		
Origination of timing difference	7,050	-
Increase in recognition of deferred tax asset	-	(717)
Total deferred tax	<u>7,050</u>	<u>(717)</u>
Tax on profit on ordinary activities	<u>363,414</u>	<u>254,826</u>

The current tax charge is higher (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 - 30%) The differences are explained below

	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Profit on ordinary activities before taxation	<u>647,560</u>	<u>1,188,541</u>
Current tax at 30% (2006 30%)	194,268	356,562
Expenses not deductible for tax purposes	49,619	23,802
Dividends received not subject to corporation tax	(8,274)	(92,684)
Profit on investment disposal not subject to corporation tax	-	(35,243)
Depreciation in excess of capital allowances for the period	2,309	(717)
Adjustments in respect of prior periods – UK corporation tax	118,442	3,823
Total current tax charge	<u>356,364</u>	<u>255,543</u>

8. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer and office equipment £	Fixtures & fittings £	Total £
Cost				
At 30 June 2006	290,793	447,134	82,314	820,241
Additions	-	6,557	5,403	11,960
Disposals	-	(23,743)	-	(23,743)
Transfer (see note 15)	-	3,743	-	3,743
Foreign exchange	-	(676)	(179)	(855)
At 30 June 2007	<u>290,793</u>	<u>433,015</u>	<u>87,538</u>	<u>811,346</u>
Depreciation				
At 30 June 2006	79,967	409,992	23,806	513,765
Charge for the year	51,513	16,961	19,073	87,547
Disposals	-	(23,743)	-	(23,743)
Foreign exchange	-	(634)	(140)	(774)
At 30 June 2007	<u>131,480</u>	<u>402,576</u>	<u>42,739</u>	<u>576,795</u>
Net book value				
At 30 June 2007	<u>159,313</u>	<u>30,439</u>	<u>44,799</u>	<u>234,551</u>
At 30 June 2006	<u>210,826</u>	<u>37,142</u>	<u>58,508</u>	<u>306,476</u>

9. INVESTMENTS

	Subsidiary undertakings £	Other investments £	Total £
Cost			
At 30 June 2006	221,727	25,000	246,727
Additions	1,004,857	-	1,004,857
At 30 June 2007	<u>1,226,584</u>	<u>25,000</u>	<u>1,251,584</u>
Net book value			
At 30 June 2007	<u>1,226,584</u>	<u>25,000</u>	<u>1,251,584</u>
At 30 June 2006	<u>221,727</u>	<u>25,000</u>	<u>246,727</u>

CSTIM Limited
NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENTS (continued)

	Country of incorporation	% of ordinary shares and voting rights held	Nature of business
Subsidiary undertakings			
Morse Limited (formerly CSTIM Jersey Limited)	Jersey	100%	Consultancy
Morse Consulting (Pty) (formerly CSTIM Management Consulting (Proprietary) Limited)	South Africa	100%	Consultancy
Morse Management Consulting S A S (formerly CSTIM S A S)	France	60%	Consultancy
SkillsHub Limited	England	100%	Contractor placement
Other investments			
Fleming McGillivray & Co Limited	England	10%	Consultancy

In January 2007, the Company acquired the remaining 49% of the ordinary share capital of SkillsHub Limited, a resource placement business which serves the financial services sector, for a total maximum consideration of £823,838. As a result of this acquisition, the Company now holds 100% of the share capital of SkillsHub Limited. The Company also acquired Morse Management Consulting S A S (CSTIM France) in December 2006, a start up consulting company for a total consideration of £181,019.

The company has also sold its 20% share holding in CSTARR Limited, which it was carrying at nil value, for no consideration. There was no profit or loss on disposal.

10. DEBTORS

	2007 £	2006 £
Trade debtors	2,949,384	1,626,358
Financial asset	-	111,058
Amounts owed by subsidiary undertakings	577,377	1,051,822
Amounts owed by group undertakings	499,020	1,827,263
Other debtors	35,199	330,577
Deferred tax	26,422	33,509
Prepayments and accrued income	1,416,362	1,178,509
	<u>5,503,764</u>	<u>6,159,096</u>

The financial asset was a loan to CIB Partners

Deferred Taxation**Year ended
30 June 2007****Year ended
30 June 2006**

The movement in deferred taxation is as follows

	£	£
Opening balance	33,509	32,792
Charge for the year	(7,050)	717
Other	(37)	-
Closing balance	<u>26,422</u>	<u>33,509</u>

30 June 2007**30 June 2006****£****£**

The elements of deferred taxation are as follows

Accelerated capital allowances	26,422	33,509
	<u>26,422</u>	<u>33,509</u>

11. CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	470,998	347,537
Amounts owed to subsidiary undertakings	745,531	960,350
Amounts owed to group undertakings	1,548,350	1,114,930
Corporation tax	226,550	22,159
PAYE and social security	8,618	145,600
VAT	142,192	113,298
Other creditors	193,557	15,611
Accruals and deferred income	1,276,058	816,449
	<u>4,611,854</u>	<u>3,535,934</u>

12. COMMITMENTS UNDER OPERATING LEASES

There are no capital commitments at 30 June 2007 (2006 nil) At 30 June 2007 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 1 year	25,200	18,750
Between years 2 and 5	296,743	297,641
	<u>321,943</u>	<u>316,391</u>

13. SHARE CAPITAL

Authorised share capital

	2007	2006
	£	£
20,000 Ordinary shares of £1 00 each	20,000	20,000
Allotted, called up and fully paid		
	2007	2006
	£	£
10,400 Ordinary shares of £1 00 each	10,400	10,400

14. RESERVES

	Profit and loss account	Merger reserve account
	£	£
Opening balance	4,562,838	130,800
Retained profit for the year	284,146	-
Balance carried forward	4,846,984	130,800

15 ACQUISITIONS

On 1 April 2007, the trade and assets of SkillsHub Limited, a subsidiary company, were transferred to CSTIM Ltd at book value

	£
Tangible fixed assets	1,473
Debtors	563,835
Creditors	(635,197)
Cash	302,012
Net Assets Acquired	232,123
Consideration	232,123

On 1 April 2007, the trade and assets of Morse Management Consulting Limited, a fellow subsidiary of Morse plc, were transferred to CSTIM Ltd at book value

	£
Tangible fixed assets	2,271
Debtors	3,394,904
Creditors	(3,132,755)
Cash	335,007
Net Assets Acquired	599,427
Consideration	599,427

16. RELATED PARTY TRANSACTIONS

The company charged fees during the year ended 30 June 2007 of £68,786 (2006: £42,603) to Fleming McGillivray & Co Limited (of which CSTIM Ltd own 10% – see note 9) on normal commercial terms for use of office facilities. Fleming McGillivray & Co Limited charged the company consultancy fees during the year ended 30 June 2007 of £16,071 (2006: £28,343) on normal commercial terms. At 30 June 2007 Fleming McGillivray & Co Limited owed the company £ nil (2006: £18,420). At 30 June 2007 the company owed Fleming McGillivray & Co Limited £nil (2006: £6,956).

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosure"

17. IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Morse plc, a company registered in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Morse plc, incorporated in England and Wales. Copies of the consolidated financial statements can be obtained from

Morse plc
Profile West
950 Great West Road
Brentford
Middlesex
TW8 9EE