

ARTHUR  
ANDERSEN

ARTHUR ANDERSEN & Co. SC

## Saxton Bampfylde International plc

Consolidated accounts 30 September 1994  
together with directors' and auditors' reports

Registered number: 2018211



## Directors' report

For the year ended 30 September 1994

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 1994.

### Principal activity and business review

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

The executive search division has had an excellent year with increased sales. The psychological assessment division has continued to perform well. As a result, total turnover has increased by 18.5% to £2,675,554 (1993 : £2,258,243).

The net profit for the year after tax has increased to £150,320 from £41,550 in 1993.

### Results and dividends

The results for the year ended 30 September 1994 are set out in the profit and loss account on page 4. An interim dividend of 265.6p per share was paid on 22 September 1994. The directors 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 30 September 1994 Ordinary Shares	At 30 September 1993 Ordinary Shares
A.N.S. Saxton	17,500 'A' Shares	17,500 'A' Shares
S.J. Bampfylde	17,500 'A' Shares	17,500 'A' Shares
D. Stevenson	7,600 'B' Shares	7,600 'B' Shares
D.R.H. Board	Nil	Nil

### Close company status

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

### Fixed assets

Changes in fixed assets during the year are summarised in Notes 9 and 10 to the accounts.

### Charitable donations

The Group contributed £54,837 (1993: £26,983) to charities during the year.

## Directors' report (continued)

### 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 Group and of the Company 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 Company will continue in business.

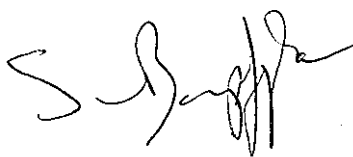
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the 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.

By order of the Board,

35 Old Queen Street  
London  
SW1H 9JA



S.J. Bampfylde  
Secretary

23 December 1994

## Auditors' report

To the Members of Saxton Bampfylde International plc:

We have audited the accounts on pages 4 to 16 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 Group's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

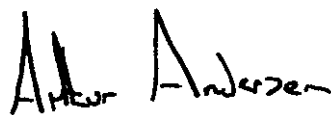
### Basis of opinion

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 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 Group'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 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 Group at 30 September 1994 and of the Group profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Abbots House  
Abbey Street  
Reading  
RG1 3BD

23 December 1994

## Consolidated profit and loss account

For the year ended 30 September 1994

	Notes	1994 £	1993 £
Turnover	2	2,675,554	2,258,243
Administrative expenses		(2,482,345)	(2,185,475)
Other operating income	3	15,318	12,183
Operating profit		208,527	84,951
Interest receivable		15,783	6,089
Interest payable and similar charges	4	(8,545)	(4,226)
Profit on ordinary activities before taxation	5	215,765	86,814
Tax on profit on ordinary activities	7	(65,445)	(45,264)
Profit for the financial year		150,320	41,550
Dividends paid and proposed	8	(132,800)	(23,250)
Retained profit for the year	16	17,520	18,300

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

A statement of movements on reserves is given in Note 16.

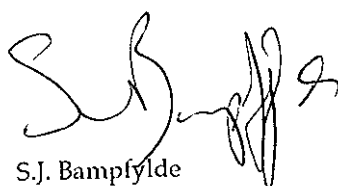
The accompanying notes are an integral part of this consolidated profit and loss account.

# Consolidated balance sheet

As at 30 September 1994

	Notes	1994 £	1993 £
Fixed assets	9	-	8,259
Intangible assets	10	134,815	82,277
Tangible assets		<u>134,815</u>	<u>90,536</u>
Current assets	12	557,290	716,089
Debtors	18	619,899	239,416
Cash at bank and in hand		<u>1,177,189</u>	<u>955,505</u>
Creditors: Amounts falling due within one year	13	<u>(1,010,365)</u>	<u>(817,795)</u>
Net current assets		<u>166,824</u>	<u>137,710</u>
Total assets less current liabilities		<u>301,639</u>	<u>228,246</u>
Creditors: Amounts falling due after more than one year	14	<u>(55,873)</u>	-
Net assets		<u>245,766</u>	<u>228,246</u>
Capital and reserves	15	50,000	50,000
Called-up share capital	16	195,760	178,240
Profit and loss account	17	<u>245,760</u>	<u>228,240</u>
Shareholders' funds		<u>6</u>	<u>6</u>
Minority interests		<u>245,766</u>	<u>228,246</u>
Total capital employed		<u>245,766</u>	<u>228,246</u>

Signed on behalf of the Board on 23 December 1994

  
S.J. Bampfylde

Director

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

# Balance Sheet

As at 30 September 1994

	Notes	1994 £	1993 £
Fixed assets			
Intangible assets	9	-	8,259
Tangible assets	10	134,815	82,277
Investment	11	94	94
		<u>134,909</u>	<u>90,630</u>
Current assets			
Debtors	12	557,290	716,089
Cash at bank and in hand		619,799	239,316
		<u>1,177,089</u>	<u>955,405</u>
Creditors: Amounts falling due within one year	13	(1,010,365)	(817,795)
Net current assets		<u>166,724</u>	<u>137,610</u>
Total assets less current liabilities		301,633	228,240
Creditors: Amounts falling due after more than one year	14	(55,873)	-
Net assets		<u>245,760</u>	<u>228,240</u>
Capital and reserves			
Called-up share capital	15	50,000	50,000
Profit and loss account	16	195,760	178,240
Total capital employed	17	<u>245,760</u>	<u>228,240</u>

Signed on behalf of the Board on 23 December 1994

  
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 1994

	Notes	1994 £	1993 £
Net cash inflow from operating activities	18	<u>517,218</u>	<u>237,027</u>
Returns on investments and servicing of finance			
Interest received		15,783	6,199
Interest paid (including interest element of finance lease rentals)		(8,545)	(4,226)
Dividends paid		<u>(132,800)</u>	<u>(23,250)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(125,562)</u>	<u>(21,277)</u>
Taxation			
Corporation tax paid (including Advance Corporation Tax)		<u>(44,915)</u>	<u>(28,436)</u>
Investing activities			
Payments to acquire fixed assets		(39,971)	(50,681)
Receipts from the sale of tangible fixed assets		11,725	-
Net cash outflow from investing activities		<u>(28,246)</u>	<u>(50,681)</u>
Net cash inflow before financing activities		<u>318,495</u>	<u>136,633</u>
Financing activities			
Capital element of finance lease payments		(30,815)	(11,667)
Sale of minority interest in subsidiary undertaking		-	6
Net cash outflow from financing activities		<u>(30,815)</u>	<u>(11,661)</u>
Increase in cash and cash equivalents	19	<u>287,680</u>	<u>124,972</u>

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



## Notes to accounts

30 September 1994

### 1 Accounting policies

A summary of the principal Group 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 International plc and its subsidiary undertaking made up to 30 September 1994. 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 profit for the year is equal to the total Group profit as its subsidiary undertaking 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) *Intangible fixed assets*

Lease premiums on premises expected to be of long-term benefit to the Company are capitalised and written off over 5 years.

#### e) *Tangible fixed assets*

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
Computer equipment	-	3 years
Motor vehicles	-	4 years

## Notes to accounts (continued)

### *f) Taxation*

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

Advance corporation tax payable on dividends paid or provided for in the year is written off, except when recoverability against corporation tax payable is considered to be reasonably assured. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) 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.

### *g) 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.

### *h) Foreign currency*

Transactions 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.

### *i) Leases*

Assets held under lease 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. Finance charges are allocated to accounting periods over the period of the lease so as to give a constant rate of return on the outstanding balance. Rentals 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.

## **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.

## Notes to accounts (continued)

### 3 Other operating income

	1994 £	1993 £
Profit on disposal of fixed assets	10,659	-
Exchange gain	4,659	12,183
	<u>15,318</u>	<u>12,183</u>

### 4 Interest payable and similar charges

	1994 £	1993 £
Interest on bank loans, overdrafts and other loans:		
Repayable within five years, other than by instalments	2,533	602
Repayable within five years, by instalments	6,012	3,624
	<u>8,545</u>	<u>4,226</u>

Included in the above is the interest element of charges payable under lease purchase agreements amounting to £6,012 (1993: £3,624).

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1994 £	1993 £
Staff costs (see Note 6)	1,647,358	1,302,162
Auditors' remuneration - Audit fees	11,000	11,000
- Non-audit services	3,250	10,560
Depreciation of owned assets	36,859	32,662
Depreciation of assets held under lease purchase agreements	27,198	17,908
Amortisation of intangible assets	8,259	24,777
Rentals under operating leases		
i. land and buildings	125,000	125,000
ii. plant and machinery	9,944	15,630

## Notes to accounts (continued)

### 6 Staff costs

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

	1994 £	1993 £
Salaries	1,368,006	1,092,860
Social security costs	142,272	114,204
Pension costs	137,080	95,098
	<u>1,647,358</u>	<u>1,302,162</u>

The average weekly number of persons employed by the Company during the period was 25 (1993 - 23) consisting of 4 consultants and 21 people involved in office management.

### Directors' remuneration -

Directors of the Company received the following remuneration, (including pension contributions):

	1994 £	1993 £
Emoluments for management services	<u>934,456</u>	<u>827,802</u>

The directors' remuneration shown above (excluding pension contributions) included:

	1994 £	1993 £
Chairman	<u>362,424</u>	<u>331,273</u>
Highest paid director	<u>374,628</u>	<u>344,059</u>

Directors' emoluments (excluding pension contributions) fell within the following ranges:

	1994	1993
£ Nil - £ 5,000	1	1
£ 75,001 - £ 80,000	-	1
£ 90,001 - £ 95,000	1	-
£330,001 - £335,000	-	1
£340,001 - £345,000	-	1
£360,001 - £365,000	1	-
£370,001 - £375,000	<u>1</u>	<u>-</u>

## Notes to accounts (continued)

### 7 Tax on profit on ordinary activities

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

	1994 £	1993 £
Corporation tax at 25%	66,000	45,337
Adjustment to current taxation in respect of prior year	(555)	(73)
	<u>65,445</u>	<u>45,264</u>

The tax charge for the year has been increased by the tax effect of items disallowable for tax purposes totalling approximately £12,000 (1993: £17,000). A deferred tax asset of approximately £11,000 (1993: £20,000) has not been recognised in the accounts.

### 8. Dividends paid and proposed

	1994 £	1993 £
Ordinary: 265.6p per share (1993: 46.5p per share)	<u>132,800</u>	<u>23,250</u>

### 9 Intangible fixed assets

	Group and Company	
	1994 £	1993 £
Cost:		
Beginning and end of year	<u>123,885</u>	<u>123,885</u>
Amortisation:		
Beginning of year	115,626	90,849
Charge for year	<u>8,259</u>	<u>24,777</u>
End of year	<u>123,885</u>	<u>115,626</u>
Net book value		
Beginning of year	<u>8,259</u>	<u>33,036</u>
End of year	<u>-</u>	<u>8,259</u>

The intangible asset comprises the premium paid for a lease for premises in central London together with certain costs incurred in obtaining it.

## Notes to accounts (continued)

### 10 Tangible fixed assets

Group and Company	Office furniture & equipment £	Computer equipment £	Motor vehicles £	Motor vehicles held under leases £	Total £
Cost					
Beginning of year	110,822	80,621	4,600	71,632	267,675
Additions	9,727	19,183	7,447	108,793	145,150
Disposals	(6,025)	(5,437)	(12,047)	(71,632)	(95,141)
End of year	<u>114,524</u>	<u>94,367</u>	<u>-</u>	<u>108,793</u>	<u>317,684</u>
Depreciation					
Beginning of year	77,379	50,846	3,449	53,724	185,398
Charge for year	17,179	19,680	-	27,198	64,057
Disposals	(4,699)	(4,714)	(3,449)	(53,724)	(66,586)
End of year	<u>89,859</u>	<u>65,812</u>	<u>-</u>	<u>27,198</u>	<u>182,869</u>
Net book value					
Beginning of year	<u>33,443</u>	<u>29,775</u>	<u>1,151</u>	<u>17,908</u>	<u>82,277</u>
End of year	<u>24,665</u>	<u>28,555</u>	<u>-</u>	<u>81,595</u>	<u>134,815</u>

### 11 Fixed asset investment

The holds 94% (1993 - 94%) of the issued share capital of The Hever Group Limited. The Hever Group Limited is registered in England and Wales and did not trade during the year.

### 12 Debtors

	Group and Company	
	1994 £	1993 £
Trade debtors	378,935	395,731
Other debtors	6,213	2,770
Prepayments and accrued income	<u>172,142</u>	<u>317,588</u>
	<u>557,290</u>	<u>716,089</u>

## Notes to accounts (continued)

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

	Group and Company	
	1994	1993
	£	£
Obligations under lease purchase agreements	17,507	26,506
Bank loans and overdrafts	148,793	55,990
Trade creditors	107,805	69,176
Other creditors:		
- UK Corporation tax payable	32,667	38,587
- ACT payable	33,200	6,750
- VAT	97,167	58,374
- Social security and PAYE	61,001	29,164
- Other creditors	38,199	76,235
Accruals	391,055	388,055
Deferred income	82,971	68,958
	<u>1,010,365</u>	<u>817,795</u>

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

	Group and Company	
	1994	1993
	£	£
Obligations under lease purchase agreements	<u>55,873</u>	<u>-</u>

### 15 Called-up share capital

	1994	1993
	£	£
Authorised, allotted, called-up and fully-paid:		
Ordinary 'A' shares of £1 each	35,000	35,000
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 and Company	
	1994 £	1993 £
<b>Profit and loss account:</b>		
Beginning of year	178,240	159,940
Retained profit for the year	17,520	18,300
End of year	<u>195,760</u>	<u>178,240</u>

### 17 Movement in shareholders funds

	1994 £	1993 £
Shareholders funds at beginning of year	228,240	209,940
Retained profit for the year	17,520	18,300
Shareholders funds at end of year	<u>245,760</u>	<u>228,240</u>

### 18 Reconciliation of operating profit to net cash inflow (outflow) from operating activities

	1994 £	1993 £
Operating profit	208,527	84,951
- Amortisation of intangible fixed assets	8,259	24,777
- Depreciation of tangible fixed assets	64,057	50,570
- Profit on sale of tangible fixed assets	(10,659)	-
- Decrease/(increase) in debtors	158,799	(312,947)
- Increase in creditors	88,235	389,676
Net cash inflow from operating activities	<u>517,218</u>	<u>237,027</u>

### 19 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1994 £	1993 £	Change in year £
Cash at bank and in hand	619,899	239,416	380,483
Bank overdrafts	(148,793)	(55,990)	(92,803)
	<u>471,106</u>	<u>183,426</u>	<u>287,680</u>



## Notes to accounts (continued)

### 19 Analysis of the balances of cash and cash equivalents as shown in the balance sheet (continued)

	1993 £	1992 £	Change in year £
Cash at bank and in hand	239,416	70,232	169,184
Bank overdrafts	(55,990)	(11,778)	(44,212)
	<u>183,426</u>	<u>58,454</u>	<u>124,972</u>

### 20 Guarantees and other financial commitments

#### a) Capital commitments

Capital expenditure approved and contracted for by the Group at 30 September 1994 amounted to £Nil (30 September 1993 - £Nil).

#### b) Deeds of covenant

The Company has contracted to pay the sum of £10,000 (gross) per annum to the Charities Aid Foundation, under a deed of covenant, for four years from July 1992.

#### c) Lease commitments

The Company rents premises under a 27 year lease acquired in January 1989. Lease rentals paid in the year are shown in Note 5. The annual rental commitment under the lease is £125,000 (excluding service charges and insurance) and the rent is due for review in March 1995.

### 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 employees can make additional contributions as they consider appropriate.

In addition the Company contributes to separate schemes for the directors.

The total pension cost for the year was £137,080 (1993: £95,098).