

**DURLACHER RESEARCH LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 2001**

**Company Registration No : 2998090**



HLB Kidsons  
Chartered Accountants  
Spectrum House  
20-26 Cursitor Street  
London EC4A 1HY

# DURLACHER RESEARCH LIMITED

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# **DURLACHER RESEARCH LIMITED**

## **COMPANY INFORMATION**

**Directors** : G H Chamberlain BA (Com)  
A G Chamberlain B.Com, FCA

**Secretary** : A G Chamberlain B.Com, FCA

**Registered Office** : 4 Chiswell Street  
London  
EC1Y 4UP

**Registered Number** : 29988090

**Auditors** : HLB Kidsons  
Spectrum House  
20-26 Cursitor Street  
London EC4A 1HY

**Bankers** : Lloyds Bank PLC  
34 Moorgate  
London  
EC2R 6DN

**Solicitors** : Berwin Leighton Paisner  
Adelaide House  
London Bridge  
London  
EC4R 9HA

# **DURLACHER RESEARCH LIMITED**

## **REPORT OF THE DIRECTORS**

**30 June 2001**

The directors present their report and the financial statements for the year ended 30 June 2001.

### **Principal activity and review of the business**

The principal activities of the company are consultancy and the origination of research reports for the multimedia, new media and emerging technology sectors. The company closed its office in Bonn during the year.

### **Results and dividends**

The results of the company for the year ended 30 June 2001 are set out in the financial statements on pages 4 to 8.

The directors do not recommend the payment of any dividend.

### **Directors**

The directors set out below have held office during the whole of the period from 1 July 2000 to the date of this report:

G H Chamberlain  
A G Chamberlain

No director had any interest in the shares of the company during the whole of the period.

Messrs G H Chamberlain and A G Chamberlain, being directors of the company's holding company, Durlacher Corporation PLC, have reported to that company their interests in the shares of the holding company.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

### **Auditors**

HLB Kidsons have agreed to offer themselves for re-appointment as auditors of the company.

By order of the Board  
and signed on its behalf by



A G Chamberlain  
Secretary

31 October 2001

# **DURLACHER RESEARCH LIMITED**

## **AUDITORS' REPORT**

### **Report of the auditors to the shareholders of Durlacher Research Limited**

We have audited the financial statements on pages 4 to 8 which have been prepared following 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 the 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.

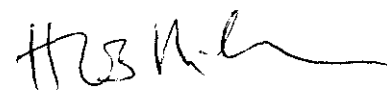
#### **Basis of opinion**

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 30 June 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HLB Kidsons

Chartered Accountants

Registered Auditors

London,

31 October 2001

# DURLACHER RESEARCH LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2001

	Note	Continuing £	Discontinued £	2001 £	2000 £
<b>Turnover</b>	2	310,949	2,116	313,065	699,466
Cost of sales		<u>(349,191)</u>	<u>-</u>	<u>(349,191)</u>	<u>(169,005)</u>
<b>Gross (loss) / profit</b>		(38,242)	2,116	(36,126)	530,461
Administrative expenses		<u>(351,694)</u>	<u>(773,927)</u>	<u>(1,125,621)</u>	<u>(750,142)</u>
<b>Operating loss</b>		<u>(389,936)</u>	<u>(771,811)</u>	(1,161,747)	(229,681)
Interest receivable				<u>3,158</u>	<u>1,371</u>
<b>Loss on ordinary activities before and after taxation</b>	3			<u>(1,158,589)</u>	<u>(228,310)</u>

The company has no recognised gains or losses other than the loss for the year.

# DURLACHER RESEARCH LIMITED

## BALANCE SHEET

as at 30 June 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	4	2,837	28,863
Investments	5	<u>197,914</u>	<u>-</u>
		200,751	28,863
<b>Current assets</b>			
Debtors	6	82,731	185,817
Cash at bank and in hand		<u>55,243</u>	<u>54,197</u>
		137,974	240,014
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,958,597)</u>	<u>(730,160)</u>
<b>Net current liabilities</b>		<u>(1,820,623)</u>	<u>(490,146)</u>
<b>Net liabilities</b>		<u>(1,619,872)</u>	<u>(461,283)</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	<u>(1,619,874)</u>	<u>(461,285)</u>
<b>Equity shareholders' deficit</b>	10	<u>(1,619,872)</u>	<u>(461,283)</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by order of the Board on 31 October 2001



A G Chamberlain  
Director

# DURLACHER RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2001

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies of the company are set out below.

#### (a) Basis of accounting

The financial statements are prepared under the historical cost convention. No cash flow statement is prepared as the company is a wholly-owned subsidiary. The company is exempt from the requirement to produce consolidation financial statements as it is a wholly owned subsidiary of Durlacher Corporation plc, a company which prepares consolidated financial statements.

#### (b) Turnover

Turnover represents the amount invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

#### (c) Depreciation

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives.

#### (d) Going concern

The financial statements have been prepared on the going concern basis on the basis that the company will continue to receive the financial support of other members of the Durlacher Corporation plc group.

#### (e) Foreign exchange

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

### 2 Turnover

	2001 £	2000 £
Consultancy fees	228,434	593,676
Subscription income	<u>84,631</u>	<u>105,790</u>
	<u>313,065</u>	<u>699,466</u>

The majority of turnover is attributable to the UK market.

### 3 Loss on ordinary activities before and after taxation

The loss on ordinary activities is stated after charging:

Depreciation of owned tangible fixed assets (note 4)	14,853	9,731
Auditors' remuneration - Audit fee	3,600	2,400
Exceptional items - Closure of Bonn office	<u>284,222</u>	<u>2,400</u>



# DURLACHER RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2001

(continued)

### 4 Tangible fixed assets

	Office fittings £	Furniture and equipment £	Computer and telephone equipment £	Total £
<b>Cost</b>				
At 1 July 2000	2,942	13,093	25,712	41,747
Additions	-	3,928	18,199	22,127
Transfers to Durlacher Corporation	-	(2,746)	(6,324)	(9,070)
Transfers within headings	1,821	(1,821)	-	-
Disposals	<u>(4,763)</u>	<u>(12,454)</u>	<u>(28,346)</u>	<u>(45,562)</u>
At 30 June 2001	<u>-</u>	<u>-</u>	<u>9,242</u>	<u>9,242</u>
<b>Accumulated depreciation</b>				
At 1 July 2000	637	2,084	10,163	12,884
Transfer to Durlacher Corporation	-	(858)	(3,418)	(4,276)
Disposals	(1,928)	(3,072)	(12,056)	(17,056)
Charge for the year	<u>1,291</u>	<u>1,846</u>	<u>11,716</u>	<u>14,853</u>
At 30 June 2001	<u>-</u>	<u>-</u>	<u>6,405</u>	<u>6,405</u>
<b>Net book value</b>				
At 30 June 2001	<u>-</u>	<u>-</u>	<u>2,837</u>	<u>2,837</u>
At 30 June 2000	<u>2,305</u>	<u>11,009</u>	<u>15,549</u>	<u>28,863</u>
Depreciation rate	20 %	15 %	33.33 %	

### 5 Investments

	2001 £	2000 £
Investments in subsidiary undertakings - cost	<u>197,914</u>	<u>-</u>

The company owns all of the issued share capital of Durlacher Research S.L. a company incorporated during the year in Spain and whose principal activity is consultancy and investment research. Financial statements for Durlacher Research S.L. at 30 June 2001 show net assets of £186,050 and a loss for the period then ended of £2,902.

### 6 Debtors

	2001 £	2000 £
Due within one year		
Trade debtors	54,187	142,319
Other debtors	26,500	19,092
Prepayments and accrued income	<u>2,044</u>	<u>24,406</u>
	<u>82,731</u>	<u>185,817</u>

# DURLACHER RESEARCH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2001

(continued)

**7 Creditors: amounts falling due within one year**

Trade creditors	21,636	18,941
Amounts owed to group undertakings	1,629,020	630,208
Other creditors	24,055	7,297
Accruals and deferred income	<u>283,886</u>	<u>73,714</u>
	<u>1,958,597</u>	<u>730,160</u>

**8 Share capital**

	Authorised		Allotted, issued And fully paid	
	2001	2000	2001	2000
	£	£	£	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**9 Profit and loss account**

	2001	2000
	£	£
Balance at beginning of year	(461,285)	(232,975)
Loss for the financial year	<u>(1,158,589)</u>	<u>(228,310)</u>
Balance at end of year	<u>(1,619,874)</u>	<u>(461,285)</u>

**10 Reconciliation of movements in equity shareholders' deficit**

Opening shareholders' deficit	(461,283)	(232,973)
Loss for the financial year	<u>(1,158,589)</u>	<u>(228,310)</u>
Closing shareholders' deficit	<u>(1,619,872)</u>	<u>(461,283)</u>

**11 Contingent liabilities**

An unlimited guarantee in favour of Durlacher Corporation PLC has been given to The Royal Bank of Scotland plc in regard to that company's overdraft facility. At 30 June 2001 the amount outstanding under the facility was £Nil.

**12 Related party transactions**

The company has taken advantage of the exemption in FRS8 not to disclose inter-group transactions. Cost of sales includes fees of £15,000 (2000: £30,000) payable to a company controlled by D Tabizel, a non-executive director (until his resignation on 29 December 2000) of the company's parent undertaking.

**113 Parent undertaking**

The ultimate parent company is Durlacher Corporation PLC.