

INNOVATION CENTRE EUROPE LIMITED
COMPANY REGISTERED NUMBER: 1383541
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1998



Bryan and Ridge,
Chiswick, London W4

INNOVATION CENTRE EUROPE LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the accounts of the company for the year ended 31 January 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the supply of management development and training consultancy products and services.

DIRECTORS

The directors who held office throughout the year and their beneficial interests in the issued ordinary share capital were as follows:-

Name	<u>31 January 1998</u>	<u>31 January 1997</u>
Mr M E Brown	52	52
Dr C Dewberry	-	-
Mrs S A Brown	40	40
Mr M E and Mrs S A Brown	3	1

POLITICAL AND CHARITABLE DONATIONS

The company made a donation of £1,000 in the year to Comic Relief (1997 - £1,000 to Newlands School).

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

Signed, on behalf of the Board

Registered office:

The Gatehouse, Devonhurst Place,
Heathfield Terrace
London W4

MARK BROWN

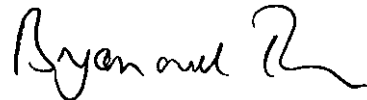
Chairman

Approved by the Board on

Mark Brown 17/9/98

ACCOUNTANT'S REPORT ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF INNOVATION CENTRE EUROPE LIMITED

As described on page 5, you are responsible for the preparation of the accounts for the year ended 31 January 1998 set out on pages 3 to 9, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



BRYAN AND RIDGE

17/9/98

Chartered Accountants

Chiswick,
London, W4

INNOVATION CENTRE EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR FROM 1 SEPTEMBER 1995 TO 31 JANUARY 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
			(17 months)
		£	£
Turnover	2	251,648	1,113,180
Cost of Sales		(52,018)	(491,303)
Gross profit		199,630	621,877
Administrative expenses		(198,441)	(512,211)
		1,189	109,666
Other operating income		-	-
Operating profit	3	1,189	109,666
Interest receivable		5,310	5,313
Interest payable		-	(3,204)
Profit before tax		6,499	111,775
Taxation		(3,500)	(30,000)
Profit after tax		2,999	81,775
Dividends		-	-
Retained profit for the year		2,999	81,775
Retained profit on 1 February 1997		106,473	24,698
Retained profit on 31 January 1998		109,472	106,473
		=====	=====

THE COMPANY HAS NO RECOGNISED GAINS AND LOSSES OTHER THAN THE PROFIT AND LOSS FOR THE PERIOD.

INNOVATION CENTRE EUROPE LIMITED

BALANCE SHEET - 31 JANUARY 1998

	<u>Notes</u>	£	<u>1998</u> £	£	<u>1997</u> £
FIXED ASSETS					
Intangible assets	4		50		50
Tangible assets	5		41,055		50,860
CURRENT ASSETS					
Stocks	6	1,201		3,510	
Debtors	7	25,646		8,827	
Cash at bank and in hand		58,930		175,015	
		-----		-----	
		85,777		187,352	
		-----		-----	
CREDITORS; Amounts falling due within one year	8	17,310		131,689	
		-----		-----	
		17,310		131,689	
		-----		-----	
NET CURRENT ASSETS			68,467		55,663
			-----		-----
			109,572		106,573
			=====		=====

INNOVATION CENTRE EUROPE LIMITED

BALANCE SHEET - 31 JANUARY 1998

(continued)

<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CAPITAL AND RESERVES		
Called up share capital 9	100	100
Profit and loss account	109,472	106,473
	-----	-----
	109,572	106,573
	=====	=====

The exemption conferred by s.249A not to have these accounts audited applies to the company and the directors confirm that no notice has been deposited under s.249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

- a) the company keeps accounting records which comply with s.221 of the Companies Act 1985, and
- b) the accounts give a true and fair view of the state of affairs of the company as at 31 January 1998 and of its profit for the year then ended in accordance with the requirements of s.226, and that they otherwise comply with the requirements of the Companies Act 1985, so far as they apply to the company.

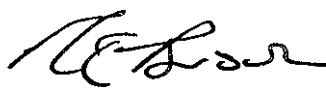
The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed, on behalf of the Board

MARK BROWN

Director

Approved by the Board on.....

 17/9/98

INNOVATION CENTRE EUROPE LIMITED
NOTES TO THE ACCOUNTS - 31 JANUARY 1998

1. ACCOUNTING POLICIES

a) Basis of accounting.

The accounts have been prepared under the historical cost convention.

b) Turnover

Turnover represents the value of work performed and invoiced during the year.

c) Tangible fixed assets.

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

Office equipment	-	20% on cost
Motor vehicles	-	25% on cost

d) Stock.

Stock is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

e) Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

2. TURNOVER

The proportion of turnover attributable to geographical markets outside the United Kingdom amounted to 45% (1997 12%).

3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1998</u> £	<u>1997</u> £
Depreciation	12,956	15,172
Auditors' remuneration	-	1,000
	=====	=====
Directors' emoluments:		
For services as directors	61,334	326,000
Pension contributions	14,467	20,426
Estimated value of benefits-in-kind	12,000	15,000
	=====	=====

4. INTANGIBLE ASSET

In 1988, the company paid £6,500 for the rights to all royalties arising from the future publication or sale of written creative material by a director, M E Brown Esq. Mr Brown holds an option to buy the rights back at any time, for £1,000.

The cost is shown in the balance sheet as an intangible asset, less amortization of £6,450.

5. TANGIBLE FIXED ASSETS

	Land & Buildings	Plant & Machinery etc	Total
	£	£	£
Cost			
On 1 February 1997	-	84,934	84,934
Additions	-	3,151	3,151
Disposals	-	-	-
On 31 January 1998	-	88,085	88,085
Depreciation			
On 1 February 1997	-	34,074	34,074
Charge for the year	-	12,956	12,956
Deduct for disposals	-	-	-
On 31 January 1998	-	47,030	47,030
Net book value			
On 31 January 1997	-	50,860	50,860
On 31 January 1998	-	41,055	41,055

6. STOCK

	<u>1998</u> £	<u>1997</u> £
Stocks	1,201	3,510
	<u>1,201</u>	<u>3,510</u>

7. DEBTORS

	<u>1998</u> £	<u>1997</u> £
Trade debtors	25,646	8,827
Other debtors	-	-
	-----	-----
	25,646	8,827
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1998</u> £	<u>1997</u> £
Trade creditors	-	2,302
Other creditors	17,310	129,387
	-----	-----
	17,310	131,689
	=====	=====

9. CALLED UP SHARE CAPITAL

	<u>1998</u> £	<u>1997</u> £
Authorised		
100 ordinary shares at £1 each	100	100
	=====	=====
Allotted, issued and fully paid		
100 ordinary shares at £1 each	100	100
	=====	=====

10. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	<u>1998</u> £	<u>1997</u> £
Profit for the financial year after taxation	2,999	81,775
Dividends	-	-
Shareholders' funds brought forward	106,573	24,798
	-----	-----
Shareholders' funds carried forward	109,572	106,573
	=====	=====

11. RELATED PARTY DISCLOSURES

The following are considered to be related parties, for the purposes of FRS 8 (Related Party Disclosures):

	<u>Relationship</u>
Mr M E Brown	Director and holder of more than 20% of the company's shares
Dr C Dewberry	Director
Mrs S A Brown	Director and holder of more than 20% of the company's shares

A part of the home premises of Mr and Mrs Brown is set aside for the company's exclusive use, for which the company paid the following sums during the year, to Mr and Mrs Brown:

Reimbursement of part of mortgage interest paid by Mr and Mrs Brown	£ 1,680
Company's share of household expenses	3,600