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Arts & Business Services Limited

Report and Financial Statements for the year ended 31 March 2002

Registered company number: 4027285



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Arts & Business Services Limited

Directors' report for the year ended 31 March 2002

The Directors present their report together with the audited financial statements for the year ended 31 March 2002. This report is prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies.

Principal activity and review of business

The principal activities of Arts & Business Services are the provision of membership and consultancy services to the business community and the organisation of arts-based training.

Results

The Company's profit for the financial year of £108,461 (2001: £155,167) will be paid to the parent company by gift aid.

Dividends

The Directors do not recommend the payment of a dividend.

Directors and directors' interests

The Directors of the Company during the year ended 31 March 2002 were:

Robin Wight CVO (Chairman)
Jonathan Cameron
Clare Cooper
Dr Chris Gibson-Smith
Rupert Gavin
Russell Jones
Caroline Lisser
Malcolm Naylor (deceased)
Alan Smith
Colin Tweedy
Fields Wicker-Miurin

Company Secretary

Martin Williams

Directors' report (continued)

According to the register required to be kept by Section 325 of the Companies Act 1985, the Directors did not have, at any time during the year ended 31 March 2002, any interest in shares of the Company, or the parent company with the exception of Messrs Wight, Cameron, Gavin, Gibson-Smith, Naylor, Smith and Wicker-Miurin - all of whom have a non-beneficial interests in the shares of the Company as members of the parent company, a company limited by guarantee.

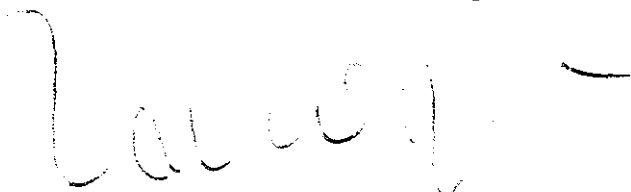
Directors' responsibilities

The Directors are required by UK company law to prepare financial statements for each financial year that 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.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements have been made in the preparation of the financial statements for the year ended 31 March 2002. The Directors also confirm that applicable accounting standards have been followed and that it is appropriate for the financial statements to be prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Directors and signed on their behalf



Robin Wight

Director

18 July 2002

Independent auditors' report to the members of Arts & Business Services Limited

We have audited the financial statements for the year ended 31 March 2002 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the 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 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 the information in the accounts.

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill

Horwath Clark Whitehill

Chartered Accountants and Registered Auditors

London

18 July 2002

Arts & Business Services Limited

**Profit and Loss Account
for the year ended 31 March 2002**

	Notes	2002 £	2001 £
Turnover	2	<u>1,369,809</u>	<u>588,713</u>
Total turnover		<u>1,369,809</u>	<u>588,713</u>
Operating costs			
Cost of sales		455,887	84,955
Staff costs	3	-	13,869
Office and administration costs	4	<u>821,669</u>	<u>341,242</u>
Total operating costs		<u>1,277,556</u>	<u>440,066</u>
Profit/(loss) on ordinary activities before interest and tax	5	<u>92,253</u>	<u>148,647</u>
Net interest receivable		<u>16,208</u>	<u>6,520</u>
Profit/(loss) on ordinary activities before tax		<u>108,461</u>	<u>155,167</u>
Gift Aid payment to parent company		<u>(108,461)</u>	<u>(155,167)</u>
Net profit/(loss) on ordinary activities before tax		-	-
Tax on profit on ordinary activities		-	-
Profit/(Loss) for the financial year		<u>-</u>	<u>-</u>

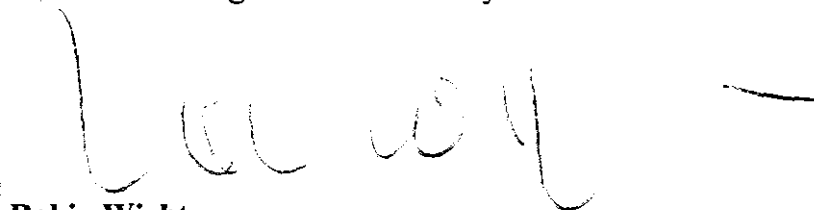
The notes on pages 6 to 8 form part of these accounts.

Arts & Business Services Limited

Balance sheet as at 31 March 2002

	Note	2002 £	2001 £
Current assets			
Debtors	6	366,295	400,968
Cash at bank and in hand		<u>831,026</u>	<u>383,533</u>
		1,197,321	784,501
Creditors: amounts falling due within one year	7	<u>1,197,318</u>	<u>784,498</u>
Net assets		<u>3</u>	<u>3</u>
Capital and reserves			
Called up share capital	8	3	3
Profit and loss account		<u>-</u>	<u>-</u>
Total shareholders' funds	9	<u>3</u>	<u>3</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors 18 July 2002 and were signed on its behalf by:



Robin Wight

Director

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. The notes on pages 6 to 8 form part of these accounts.

**Notes to the financial statements
for the period ended 31 March 2002**

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 consistently applied, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Cash flow statements

The Company, being a small reporting entity as defined by Financial Reporting Standard No. 1 (revised 1996) on 'Cash Flow Statements', is exempt from the requirement to prepare a cash flow statement. Accordingly, no cash flow statement is presented within these accounts.

Income Receivable

Income is credited in the Profit and Loss Account when receivable. To the extent that income relates to a future period, it is carried forward as deferred revenue.

2. Turnover

Turnover is exclusive of value added tax and consisted entirely of services provided in the United Kingdom.

3. Staff costs

The Directors of the Company received no emoluments in the exercise of their office. The Company had no employees during the year, and its operations were conducted by employees of the parent company; the parent company levied a management charge for these services. In the previous year (2000-2001), staff costs represented an apportionment of parent company staff costs.

4. Office and administration costs

Office and administration costs comprise a management charge of £816,585 (2001: £340,000) levied by the parent company for services provided. Some incidental costs were also incurred directly by the Company.

Notes to the financial statements (continued)

5. Profit on ordinary activities before taxation

The auditors' remuneration for audit services was borne by the parent company during the year. There was no remuneration for non-audit services during the year.

6. Debtors: amounts falling due within one year

	2002 £	2001 £
Trade debtors	364,848	173,212
Amount due from parent company (Arts & Business Limited)	-	123,099
Amount due from associate company (Arts & Business Workshops Limited)	-	93,060
Prepayments and accrued income	1,447	11,597
	<u>366,295</u>	<u>400,968</u>

7. Creditors: amounts falling due within one year

	2002 £	2001 £
Trade Creditors	2,219	-
Deferred revenue	245,035	282,705
Accruals	6,567	6,542
Other creditors	1,589	84
Amount due to parent company	941,908	495,167
	<u>1,197,318</u>	<u>784,498</u>

8. Called-up share capital

	2002 £	2001 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
3 ordinary shares of £1 each	3	3

Notes to the financial statements (continued)

9. Reconciliation of movement in shareholders' funds

	2002	2001
	£	£
Opening shareholders' funds	3	3
Retained profit for the financial period	-	-
Closing shareholders' funds	3	3

10. Related party disclosures

The company is not required to disclose transactions with fellow group undertakings under the exemptions provided by Financial Reporting Standards Number 8. There were no other transactions with related parties that would require disclosure under the standard or other requirements.

11. Immediate and ultimate parent company

The Directors regard Arts & Business Limited as the immediate and ultimate parent company and the ultimate controlling party. According to the register kept by the company, Arts & Business, a company incorporated in the United Kingdom held a 100% interest in the equity capital of the Company at 31 March 2002. Copies of the immediate and ultimate parent company's financial statements may be obtained from the Secretary, Arts & Business Limited, Nutmeg House, 60 Gainsford Street, London SE1 2NY.