

Registered number: 3628022

# **MARCH 86 LIMITED**

**Financial Statements  
for 10 month period ended  
30 June 1999**



# **MARCH 86 LIMITED**

## **Financial Statements for the 10 month period ended 30 June 1999**

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**Directors and advisers**

**Directors**

B Plaice-Leary

D Lloyd Roberts

**Secretary and registered office**

B Plaice-Leary  
Plumtree Court  
LONDON  
EC4A 3A7

**Solicitors**

Minter Ellison  
20 Lincolns Inn Fields  
LONDON  
WC2A 3ED

**Registered Auditors**

PricewaterhouseCoopers  
1 Embankment Place  
LONDON  
WC2N 6NN

**Bankers**

Lloyds Bank plc  
32 Oxford Street  
LONDON  
W1A 2LD

**Directors' report  
for the 10 month period ended  
30 June 1999**

The directors present their report and the audited financial statements of the company for the period ended 30 June 1999.

**Principal activity**

The principal activity of the company in the period under review was the provision of professional IT services and other consultancy services.

**Review of business**

The company was incorporated on 2 September 1998 and commenced trading on 5 October 1998.

The results for the period are set out in the profit and loss account on page 7.

Both the level of business and the period end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

**Dividends**

The directors do not recommend the payment of a dividend.

**Directors and directors' interests**

The directors of the company, together with their interests in the shares of the company, during the period were:

Instant Companies Limited	(appointed 2 September 1998, resigned 2 September 1998)
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Swift Incorporations Limited	(appointed 2 September 1998, resigned 2 September 1998)
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B Plaice-Leary	(appointed 18 September 1999)
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D Lloyd Roberts	(appointed 2 September 1998)
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None of the directors who held office at 30 June 1999 had any interest in the above capital of the company.

At 30 June 1999 and date of appointment D Lloyd Roberts held 11 ordinary shares of AU\$1 each in SMS Consulting Group Pty Limited the ultimate holding company.

**Year 2000**

The company has implemented detailed plans to address Year 2000 compliance issues in its information systems, hardware and business infrastructure, as well as seeking reassurance on Year 2000 compliance by third party suppliers. The steps that have been taken are all designed to minimise the impact of potential Year 2000 incidents on the business. There has been only negligible expenditure in respect of the Year 2000 issue and future costs are not anticipated to be significant.

**Directors' responsibilities statement**

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 as at the end of the financial year 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;

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.

**By order of the board**

A handwritten signature in black ink, appearing to be 'B. A. L. E. Y', written in a cursive style.

**Company secretary**

## **Report of the auditors to the members of MARCH 86 Limited**

We have audited the financial statements on pages 7 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

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

The directors are responsible for preparing the Annual Report, including as described on pages 3 to 4 of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

### **Basis of opinion**

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 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 at 30 June 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**

**Chartered Accountants and Registered Auditors**

London

11 August 1999



**Profit and loss account  
for the 10 month period ended  
30 June 1999**

	Note	£
<b>Turnover</b>	2	406,684
Net operating expenses	3	<u>(610,830)</u>
<b>Operating loss</b>		<b>(204,146)</b>
Interest payable and similar charges	6	(10,049)
Interest receivable and similar income		<u>527</u>
<b>Loss on ordinary activities before taxation</b>	7	<b>(213,668)</b>
Taxation	8	<u>-</u>
<b>Retained loss for the financial period</b>	14	<b><u>(213,668)</u></b>

The above figures relate to continuing activities, commenced on 5 October 1998.

The company had no gains or losses than those included in the losses above.  
Therefore no separate statement of total recognised gains and loss has been presented.

**Balance sheet  
at 30 June 1999**

	Note	£
<b>Fixed assets</b>		
Tangible assets	9	<u>9,205</u>
<b>Current assets</b>		
Debtors	10	237,954
Cash at bank and in hand		<u>81,451</u>
		319,405
Creditors: amounts falling due within one year	11	<u>(123,098)</u>
<b>Net current assets</b>		<u>196,307</u>
Total assets less current liabilities		205,512
Creditors: amounts falling due After more than one year	12	<u>(389,180)</u>
<b>Net liabilities</b>		<u>(183,668)</u>
<b>Capital and reserves</b>		
Called up share capital	13	30,000
Profit and loss account	14	(213,668)
<b>Shareholders' funds</b>	15	<u>(183,668)</u>

The financial statements on pages 7 to 19 were approved by the board of directors on 10 August 1999 and were signed on its behalf by:



**Director**

**Cash flow statement  
for the 10 month period ended  
30 June 1999**

	Note	£
<b>Net cash outflow from continuing operations</b> (page 10)		<b>(277,275)</b>
<b>Returns on investments and servicing of finance</b>		
Interest received		527
Interest paid		<u>(210)</u>
Net cash inflow from returns on Investments and servicing of finance		<u>317</u>
<b>Taxation</b>		
UK corporation tax paid		<u>-</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets		<u>(11,439)</u>
<b>Net cash outflow before financing</b>		<u>(288,397)</u>
<b>Financing</b>		
Drawdown of inter company loan		339,848
Issue of shares		<u>30,000</u>
Net cash inflow from financing		<u>369,848</u>
<b>Increase in cash in the period</b>	16/17	<u><u>81,451</u></u>

**Reconciliation of operating profit to net cash  
inflow from operating activities**

	£
<b>Continuing operating activities</b>	
Operating loss	(204,146)
Depreciation on tangible fixed assets	2,234
Increase in debtors	(237,954)
Increase in creditors	123,098
Exchange loss	39,493
<b>Net cash outflow from continuing operating activities</b>	<b><u>(277,275)</u></b>

## **Notes to the financial statements for the period ended 30 June 1999**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Office equipment	33 $\frac{1}{3}$ %
Furniture and fittings	20%

#### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

#### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

#### **Pension**

The company operates a defined contribution pension scheme to provide pension on retirement for certain staff. The assets of the schemes are held separately from those of the company by an insurance company. The company's contributions are charged to the profit and loss account in the year in which they are payable.

**Deferred Taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that the liability or asset will capitalise.

**Related Party Transactions**

The company has taken advantage of the exemption available under paragraph 3 (c) of Financial Reporting Standard 8 permitting non-disclosure of transactions between group undertakings.

**Foreign Currencies**

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the exchange rate prevailing on that date. Exchange gains or losses are taken to the profit and loss account in the year in which they arise.

**2 Turnover**

Turnover consists entirely of sales made in the United Kingdom.

**3 Net operating expenses**

	<b>£</b>
Administrative expenses	<u>610,830</u>

**4 Directors' emoluments**

	<b>£</b>
Aggregate emoluments (including benefits in kind)	<u>83,672</u>

## **5 Employees**

The average weekly number of persons (including executive directors) employed by the company during the period was:

	<b>Number</b>
<b>By activity</b>	
Selling	4
Administration	1
	<u>5</u>

£

### **Staff costs (for the above persons)**

Wages and salaries	218,941
Social security costs	5,483
Other pension costs	2,417
	<u>226,841</u>

## **6 Interest payable and similar charges**

£

On bank loans, overdrafts and other loans	210
Group undertakings	<u>9,839</u>
	<u>10,049</u>

**7      Loss on ordinary activities before taxation**

£

Loss on ordinary activities before taxation

is stated after charging:

Depreciation charge for the period:	2,234
Auditors' remuneration	5,000
Exchange loss	39,493
Other operating lease rentals	<u>51,618</u>

**8      Tax on loss on ordinary activities**

No corporation tax is due by virtue of the losses incurred in the period.



**9 Tangible fixed assets**

	<b>Office equipment</b>
	<b>£</b>
<b>Cost</b>	
Additions	<u>11,439</u>
<b>At 30 June 1999</b>	<u><b>11,439</b></u>
<b>Depreciation</b>	
Charge for period	<u>2,234</u>
<b>At 30 June 1999</b>	<u><b>2,234</b></u>
<b>Net book value</b>	
<b>At 30 June 1999</b>	<u><b>9,205</b></u>

**10 Debtors**

	<b>£</b>
<b>Amounts falling due within one year</b>	
Trade debtors	207,741
Other debtors	18,722
Prepayments	11,491
	<u><b>237,954</b></u>

**11 Creditors: amounts due within one year**

	£
Trade creditors	72,252
Other taxation and social security costs	24,909
Other creditors	1,007
Accrual	24,930
	<u>123,098</u>

**12 Creditors: amounts falling due after more than one year**

	£
Loan from parent undertaking	389,180
	<u>389,180</u>

The amounts owed to the parent undertaking are unsecured and have no set repayment date. Interest on the loan is charged at the 'Cash Rate' as recorded on the first working day of each month in the Australian Financial Review.

**13      Called up share capital**

	£
<b>Authorised</b>	
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>	
30,000 ordinary shares of £1 each	<u>30,000</u>

During the period the company issued 30,000 ordinary shares of £1 each at £1 per share.

**14      Profit and loss account**

	£
Retained loss for the period	(213,668)
<b>At 30 June 1999</b>	<u><b>(213,668)</b></u>

**15      Reconciliation of movements in shareholders' funds**

	£
Share capital issued	30,000
Loss for the financial period	(213,668)
<b>Closing shareholders' funds</b>	<u><b>(183,668)</b></u>

**16 Reconciliation of net cash flow to movements in net debt**

	£
Increase in cash in the period	81,451
Cash inflow from increase in debt	<u>(349,687)</u>
Change in net debt resulting from cash flow	<u>(268,236)</u>
Exchange movement	<u>(39,493)</u>
Net debt at 30 June 1999	<u>307,729</u>

**17 Analysis of changes in net debt**

	Cash flows	Other non cash changes	Exchange Movement	At 30 June 1999
Cash in hand and at bank	<u>81,451</u> 81,451	-	-	81,451
Debt due after one year	<u>(339,848)</u> <u>(258,397)</u>	<u>(9,839)</u> <u>(9,839)</u>	<u>(39,493)</u> <u>(39,493)</u>	<u>(389,180)</u> <u>(307,729)</u>

**18 Financial commitments**

At 30 June 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings
	£
Expiring within one year	<u>55,980</u>

**19 Ultimate and immediate parent company**

The ultimate and immediate parent undertaking and controlling party is SMS Consulting Group Pty Limited, a company registered in Australia, which held 100% of the issued share capital of the company. The consolidated financial statements of SMS Consulting Group Pty Limited can be obtained from Level 18, IBM Tower, Southgate, 60 City Road, Melbourne, Victoria Australia 3006.

On 1 July 1999, SMS Consulting Group Pty Limited changed its name to SMS Consulting Group Limited.