

BALANCED SCORECARD COLLABORATIVE LIMITED

Report and Financial Statements

31 December 2001

**Aspect Financial Management
7 Mount Mews
High Street
Hampton
Middlesex
TW12 2SH**



BALANCED SCORECARD COLLABORATIVE LIMITED

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BALANCED SCORECARD COLLABORATIVE LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

William Jenkins
David Norton

SECRETARY

Ronan Phillips

REGISTERED OFFICE

c/o Aspect Financial Management
7 Mount Mews
High Street
Hampton
Middlesex
TW12 2SH

BANKERS

Royal Bank of Scotland
P.O. Box 412
62/63 Threadneedle Street
London
EC2R 8LA

BALANCED SCORECARD COLLABORATIVE LIMITED

DIRECTORS REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2001. The company trades as The Balanced Scorecard Collaborative Limited.

ACTIVITIES

The principal activity of the company in the year under review was that of business management & consultancy and conference organisation.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

The financial results of the company are set out in the profit and loss account on page 4 and the position at the end of year is set out in the balance sheet on page 5.

DIRECTORS

The present directors are detailed on page 1. The directors have no beneficial interests in the share capital of the company.

Approved by the Board of Directors and signed on behalf of the Board



Ronan Phillips

Company Secretary

18 June 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; 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 the systems of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BALANCED SCORECARD COLLABORATIVE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2001

	Note	2001 £	2000 £
TURNOVER	2	532,455	977,179
Cost of sales		<u>(594,660)</u>	<u>(520,356)</u>
GROSS PROFIT/(LOSS)		(62,205)	456,823
Administrative expenses		<u>(157,911)</u>	<u>(273,202)</u>
OPERATING PROFIT/(LOSS)	4	(220,116)	183,621
Interest payable and similar charges	5	<u>(141)</u>	<u>(150)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(220,257)	183,471
Tax on profit on ordinary activities	6	<u>0</u>	<u>(31,321)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(220,257)	152,150
Retained profit brought forward		<u>152,150</u>	-
Retained profit carried forward		<u><u>(68,107)</u></u>	<u><u>152,150</u></u>

There have been no recognised gains and losses other than as stated in the profit and loss account for the current financial year and accordingly a statement of total recognised gains and losses has not been presented.

All amounts derive from continuing activities.

BALANCED SCORECARD COLLABORATIVE LIMITED

BALANCE SHEET

As at 31 December 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	7	126	26,897
CURRENT ASSETS			
Debtors	8	160,552	268,347
Cash at bank and in hand		8,671	103,645
		169,223	371,992
CREDITORS: amounts falling due within one year	9	(237,454)	(246,737)
NET CURRENT ASSETS		(68,231)	125,255
NET ASSETS		(68,105)	152,152
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		(68,107)	152,150
SHAREHOLDERS' FUNDS		(68,105)	152,152

These financial statements were approved by the Board of Directors on ^{7th} June 2002.

For the year ended 31 December 2000 the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge their responsibility for i) Ensuring the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Signed on behalf of the Board of Directors



William Jenkins

Director

BALANCED SCORECARD COLLABORATIVE LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Computer equipment and software 33% per annum

2. TURNOVER

Turnover is attributable to the principal activity of the company and is stated net of value added tax.

Geographical analysis of turnover:

	2001 £	2000 £
United Kingdom	332,455	783,392
Rest of World	200,000	193,787
	<u>532,455</u>	<u>977,179</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Employees and directors	2001 £	2000 £
Wages and salaries	368,990	430,961
Other pension and benefits	25,062	71,556
	<u>394,052</u>	<u>502,517</u>

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

Direct client services staff	4	4
Administration staff	1	-
	<u>5</u>	<u>4</u>

There were no emoluments paid to the directors during the year. Pension contributions were paid into defined contribution schemes in respect of the four direct client services staff.

BALANCED SCORECARD COLLABORATIVE LIMITED

NOTES TO THE ACCOUNTS

4. OPERATING PROFIT

	2001 £	2000 £
Operating profit is after charging:		
Depreciation		
Tangible fixed assets	5,126	3,157

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank charges	141	150

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
United Kingdom corporation tax	0	34,921

7. TANGIBLE FIXED ASSETS

	Computer equipment and software £	Total £
Cost		
At 1 January 2001	30,054	30,054
Additions	-	-
Disposals	29,704	29,704
At 31 December 2001	350	350
Accumulated depreciation		
At 1 January 2001	3,157	3,157
Charge for the year	5,126	5,126
Disposals	(8,059)	(8,059)
At 31 December 2001	224	224
Net book value		
At 31 December 2001	126	126

BALANCED SCORECARD COLLABORATIVE LIMITED

NOTES TO THE ACCOUNTS

8. DEBTORS

	2001 £	2000 £
Trade debtors	152,432	165,625
Deferred Income	-	87,010
Prepayments	8,120	15,712
	<u>160,552</u>	<u>268,347</u>

All amounts are due within one year.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	25,954	24,471
Amounts owed to group undertakings	107,512	86,520
Corporation tax creditor	31,321	31,321
Other creditors and accruals <i>incl. tax and social security</i>	72,667	104,425
	<u>237,454</u>	<u>246,737</u>

10. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>
Allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

11. RELATED PARTY TRANSACTIONS

Turnover included a figure for intercompany sales of £200,000 (2000 - £193,787). The intercompany loan from the holding company, Balanced Scorecard Collaborative Inc, of £49,998 remains outstanding.

12. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

The ultimate parent company and controlling entity at the year end is Balanced Scorecard Collaborative Inc., a company incorporated in the state of Delaware, United States.