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HANSON GREEN GROSVENOR LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2000



HANSON GREEN GROSVENOR LIMITED

COMPANY INFORMATION

Directors

T J Bedford
P E Waine
J B H Dinan
A S T Negretti
Ms M T Turner

Secretary

D Maxwell Macdonald

Company No.

2892469

Registered office

43 North Audley Street
London W1Y 1WN

Auditors

Blick Rothenberg
12 York Gate
Regent's Park
London NW1 4QS

Business address

43 North Audley Street
London W1Y 1WN

HANSON GREEN GROSVENOR LIMITED

CONTENTS

	Page
Directors report	1-2
Auditors report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6-12

HANSON GREEN GROSVENOR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2000

The directors present their report and financial statements for the year ended 31st December 2000.

Principal activities and review of the business

The principal activity of the company continued to be that of executive recruitment.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

It is proposed that the retained Profit of £82,326 be transferred to reserves.

Fixed assets

The changes in fixed assets during the year are explained in notes 7 and 9 to the financial statements.

Directors

The directors to hold office during the year and appointed since 31st December 2000 were:

T J Bedford
P E Waine
J B H Dinan
A S T Negretti
Ms A T Gallagher (resigned 30th September 2000)
Mrs M T Turner (appointed 24th January 2001)

Directors' interests

The directors who held office at the end of the year had the following interests in the Ordinary shares of the company:

	Ordinary shares of	
	£0.01 each	£0.01 each
	31st December 2000	1st January 2000
J B H Dinan	12,200	12,200
P E Waine	11,000	11,000
A S T Negretti	11,200	11,200
T J Bedford	-	-

The Company entered into an Option Agreement on 9th October 2000 with Mrs M T Turner, who was appointed to the Board on 24th January 2001. Under the terms of this agreement Mrs Turner may subscribe for up to 2000 new Ordinary Shares of 1p in the Company at a price of £28.50 per share. This option may be exercised in whole or in part at any time from 9th October 2002 to 9th October 2010.

HANSON GREEN GROSVENOR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2000

Directors' interests (continued)

The directors who held office at the end of the year had the following interests in the Preference shares of the company:

	Preference shares of £1 each	
	31st December 2000	1st January 2000
J B H Dinan	-	15,000
P E Waine	-	17,500
A S T Negretti	-	40,000
T J Bedford	-	-

A total of 72,500 Preference shares were redeemed at par during the year to 31st December 2000.

Charitable contributions

During the year the company made charitable donations of £350 (1999: £2,710).

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Blick Rothenberg be reappointed auditors of the company will be put to the Annual General Meeting.

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 or loss of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

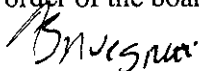
make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



A S T Negretti
Director

11th April, 2001

HANSON GREEN GROSVENOR LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF HANSON GREEN GROSVENOR LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, 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, of 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 examinations, 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.

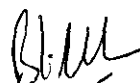
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

11th April, 2001

12 York Gate
Regent's Park
London
NW1 4QS



BLICK ROTHENBERG

Chartered Accountants
Registered Auditors

HANSON GREEN GROSVENOR LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£	£
Turnover	2	1,720,203	1,216,271
Administrative expenses		<u>(1,608,435)</u>	<u>(1,116,943)</u>
Operating profit	3	111,768	99,328
Other interest receivable and similar income	4	4,114	3,246
Interest payable and similar charges	5	<u>(58)</u>	<u>(136)</u>
Profit on ordinary activities before taxation		115,824	102,438
Taxation on profit on Ordinary activities	6	<u>(33,498)</u>	<u>(29,058)</u>
Profit(loss) on ordinary activities after taxation		<u>82,326</u>	<u>73,380</u>

Turnover and operating profit all derive from continuing operations.

The Company has no recognised gains or losses other than the results for the year as set out above.

HANSON GREEN GROSVENOR LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2000

	<u>Note</u>	<u>2000</u>		<u>1999</u>	
		£	£	£	£
Fixed assets					
Tangible assets	7		48,147		54,958
Investments	9		<u>50,125</u>		<u>50,125</u>
			98,272		105,083
Current Assets					
Debtors	8	250,224		254,187	
Cash at bank and in hand		<u>95,375</u>		<u>17,697</u>	
		345,599		271,884	
Creditors: amounts falling due within one year	10	<u>(266,725)</u>		<u>(209,647)</u>	
Net current assets			<u>78,874</u>		<u>62,237</u>
Total assets less current liabilities			177,146		167,320
			<u>177,146</u>		<u>167,320</u>
Capital and reserves					
Called up share capital	11		25,400		97,900
Capital Redemption Reserve			150,000		77,500
Profit and loss account	12		<u>1,746</u>		<u>(8,080)</u>
Shareholders' Funds	13		<u>177,146</u>		<u>167,320</u>
Equity interests			152,146		69,820
Non-equity interests			<u>25,000</u>		<u>97,500</u>
			<u>177,146</u>		<u>167,320</u>

The Financial statements were approved by the Board on 11th April, 2001.



A.S.T. Negretti
Director

HANSON GREEN GROSVENOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2000

1. Accounting Policies

1.1 Basis of Preparation

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

1.2 Turnover

Turnover represents the invoiced value of services rendered, excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation on leasehold improvements is provided on a straight line basis over the remaining period of the lease and depreciation on fixtures and equipment is provided at 25% on a reducing balance basis, which is calculated to write off the cost less estimated residual value of each asset over its expected useful life.

1.4 Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the profit and loss account as incurred.

1.5 Pensions

The company operates a money purchase pension scheme, the assets of which are held separately from those of the company. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.6 Deferred Taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.7 ESOP

Fixed asset investments are stated at cost less provision for diminution in value.

2 Turnover

The turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

HANSON GREEN GROSVENOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2000 (cont)

3 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	17,397	18,319
Operating lease rentals		
- Other assets	29,000	29,000
Auditors' remuneration	4,500	4,500
	<u> </u>	<u> </u>

4 Other interest receivable and similar income

Bank interest	4,114	3,246
	<u> </u>	<u> </u>

5 Interest payable and similar charges

On bank loans and overdrafts	58	136
	<u> </u>	<u> </u>

6 Taxation

UK current year taxation

UK corporation tax at 20% (1999 – 20.25%)

On profits of year	33,587	28,672
Overprovision in previous year	(89)	-
Income Tax	-	386
	<u> </u>	<u> </u>
	33,498	29,058
	<u> </u>	<u> </u>

HANSON GREEN GROSVENOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2000 (cont)

7 Tangible fixed assets

	Leasehold Property Improvements £	Fixtures & Equipment £	Total £
Cost			
At 1st January 2000	16,167	92,896	109,063
Additions	-	10,586	10,586
Disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31st December 2000	<u>16,167</u>	<u>103,482</u>	<u>119,649</u>
Depreciation			
At 1st January 2000	4,042	50,063	54,105
On Disposals	-	-	-
Charge for the year	4,042	13,355	17,397
	<u> </u>	<u> </u>	<u> </u>
At 31st December 2000	<u>8,084</u>	<u>63,418</u>	<u>71,502</u>
Net Book Value			
At 31st December 2000	<u>8,083</u>	<u>40,064</u>	<u>48,147</u>
At 31st December 1999	<u>12,125</u>	<u>42,833</u>	<u>54,958</u>

	2000 £	1999 £
8 Debtors		
Trade debtors	250,224	254,187
Loans to directors	-	-
Other debtors	-	-
	<u> </u>	<u> </u>
	<u>250,224</u>	<u>254,187</u>

HANSON GREEN GROSVENOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2000 (cont)

	2000 £
9 Investments	
Investment in own shares	
At 1 January 2000	50,125
Acquisitions	-
	<u>50,125</u>
At 31 December 2000	<u>50,125</u>

On 4 July 1996 the company established the Hanson Green Grosvenor Limited Settlement Trust whose trustees are A S T Negretti, P E Waine and J B H Dinan. The purpose of the trust is to hold shares in the company for the benefit of the employees to be distributed at the trustees discretion.

At 31 December 2000, the trust held 1,000 ordinary shares of 1p and 25,000 preference shares of £1 each in the company which, in accordance with accounting standards, have been included within fixed assets under investment in own shares.

The trust has waived its right to all dividends.

Costs of administration of the trust are dealt with in the profit and loss account as incurred.

The company has not established a share option scheme.

	2000 £	1999 £
10 Creditors: amounts falling due within one year		
Corporation tax	33,587	28,672
Other taxes and social security costs	102,145	63,694
Accruals and deferred income	48,964	91,968
Other creditors	82,029	25,313
	<u>266,725</u>	<u>209,647</u>
11 Share capital		
Authorised		
5,000,000 Ordinary Shares of £0.01 each	50,000	50,000
250,000 Preference Shares of £1 each	250,000	250,000
	<u>300,000</u>	<u>300,000</u>
Allotted, called up and fully paid		
40,000 Ordinary Shares of £0.01 each	400	400
Preference Shares of £1 each	25,000	97,500
	<u>25,400</u>	<u>97,900</u>

HANSON GREEN GROSVENOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2000 (cont)

11 Share capital (continued)

In February, March and June 2000 a total of 72,500 Preference shares of £1 were redeemed for cash at par.

The Company entered into an Option Agreement on 9th October 2000 with Mrs M T Turner, who was appointed to the Board on 24th January 2001. Under the terms of this agreement Mrs Turner may subscribe for up to 2000 new Ordinary Shares of 1p in the Company at a price of £28.50 per share. This option may be exercised in whole or in part at any time from 9th October 2002 to 9th October 2010.

The Preference Shares are not entitled to a dividend. The Preference Shares are only entitled to vote on a resolution for either the winding up of the company or the reduction of the company's share capital or altering the objects and/or articles of association of the company or the varying of any of the special rights and/or privileges attached to the Preference Shares. In any of those circumstances the preference share voting rights rank pari passu with those of the ordinary Shares. The capital repayment entitlement is equal to the subscription price paid.

The company shall redeem all of the issued Preference Shares of £1 on 31st December 2004, or as soon thereafter as the company shall be able to comply with the statutory provisions for the time being affecting such redemption. The company shall give the preference shareholders not less than three months written notice prior to any redemption taking place. The redemption price of the Preference Shares shall equal the subscription amount.

The Ordinary Shares are entitled to dividends as calculated by reference to the company's profit. The Ordinary Shares have one vote attached for every £0.01 in nominal amount of shares. The capital repayment entitlement is equal to the subscription price paid after having satisfied the entitlements of the Preference Shares. Any surplus is distributed amongst the Ordinary Shares.

12 Statement of movements on profit and loss account

	Profit and Loss account £
At 1st January 2000	(8,080)
Retained profit for the year	82,326
Transfer to capital redemption reserve	(72,500)
At 31st December 2000	<u>1,746</u>

HANSON GREEN GROSVENOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2000 (cont)

	2000 £	1999 £
13 Reconciliation of movements in shareholders' funds		
Profit for the financial year	82,326	73,380
Transfer to capital redemption reserve	(72,500)	(47,500)
Opening shareholders' funds	167,320	141,440
	<u> </u>	<u> </u>
Closing shareholders' funds	177,146	167,320
	<u> </u>	<u> </u>
 14 Financial commitments		
At 31 st December 2000 the company had annual commitments under non-cancellable operating leases as follows:-		
	Land & Buildings	
	£	£
Expiry date:		
In two to five years	29,000	29,000
	<u> </u>	<u> </u>
 15 Directors' emoluments		
Management services	440,874	377,183
Company pension contributions to money purchase schemes	53,772	23,508
	<u> </u>	<u> </u>
	494,646	400,691
	<u> </u>	<u> </u>
Highest paid director	177,999	169,808
 Number of directors participating in Money purchase pension schemes	3	3

HANSON GREEN GROSVENOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2000 (cont)

16 Employees

Number of employees

The average number of employees (including directors) during the year was:

	2000 Number	1999 Number
Management	12	10
Employment costs		
	£	£
Wages and salaries	513,558	360,523
Social security costs	74,356	35,085
Other pension costs	73,204	23,508
	661,118	419,116

17 Control

The ultimate controlling parties are P E Waine, J B H Dinan and A S T Negretti.

18 Related party transactions

Name of related party/ Relationship	Nature of Transaction	Amount		Amount due from /(to) related party	
		2000 £	1999 £	2000 £	1999 £
Domine Trust Common Interest	Charitable donation	250	2,500		
A Gallagher Director	Loan from			-	25,313
A Gallagher Director	Commission	175,499	167,308		
Dinan Corporate Services JBH Dinan (see note)	Consultancy	147,267	87,567		
	Motor Expenses	10,105	9,167		

Note:- Dinan Corporate Services Limited is company in which JBH Dinan, a director of the company, has an interest.