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**RJT 260 LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER 2000**



Company No.03805230

## **RJT 260 LIMITED**

### **COMPANY INFORMATION**

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**Directors**

C H Rattigan  
Ms C M Rogers  
A D Snell

**Secretary**

A D Snell

**Company Number**

03805230

**Registered Office**

20 Old Mill Square  
Storrington  
Pulborough  
West Sussex  
RH20 4NQ

**Auditors**

Spofforths  
20 Old Mill Square  
Storrington  
West Sussex  
RH20 4NQ

**Bankers**

Royal Bank of Scotland Plc  
London City Office  
PO Box 412  
Threadneedle Street  
London  
EC2R 8LA

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# **RJT 260 LIMITED**

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# RJT 260 LIMITED

## DIRECTORS' REPORT

FOR THE PERIOD ENDED 30TH SEPTEMBER 2000

The directors present their report together with the audited accounts for the period ended 30th September 2000.

### Principal Activities and Review of Business

The company was incorporated on 12th July 1999 and commenced trading on 3rd November 1999.

The company's principal activity during the period has been that of the holding company of KCS Management Systems Limited whose share capital was acquired on 3rd November 1999.

### Results and Dividends

The results for the period are set out in the profit and loss account on page 3.

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory.

The directors consider the state of the company's affairs to be satisfactory.

The directors do not recommend a dividend.

### Directors

The directors who served during the period and their beneficial interests in the company's issued share capital were:

		Ordinary Shares	
		30th September 2000	12th July 1999
C H Rattigan	appointed 03.11.99	43,125	-
Ms C M Rogers	appointed 03.11.99	23,438	-
A D Snell	appointed 03.11.99	43,125	-
Ms J Oakley	appointed 03.11.99, resigned 10.11.00	40,312	-
St Andrew's Company Services Limited	appointed 12.07.99, resigned 03.11.99	-	-

### Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of the company's affairs and of the profit or loss for that period. In preparing these accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts 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 accounts 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.

This report was approved by the board on 9th August 2001, and signed on its behalf.

  
A D Snell, Secretary

**AUDITORS' REPORT TO THE  
SHAREHOLDERS OF RJT 260 LIMITED**

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We have audited the accounts on pages 3 to 8.

**Respective Responsibilities of Directors and Auditors**

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

**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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Spofforths**  
**Chartered Accountants and Registered Auditors**  
**20 Old Mill Square**  
**Storrington**  
**West Sussex**  
**RH20 4NQ**  
Date: 10 August 2001

**RJT 260 LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE PERIOD 12TH JULY 1999 TO 30TH SEPTEMBER 2000**

	<b>Notes</b>	<b>2000 £</b>
Administrative Expenses		<b>1,000</b>
Management charges		<b>(1,000)</b> <b>116,000</b>
<b>Operating Profit</b>	<b>2</b>	<b>115,000</b>
Interest Payable and Similar Charges	<b>3</b>	<b>(78,151)</b>
<b>Profit on Ordinary Activities before Taxation</b>		<b>36,849</b>
Tax on profit on ordinary activities	<b>4</b>	<b>7,370</b>
<b>Profit for the Financial Period</b>		<b>29,479</b>

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included in the profit and loss account.

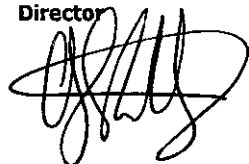
**RJT 260 LIMITED****BALANCE SHEET**AS AT 30TH SEPTEMBER 2000

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	Notes	£	2000 £
<b>Fixed Assets</b>			
Investments	5		1,058,396
<b>Creditors: Amounts Falling Due Within One Year</b>	6	<u>66,042</u>	
<b>Net Current Liabilities</b>			<u>(66,042)</u>
<b>Total Assets Less Current Liabilities</b>			992,354
<b>Creditors: Amounts Falling Due After More Than One Year</b>	7		<u>812,500</u>
			<u>179,854</u>
<b>Capital and Reserves</b>			
Share capital	9		150,375
Profit and loss account			<u>29,479</u>
<b>Shareholders' Funds - Equity</b>	12		<u>179,854</u>

These accounts were approved by the board on 9th August 2001 and signed on its behalf.

**C H Rattigan**  
Director



**Ms C M Rogers**  
Director



**RJT 260 LIMITED****CASH FLOW STATEMENT**

FOR THE PERIOD 12TH JULY 1999 TO 30TH SEPTEMBER 2000

	Notes	2000 £
<b>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</b>		
Operating profit		<b>115,000</b>
Increase in creditors		<b>8,672</b>
<b>Net Cash Inflow from Operating Activities</b>		<b>123,672</b>
<b>CASH FLOW STATEMENT</b>		
<b>Net Cash Inflow from Operating Activities</b>		<b>123,672</b>
Returns on Investments and Servicing of Finance	10	<b>(78,151)</b>
Capital Expenditure and Financial Investment	10	<b>(1,058,396)</b>
<b>Cash Outflow Before Use of Liquid Resources and Financing</b>		<b>(1,012,875)</b>
Financing	10	<b>1,012,875</b>
<b>Decrease in Cash</b>		<b>-</b>
<b>Reconciliation of Net Cash Flow to Movement in Net Debt</b>		
<b>Decrease in Cash in the Period</b>		<b>-</b>
Cash inflow from increase in net debt and lease financing	11	<b>(862,500)</b>
<b>Increase in Net Debt</b>	11	<b>(862,500)</b>
<b>Net Debt at 30th September 2000</b>	11	<b>(862,500)</b>



# RJT 260 LIMITED

## NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2000

### 1 Accounting Policies

#### *Basis of Accounting*

The accounts have been prepared under the historical cost convention .

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

#### *Investments*

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### *Deferred Taxation*

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

### 2 Operating Profit

*The operating profit is arrived at after charging or crediting:*

	2000
	£
Auditors' remuneration	1,000

### 3 Interest Payable and Similar Charges

	2000
	£
Bank overdrafts and loans	78,151

### 4 Taxation

	2000
	£
Based on the profit for the period UK corporation tax at 20%	7,370

### 5 Fixed Assets Investments

	Shares in Group Undertakings
Cost	£
Additions	1,058,396
At 30th September 2000	1,058,396
Net Book Value At 30th September 2000	1,058,396

The company's investment represents the cost of acquisition of the whole of the issued ordinary share capital of KCS Management Systems Limited, a company registered in England and Wales whose principal activity is the development, marketing, installation and support of computer software for accounting, personnel and payroll systems. There have been no audited accounts prepared since acquisition although the most recent accounts, for the year to 30th September 1999, show the aggregate amount of capital and reserves to be £61,367 and the profit for the year amounted to £294,047.

**RJT 260 LIMITED****NOTES TO THE ACCOUNTS****FOR THE PERIOD ENDED 30TH SEPTEMBER 2000**

<b>6</b>	<b>Creditors: Amounts Falling Due Within One Year</b>	<b>2000</b>
		<b>£</b>
	Bank loans (Note 8)	<b>50,000</b>
	Amounts owed to undertakings in which the company has a participating interest	<b>7,672</b>
	Corporation tax	<b>7,370</b>
	Accruals and deferred income	<b>1,000</b>
		<b>66,042</b>
<b>7</b>	<b>Creditors: Amounts Falling Due After One Year</b>	<b>2000</b>
		<b>£</b>
	Bank loans (Note 8)	<b>812,500</b>
		<b>812,500</b>
<b>8</b>	<b>Loans</b>	<b>2000</b>
		<b>£</b>
	Amounts included in creditors and payable in more than five years by instalments:	
	In one year or less, or on demand	<b>50,000</b>
	Between one and two years	<b>50,000</b>
	Between two and five years	<b>762,500</b>
		<b>862,500</b>
<b>9</b>	<b>Share Capital</b>	<b>2000</b>
		<b>£</b>
	<b>Authorised Equity Shares</b>	
	150,000 Ordinary shares of £1.00 each	<b>150,000</b>
	37,500 Preferred Ordinary shares of 1p each	<b>375</b>
		<b>150,375</b>
	<b>Allotted Equity Shares</b>	
	150,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<b>150,000</b>
	37,500 Allotted, called up and fully paid preferred ordinary shares of 1p each	<b>375</b>
		<b>150,375</b>

On incorporation, 12th July 1999, one £1 Ordinary share was issued at par. A further 149,999 £1 Ordinary shares were issued at par on 2nd November 1999 to fund the acquisition of the subsidiary. On 3rd November 1999 37,500 1p Preferred Ordinary shares were issued at par also to fund the acquisition of the subsidiary.

Holders of 1p Preferred Ordinary shares are entitled to a cumulative participating dividend, with effect from 1st October 2000, equal to 10% of net profits for each accounting period. Net profit for these purposes is defined as consolidated profit for the Accounting Group less provisions for dividends, goodwill, reserves transfers and extraordinary or exceptional items. Excess remuneration should be added back also.

They are entitled to a further dividend based on any given on £1 Ordinary shares. Holders of 1p Preferred Ordinary shares also have priority over capital in the event of the winding-up of the company. With regards to voting rights, holders are entitled to one vote per £1 Ordinary share held and one vote per 1p Preferred Ordinary share held.

**RJT 260 LIMITED****NOTES TO THE ACCOUNTS**

FOR THE PERIOD ENDED 30TH SEPTEMBER 2000

<b>10</b>	<b>Gross Cash Flows</b>	<b>2000</b>
		<b>£</b>
	<b>Returns on Investments and Servicing of Finance</b>	
	Interest paid	<b>(78,151)</b>
	Net cash outflow for returns on investments and servicing of finance	<b>(78,151)</b>
	Purchase of investments	<b>(1,058,396)</b>
	<b>Financing</b>	
	Issue of ordinary share capital	<b>150,375</b>
	Increase in other bank loans due within 1 year	<b>50,000</b>
	Increase in bank loans due after more than 1 year	<b>812,500</b>
	Net cash inflow for financing	<b>1,012,875</b>

**11 Analysis of Changes in Net Debt**

	<b>1999</b>	<b>Cash flows</b>	<b>2000</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Debt due within 1 year	-	(50,000)	(50,000)
Debt due after 1 year	-	(812,500)	(812,500)
	-	(862,500)	(862,500)
	-	(862,500)	(862,500)

**12 Reconciliation of Shareholders' Funds**

	<b>2000</b>
	<b>£</b>
Profit for the financial period	<b>29,479</b>
Issue of share capital	<b>150,375</b>
Increase in the shareholders' funds	<b>179,854</b>
Opening shareholders' funds	-
Closing shareholders' funds	<b>179,854</b>

**13 Contingent Liabilities**

The company's 100% owned subsidiary, KCS Management Systems Limited, acts as guarantor for the company in respect of the bank loans due at the year end.

The company acts as guarantor for the bank overdraft of KCS Management Systems Limited. At the balance sheet date this contingent liability amounts to £203,864.

**14 Related Parties**

At the period end a balance of £7,672 was due to KCS Management Systems Limited, the company's 100% owned subsidiary.

During the period KCS Management Systems Limited was charged £116,000 for management services provided. All transactions took place under normal commercial terms.

**RJT 260 LIMITED****MANAGEMENT PROFIT AND LOSS ACCOUNT**FOR THE PERIOD 12TH JULY 1999 TO 30TH SEPTEMBER 2000

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	£	2000 £
<b>Other Operating Income</b>		
Management charges	<u>116,000</u>	116,000
<b>Less Expenses</b>		
Audit and accountancy	1,000	
Interest Payable and Similar Charges	<u>78,151</u>	
		<u>79,151</u>
<b>Net Profit for the Period</b>		<u><u>36,849</u></u>