

**Saxton Bampfylde Hever plc**

Consolidated accounts 30 September 2000  
together with directors' and auditors' reports

Registered number: 2018211



## Directors' report

For the year ended 30 September 2000

The directors present their annual report on the affairs of the Group, together with the accounts and auditors' report, for the year ended 30 September 2000.

### Principal activity and business review

The principal activity of the Group continues to be that of management consultants. The Group provides executive search and advertised recruitment services.

Total group turnover has increased by 23% to £5,988,529 (1999: £4,875,050).

The net profit for the year after tax for the group has increased from £12,931 in 1999 to £183,622.

The directors expect the general level of activity to continue.

### Results and dividends

The results for the year ended 30 September 2000 are set out in the consolidated profit and loss account on page 4. During the year the directors proposed and subsequently paid, on 31 January 2001, an interim dividend of £5.60 per share (1999: £nil). They do not propose a final dividend.

### Directors and their interests

The directors who served during the year, together with their interests in the shares of the Company, are listed below:

		At beginning and end of year
S .J. Bampfylde		35,000 'A' shares
D.R.H. Board		Nil
P.J. Drew		Nil
M.E.A. Le Neve Foster		Nil
P. M. Miller	(appointed 16 October 2000)	Nil

S. J. Bampfylde is a director of Bell McCaw Bampfylde Limited. Details of transactions with this company are given in Note 23 to the accounts. P.J. Drew is a director of Women's Royal Voluntary Service. Details of transactions with this organisation are given in Note 23 to the accounts.

### Close company status

The Company is a close company within the provisions of the Taxes Act 1988.

## Directors' report (continued)

### Charitable donations

The Group contributed £39,707 (1999: £43,318) to charities during the year.

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the results of the Group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group 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 Group and 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 Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

35 Old Queen Street  
London  
SW1H 9JA

By order of the Board,

Date 7 March 2001

  
M.E.A. Le Neve Foster  
Director

**To the Shareholders of Saxton Bampfylde Hever plc:**

We have audited the accounts on pages 4 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 2 the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**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 circumstances of the Company and of the Group, 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 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 information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group at 30 September 2000 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Arthur Andersen*

**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**

Abbots House  
Abbey Street  
Reading  
RG1 3BD

Date *7 March 2001*

# Consolidated profit and loss account

For the year ended 30 September 2000

	Note	Continuing operations	
		2000 £	1999 £
<b>Turnover</b>	2	5,988,529	4,875,050
Administrative expenses		(5,694,184)	(4,805,622)
<b>Operating profit</b>		294,345	69,428
Share of associate's operating loss		(1,060)	-
Interest receivable and similar income	3	29,987	8,387
Interest payable and similar charges	4	(11,330)	(17,625)
<b>Profit on ordinary activities before taxation</b>	5	311,942	60,190
Tax on profit on ordinary activities	7	(128,320)	(47,259)
<b>Profit on ordinary activities after taxation</b>		183,622	12,931
Dividends paid and proposed	8	(84,000)	-
<b>Retained profit for the year</b>	16	99,622	12,931

There are no recognised gains or losses in either year other than the profit for the year.

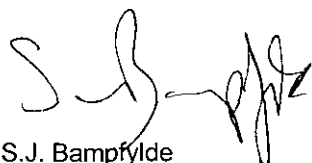
The accompanying notes are an integral part of this consolidated profit and loss account.

# Consolidated balance sheet

As at 30 September 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	9	466,604	261,077
Investments	10	241	241
		<u>466,845</u>	<u>261,318</u>
<b>Current assets</b>			
Debtors	11	1,469,870	1,326,696
Cash at bank and in hand		1,347,766	402,752
		<u>2,817,636</u>	<u>1,729,448</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(2,707,775)</u>	<u>(1,492,192)</u>
<b>Net current assets</b>		<u>109,861</u>	<u>237,256</u>
<b>Total assets less current liabilities</b>		<u>576,706</u>	<u>498,574</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	(31,144)	(53,677)
<b>Provisions for liabilities and charges</b>	14	<u>(1,043)</u>	<u>-</u>
<b>Net assets</b>		<u>544,519</u>	<u>444,897</u>
<b>Capital and reserves</b>			
Called-up share capital	15	50,000	50,000
Profit and loss account	16	494,513	394,891
<b>Equity shareholders' funds</b>	17	<u>544,513</u>	<u>444,891</u>
Minority interests		6	6
<b>Total capital employed</b>		<u>544,519</u>	<u>444,897</u>

The accounts on pages 4 to 19 were approved by the board of directors on 7 March 2001 and signed on its behalf by:



S.J. Bampfylde  
Director

The accompanying notes are an integral part of this consolidated balance sheet.

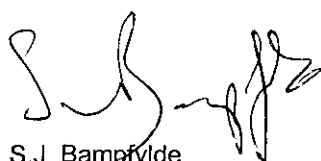
# Company balance sheet

As at 30 September 1999

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	9	466,604	261,077
Investments	10	354	337
		<u>466,958</u>	<u>261,414</u>
<b>Current assets</b>			
Debtors	11	1,469,870	1,326,696
Cash at bank and in hand		1,347,664	402,650
		<u>2,817,534</u>	<u>1,729,346</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(2,707,775)</u>	<u>(1,492,192)</u>
<b>Net current assets</b>		<u>109,759</u>	<u>237,154</u>
<b>Total assets less current liabilities</b>		<u>576,717</u>	<u>498,568</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(31,144)</u>	<u>(53,677)</u>
<b>Net assets</b>		<u>545,573</u>	<u>444,891</u>
<b>Capital and reserves</b>			
Called-up share capital	15	50,000	50,000
Profit and loss account	16	495,573	394,891
<b>Equity shareholders' funds</b>	17	<u>545,573</u>	<u>444,891</u>

The accounts on pages 4 to 19 were approved by the board of directors on  
and signed on its behalf by:

7 March 2001



S.J. Bampfylde  
Director

The accompanying notes are an integral part of this balance sheet.

## Consolidated cash flow statement

For the year ended 30 September 2000

	Note	2000 £	1999 £
<b>Net cash inflow (outflow) from operating activities</b>	18	1,443,009	506,518
Returns on investments and servicing of finance	19	18,657	(9,238)
Taxation	19	(50,258)	(16,759)
Acquisitions and disposals	19	(17)	-
Capital expenditure and financial investment	19	(383,759)	(133,395)
<b>Cash inflow (outflow) before financing</b>		<u>1,027,632</u>	<u>347,126</u>
Financing	19	(82,618)	(93,267)
<b>Increase (decrease) in cash</b>	20	<u>945,014</u>	<u>253,859</u>

The accompanying notes are an integral part of this consolidated cash flow statement.



## Notes to accounts

30 September 2000

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

#### *a) Basis of accounting*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *b) Basis of consolidation*

The Group accounts consolidate the accounts of Saxton Bampfylde Hever plc and its subsidiary undertakings made up to 30 September 2000. The acquisition method of accounting has been adopted.

In the Company accounts, investments in subsidiary undertakings are stated at cost.

No profit and loss account is presented for the Company as provided by S230 of the Companies Act 1985. The Company's retained profit for the year was £100,682 (1999: £12,931). The subsidiary undertakings did not trade during the year.

#### *c) Turnover*

Turnover represents fees invoiced for services provided, together with related recoverable expenses, net of value added tax. Fees and their related recoverable expenses are credited to the profit and loss account on the basis of the work done.

#### *d) Tangible fixed assets*

Fixed assets are shown at original historical cost less accumulated depreciation and any provision for impairment in value.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

Office furniture and equipment	-	7 years
Motor vehicles	-	4 years
Computer equipment and software	-	3 years

## Notes to accounts (continued)

### 1 Accounting policies (continued)

#### e) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated on the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

#### f) *Pension costs*

Amounts payable to the Company's defined contribution pension scheme are charged to the profit and loss account as they fall due. Any difference between amounts charged to the profit and loss account and contributions paid is included in the balance sheet.

#### g) *Foreign currency*

Transactions denominated in foreign currencies are recorded at actual exchange rates as at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### h) *Leases*

Assets held under hire purchase agreements are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over its useful economic life. Finance charges are allocated to accounting periods over the period of the lease so as to give a constant rate of charge on the outstanding balance. Payments are apportioned between finance charges and the reduction of the liability.

Operating lease rentals are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

#### i) *Investments*

Current asset investments are stated at the lower of cost and net realisable value. Fixed asset investments are shown at cost less any provision for impairment in value.

#### j) *Associates*

In the group accounts investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the group's share of associates' profits less losses and the group's share of the net assets of the associates is shown in the consolidated balance sheet.

## Notes to accounts (continued)

### 2 Turnover

The turnover and pre-tax profit is attributable to one activity, that of management consultancy. The analysis of turnover by geographical market has been omitted.

### 3 Interest receivable and similar income

	2000 £	1999 £
Bank interest receivable	<u>29,987</u>	<u>8,387</u>

### 4 Interest payable and similar charges

	2000 £	1999 £
Interest on bank loans and overdrafts	2,836	4,558
Interest on hire purchase contracts	8,494	13,067
	<u>11,330</u>	<u>17,625</u>

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £	1999 £
Depreciation of owned assets	121,757	153,785
Depreciation of assets held under hire purchase agreements	52,372	96,469
Rentals under operating leases		
- land and buildings	182,020	139,100
- plant and machinery	2,110	240
Auditors' remuneration		
- audit fees	16,275	15,100
- non-audit services	<u>9,716</u>	<u>3,500</u>

## Notes to accounts (continued)

### 6 Staff costs

Particulars of employees (including executive directors) are as shown below. Employee costs during the year amounted to:

	2000 £	1999 £
Salaries	3,048,737	2,465,953
Social security costs	371,946	276,014
Pension costs	387,524	363,815
	<u>3,808,207</u>	<u>3,105,782</u>

The average monthly number of persons employed by the Group during the period was 42 (1999: 41) consisting of consultants and people involved in office management.

### Directors' remuneration

#### Remuneration

The remuneration of the directors was as follows:

	2000 £	1999 £
Emoluments	1,614,208	1,006,566
Company contributions to money purchase pension schemes	160,898	238,504
	<u>1,775,106</u>	<u>1,245,070</u>

#### Pensions

The number of directors who were members of money purchase pension schemes was as follows:

	2000 Number	1999 Number
Money purchase schemes	<u>4</u>	<u>5</u>

## Notes to accounts (continued)

### 6 Staff costs (continued)

#### *Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director:

	2000 £	1999 £
Emoluments	1,096,037	436,170
Company contributions to money purchase pension schemes	105,000	105,000
	<u>1,201,037</u>	<u>541,170</u>

### 7 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	2000 £	1999 £
Corporation tax	126,562	48,500
Adjustment to current taxation in respect of prior year	1,758	(1,241)
	<u>128,320</u>	<u>47,259</u>

A deferred tax asset of approximately £52,000 (1999: £48,000) has not been recognised in the accounts.

### 8 Dividends paid and proposed

	2000 £	1999 £
<i>Equity shares</i>		
- interim proposed of £5.60 per ordinary share (1999: £nil)	<u>84,000</u>	<u>-</u>

## Notes to accounts (continued)

### 9 Tangible fixed assets

Group and Company	Office furniture & equipment £	Motor vehicles £	Motor vehicles held under hire purchase contracts £	Computer equipment and software £	Computer equipment held under hire purchase contracts £	Total £
<b>Cost</b>						
Beginning of year	246,153	-	182,269	424,474	152,702	1,005,598
Additions	267,518	20,824	25,092	104,916	-	418,350
Disposals	(52,731)	-	(56,547)	(70,590)	-	(179,868)
Transfers	-	-	-	108,696	(108,696)	-
End of year	<u>460,940</u>	<u>20,824</u>	<u>150,814</u>	<u>567,496</u>	<u>44,006</u>	<u>1,244,080</u>
<b>Depreciation</b>						
Beginning of year	209,551	-	91,928	323,237	119,805	744,521
Charge for year	16,944	5,206	37,703	99,607	14,669	174,129
Disposals	(33,550)	-	(42,410)	(65,214)	-	(141,174)
Transfers	-	-	-	105,136	(105,136)	-
End of year	<u>192,945</u>	<u>5,206</u>	<u>87,221</u>	<u>462,766</u>	<u>29,338</u>	<u>777,476</u>
<b>Net book value</b>						
Beginning of year	<u>36,602</u>	<u>-</u>	<u>90,341</u>	<u>101,237</u>	<u>32,897</u>	<u>261,077</u>
End of year	<u>267,995</u>	<u>15,618</u>	<u>63,593</u>	<u>104,730</u>	<u>14,668</u>	<u>466,604</u>

### 10 Fixed asset investments

Company	Associates £	Subsidiary undertakings £	Listed investments £	Total £
<b>Cost and net book value</b>				
Beginning of year	-	96	241	337
Additions	<u>17</u>	<u>-</u>	<u>-</u>	<u>17</u>
End of year	<u>17</u>	<u>96</u>	<u>241</u>	<u>354</u>

Group investments consist of £241 (1999: £241) of listed investments.

## Notes to accounts (continued)

### 10 Fixed asset investments (continued)

The parent company has investments in the following subsidiary undertakings, associates and other investments.

	Country of incorporation or principal business address	Principal activity	Holding
<i>Subsidiary undertakings</i>			
The Hever Group Limited (+)	England and Wales	Dormant	94%
ARC Advertised Recruitment and Consultancy Limited (+)	England and Wales	Dormant	100%
<i>Associate</i>			
Bell McCaw Bampfylde Limited (+)	New Zealand	Recruitment Consultancy	30%

Listed investments comprise investments which are listed on the London Stock Exchange. The market value of these investments was £226 at 30 September 2000.

(+) Held directly by Saxton Bampfylde Hever Plc

### 11 Debtors

	Group and Company	
	2000	1999
	£	£
Trade debtors	1,152,208	919,869
Amounts owed by associates	9,983	-
Other debtors	13,454	11,309
Prepayments and accrued income	294,225	395,518
	<u>1,469,870</u>	<u>1,326,696</u>

## Notes to accounts (continued)

### 12 Creditors: Amounts falling due within one year

	Group and Company	
	2000	1999
	£	£
Obligations under hire purchase agreements	41,186	76,180
Trade creditors	183,927	216,153
Other creditors		
- UK Corporation tax payable	126,562	48,500
- VAT	168,377	127,862
- Social security and PAYE	56,074	65,638
- Other creditors	110,713	123,815
Accruals	1,797,220	739,994
Deferred income	139,716	94,050
Proposed dividends – equity shareholders	84,000	-
	<u>2,707,775</u>	<u>1,492,192</u>

### 13 Creditors: Amounts falling due after more than one year

	Group and Company	
	2000	1999
	£	£
Obligations under hire purchase agreements falling due within 5 years	<u>31,144</u>	<u>53,677</u>

### 14 Provisions for liabilities and charges

	Share of associate's net liabilities £
<i>Group</i>	
At 1 October 1999	
Charged to profit and loss account	-
At 30 September 2000	<u>1,043</u>
	<u>1,043</u>

### 15 Called-up share capital

	2000	1999
	£	£
<i>Authorised, allotted, called-up and fully paid:</i>		
35,000 ordinary 'A' shares of £1 each	35,000	35,000
15,000 ordinary 'B' shares of £1 each	15,000	15,000
	<u>50,000</u>	<u>50,000</u>



# Notes to accounts (continued)

## 16 Reserves

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
<i>Profit and loss account:</i>				
Beginning of year	394,891	381,960	394,891	381,960
Retained profit for the year	99,622	12,931	100,682	12,931
End of year	<u>494,513</u>	<u>394,891</u>	<u>495,573</u>	<u>394,891</u>

## 17 Reconciliation of movement in equity shareholders' funds

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Shareholders' funds at beginning of year	444,891	431,960	444,891	431,960
Retained profit for the year	99,622	12,931	100,682	12,931
Shareholders' funds at end of year	<u>544,513</u>	<u>444,891</u>	<u>545,573</u>	<u>444,891</u>

## 18 Reconciliation of operating profit to operating cash flows

	Continuing operations	
	2000	1999
	£	£
Operating profit	294,345	69,428
Depreciation charges	174,129	250,254
Loss on sale of tangible fixed assets	29,194	525
(Increase) decrease in debtors	(143,174)	1,880
Increase in creditors	1,088,515	184,431
<b>Net cash inflow from operating activities</b>	<u>1,443,009</u>	<u>506,518</u>

## Notes to accounts (continued)

### 19 Analysis of cash flows

	2000 £	1999 £
<i>Returns on investments and servicing of finance</i>		
Interest received	29,987	8,387
Interest paid (including interest element of hire purchase rentals)	(11,330)	(17,625)
Net cash inflow (outflow)	<u>18,657</u>	<u>(9,238)</u>
<i>Taxation</i>		
UK corporation tax paid	<u>(50,258)</u>	<u>(16,759)</u>
<i>Capital expenditure and financial investment</i>		
Purchase of tangible fixed assets	(393,259)	(139,205)
Sale of tangible fixed assets	9,500	5,810
Net cash outflow	<u>(383,759)</u>	<u>(133,395)</u>
<i>Financing</i>		
Capital element of hire purchase rental payments	<u>(82,618)</u>	<u>(93,267)</u>
<i>Acquisitions and disposals</i>		
Investments in associates	<u>(17)</u>	<u>-</u>

### 20 Analysis and reconciliation of net funds

	1 October 1999 £	Cash flow £	Other non cash charges £	30 September 2000 £
Cash at bank and in hand	402,752	945,014	-	1,347,766
Hire purchase agreements	(129,857)	82,618	(25,091)	(72,330)
Net funds	<u>272,895</u>	<u>1,027,632</u>	<u>(25,091)</u>	<u>1,275,436</u>
			2000 £	1999 £
Increase (decrease) in cash in the year			945,014	253,859
Cash outflow resulting in decrease in debt and lease financing			<u>82,618</u>	<u>93,267</u>
Change in net debt resulting from cash flows			1,027,632	347,126
New hire purchase agreements			<u>(25,091)</u>	<u>(95,917)</u>
Movement in net funds in year			1,002,541	251,209
Net funds at beginning of year			<u>272,895</u>	<u>21,686</u>
Net funds at end of year			<u>1,275,436</u>	<u>272,895</u>

Notes to accounts (continued)

**21 Guarantees and other financial commitments**

*Lease commitments*

The Group leases premises on short and long term operating leases. In addition the Group has entered into operating leases in respect of plant and machinery, the payments for which extend over a period of up to two years. Lease rentals paid in the year are shown in Note 5. The minimum annual rentals under the foregoing leases are as follows:

		Group and Company	
		Property	Plant and machinery
		£	£
2000			
Operating leases which expire			
- within 1 year		-	240
- between 2-5 years		101,000	1,870
- after 5 years		125,000	-
		<u>226,000</u>	<u>2,110</u>

		Group and Company	
		Property	Plant and machinery
		£	£
1999			
Operating leases which expire			
- within 1 year		14,100	-
- between 2-5 years		-	240
- after 5 years		125,000	-
		<u>139,100</u>	<u>240</u>

## Notes to accounts (continued)

### 6 Staff costs (continued)

#### *Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director:

	2000 £	1999 £
Emoluments	1,096,669	436,170
Company contributions to money purchase pension schemes	105,000	105,000
	<u>1,201,037</u>	<u>541,170</u>

### 7 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	2000 £	1999 £
Corporation tax	126,562	48,500
Adjustment to current taxation in respect of prior year	1,758	(1,241)
	<u>128,320</u>	<u>47,259</u>

A deferred tax asset of approximately £52,000 (1999: £48,000) has not been recognised in the accounts.

### 8 Dividends paid and proposed

	2000 £	1999 £
<i>Equity shares</i>		
- interim proposed of £5.60 per ordinary share (1999: £nil)	<u>84,000</u>	<u>-</u>

## Notes to accounts (continued)

### **22 Pension arrangements**

The Company maintains a defined contribution pension scheme. The scheme is open to all employees. The Company makes a contribution equivalent to 5% of the employees' prior year salary and bonus, and employees can make additional contributions as they consider appropriate.

In addition the Company contributes to a separate scheme for Stephen and Rachel Bampfylde and Anthony Saxton.

The total pension cost for the year was £387,525 (1999: £363,815). Accrued pension costs at the year end were £186,000 (1999: £20,000).

### **23 Directors' material interests in contracts**

During the year S.J. Bampfylde was a director of Bell McCaw Bampfylde Limited. This company employed the services of Saxton Bampfylde Hever plc for total fees of £6,885 (1999: £Nil).

During the year P.J. Drew was a director of the Women's Royal Voluntary Service. This organisation employed the services of Saxton Bampfylde Hever plc for total fees of £10,000 (1999: £16,000).