

Company Registration No. 03851074 (England and Wales)

CLEARSPRINGS (MANAGEMENT) LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 31 JANUARY 2001



CLEARSPRINGS (MANAGEMENT) LIMITED

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CLEARSPRINGS (MANAGEMENT) LIMITED

INDEPENDENT AUDITORS' REPORT TO CLEARSPRINGS (MANAGEMENT) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the period ended 31 January 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

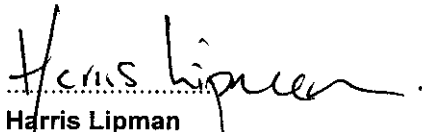
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Harris Lipman
Registered Auditors
2 Mountview Court
310 Friern Barnet Lane
London N20 0YZ

Date: 19-03-02

CLEARSPRINGS (MANAGEMENT) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 2001

	Notes	2001 £	£
Fixed assets			
Tangible assets	2		345,728
Current assets			
Debtors		1,451,519	
Cash at bank and in hand		422,285	
		<u>1,873,804</u>	
Creditors: amounts falling due within one year		<u>(3,194,911)</u>	
Net current liabilities			<u>(1,321,107)</u>
Total assets less current liabilities			<u>(975,379)</u>
Creditors: amounts falling due after more than one year			<u>(52,554)</u>
			<u>(1,027,933)</u>
Capital and reserves			
Called up share capital	3		1
Profit and loss account			<u>(1,027,934)</u>
Shareholders' funds			<u>(1,027,933)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 15/3/02.


G. King Esq
Director


S. V. Marsh Esq
Director

CLEARSPRINGS (MANAGEMENT) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Contractually, the company is entitled to a fixed amount of income per service user. 80% of this amount ('the Base Payment') is guaranteed. The further 20% ('the Incentive Payment') whilst payable along with the Base Payment is subject to a potential 100% withholding by the Directorate based on the level of performance failures, if any, as defined by the contract and as calculated by the Directorate.

Turnover represents the Base Payments for the period together with the amount of any Incentive Payments for the period determined at the date of signing the accounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Straight line over the life of the lease
Computer equipment and software	Software - 50% straight line / Hardware - 33 1/3 % straight line
Fixtures, fittings & equipment	20 % straight line
Motor vehicles	25 % straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

CLEARSPRINGS (MANAGEMENT) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2001

2 Fixed assets

Tangible
assets
£

Cost

At 30 September 1999

-

Additions

403,582

At 31 January 2001

403,582

Depreciation

At 30 September 1999

-

Charge for the period

57,854

At 31 January 2001

57,854

Net book value

At 31 January 2001

345,728

3 Share capital

2001

£

Authorised

1,000,000 Ordinary Share of £ 1 each

1,000,000

Allotted, called up and fully paid

1 Ordinary Share of £ 1 each

1