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**Report of the Directors and
Financial Statements For The Period 1 September 2001 to 31 March 2002
for
Clear Communications Specialists Limited**



A16	WAMDFWIAW	0447
COMPANIES HOUSE		08/02/03
A23	WAD9GHUY	0366
COMPANIES HOUSE		24/01/03
A06		0261
COMPANIES HOUSE		13/01/03

Clear Communications Specialists Limited

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For The Period 1 September 2001 to 31 March 2002**

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Clear Communications Specialists Limited

Company Information

For The Period 1 September 2001 to 31 March 2002

DIRECTORS:	J M Underwood Ms L S Sargeant
SECRETARY:	J M Underwood
REGISTERED OFFICE:	77 Shaftesbury Avenue LONDON W1D 5DU
REGISTERED NUMBER:	2841451 (England and Wales)
AUDITORS:	Harris Coombs & Company Registered Auditors 5 Jaggard Way LONDON SW12 8SG
SOLICITORS:	McEwen Parkinson 55a Welbeck Street London W1M 7HD

Clear Communications Specialists Limited

Report of the Directors

For The Period 1 September 2001 to 31 March 2002

The directors present their report with the financial statements of the company for the period 1 September 2001 to 31 March 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of public relations. On 8th October 2002, a share exchange agreement was signed with Portfolio Group Limited whereby the latter acquired the shares of the company in exchange for shares in Portfolio Group Limited. Normal business activities of the company have not been altered by this transaction.

DIRECTORS

The directors during the period under review were:

J M Underwood
Ms L S Sargeant

The beneficial interests of the directors holding office on 31 March 2002 in the issued share capital of the company were as follows:

	31.3.02	1.9.01
Ordinary £1 shares		
J M Underwood	71	71
Ms L S Sargeant	29	29

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, Harris Coombs & Company, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

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:



J M Underwood - DIRECTOR

Dated: 20 November 2002

Clear Communications Specialists Limited

Report of the Independent Auditors to the Shareholders of Clear Communications Specialists Limited

We have audited the financial statements of Clear Communications Specialists Limited for the period ended 31 March 2002 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), 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 period then ended and have been properly prepared in accordance with the Companies Act 1985.

Harris Coombs & Company

Harris Coombs & Company
Registered Auditors
5 Jaggard Way
LONDON
SW12 8SG

Dated: *9 January 2003*

Clear Communications Specialists Limited

Profit and Loss Account

For The Period 1 September 2001 to 31 March 2002

		Period 1.9.01 to 31.3.02		Year Ended 31.8.01	
	Notes	£	£	£	£
TURNOVER			354,691		673,681
Cost of sales			123,502		158,361
GROSS PROFIT			231,189		515,320
Distribution costs		634		2,718	
Administrative expenses		160,611		351,660	
			161,245		354,378
			69,944		160,942
Other operating income			261		120
OPERATING PROFIT	2		70,205		161,062
Interest receivable and similar income			818		1,933
			71,023		162,995
Interest payable and similar charges			1,625		1,625
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			69,398		161,370
Tax on profit on ordinary activities	3		14,472		29,471
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION			54,926		131,899
Dividends	4		203,661		-
			(148,735)		131,899
Retained profit brought forward			196,865		64,966
RETAINED PROFIT CARRIED FORWARD			£48,130		£196,865

The notes form part of these financial statements


Clear Communications Specialists Limited

**Balance Sheet
31 March 2002**

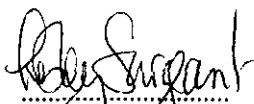
		31.3.02		31.8.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		26,092		27,239
CURRENT ASSETS:					
Debtors	6	124,469		105,157	
Cash at bank and in hand		183,753		168,036	
		308,222		273,193	
CREDITORS: Amounts falling due within one year	7	285,594		103,467	
NET CURRENT ASSETS:			22,628		169,726
TOTAL ASSETS LESS CURRENT LIABILITIES:			48,720		196,965
PROVISIONS FOR LIABILITIES AND CHARGES:	8		490		-
			£48,230		£196,965
CAPITAL AND RESERVES:					
Called up share capital	9		100		100
Profit and loss account			48,130		196,865
SHAREHOLDERS' FUNDS:			£48,230		£196,965

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



J M Underwood - DIRECTOR



Ms L S Sargeant - DIRECTOR

Approved by the Board on 20 November 2002

Notes to the Financial Statements

For The Period 1 September 2001 to 31 March 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Office Equipment	25% RBB
Furniture & Fittings	25% RBB

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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 period are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.9.01 to 31.3.02 £	Year Ended 31.8.01 £
Depreciation - owned assets	2,010	3,684
Depreciation - assets on hire purchase contracts or finance leases	2,450	2,469
Auditors' remuneration	6,025	8,263
Pension costs	3,283	1,876
	<u>64,859</u>	<u>71,353</u>
Directors' emoluments		

Clear Communications Specialists Limited

Notes to the Financial Statements

For The Period 1 September 2001 to 31 March 2002

3. TAXATION

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

	Period 1.9.01 to 31.3.02 £	Year Ended 31.8.01 £
UK corporation tax	13,982	29,471
Deferred tax	490	-
	<u>14,472</u>	<u>29,471</u>

UK corporation tax has been charged at 20% (2001 - 20%).

4. DIVIDENDS

	Period 1.9.01 to 31.3.02 £	Year Ended 31.8.01 £
Final - share type 1	<u>203,661</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Totals £
COST:			
At 1 September 2001	3,586	32,451	36,037
Additions	-	3,313	3,313
At 31 March 2002	<u>3,586</u>	<u>35,764</u>	<u>39,350</u>
DEPRECIATION:			
At 1 September 2001	1,180	7,618	8,798
Charge for period	351	4,109	4,460
At 31 March 2002	<u>1,531</u>	<u>11,727</u>	<u>13,258</u>
NET BOOK VALUE:			
At 31 March 2002	<u>2,055</u>	<u>24,037</u>	<u>26,092</u>
At 31 August 2001	<u>2,406</u>	<u>24,833</u>	<u>27,239</u>

Clear Communications Specialists Limited

Notes to the Financial Statements

For The Period 1 September 2001 to 31 March 2002

5. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Office equipment
	£
COST:	
At 1 September 2001 and 31 March 2002	19,264
DEPRECIATION:	
At 1 September 2001	2,469
Charge for period	2,450
At 31 March 2002	4,919
NET BOOK VALUE:	
At 31 March 2002	14,345
At 31 August 2001	16,795

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.02 £	31.8.01 £
Trade debtors	88,073	49,886
Other debtors	10,113	5,821
Accrued income	19,428	36,211
Prepayments	6,855	13,239
	<u>124,469</u>	<u>105,157</u>

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

	31.3.02 £	31.8.01 £
Bank loans and overdrafts	-	22,938
Trade creditors	12,251	8,893
Other creditors	6,332	10,126
Accruals	5,500	5,000
Dividend proposed	203,661	-
Social security & other taxes	8,134	10,174
Value added tax control	6,264	16,865
Taxation	43,452	29,471
	<u>285,594</u>	<u>103,467</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	31.3.02 £	31.8.01 £
Deferred tax	490	-
	<u>490</u>	<u>-</u>

Clear Communications Specialists Limited

Notes to the Financial Statements

For The Period 1 September 2001 to 31 March 2002

8. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Timing differences	490
	<u>—</u>
Balance at 31 March 2002	490
	<u><u>—</u></u>

Deferred tax for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided 31.3.02 £	Not provided 31.3.02 £
Deferred taxation	490	-
	<u><u>—</u></u>	<u><u>—</u></u>

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.3.02 £	31.8.01 £
100	Ordinary		100	100
			<u><u>—</u></u>	<u><u>—</u></u>

10. CAPITAL COMMITMENTS

There will be a cost in the region of £12,800 to be incurred in the quarter ended 31 July 2002 for moving expenses and refurbishment of the new premises. A loan of £20,000 will be made by Clear Communications Specialists Limited to The Answer Limited in August 2002. The loan will be repayable to Clear Communications Specialists Limited.

11. RELATED PARTY DISCLOSURES

In the period to 31st March 2002, there was a transaction billed at £5,767 to The Inquiry Consultancy Limited which was outstanding at the period end. Mr. J. M. Underwood and Ms. L. S. Sargeant are each 25% shareholders and directors of The Inquiry Consultancy Limited. All transactions were part of normal trading activity.