

ABROS Enterprise Ltd

FINANCIAL STATEMENTS

for the year ended

31 December 2001

Company Registration No. 3172232



ABROS Enterprise Ltd

DIRECTORS AND OFFICERS

DIRECTORS

R L John
I E Ruddock
B D Denton
S M Ruddock
R M Stanley

SECRETARY

R M Stanley

COMPANY NUMBER

3172232 (England and Wales)

REGISTERED OFFICE

Cheapside House
138 Cheapside
London, EC2V 6BB

AUDITORS

Baker Tilly
2 Bloomsbury Street
London
WC1B 3ST

BUSINESS ADDRESS

6th Floor, Thavies Inn House
3-4 Holborn Circus
London, EC1N 2HL

BANKERS

National Westminster Bank
PO Box 12258
1 Prince's Street
London, EC2R 8PA

SOLICITORS

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London, EC2V 6BB

ABROS Enterprise Ltd

DIRECTORS' REPORT

The directors submit their report and financial statements of ABROS Enterprise Ltd for the year ended 31 December 2001.

CHAIRMAN'S STATEMENT

2001 has been another successful year for ABROS with a continued growth in turnover and an increasing recognition of the quality of the services that we offer.

Turnover has increased by some 24% over 2000. This increase reflects a continued strong level of public sector advisory mandates and also increased returns from our private sector clients. The nature of that work is varied but includes success related remuneration. This increase in overall turnover is especially pleasing when put in the context of continued investment in contingent work which will lead to further success fees in 2002.

In the Education sector, we assisted public sector clients in closing two further PFI schemes - a three school scheme in Newham and a single school scheme in Redbridge. We continue to work with a number of local authorities in developing their strategy, but, our main efforts in the Education PFI sector have largely been focused on advising the FocusEducation Consortium, a joint venture between Bovis Lend Lease and Halifax Bank of Scotland. During 2001, the FocusEducation team successfully closed the Lincolnshire Schools scheme (seven special schools) and was awarded preferred bidder status on the Newcastle Schools scheme (a five school scheme). FocusEducation is now one of the leading companies in the PFI education market.

In the housing sector, ABROS has been appointed to advise public sector bodies on four of the eight pathfinders in the PFI sector. This market is in its infancy, and there are specific problems in attempting to introduce the PFI into a market that has existing investment options. We will continue to work with our public sector clients to deliver robust solutions to their investment needs, but at the same time, we are developing proposals to deliver other public/private solutions.

In the regeneration and property sectors, we continue to work as advisor on a number of high profile schemes across the country. Large complex schemes take a number of years to deliver, which either provides us with strong underlying advisory fees or long lead-in times for contingent fees. The Bath Western Riverside scheme, on which we have been working for some 3 years, has now entered the procurement phase and will provide a template for other schemes in the pipeline. We have also formed some strategic alliances during 2001 with the intention to work with the private sector to deliver these complex projects. In the property sector, we continue to work with a number of developers in delivering property solutions on a number of high profile schemes in the London area.

The strong performance in 2001 reflects the underlying stability of the ABROS team. We have recruited a number of individuals during the year, which has enabled us to add both capacity and diversity into our service offer. The retention and development of this team will consolidate ABROS' position as a leader in the delivery of infrastructure and regeneration finance solutions.

The government has staked its reputation on delivering improvements in public services. In its first term of office, emphasis was very much on capital investment. This second term, will not only require this intensity of capital investment to be continued, but will also put pressure on government departments and local authorities to demonstrate overall service improvement. In response to this aim, ABROS continues to focus on developing partnerships and structures that will assist our clients in meeting these government targets.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of financial consultants.

DIRECTORS

The following directors have held office since 1 January 2001:

R L John
I E Ruddock
B D Denton
S M Ruddock
R M Stanley

(Appointed 23 April 2001)

ABROS Enterprise Ltd

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>A ordinary shares of £ 1 each</i>	
	31.12.01	1.1.01
R L John	500	500
I E Ruddock	2,125	2,125
B D Denton	4,250	4,250
S M Ruddock	2,125	2,125
R M Stanley	1,000	1,000


	<i>8.5% cumulative preference shares of £ 1 each</i>	
	31.12.01	1.1.01
R L John	-	-
I E Ruddock	-	-
B D Denton	-	-
S M Ruddock	-	-
R M Stanley	-	-

AUDITORS

Baker Tilly were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



I E Ruddock
Director

20 August 2002

ABROS Enterprise Ltd

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABROS ENTERPRISE LTD

We have audited the financial statements on pages 6 to 11.

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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

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 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London
WC1B 3ST

3rd September 2002

ABROS Enterprise Ltd
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2001

	<i>Notes</i>	2001 £	2000 £
TURNOVER		1,438,430	1,157,735
Other operating expenses	1	1,183,067	905,258
OPERATING PROFIT		255,363	252,477
Investment income	2	10,538	11,268
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	265,901	263,745
Taxation	5	52,190	51,965
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		213,711	211,780
Dividends	6	200,000	-
RETAINED PROFIT FOR THE YEAR	11	13,711	211,780

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

ABROS Enterprise Ltd
BALANCE SHEET
31 December 2001

	<i>Notes</i>	2001 £	2000 £
FIXED ASSETS			
Tangible assets	7	46,210	30,141
CURRENT ASSETS			
Debtors	8	324,751	262,767
Cash at bank and in hand		303,970	258,122
CREDITORS: Amounts falling due within one year	9	628,721 230,134	520,889 119,944
NET CURRENT ASSETS		398,587	400,945
TOTAL ASSETS LESS CURRENT LIABILITIES		444,797	431,086
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account	11	434,797	421,086
SHAREHOLDERS' FUNDS	12	444,797	431,086

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 20 August 2002

I E Ruddock  Director

ABROS Enterprise Ltd

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Plant and machinery	25% per annum
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DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

TURNOVER

Turnover represents amounts receivable for goods and services provided in the U.K. net of VAT and trade discounts.

ABROS Enterprise Ltd
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

1.	OTHER OPERATING EXPENSES	2001 £	2000 £
	Administrative expenses	<u>1,183,067</u>	<u>905,258</u>
2.	INVESTMENT INCOME	2001 £	2000 £
	Bank interest	<u>10,538</u>	<u>11,268</u>
3.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2001 £	2000 £
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation of tangible assets:		
	Charge for the year:		
	owned assets	13,522	8,394
	Auditors' remuneration	<u>3,550</u>	<u>4,000</u>
4.	DIRECTORS' REMUNERATION	2001 £	2000 £
	Amounts paid to directors	<u>463,107</u>	<u>320,305</u>
	During the year, 3 (2000 - 2) directors accrued benefits under money purchase pension schemes.		
5.	TAXATION	2001 £	2000 £
	Domestic current year tax		
	U.K. corporation tax	52,190	52,178
	Adjustment for prior years	-	(213)
	Current tax charge	<u>52,190</u>	<u>51,965</u>
6.	DIVIDENDS	2001 £	2000 £
	Ordinary:		
	Interim paid - £20.00 (2000 - Nil)	<u>200,000</u>	<u>-</u>

ABROS Enterprise Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2001

7. TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i> £
Cost	
1 January 2001	61,344
Additions	29,591
	<hr/>
31 December 2001	90,935
	<hr/>
Depreciation	
1 January 2001	31,203
Charge in the year	13,522
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31 December 2001	44,725
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Net book value	
31 December 2001	46,210
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31 December 2000	30,141
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8. DEBTORS

	2001 £	2000 £
Due within one year:		
Trade debtors	298,452	241,854
Other debtors	26,299	20,913
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	324,751	262,767
	<hr/>	<hr/>

9. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	27,663	2,774
Corporation tax	52,232	52,178
Other taxes and social security costs	70,389	60,341
Other creditors	79,850	4,651
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	230,134	119,944
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ABROS Enterprise Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2001

10. SHARE CAPITAL	2001 £	2000 £
Authorised:		
10,000 A ordinary shares of £ 1 each	10,000	10,000
90,000 8.5% cumulative preference shares of £ 1 each	90,000	90,000
	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		
10,000 A ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>

11. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account</i> £
1 January 2001	421,086
Retained profit for the year	13,711
	<u>434,797</u>
31 December 2001	

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2001 £	2000 £
Profit for the financial year	213,711	211,780
Dividends	(200,000)	-
	<u>13,711</u>	<u>211,780</u>
Net addition to shareholders' funds	431,086	219,306
Opening shareholders' funds	<u>444,797</u>	<u>431,086</u>
Closing shareholders' funds		

13. PENSION COMMITMENTS

DEFINED CONTRIBUTION

	2001 £	2000 £
Contributions payable by the company for the year	<u>39,111</u>	<u>19,520</u>

14. RELATED PARTY TRANSACTIONS

R L John, a director of the company, provided consulting and management services amounting to nil (2000 - £3,056).