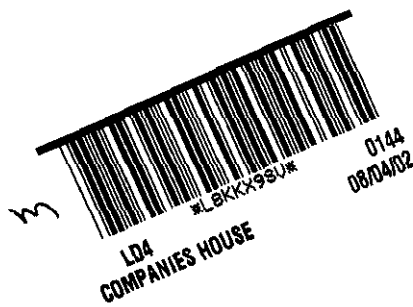


Saxton Bampfylde Hever plc

Annual report and financial statements
for the year ended 30 September 2001

Registered number: 2018211



Directors' report

For the year ended 30 September 2001

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 2001.

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 decreased by 12% to £5,262,587 (2000: £5,988,529).

The group net profit for the year after tax has decreased from £183,622 in 2000 to £23,920.

The directors expect the future performance of the company to be as least as good as the financial year to 30 September 2001.

Results and dividends

The results for the year ended 30 September 2001 are set out in the consolidated profit and loss account on page 5. No interim dividend was paid or proposed during the year (2000: interim dividend £5.60 per share). The directors do not propose a final dividend (2000: nil).

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 of year (or date of appointment if later)	At end of year
S.J. Bampfylde	35,000 'A' shares	31,500 'A' shares
D.R.H. Board	Nil	3,500 'A' shares 1,500 'B' shares
P.J. Drew	Nil	Nil
M.E.A. Le Neve Foster	Nil	Nil
P. M. Miller (appointed 16 October 2000)	Nil	Nil

S. J. Bampfylde is a director of Bell McCaw Bampfylde Limited. Details of transactions with this company are given in Note 22 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 £21,516 (2000: £39,707) to charities during the year.

35 Old Queen Street
London
SW1H 9JA

By order of the Board,



Date 19 March 2002

M.E.A. Le Neve Foster
Director and Company Secretary

Statement of 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 group and of the profit or loss of the group for that year. 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 financial statements; 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the Shareholders of Saxton Bampfylde Hever plc:

We have audited the financial statements of Saxton Bampfylde Hever plc for the year ended 30 September 2001 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Cashflow Statement and the related Notes numbered 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with 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 judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 affairs of the company and group at 30 September 2001 and of the group's profit 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
Berkshire
RG1 3BD

Date 19 March 2002

Consolidated profit and loss account

For the year ended 30 September 2001

	Note	Continuing operations	
		2001 £	2000 £
Turnover	1	5,262,587	5,988,529
Administrative expenses		(5,282,244)	(5,694,184)
Operating (loss) profit		(19,657)	294,345
Share of associate's operating profit (loss)		17,750	(1,060)
Interest receivable and similar income	2	19,552	29,987
Interest payable and similar charges	3	(9,047)	(11,330)
Profit on ordinary activities before taxation	4	8,598	311,942
Tax on profit on ordinary activities	6	15,322	(128,320)
Profit on ordinary activities after taxation		23,920	183,622
Dividends paid and proposed	7	-	(84,000)
Retained profit for the year	15	23,920	99,622

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 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	8	408,807	466,604
Investments	9	11,435	241
		<u>420,242</u>	<u>466,845</u>
Current assets			
Debtors	10	1,238,251	1,469,870
Cash at bank and in hand		369,394	1,347,766
		<u>1,607,645</u>	<u>2,817,636</u>
Creditors: Amounts falling due within one year	11	<u>(1,453,348)</u>	<u>(2,707,775)</u>
Net current assets		<u>154,297</u>	<u>109,861</u>
Total assets less current liabilities		<u>574,539</u>	<u>576,706</u>
Creditors: Amounts falling due after more than one year	12	(6,100)	(31,144)
Provisions for liabilities and charges	13	-	(1,043)
Net assets		<u>568,439</u>	<u>544,519</u>
Capital and reserves			
Called-up share capital	14	50,000	50,000
Profit and loss account	15	518,433	494,513
Equity shareholders' funds	16	<u>568,433</u>	<u>544,513</u>
Minority interests		6	6
Total capital employed		<u>568,439</u>	<u>544,519</u>

The accounts on pages 5 to 20 were approved by the board of directors on and signed on its behalf by:



S.J. Bampfylde
Director

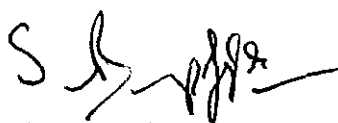
The accompanying notes are an integral part of this consolidated balance sheet.

Company balance sheet

As at 30 September 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	8	408,807	466,604
Investments	9	354	354
		<u>409,161</u>	<u>466,958</u>
Current assets			
Debtors	10	1,238,251	1,469,870
Cash at bank and in hand		369,292	1,347,664
		<u>1,607,543</u>	<u>2,817,534</u>
Creditors: Amounts falling due within one year	11	<u>(1,453,348)</u>	<u>(2,707,775)</u>
Net current assets		<u>154,195</u>	<u>109,759</u>
Total assets less current liabilities		<u>563,356</u>	<u>576,717</u>
Creditors: Amounts falling due after more than one year	12	<u>(6,100)</u>	<u>(31,144)</u>
Net assets		<u>557,256</u>	<u>545,573</u>
Capital and reserves			
Called-up share capital	14	50,000	50,000
Profit and loss account	15	507,256	495,573
Equity shareholders' funds	16	<u>557,256</u>	<u>545,573</u>

The accounts on pages 5 to 20 were approved by the board of directors on and signed on its behalf by:



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 2001

	Note	2001 £	2000 £
Net cash (outflow) inflow from operating activities	17	(576,460)	1,443,009
Returns on investments and servicing of finance	18	10,505	18,657
Taxation	18	(131,860)	(50,258)
Acquisitions and disposals	18	-	(17)
Capital expenditure and financial investment	18	(155,371)	(383,759)
Equity dividends paid		(84,000)	-
Cash (outflow) inflow before financing		(937,186)	1,027,632
Financing	18	(41,186)	(82,618)
(Decrease) increase in cash	19	(978,372)	945,014

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

Statement of accounting policies

30 September 2001

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.

Basis of accounting

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

Basis of consolidation

The Group accounts consolidate the financial statements of Saxton Bampfylde Hever plc and its subsidiary undertakings made up to 30 September 2001. 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 £11,683 (2000: £100,682). The subsidiary undertakings did not trade during the year.

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.

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

Statement of accounting policies (continued)

Taxation

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

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.

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.

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.

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.

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.

Associates

In the group financial statements 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 the financial statements

1 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.

2 Interest receivable and similar income

	2001 £	2000 £
Bank interest receivable	<u>19,552</u>	<u>29,987</u>

3 Interest payable and similar charges

	2001 £	2000 £
Interest on bank loans and overdrafts	5,021	2,836
Interest on hire purchase contracts	<u>4,026</u>	<u>8,494</u>
	<u>9,047</u>	<u>11,330</u>

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2001 £	2000 £
Depreciation of owned assets	156,703	121,757
Depreciation of assets held under hire purchase agreements	35,231	52,372
Rentals under operating leases		
- land and buildings	226,000	182,020
- plant and machinery	22,700	2,110
Auditors' remuneration		
- audit fees	16,800	16,275
- non-audit services	<u>15,650</u>	<u>9,716</u>

Notes to the financial statements

5 Staff costs

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

	2001 £	2000 £
Salaries	2,543,754	3,048,737
Social security costs	310,338	371,946
Pension costs	300,554	387,524
	<u>3,154,646</u>	<u>3,808,207</u>

The average monthly number of persons employed by the Group during the year was 52 (2000: 42) consisting of consultants and people involved in office management.

Directors' remuneration

The remuneration of the directors was as follows:

	2001 £	2000 £
Emoluments	826,170	1,614,208
Company contributions to money purchase pension schemes	179,200	160,898
	<u>1,005,370</u>	<u>1,775,106</u>

Pensions

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

	2001 Number	2000 Number
Money purchase schemes	<u>5</u>	<u>4</u>

Notes to the financial statements

5 Staff costs (continued)

Highest paid director

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

	2001 £	2000 £
Emoluments	263,821	1,096,037
Company contributions to money purchase pension schemes	105,000	105,000
	<u>368,821</u>	<u>1,201,037</u>

6 Tax on profit on ordinary activities

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

	2001 £	2000 £
UK corporation tax	(24,208)	126,562
Adjustment to UK corporation tax in respect of prior year	3,373	1,758
Total current tax	(20,835)	128,320
Share of associates' tax	5,513	-
	<u>15,322</u>	<u>128,320</u>

A deferred tax asset of approximately £23,000 (2000: £52,000) has not been recognised in the accounts.

7 Dividends paid and proposed

	2001 £	2000 £
<i>Equity shares</i>		
- interim dividend	<u>-</u>	<u>84,000</u>

Notes to the financial statements

8 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 £
Cost						
Beginning of year	460,940	20,824	150,814	567,496	44,006	1,244,080
Additions	105,203	-	-	67,874	-	173,077
Disposals	(57,213)	-	(70,026)	(354,894)	-	(482,133)
End of year	<u>508,930</u>	<u>20,824</u>	<u>80,788</u>	<u>280,476</u>	<u>44,006</u>	<u>935,024</u>
Depreciation						
Beginning of year	192,945	5,206	87,221	462,766	29,338	777,476
Charge for year	69,326	5,206	20,563	82,171	14,668	191,934
Disposals	(52,000)	-	(47,005)	(344,188)	-	(443,193)
End of year	<u>210,271</u>	<u>10,412</u>	<u>60,779</u>	<u>200,749</u>	<u>44,006</u>	<u>526,217</u>
Net book value						
Beginning 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>
End of year	<u>298,659</u>	<u>10,412</u>	<u>20,009</u>	<u>79,727</u>	<u>-</u>	<u>408,807</u>

9 Fixed asset investments

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Share of net assets/cost				
Subsidiary undertakings	-	-	96	96
Associates	11,194	-	17	17
Listed investments	<u>241</u>	<u>241</u>	<u>241</u>	<u>241</u>
	<u>11,435</u>	<u>241</u>	<u>354</u>	<u>354</u>

Associates

Share of net assets and net book value

At 1 October 2000

Share of retained profit for the year

At 30 September 2001

£

-

11,194

11,194

Notes to the financial statements

9 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 £260 at 30 September 2001.

(+) Held directly by Saxton Bampfylde Hever Plc

10 Debtors

	Group and Company	
	2001	2000
	£	£
Amounts falling due within one year:		
Trade debtors	945,444	1,152,208
Amounts owed by associates	6,312	9,983
Corporation tax recoverable	26,133	-
Other debtors	15,552	13,454
Prepayments and accrued income	244,810	294,225
	<u>1,238,251</u>	<u>1,469,870</u>

Notes to the financial statements

11 Creditors: Amounts falling due within one year

	Group and Company	
	2001 £	2000 £
Obligations under hire purchase agreements	25,044	41,186
Trade creditors	184,278	183,927
Other creditors		
- UK Corporation tax payable	-	126,562
- VAT	156,289	168,377
- Social security and PAYE	80,930	56,074
- Other creditors	102,987	110,713
Accruals	484,716	1,797,220
Deferred income	419,104	139,716
Proposed dividends – equity shareholders	-	84,000
	<u>1,453,348</u>	<u>2,707,775</u>

12 Creditors: Amounts falling due after more than one year

	Group and Company	
	2001 £	2000 £
Obligations under hire purchase agreements falling due within 5 years	<u>6,100</u>	<u>31,144</u>

13 Provisions for liabilities and charges

	Share of associate's net liabilities £
<i>Group</i>	
At 1 October 2000	1,043
Credited to profit and loss account	<u>(1,043)</u>
At 30 September 2001	<u>-</u>

Notes to the financial statements

14 Called-up share capital

	2001 £	2000 £
<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>

15 Reserves

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
<i>Profit and loss account:</i>				
Beginning of year	494,513	394,891	495,573	394,891
Retained profit for the year	23,920	99,622	11,683	100,682
End of year	<u>518,433</u>	<u>494,513</u>	<u>507,256</u>	<u>495,573</u>

16 Reconciliation of movement in equity shareholders' funds

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Shareholders' funds at beginning of year	544,513	444,891	545,573	444,891
Retained profit for the year	23,920	99,622	11,683	100,682
Shareholders' funds at end of year	<u>568,433</u>	<u>544,513</u>	<u>557,256</u>	<u>545,573</u>

17 Reconciliation of operating (loss) profit to operating cash flows

	Continuing operations	
	2001 £	2000 £
Operating (loss) profit	(19,657)	294,345
Depreciation charges	191,934	174,129
Loss on sale of tangible fixed assets	21,234	29,194
Decrease (increase) in debtors	257,752	(143,174)
(Decrease) increase in creditors	(1,027,723)	1,088,515
Net cash (outflow) inflow from operating activities	<u>(576,460)</u>	<u>1,443,009</u>

Notes to the financial statements

18 Analysis of cash flows

	2001 £	2000 £
<i>Returns on investments and servicing of finance</i>		
Interest received	19,552	29,987
Interest paid (including interest element of hire purchase rentals)	(9,047)	(11,330)
Net cash inflow	<u>10,505</u>	<u>18,657</u>
<i>Taxation</i>		
UK corporation tax paid	<u>(131,860)</u>	<u>(50,258)</u>
<i>Capital expenditure and financial investment</i>		
Purchase of tangible fixed assets	(173,077)	(393,259)
Sale of tangible fixed assets	17,706	9,500
Dividends	(155,371)	(383,759)
Equity dividends paid	(84,000)	-
Net cash outflow	<u>(239,371)</u>	<u>(383,759)</u>
<i>Acquisitions and disposals</i>		
Investments in associates	<u>-</u>	<u>(17)</u>
<i>Financing</i>		
Capital element of hire purchase rental payments	<u>(41,186)</u>	<u>(82,618)</u>

Notes to the financial statements

19 Analysis and reconciliation of net funds

	1 October 2000 £	Cash flow £	30 September 2001 £
Cash at bank and in hand	1,347,766	(978,372)	369,394
Hire purchase agreements	(72,330)	41,186	(31,144)
Net funds	<u>1,275,436</u>	<u>(937,186)</u>	<u>338,250</u>
		2001 £	2000 £
(Decrease) increase in cash in the year		(978,372)	945,014
Cash outflow resulting in decrease in debt and lease financing		<u>41,186</u>	<u>82,618</u>
Change in net funds resulting from cash flows		(937,186)	1,027,632
New hire purchase agreements		-	(25,091)
Movement in net funds in year		(937,186)	1,002,541
Net funds at beginning of year		<u>1,275,436</u>	<u>272,895</u>
Net funds at end of year		<u>338,250</u>	<u>1,275,436</u>

20 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 one year. Lease rentals paid in the year are shown in Note 4. The minimum annual rentals under the foregoing leases are as follows:

	Group and Company	
	Property £	Plant and machinery £
2001		
Operating leases which expire		
- between 2-5 years	101,000	22,460
- after 5 years	<u>125,000</u>	<u>-</u>
	<u>226,000</u>	<u>22,460</u>

Notes to the financial statements

20 Guarantees and other financial commitments (continued)

	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>

21 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 Bampfylde.

The total pension cost for the year was £300,554 (2000: £387,524). Accrued pension costs at the year end were £18,500 (2000: £186,000).

22 Directors' material interests in contracts

During the year S.J. Bampfylde was a director of Bell McCaw Bampfylde Limited. Saxton Bampfylde Hever Plc employed the services of this company for total fees of £1,200. Additionally, Saxton Bampfylde Hever Plc provided services for a total cost of £8,300.