



Bray Leino Group Limited

Financial statements for the year ended 31 December 2001
together with directors' and auditors' reports

Registered number: 3636970



Directors' report

For the year ended 31 December 2001

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2001.

Principle activity

The company's principal activity is that of a holding company.

Business review

The directors expect the general level of activity to continue.

Results and dividends

The company's trading profit for the year after tax was £740. The directors do not recommend the payment of any dividend (2000: £552,777 of 61p per ordinary share).

Directors and their interests

The directors who served the company during the year were as follows:

D W Morgan	
M A J Kusmidrowicz	(resigned 7 September 2001)
S R James	(resigned 11 April 2001)
J E Colom-Moreno	(resigned 11 April 2001)
T R Coates	
M J Harvey	(resigned 11 April 2001)
S J Madge	(resigned 11 April 2001)
L C Walker	(resigned 11 April 2001)
W Fletcher	(resigned 11 April 2001)
T M Graunke	(appointed 11 April 2001)
J C Hanson-Smith	(appointed 11 April 2001)

Directors' report (continued)

Directors and their interests (continued)

The beneficial interests in the shares of the company in respect of each person who was a director at the end of the financial year are as follows:

	Ordinary £1 shares		'A' Preference £1 shares		'B' Preference £1 shares	
	At 1 January 2001 or date of appointment	At 31 December 2001	At 1 January 2001 or date of appointment	At 31 December 2001	At 1 January 2001 or date of appointment	At 31 December 2001
D W Morgan	397,699	-	-	-	177,534	-
T R Coates	24,856	-	-	-	28,882	-
T M Graunke	-	-	-	-	-	-
J C Hanson-Smith	-	-	-	-	-	-

None of the directors have any interests in the shares of other group companies which are required to be disclosed under the provisions of the Companies Act 1985.

Auditors

During the year, Francis Clark resigned as auditors and Arthur Andersen were appointed to fill the casual vacancy arising.

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

The Old Rectory
Filleigh
Devon
EX32 0RX

By order of the Board,



T R Coates
Director

26 June 2002

Statement of directors' responsibilities

31 December 2001

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 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, 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 which disclose with reasonable accuracy at any time the financial position of the company and 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.

To the Shareholders of Bray Leino Group Limited:

We have audited the financial statements of Bray Leino Group Limited for the year ended 31 December 2001 which comprise the company Profit and Loss Account, Balance Sheet and the related Notes numbered 1 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 affairs of the company at 31 December 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Arthur Andersen
Chartered Accountants and Registered Auditors

Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

26 June 2002

Profit and loss account

For the year ended 31 December 2001

	Notes	2001 £	(Note 13) 2000 £
Administration expenses		-	(31,874)
Operating loss		-	(31,874)
Income from shares in group undertakings		-	407,220
Profit on ordinary activities before taxation	1	-	375,346
Tax on profit on ordinary activities	2	740	9,600
Profit on ordinary activities after taxation		740	384,946
Dividends	3	-	(552,777)
Retained profit (loss) for the financial year		740	(167,831)

The company has not traded during the year.

The accompanying notes are an integral part of this profit and loss account.


There are no recognised gains or losses in either year other than the result for that year.

Balance sheet
31 December 2001

	Notes	2001 £	(Note 13) 2000 £
Fixed assets			
Investments	4	<u>1,616,863</u>	<u>1,616,863</u>
Current assets			
Debtors	5	<u>159,314</u>	<u>156,232</u>
Creditors: Amounts falling due within one year	6	<u>(158,574)</u>	<u>(156,232)</u>
Net current assets		<u>740</u>	<u>-</u>
Total assets less current liabilities		<u>1,617,603</u>	<u>1,616,863</u>
Capital and reserves			
Called-up share capital	7	1,487,470	1,487,470
Share redemption account	8	129,393	129,393
Profit and loss account	9	<u>740</u>	<u>-</u>
Shareholders' funds	10	<u>1,617,603</u>	<u>1,616,863</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Signed on behalf of the Board


T. R. COATES
Director

26 June 2002

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

31 December 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of DVC Holdings (UK) Limited, which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of FRS1 to present a cash flow statement.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

Notes to financial statements

31 December 2001

1 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is after charging:

	2001 £	2000 £
Auditors' remuneration	-	2,700

The auditors' remuneration in the current year has been borne by another group company.

There was no directors' remuneration in either year.

2 Taxation

	2001 £	2000 £
UK corporation tax at 30% (2000: 30%)	-	(9,600)
Adjustment in respect of previous year – UK corporation tax	(740)	-
	<u>(740)</u>	<u>(9,600)</u>

3 Dividends

The following dividends have been paid in respect of the year:

	2001 £	2000 £
Dividends paid on equity shares at nil p per share (2000: 61p per share)	-	552,777

Notes to financial statements (continued)

4 Fixed asset investments

£

Shares in subsidiary undertakings at cost

At 1 January 2001 and 31 December 2001

1,616,863

Details of the subsidiary undertakings are as follows:

In each case, the holding relates to ordinary shares in the company. All companies are registered in England.

Name of Company	Holding
Bray Leino Limited	80%
Blue Sky (UK) Limited	100% *
Entri Research Limited	100% *
Bray Leino Training for Change Limited	100% *
Designamo Limited (dormant)	100% *

* The shares in these subsidiaries are held by Bray Leino Limited.

5 Debtors

	2001 £	2000 £
Amounts owed by group undertakings	159,314	146,436
Taxation recoverable	-	9,796
	<u>159,314</u>	<u>156,232</u>

6 Creditors: Amounts falling due within one year

	2001 £	2000 £
Amounts owed to group undertakings	158,574	153,531
Other	-	2,701
	<u>158,574</u>	<u>156,232</u>

Notes to financial statements (continued)

7 Share capital

	2001 £	2000 £
<i>Authorised</i>		
Equity shares:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Non-equity shares:		
250,000 'A' preference shares of £1 each	250,000	250,000
500,000 'B' preference shares of £1 each	500,000	500,000
	<u>1,750,000</u>	<u>1,750,000</u>
<i>Allotted, called up and fully paid</i>		
Equity shares:		
907,250 ordinary shares	907,250	907,250
Non-equity shares:		
116,364 'A' preference shares	116,364	116,364
463,856 'B' preference shares	463,856	463,856
	<u>1,487,470</u>	<u>1,487,470</u>
<i>Redeemed during the year at par</i>		
Non-equity shares:		
'A' preference shares	<u>-</u>	<u>44,530</u>

Provided always that the company shall have sufficient profits available for distribution from which such dividend may be paid, the holders of the 'A' preference shares are entitled to receive a fixed, non-cumulative, annual dividend in an amount equal to five per cent of the amount paid up, or credited as paid up, on such preference shares. Upon any redemption of the 'A' preference shares the company shall pay to the holders of the 'A' preference shares being redeemed a pro rated dividend in respect of the period between the accrual of the last annual dividend and the date of redemption, together with the principal amount payable on redemption. The 'B' preference shares have no rights to dividends.

No 'B' preference shares may be redeemed until all 'A' preference shares have been redeemed, unless all 'A' preference shareholders agree otherwise in writing. All preference shares are to be redeemed at par. Neither class of preference shares hold any voting rights.

8 Share redemption account

	2001 £	2000 £
Balance brought forward	129,393	-
Transfer from the profit and loss account	-	129,393
Balance carried forward	<u>129,393</u>	<u>129,393</u>

Notes to financial statements (continued)

9 Profit and loss account

	2001 £	2000 £
Balance brought forward	-	297,224
Profit (loss) for the period	740	(167,831)
Transfer to capital redemption account	-	(129,393)
Balance carried forward	<u>740</u>	<u>-</u>

10 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the year	740	384,946
Dividends	-	(552,777)
Net addition (reduction) to shareholders' funds	<u>740</u>	<u>(167,831)</u>
Opening shareholders' funds	1,616,863	1,829,224
Redemption of share capital	-	(44,530)
Closing shareholders' funds	<u>1,617,603</u>	<u>1,616,863</u>

Shareholders' funds for the company include non-equity interests of £116,364 relating to the 'A' preference shares and £463,856 relating to the 'B' preference shares.

11 Contingencies

The company has entered into an omnibus guarantee and set off agreement with Lloyds TSB Bank plc in respect of the following group companies:

Bray Leino Limited
Blue Sky (UK) Limited
Bray Leino Training for Change Limited
Entri Research Limited

Notes to financial statements (continued)

12 Ultimate controlling party

The directors regard DVC Worldwide LLC, a company incorporated in the United States of America, as the ultimate parent company and the ultimate controlling party.

DVC Holdings (UK) Limited is the parent company of the smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Secretary, 7 Albemarle Street, London, W15 4HQ.

DVC Worldwide LLC is the parent company of the largest group in which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Secretary, 7 Albemarle Street, London, W15 4HQ.

As a subsidiary undertaking of DVC Worldwide LLC, the company has taken advantage of the exemption in FRS8 "Related party disclosures" from disclosing transactions with other members of the group headed by DVC Worldwide LLC.

13 Prior year comparative amounts

The prior year comparative amounts were audited by a firm of Registered Auditors, other than Arthur Andersen.