

ORBACH & CHAMBERS LIMITED

REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 30TH APRIL 2000

REGISTERED No. 969186

GRAY & COMPANY
Chartered Certified Accountants
& Registered Auditors



ORBACH & CHAMBERS LIMITED

REGISTERED No. 969186

DIRECTORS

M Chambers
Mrs R Chambers

SECRETARY

M Chambers

AUDITORS

Gray & Company
Chartered Certified Accountants
& Registered Auditors
24 Windsor Court
Moscow Road
London
W2 4SN

BANKERS

Barclays Bank plc
99 Hatton Garden
London
EC1N 8DN

REGISTERED OFFICE

Saville House
23 Long Lane
London
EC1A 9HL

ORBACH & CHAMBERS LIMITED

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FOR THE YEAR TO 30TH APRIL 2000

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the audited accounts:-

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ORBACH & CHAMBERS LIMITEDREPORT OF THE DIRECTORS
for the year ended 30th April 2000

1. ACCOUNTS

The directors present their report and accounts for the year ended 30th April 2000.

2. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 and loss of the company for that period. In preparing the 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;
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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safe guarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

3. PRINCIPAL ACTIVITY

The principal activities of the company in the period under review were those of recruitment consultants and publishers.

4. DIRECTORS AND THEIR INTERESTS

The directors who were in office during the period and their beneficial interest in the issued ordinary share capital of the company was as follows:

		2000	1999
		No. of Shares	
M Chambers	- Ordinary Shares @ £1 each	10,000	10,000
Mrs R Chambers	- Ordinary Shares @ £1 each	-	-

5. YEAR 2000

The directors have reviewed the potential impact of the year 2000 problem on the company's business and operations. Following this review, the directors do not believe that the year 2000 problem will have a significant effect on the company's ability to conduct its publishing activities and to provide recruitment consultancy services. Nevertheless the company is in the process of replacing or updating computer equipment and software where necessary. The cost of this exercise has not been quantified but is not considered to be material.

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ORBACH & CHAMBERS LIMITED

REPORT OF THE DIRECTORS
for the year ended 30th April 2000

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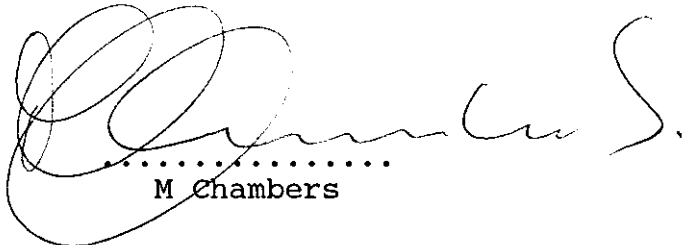
6. AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Gray & Company as Auditors to the company will be proposed at the forthcoming Annual General Meeting.

7. CLOSE COMPANY TAXATION

In the opinion of the directors, the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

By Order of the Board
31st day of July 2000.


.....
M Chambers

AUDITORS' REPORT TO THE MEMBERS OF
ORBACH & CHAMBERS LIMITED.

We have audited the accounts on pages 3 to 10 which have been prepared on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 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 the 30th April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Gray & Company

Gray & Company
Chartered Certified Accountants
& Registered Auditors
24, Windsor Court
Moscow Road
London
W2 4SN

Dated this 31st day of July 2000.

ORBACH & CHAMBERS LIMITEDPROFIT & LOSS ACCOUNTFOR THE PERIOD ENDED 30TH APRIL 2000

			<u>1999</u>
	<u>NOTES</u>	<u>£</u>	<u>£</u>
TURNOVER	1b,	4,849,681	3,929,558
Cost of Sales		<u>(3,373,976)</u>	<u>(2,212,835)</u>
GROSS PROFIT		1,475,705	1,716,723
Administrative Expenses		(495,156)	(348,996)
OPERATING PROFIT	2	<u>980,549</u>	<u>1,367,727</u>
Interest Received		<u>89,605</u>	<u>110,619</u>
		1,070,154	1,478,346
Interest Payable		<u>(248)</u>	<u>(43)</u>
PROFIT On Ordinary Activities before Taxation		1,069,906	1,478,303
TAXATION	3	<u>(321,227)</u>	<u>(464,039)</u>
PROFIT On Ordinary Activities after Taxation		748,679	1,014,264
Dividends paid		<u>-</u>	<u>-</u>
RETAINED PROFIT for the period		<u>748,679</u>	<u>1,014,264</u>

All the above results derive from continuing activities and there were no acquisitions in the year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

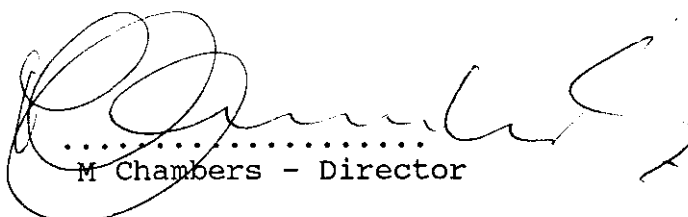
There are no other recognised gains and losses other than the profit for the year.

The Notes on pages 7 to 10 form an integral part of these accounts.

ORBACH & CHAMBERS LIMITEDBALANCE SHEET AS AT 30TH APRIL 2000

		<u>1999</u>			
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	1(c), 4		68,436		59,317
CURRENT ASSETS					
Debtors	5	2,230,845		1,795,557	
Cash at Bank and in Hand		<u>2,114,248</u>		<u>1,430,556</u>	
		4,345,093		3,226,113	
CREDITORS: Amount falling due within one year					
	6	<u>(1,656,097)</u>		<u>(1,276,677)</u>	
NET CURRENT ASSETS			2,688,996		1,949,436
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,757,432</u>		<u>2,008,753</u>
CAPITAL AND RESERVES					
Called up Share Capital	7		10,000		10,000
Profit and Loss Account Surplus	9		2,747,432		1,998,753
			<u>2,757,432</u>		<u>2,008,753</u>

The Financial Statements on pages 3 to 10 were approved on: 31st July 2000.



 M Chambers - Director

ORBACH & CHAMBERS LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 30TH APRIL 2000

	2000		1999	
	£	£	£	£
Net cash inflow from operating activities		1,378,326		832,829
Returns on investments and servicing of finance:				
Interest received	89,605		110,619	
Interest paid	(248)	89,357	(43)	110,576
		<hr/>		<hr/>
Taxation		(769,696)		(370,993)
Capital expenditure and financial investments				
Purchase of tangible fixed assets	14,295		34,483	
Sale of tangible fixed assets	-	(14,295)	-	(34,483)
		<hr/>		<hr/>
Equity dividends paid		-		-
Increase in cash		<hr/> <hr/> 683,692		<hr/> <hr/> 537,929

ORBACH & CHAMBERS LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 30TH APRIL 2000

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

	2000	1999
	£	£
Operating profit	980,549	1,367,727
Depreciation	5,176	31,186
(Increase)/Decrease in debtors	(279,631)	(701,175)
Increase/(Decrease) in creditors	672,232	135,091
Net cash inflow from operating activities	<u>1,378,326</u>	<u>832,829</u>

Reconciliation of net cash flow to movement in net funds:

	2000	1999
	£	£
Increase in cash	683,692	537,929
Net funds/(Overdraft)at beginning of period	1,430,556	892,627
Net funds at close of period	<u>2,114,248</u>	<u>1,430,556</u>

Analysis of changes in net funds:

	1 May 1999	Cash flow	30 April 2000
	£	£	£
Cash at bank & in hand	1,430,556	683,692	2,114,248
Total	<u>1,430,556</u>	<u>683,692</u>	<u>2,114,248</u>

ORBACH & CHAMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2000

1. ACCOUNTING POLICIES**(a) Basis of accounting.**

The accounts have been prepared under the historical cost convention.

(b) Turnover

Turnover represents sales and expenses receivable excluding Value Added Tax.

(c) Tangible fixed assets

Depreciation is provided, at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold property	-	Period of the lease
Motor vehicles	-	20% on cost.
Office Equipment & Fixtures & fittings	-	15% on cost.

(d) Accounting for leases

Assets held under operating leases are not capitalised; the rental payments are written off in the profit and loss account as they are incurred.

(e) Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

2. OPERATING PROFIT

The operating profit is stated after charging:

	£	<u>1999</u> £
Depreciation of Tangible Assets	5,176	31,186
Auditors Remuneration	<u>6,000</u>	<u>6,000</u>

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	£	<u>1999</u> £
U.K. Corporation tax @ 30% based upon the results of the period.	321,227	464,039
Over-provision in previous year	-	-
	<u>321,227</u>	<u>464,039</u>

ORBACH & CHAMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2000

4. TANGIBLE FIXED ASSETS

	<u>Fixtures Furniture & Equip.</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£
Cost:			
At 1.5.99	190,597	12,985	203,582
Additions	14,295	-	14,295
Disposals	(58,314)	-	(58,314)
At 30.4.00	<u>146,578</u>	<u>12,985</u>	<u>159,563</u>
Depreciation:			
At 1.5.99	(132,134)	(12,131)	(144,265)
Eliminated On Disposals	58,314	-	58,314
Charge for Period.	(4,322)	(854)	(5,176)
At 30.4.00	<u>(78,142)</u>	<u>(12,985)</u>	<u>(91,127)</u>
Net book Value:			
At 30.4.00	68,436	-	68,436
At 30.4.99	<u>58,463</u>	<u>854</u>	<u>59,317</u>

5. DEBTORS

		<u>1999</u>
	£	£
Trade Debtors	866,859	348,627
A.C.T.Recoverable	292,593	136,936
Inter Company Debtors	883,301	1,170,371
Other Debtors	<u>188,092</u>	<u>139,623</u>
	<u>2,230,845</u>	<u>1,795,557</u>

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

		<u>1999</u>
	£	£
Director's current account	25,000	25,000
Trade Creditors	148,426	47,456
Corporation Tax payable	171,227	464,039
Social Security and Other Taxes	375,066	184,894
Other creditors	48,383	51,136
Accruals & deferred income	<u>887,995</u>	<u>504,152</u>
	<u>1,656,096</u>	<u>1,276,677</u>

7. CALLED UP SHARE CAPITAL

		<u>1999</u>
	£	£
Authorised		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

ORBACH & CHAMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2000

8. DIRECTORS REMUNERATION & INTERESTS

Emoluments of the directors were as follows:

	£	<u>1999</u> £
Directors fees	-	-
Other emoluments	552	472
Pension Scheme Contribution	-	-
	<u>552</u>	<u>472</u>

9. PROFIT & LOSS ACCOUNT

	£	<u>1999</u> £
Retained profits at 1.5.99	1,998,753	984,489
Profit for the year	<u>748,679</u>	<u>1,014,264</u>
Retained profits at 30.4.00	<u>2,747,432</u>	<u>1,998,753</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£	<u>1999</u> £
Profit for the financial year	748,679	1,014,264
Dividends	<u>-</u>	<u>-</u>
	748,679	1,014,264
Shareholders' funds at 30.4.99	<u>2,008,753</u>	<u>994,489</u>
Shareholders' funds at 30.4.00	<u>2,757,432</u>	<u>2,008,753</u>
Represented by:-		
Equity Interests	<u>2,757,432</u>	<u>2,008,753</u>

11. RELATED PARTY TRANSACTIONS

Throughout the year the company occupied a commercial property in which Mr M Chambers has an interest.

The company entered into a licence agreement with The Orbach & Chambers Pension Fund to occupy part of Saville House, 23 Long Lane, London, EC1A 9HL for a term of three years at an annual rental of £32,716.

Mr Chambers is a Trustee of the Orbach & Chambers Pension Fund.

12. TURNOVER

	£	<u>1999</u> £
Turnover is split as follows:		
U.K.	4,146,784	3,805,395
Rest of the World	<u>702,897</u>	<u>124,163</u>
	<u>4,849,681</u>	<u>3,929,558</u>

ORBACH & CHAMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2000

1999

13. DETAILS OF STAFF

Average number of employees	74	53
	<hr/>	<hr/>
	£	£
Staff Costs: wages and salaries	1,922,359	1,387,233
social security costs	195,563	137,399
	<hr/>	<hr/>
	2,117,922	1,524,632
	<hr/>	<hr/>