

**REGISTERED NUMBER: 4019051 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002  
FOR  
E-SKILLS UK LIMITED**



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**E-SKILLS UK LIMITED**

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**for the year ended 31 March 2002**

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**E-SKILLS UK LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 March 2002**

<b>DIRECTORS:</b>	G M Cadwallader Mrs K P Price
<b>SECRETARY:</b>	A C Brooks
<b>REGISTERED OFFICE:</b>	Victoria House 39 Winchester Street Basingstoke RG21 1EQ
<b>REGISTERED NUMBER:</b>	4019051 (England and Wales)
<b>AUDITORS:</b>	Rothman Pantall & Co Chartered Accountants Registered Auditors 88 Northern Road Cosham Portsmouth PO6 3ER
<b>BANKERS:</b>	Lloyds TSB Bank plc Gracechurch House 23/35 Castle Way Southampton SO14 2BW
<b>SOLICITORS:</b>	Lamb Brooks Victoria House 39 Winchester Street Basingstoke RG21 7EQ

## **E-SKILLS UK LIMITED**

### **REPORT OF THE DIRECTORS for the year ended 31 March 2002**

The directors present their report with the financial statements of the company for the year ended 31 March 2002.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of developing national occupational standards with a view to raising standards in the information technology and communications industry. The company's mission is to create distinctive competitive advantage for the UK economy by working with employers to increase information technology competence throughout the workforce.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company was formed from the merger of the two separate businesses of E-business NTO (Assessco Limited) and ITNTO Limited. The business and assets of the two businesses were transferred to the company with effect from 1 July 2000.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2002.

#### **DIRECTORS**

The directors during the year under review were:

G M Cadwallader

Mrs K P Price

D S Burrows

J P Leighfield

Dr R Sykes

J S Higgins

- resigned 4.3.02

- resigned 5.3.02

- resigned 5.3.02

- appointed 15.6.01

- resigned 6.3.02

- appointed 13.6.01

- resigned 14.3.02

J S G Tanner

#### **STATEMENT OF 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.

#### **AUDITORS**

The auditors, Rothman Pantall & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

#### **ON BEHALF OF THE BOARD:**

.....

Mrs K P Price - DIRECTOR

Dated: 4 July 2002

**E-SKILLS UK LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
E-SKILLS UK LIMITED**

We have audited the financial statements of E-skills UK Limited for the year ended 31 March 2002 on pages four to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Rothman Pantall & Co  
Chartered Accountants  
Registered Auditors  
88 Northern Road  
Cosham  
Portsmouth  
PO6 3ER

*Rothman Pantall & Co*

Dated: 5/8/02

**E-SKILLS UK LIMITED**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2002

		Year Ended 31.3.02	Period 16.6.00 to 31.3.01
	Notes	£	£
<b>TURNOVER</b>	2	5,132,623	4,052,139
Cost of sales		4,073,976	3,372,750
<b>GROSS PROFIT</b>		1,058,647	679,389
Administrative expenses		910,288	611,892
<b>OPERATING PROFIT</b>	4	148,359	67,497
Interest receivable and similar income		14,461	6,405
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		162,820	73,902
Tax on profit on ordinary activities	5	2,004	641
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		160,816	73,261
Retained profit brought forward		73,261	-
<b>RETAINED PROFIT CARRIED FORWARD</b>		£234,077	£73,261

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous period.

**E-SKILLS UK LIMITED**

**BALANCE SHEET**  
**31 March 2002**

		2002		2001	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		37,668		56,520
<b>CURRENT ASSETS:</b>					
Debtors	7	901,717		438,601	
Cash at bank and in hand		1,963,474		1,890,985	
		<u>2,865,191</u>		<u>2,329,586</u>	
<b>CREDITORS:</b> Amounts falling due within one year	8	<u>2,668,782</u>		<u>2,312,845</u>	
<b>NET CURRENT ASSETS:</b>			<u>196,409</u>		<u>16,741</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u><u>£234,077</u></u>		<u><u>£73,261</u></u>
<b>RESERVES:</b>					
Profit and loss account			<u>234,077</u>		<u>73,261</u>
	12		<u><u>£234,077</u></u>		<u><u>£73,261</u></u>

**ON BEHALF OF THE BOARD:**

.....  
G M Cadwallader - DIRECTOR

Approved by the Board on 4 July 2002.

**E-SKILLS UK LIMITED**  
**CASH FLOW STATEMENT**  
**for the year ended 31 March 2002**

		Year Ended 31.3.02	Period 16.6.00 to 31.3.01
	Notes	£	£
Net cash inflow from operating activities	1	260,395	1,824,872
Returns on investments and servicing of finance	2	14,461	6,405
Taxation		(641)	-
Capital expenditure	2	(11,979)	(132,722)
<b>Increase in cash in the period</b>		<b><u>£262,236</u></b>	<b><u>£1,698,555</u></b>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
<b>Increase in cash in the period</b>		<b><u>262,236</u></b>	<b><u>1,698,555</u></b>
Change in net funds resulting from cash flows		<u>262,236</u>	<u>1,698,555</u>
<b>Movement in net funds in the period</b>		<b><u>262,236</u></b>	<b><u>1,698,555</u></b>
<b>Net funds at 1 April</b>		<b><u>1,698,555</u></b>	<b><u>-</u></b>
<b>Net funds at 31 March</b>		<b><u>£1,960,791</u></b>	<b><u>£1,698,555</u></b>

The notes form part of these financial statements



**E-SKILLS UK LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
for the year ended 31 March 2002

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Year Ended 31.3.02 £	Period 16.6.00 to 31.3.01 £
Operating profit	148,359	67,497
Depreciation charges	33,767	53,414
Loss on sale of fixed assets	-	22,788
Profit on sale of fixed assets	(2,936)	-
Increase in debtors	(463,116)	(438,601)
Increase in creditors	544,321	2,119,774
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>260,395</b>	<b>1,824,872</b>
	<hr/> <hr/>	<hr/> <hr/>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Year Ended 31.3.02 £	Period 16.6.00 to 31.3.01 £
<b>Returns on investments and servicing of finance</b>		
Interest received	14,461	6,405
	<hr/>	<hr/>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>14,461</b>	<b>6,405</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(14,915)	(142,722)
Sale of tangible fixed assets	2,936	10,000
	<hr/>	<hr/>
<b>Net cash outflow for capital expenditure</b>	<b>(11,979)</b>	<b>(132,722)</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

**E-SKILLS UK LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
for the year ended 31 March 2002**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.01 £	Cash flow £	At 31.3.02 £
Net cash:			
Cash at bank and in hand	1,890,985	72,489	1,963,474
Bank overdraft	(192,430)	189,747	(2,683)
	<u>1,698,555</u>	<u>262,236</u>	<u>1,960,791</u>
 Total	 <u>1,698,555</u>	 <u>262,236</u>	 <u>1,960,791</u>
 <b>Analysed in Balance Sheet</b>			
 Cash at bank and in hand	 1,890,985		1,963,474
Bank overdraft	(192,430)		(2,683)
	<u>1,698,555</u>		<u>1,960,791</u>

The notes form part of these financial statements

# E-SKILLS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

### 1. ACCOUNTING POLICIES

#### Accounting convention

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

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 50% on cost
Fixtures and fittings	- 33% on cost

#### Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

#### Hire purchase and leasing commitments

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

#### Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

#### Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks remain with the lessor are charged against profit as incurred.

### 2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

### 3. STAFF COSTS

	Year Ended	Period
	31.3.02	16.6.00 to 31.3.01
	£	£
Wages and salaries	288,087	155,854
Social security costs	9,337	6,390
Other pension costs	56,098	20,368
	<u>353,522</u>	<u>182,612</u>

# E-SKILLS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

### 3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	Year Ended 31.3.02	Period 16.6.00 to 31.3.01
Directors	7	5
Administration	8	8
Project staff	26	18
	<u>41</u>	<u>31</u>

### 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year Ended 31.3.02 £	Period 16.6.00 to 31.3.01 £
Hire of plant and machinery	-	1,540
Car leasing	-	3,006
Depreciation - owned assets	33,767	53,414
(Profit)/Loss on disposal of fixed assets	(2,936)	22,788
Auditors' remuneration	10,200	10,890
Merger costs	-	43,171
Provision for VAT partial exemption	44,742	36,895
	<u>83,000</u>	<u>55,750</u>
Directors' emoluments	14,525	9,756
Directors' pension contributions to money purchase schemes	<u>14,525</u>	<u>9,756</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1
	<u>1</u>	<u>1</u>

Merger costs have arisen from the merger of E-business.NTO (Assessco Limited) and ITNTO Limited to form one company.

# E-SKILLS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

### 5. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 31.3.02 £	Period 16.6.00 to 31.3.01 £
Current tax:		
UK corporation tax	2,004	641

UK corporation tax has been charged at 10% (2001 - 10%).

The company is not subject to taxation on its trading activities due to its mutual trading status. Taxation is payable on investment income. There is no potential liability in respect of deferred taxation.

### 6. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
<b>COST:</b>			
At 1 April 2001	31,837	78,097	109,934
Additions	-	14,915	14,915
At 31 March 2002	31,837	93,012	124,849
<b>DEPRECIATION:</b>			
At 1 April 2001	31,837	21,577	53,414
Charge for year	-	33,767	33,767
At 31 March 2002	31,837	55,344	87,181
<b>NET BOOK VALUE:</b>			
At 31 March 2002	-	37,668	37,668
At 31 March 2001	-	56,520	56,520

### 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	730,466	335,549
Other debtors	107,324	62,657
Prepayments & accrued income	63,927	40,395
	901,717	438,601

**E-SKILLS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2002

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Bank loans and overdrafts (see note 9)	2,683	192,430
Trade creditors	1,701,896	1,602,489
Other creditors	400,650	131,497
Social security & other taxes	161,919	72,577
Other loans	266,186	183,504
Corporation tax	2,004	641
Accruals & deferred income	133,444	129,707
	<u>2,668,782</u>	<u>2,312,845</u>

Other loans relate to loans from E-business.NTO (Assessco Limited) and ITNTO.Limited. These loans are interest free and not repayable on demand.

**9. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2002	2001
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,683</u>	<u>192,430</u>

**10. OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiring:				
Within one year	-	-	4,832	-
Between one and five years	-	-	6,781	15,012
In more than five years	106,980	97,798	-	-
	<u>106,980</u>	<u>97,798</u>	<u>11,613</u>	<u>15,012</u>

**11. RELATED PARTY DISCLOSURES**

During the period consultancy fees were paid to a business owned by A Harvey-Price of £72,035 (2001 £47,393). A Harvey-Price is connected to Mrs K Price. This is the total remuneration received by the above.

**E-SKILLS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2002**

**12. RECONCILIATION OF MOVEMENTS IN RESERVES**

	2002	2001
	£	£
Profit for the financial year	160,816	73,261
Net addition to reserves	160,816	73,261
Opening reserves	73,261	-
Closing reserves	234,077	73,261

**13. SHARE CAPITAL**

The company is limited by guarantee and there is therefore no share capital. In the event that the company is wound up, the member are liable to contribute to the company a maximum of £1 per member.

**E-SKILLS UK LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2002

	Year Ended 31.3.02		Period 16.6.00 to 31.3.01	
	£	£	£	£
<b>Income:</b>				
Membership	90,696		113,763	
Product sales	16,729		14,558	
Certificates	78,325		31,819	
Awarding bodies income	64,530		55,486	
ITSST learning materials	79,950		14,873	
ITSST fixing the future	-		1,902	
Project income	4,786,643		3,819,738	
IT systems support	12,700		-	
SEEDA - SME pilot	1,731		-	
Postage income	1,319		-	
	<hr/>	5,132,623	<hr/>	4,052,139
<b>Cost of sales:</b>				
Membership costs	373		850	
Product purchases	34,467		4,649	
Awarding bodies costs	97,654		5,832	
ITSST learning materials	-		14,873	
ITSST fixing the future	382		1,254	
Project costs	3,913,913		3,345,292	
Publications postage	1,669		-	
SEEDA - SME pilot	25,365		-	
ESiB - business development	153		-	
	<hr/>	4,073,976	<hr/>	3,372,750
<b>GROSS PROFIT</b>		1,058,647		679,389
<b>Other income:</b>				
Deposit account interest		14,461		6,405
		<hr/>		<hr/>
		1,073,108		685,794
<b>Expenditure:</b>				
Directors' remuneration	83,000		55,750	
Social security	9,337		6,390	
Pension contributions	14,525		9,756	
Wages	205,087		100,104	
Pensions	41,573		10,612	
Other staff costs	84,841		12,548	
Telephone	65,402		18,994	
Postage & stationery	37,612		24,877	
Advertising	3,001		-	
Travelling & subsistence	11,091		8,638	
Subscriptions	9,854		3,539	
Training costs	9,447		2,183	
Staff welfare	2,829		1,774	
Professional indemnity insurance	4,290		1,650	
Car leasing	-		3,006	
Hire of equipment	-		1,540	
	<hr/>	<hr/>	<hr/>	<hr/>
Carried forward	581,889	1,073,108	261,361	685,794

This page does not form part of the statutory financial statements



**E-SKILLS UK LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2002

	Year Ended 31.3.02		Period 16.6.00 to 31.3.01	
	£	£	£	£
Brought forward	581,889	1,073,108	261,361	685,794
General insurance	606		-	
Recruitment expenses	-		4,200	
Hotels & entertainment	10,834		1,306	
Computer expenses	62,323		13,092	
Project costs	305		3,690	
Auditors remuneration	10,200		10,890	
Merger costs	90		43,171	
Other professional fees	7,205		14,331	
Trailblazer SSC	7,198		-	
Legal fees	447		-	
Project costs	-		250	
Provision for partial exemption - VAT	44,742		36,895	
Marketing costs	-		723	
Promotion & exhibitions	1,427		1,320	
Rent	81,212		55,641	
Rates and water	12,438		13,533	
Service charges	14,051		9,453	
Premises insurance	6,761		2,611	
Light & heat	1,703		1,396	
Property repairs & cleaning	5,868		4,858	
Office expenses	11,422		2,239	
Flat expenses	15,006		16,331	
		<u>875,727</u>		<u>497,291</u>
		197,381		188,503
<b>Finance costs:</b>				
Bank charges	2,737		596	
Bad debts	993		37,803	
		<u>3,730</u>		<u>38,399</u>
		193,651		150,104
<b>Depreciation:</b>				
Improvements to property	-		31,837	
Fixtures & fittings	33,767		21,577	
		<u>33,767</u>		<u>53,414</u>
		159,884		96,690
<b>Profit/(Loss) on disposal of fixed assets:</b>				
Fixtures & fittings		2,936		(22,788)
<b>NET PROFIT</b>		<u><u>£162,820</u></u>		<u><u>£73,902</u></u>

This page does not form part of the statutory financial statements