

Company Registration No. 2973057 (England and Wales)

MACLAURIN GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000



MACLAURIN GROUP LIMITED

COMPANY INFORMATION

Directors	B D MacLaurin
Secretary	N A Haji
Company number	2973057
Registered office	22 Berghem Mews, Blythe Road, London W14 0HN
Auditors	Moore Stephens Priory House Sydenham Road Guildford Surrey GU1 3RX

MACLAURIN GROUP LIMITED

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MACLAURIN GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2000

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

Principal Activities

The principal activity of the company continued to be that of the provision of management consultancy.

Review of the Business

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Following the restructuring of the group at 31st January 2000, MacLaurin Group Limited has absorbed all the trades, assets and liabilities of two subsidiary companies, MacLaurin Communications Limited and MCM Productions Limited.

Results and Dividends

The directors do not recommend payment of an ordinary dividend.

Post balance sheet events

On 1st February 2000 the group was restructured. The subsidiaries MacLaurin Communications and MacLaurin Productions have ceased trading, and all the assets, liabilities and trade have been transferred to MacLaurin Group Limited.

Directors

The following directors have held office since 1 February 1999:

B D MacLaurin

D C Boys (Appointed 11 May 1999 and resigned 24 February 2000)

Directors' Interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 January 2000	1 February 1999
B D MacLaurin	975	975
D C Boys	-	-

Change of Company Secretary

On 24 February 2000, D C Boys resigned as Company Secretary and N A Haji was appointed in his place.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Moore Stephens be reappointed as auditors of the company will be put to the Annual General Meeting.

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MACLAURIN GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2000

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;
- 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



B D Maclaurin

Director

9 November 2000

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MACLAURIN GROUP LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF MACLAURIN GROUP LIMITED

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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, 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 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 31 January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moore Stephens

Chartered Accountants
Registered Auditor

9th November 2000

Priory House
Sydenham Road
Guildford
Surrey
GU1 3RX

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MACLAURIN GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2000

	Notes	2000 £	1999 £
Turnover	2	1,103,629	651,496
Cost of sales		(89,247)	(73,272)
Gross profit		1,014,382	578,224
Administrative expenses		(971,259)	(635,676)
Other operating income		33,885	22,870
Operating profit/(loss)	3	77,008	(34,582)
Investment income	4	923	13,150
Amounts written off investments	5	(5,888)	-
Interest payable and similar charges	6	(1,065)	(3,791)
Profit/(loss) on ordinary activities before taxation		70,978	(25,223)
Tax on profit/(loss) on ordinary activities	7	(16,804)	(15,070)
Profit/(loss) on ordinary activities after taxation		54,174	(40,293)
Dividends	8	-	(45,640)
Retained profit/(loss) for the year	15	54,174	(85,933)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

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MACLAURIN GROUP LIMITED

BALANCE SHEET AS AT 31 JANUARY 2000

	Notes	2000 £	£	1999 £	£
Fixed Assets					
Tangible assets	9		84,061		54,951
Investments	10		251,120		257,008
			<u>335,181</u>		<u>311,959</u>
Current Assets					
Debtors	11	113,993		122,300	
Cash at bank and in hand		264,243		38,302	
		<u>378,236</u>		<u>160,602</u>	
Creditors: amounts falling due within one year	12	(473,276)		(286,594)	
Net Current Liabilities			<u>(95,040)</u>		<u>(125,992)</u>
Total Assets Less Current Liabilities			<u>240,141</u>		<u>185,967</u>
Capital and Reserves					
Called up share capital	14		975		975
Other reserves	15		25		25
Profit and loss account	15		239,141		184,967
Shareholders' Funds - equity interests	16		<u>240,141</u>		<u>185,967</u>

The financial statements were approved by the Board on 9 November 2000


B D MacLaurin
Director

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MACLAURIN GROUP LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2000

	2000 £	1999 £
Net cash inflow from operating activities	264,762	246,796
Returns on investments and servicing of finance		
Interest received	923	4,400
Interest paid	(1,065)	(3,791)
Dividends received	-	8,750
Net cash (outflow)/inflow for returns on investments and servicing of finance	(142)	9,359
Taxation	-	(30,436)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(38,679)	(60,851)
Payments to acquire investments	-	(5,888)
Receipts from sales of tangible assets	-	37,510
Net cash outflow for capital expenditure	(38,679)	(29,229)
Acquisitions and disposals		
Purchase of subsidiary undertakings (net of cash acquired)	-	(75,000)
Net cash outflow for acquisitions and disposals	-	(75,000)
Equity dividends paid	-	(45,640)
Net cash inflow before management of liquid resources and financing	225,941	75,850
Financing		
Purchase of own shares	-	(15,000)
Capital element of hire purchase contracts	-	(35,495)
Net cash outflow from financing	-	(50,495)
Increase in cash in the year	225,941	25,355

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MACLAURIN GROUP LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2000

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2000	1999
		£	£
	Operating profit/(loss)	77,008	(34,582)
	Depreciation of tangible assets	9,569	14,439
	Loss on disposal of tangible assets	-	3,339
	Decrease in debtors	6,137	105,463
	Increase in creditors within one year	172,048	158,137
	Net cash inflow from operating activities	264,762	246,796

2	Analysis of net funds	1 February 1999	Cash flow	Other non-cash changes	31 January 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	38,302	225,941		264,243
	Net funds	38,302	225,941	-	264,243

3	Reconciliation of net cash flow to movement in net funds	2000	1999
		£	£
	Increase in cash in the year	225,941	25,355
	Cash (inflow)/outflow from (increase)/decrease in debt	-	35,495
	Movement in net funds in the year	225,941	60,850
	Opening net funds/(debt)	38,302	(22,548)
	Closing net funds	264,243	38,302

MACLAURIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents the invoiced amounts of services supplied by the company net of VAT .

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the term of the lease
Fixtures, fittings & equipment	15% pa on cost
Motor vehicles	20% pa reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

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

1.7 Pensions

The company contributes to personal pension plans in respect of its director and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged represents the contribution payable by the company to the fund.

1.8 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.

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

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

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MACLAURIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2000

3	Operating profit/(loss)	2000	1999
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	9,569	14,439
	Operating lease rentals	153,146	57,116
	Auditors' remuneration	2,500	1,911
		<hr/>	<hr/>
4	Income from Investments	2000	1999
		£	£
	Income from subsidiary undertakings	-	8,750
	Bank interest	923	1,924
	Other interest	-	2,476
		<hr/>	<hr/>
		923	13,150
		<hr/>	<hr/>
5	Amounts written off investments	2000	1999
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	5,888	-
		<hr/>	<hr/>
6	Interest payable	2000	1999
		£	£
	On bank loans and overdrafts	1,065	10
	Hire purchase interest	-	3,781
		<hr/>	<hr/>
		1,065	3,791
		<hr/>	<hr/>
7	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K corporation tax	14,895	5,472
	Tax credits on franked investment income	-	1,750
	Irrecoverable A.C.T.	7,381	-
		<hr/>	<hr/>
		22,276	7,222
	Prior years		
	U.K. corporation tax	(5,472)	7,848
		<hr/>	<hr/>
		16,804	15,070
		<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2000

8	Dividends	2000 £	1999 £
	Ordinary interim paid	-	45,640
9	Tangible fixed assets		
		Land and buildings Leasehold £	Fixtures, fittings & equipment £
	Cost		Total £
	At 1 February 1999	51,405	9,446
	Additions	31,942	6,737
	At 31 January 2000	83,347	16,183
	Depreciation		
	At 1 February 1999	5,112	788
	Charge for the year	8,034	1,535
	At 31 January 2000	13,146	2,323
	Net book value		
	At 31 January 2000	70,201	13,860
	At 31 January 1999	46,293	8,658

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MACLAURIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2000

10 Fixed asset investments

	Listed investments £	Shares in subsidiary undertakings £	Total £
Cost			
At 1 February 1999 & at 31 January 2000	5,888	251,120	257,008
Provisions for diminution in value			
At 1 February 1999	-	-	-
Charge for the year	5,888	-	5,888
At 31 January 2000	5,888	-	5,888
Net book value			
At 31 January 2000	-	251,120	251,120
At 31 January 1999	5,888	251,120	257,008

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Listed Investments

During the year the stock market suspended trading in the listed investment owned by MacLaurin Group Limited. Its market value has fallen to zero, and full provision against the cost of the investment has been made in the profit and loss account as this is believed by the directors to be a permanent diminution in value.

	Market value £
At 31 January 2000	-
At 31 January 1999	4,025

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
MacLaurin Communications Limited	England & Wales	Ordinary	100
MCM Productions Limited	England & Wales	Ordinary	70
MCM Image Limited	England & Wales	Ordinary	51
Powerhouse PR Limited	England & Wales	Ordinary	75

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

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MACLAURIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2000

10 Fixed asset investments

(continued)

	Capital and reserves	Profit for the year
MacLaurin Communications Limited	386,650	122,452
MCM Productions Limited	32,215	(7,349)
MCM Image Limited	5,989	-
Powerhouse PR Limited	161,928	51,322

All companies are involved in media and public relations or similar activities.

The company exercised its option to purchase the remaining 25% in Powerhouse PR Limited for £250,000 in September 2000.

11 Debtors

	2000 £	1999 £
Trade debtors	37,012	18,463
Amounts owed by subsidiary undertakings	-	50,390
ACT recoverable	2,278	4,448
Other debtors	61,234	35,530
Prepayments and accrued income	13,469	13,469
	<u>113,993</u>	<u>122,300</u>

12 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	44,427	11,976
Amounts owed to subsidiary undertakings	199,518	35,304
Corporation tax	14,895	261
Other taxes and social security costs	7,877	20,436
Other creditors	44,334	7,200
Accruals and deferred income	162,225	211,417
	<u>473,276</u>	<u>286,594</u>

13 Pension costs

The company contributes to personal pension plans. The assets of the scheme are held separately from that of the company in an independently administered fund. The pension cost charged represents the contributions payable by the company to the fund. The charge to the profit and loss account for the year ended 31st January 2000 was £27,727 (1999 : £21,155).

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MACLAURIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2000

14 Share capital	2000 £	1999 £
Authorised		
1,000 Ordinary of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
975 Ordinary of £ 1 each	975	975

After the year end a resolution was passed to increase the authorised share capital to £10,000, and subdivide each £1 share into 100 1p shares.

662,500 shares were issued to shareholders by way of a bonus issue at a rate of 1,325 new shares for every 39 shares held.

15 Statement of Movements on Reserves

	Other reserves £	Profit and loss account £
Balance at 1 February 1999	25	184,967
Retained profit for the year	-	54,174
Purchase of own shares	-	-
Balance at 31 January 2000	25	239,141

The other reserves relates to capital redemption reserve which is non distributable.

16 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit/(Loss) for the financial year	54,174	(40,293)
Dividends	-	(45,640)
	54,174	(85,933)
Purchase of own shares	-	(15,000)
Net addition to/(depletion in) shareholders' funds	54,174	(100,933)
Opening shareholders' funds	185,967	286,900
Closing shareholders' funds	240,141	185,967

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MACLAURIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2000

17 Financial commitments

At 31 January 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2000	1999
	£	£
Expiry date:		
Between two and five years	179,444	23,450
In over five years	-	26,000
	<u>179,444</u>	<u>49,450</u>

18 Directors' emoluments

	2000	1999
	£	£
Emoluments for qualifying services	170,051	105,379
Company pension contributions to money purchase schemes	23,952	20,000
Compensation for loss of office	-	30,000
	<u>196,503</u>	<u>155,379</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (1999 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	105,000	85,417
Company pension contributions to money purchase schemes	20,090	20,000
	<u>125,090</u>	<u>105,417</u>

MACLAURIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2000

19 Employees

Number of employees

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

	2000 Number	1999 Number
Administration	11	8

Employment costs

	£	£
Wages and salaries	333,537	285,231
Social security costs	35,502	22,800
Other pension costs	27,727	21,155
	396,766	329,186

20 Related party transactions

The company's turnover is mainly derived from the provision of management consultancy to subsidiary undertakings, all transactions were made in the normal course of business and on arms length terms.

	Sales £	Purchases £
MacLaurin Communications Limited	184,667	8,995
MCM Productions Limited	23,471	1,500
Powerhouse PR Limited	184,498	288,229

At the balance sheet date the following amounts were outstanding:

	Debtors £	Creditors £
MacLaurin Communications Limited	-	93,058
MCM Productions Limited	-	46,577
Powerhouse PR Limited	-	59,883
MCM Image Limited	-	-

21 Post balance sheet events

On 3rd July 2000, an application was made under section 652A of the Companies Act 1985 to strike off MCM Image Limited, a 51% subsidiary of MacLaurin Group Limited.

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