

HARRISON OPERATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

Company No. 2203970



Whitmill Prescott & Co.  
Chartered Accountants  
PO Box 34  
Bishop's Stortford  
Herts.  
CM23 5SW

HARRISON OPERATIONS LIMITED

Incorporated on 7 December 1987 under the Companies Act 1985

## DIRECTOR

Terence B. Harrison

SECRETARY

Helen Turner

REGISTERED OFFICE

209 Birchanger Lane, Birchanger,  
Bishop's Stortford, Herts. CM23 5SW

# NOTICE OF MEETING

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held at The Orchard, Market Street, Charlbury, Oxon. on  
at \_\_\_\_\_ for the following purposes:

1. To receive the Director's Report and the Financial Statements for the year ended 30 June 2001.
2. To re-appoint the Auditors and fix their remuneration.
3. To transact any ordinary business of the Company.

By Order of the Board

.....

Secretary

11 March 2002

209 Birchanger Lane  
Birchanger  
Bishop's Stortford  
Herts.  
CM23 5SW

A member entitled to attend and vote is entitled to appoint a proxy (one or more) to attend and, on a poll, vote instead of him. A proxy need not be a member.

# HARRISON OPERATIONS LIMITED

## DIRECTOR'S REPORT

The Director submits herewith his Report and the Financial Statements for the year ended 30 June 2001.

### RESULTS FOR THE YEAR

	<u>£</u>
Profit before Taxation	15,220
Taxation	(1)
	<hr/>
Profit after Taxation	£15,219
	=====

### DIVIDENDS

The Director recommends that no dividend be declared in respect of the year ended 30 June 2001.

### TRADING ACTIVITIES

The principal activity is that of Agents to Classical Musicians.

The Company also trades in the buying and selling of Antique Furniture.

### DIRECTOR

The Director who served during the period and his beneficial holding in the Share Capital was as follows:

	<u>£1 Ordinary Shares</u>
	<u>At 1 July 2000 and 30 June 2001</u>
T.B. Harrison, Esq.	199,999

### TAXTION

The Company is considered a "Close Company" for taxation purposes.

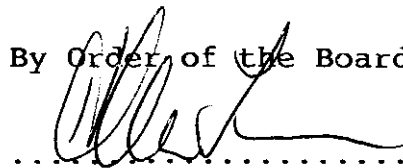
### FIXED ASSETS

Details of changes in the Fixed Assets are shown in Note VI forming part of the Financial Statements.

### AUDITORS

A resolution proposing the re-appointment of Whitmill Prescott & Co., Chartered Accountants, as Auditors to the Company, will be put to the Annual General Meeting.

By Order of the Board



Secretary

11 March 2002

HARRISON OPERATIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2001

	<u>Note</u>	<u>Year Ended</u> <u>30 June 2001</u>	<u>Year Ended</u> <u>30 June 2000</u>
		<u>£</u>	<u>£</u>
Turnover		233,791	181,588
Cost of Sales		(49,987)	(16,717)
Gross Profit		183,804	164,871
Administrative Expenses		(150,723)	(158,283)
Operating Profit		33,081	6,588
Interest Received		4	6
Interest Payable		(17,865)	(10,870)
Profit/(Loss) on Ordinary Activities before Taxation		15,220	(4,276)
Taxation	V	(1)	-
Retained Profit/(Loss) for the Year		£15,219	£(4,276)
		=====	=====

All the operations are continuing and there were no acquisitions.

There were no recognised gains or losses for the years ended 30 June 2000 and 30 June 2001 other than those included in the Profit and Loss Account.

## BALANCE SHEET AT 30 JUNE 2001

Represented by:

Approved by the ~~Board~~ - 8 March 2002

The notes on pages 5 to 11 form part of the Financial Statements

## HARRISON OPERATIONS LIMITED

### NOTES TO FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2001

#### I ACCOUNTING POLICIES

##### BASIS OF ACCOUNTING

The Financial Statements have been prepared under the Historical Cost Accounting Convention and in accordance with applicable accounting standards.

##### TURNOVER

Turnover represents the invoiced value of Goods and Services to Customers, excluded Value Added Tax.

##### COST OF SALES

Cost of sales is stated as all those costs directly incurred by the Company, in order to bring each product sold to its saleable condition and to provide the services to customers.

##### FIXED ASSETS

Depreciation is calculated to write off the book value on both straight line and reducing balance bases over the expected useful lives of all tangible fixed assets.

The rates used are:

Furniture, Fixtures and Office Equipment	-	25% on Written Down Value
Motor Car	-	25% on Written Down Value
Leasehold Premises	-	10% straight line

##### STOCK OF ANTIQUES

Stock has been valued at the lower of cost or net realisable value. Professional valuations have been obtained at 30 June 2001.

##### HIRE PURCHASE CONTRACTS

Assets acquired under Hire Purchase Contracts are capitalised and the resultant liability shown under Other Creditors, to the extent of instalments payable in the next twelve months. The remainder of the liability is shown separately under Due on Hire Purchase Contracts.

HARRISON OPERATIONS LIMITED

NOTES ON FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2001

(Continued)

DEFERRED TAXATION

Deferred Taxation is provided at current taxation rates under the liability method to take account of all timing differences between profits as stated in the Financial Statements and as computed for tax purposes.

Analysis of potential liability: Nil (2000 Nil).

II RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>Year Ended</u> <u>30 June 2001</u>	<u>Year Ended</u> <u>30 June 2000</u>
	<u>£</u>	<u>£</u>
Result on Ordinary Activities before Taxation is stated after charging:		
Interest payable on loans repayable after 5 years	-	-
Interest payable on loans repayable within 5 years	17,865	10,870
Depreciation	8,304	9,831
Auditors' Remuneration	3,740	3,980
Director's Remuneration (including pension premiums)	27,753	35,458
	<u>          </u>	<u>          </u>

III EMPLOYEES

- a) The average number of persons, including the Director, employed by the Company during the year was 4 (2000 4).
- b) Staff costs, including the Director's remuneration and pension contributions paid by the Company: £89,983 (2000 £97,794).

IV DIRECTOR'S REMUNERATION

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Emoluments for Services as Director:		
Chairman and Highest Paid Director:	£25,500	£33,000
	=====	=====
Pension Contributions	£2,253	£2,458
	=====	=====

# HARRISON OPERATIONS LIMITED

## NOTES ON FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2001

(Continued)

### V TAXATION

	Year Ended 30 June 2001	Year Ended 30 June 2000
	<u>£</u>	<u>£</u>
United Kingdom Corporation Tax based on the results for the year at 10% (2000 20%)	1	-
Prior Year under-provision	-	-
	<u>£ 1</u>	<u>£ -</u>

### VI FIXED ASSETS - Tangible Assets

	Leasehold Property	Furniture Fixtures and Office Equipment	Motor Cars	Total
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>COST</u>				
At 1 July 2000	5,840	48,880	30,994	85,714
Additions during year	-	2,743	-	2,743
At 30 June 2001	5,840	51,623	30,994	88,457
<u>DEPRECIATION</u>				
At 1 July 2000	3,504	36,868	14,866	55,238
Provided during year	584	3,688	4,032	8,304
At 30 June 2001	4,088	40,556	18,898	63,542
<u>NET BOOK VALUE</u>				
At 1 July 2000	£2,336	£12,012	£16,128	£30,476
At 30 June 2001	£1,752	£11,067	£12,096	£24,915

### VII DEBTORS - Due within 1 year

	2001	2000
	<u>£</u>	<u>£</u>
Trade Debtors	6,791	-
Prepayments	-	-
	<u>£6,791</u>	<u>£ -</u>
	=====	===



# HARRISON OPERATIONS LIMITED

## NOTES ON FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2001

(Continued)

### VIII TRADE CREDITORS - Due within 1 year

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Social Security and Other Taxes	-	3,310
Other	105,893	89,791
Accruals	450	310
Director's Loan Account	28,169	87
Due on Hire Purchase Contract	3,815	3,815
	<u>£138,327</u>	<u>£97,313</u>
	=====	=====

### IX BANK LOAN AND OVERDRAFT

The Bank Loan and Overdraft are secured by a floating charge over all Fixed Assets. The Loan is repayable by monthly instalments to October 2003.

### X PENSION FUND LOANBACK

The following Loan was taken out with National Provident Institution secured against the Harrison Operations Limited Executive Pension Plan. Interest is payable on the Loan at a maximum rate of interest 3% greater than the rate of bonus declared by N.P.I. on investments held in capital account for each calendar year.

### XI DUE ON HIRE PURCHASE CONTRACTS

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Due after 12 months	£6,994	£10,809
	=====	=====

### XII CAPITAL COMMITMENTS

The Director had approved capital expenditure at 30 June 2001 amounting to nil (2000 nil).

### XIII SHARE CAPITAL

At 1 July 2000 and 30 June 2001

£

Authorised and Issued  
200,000 Ordinary Shares of  
£1 each

£200,000  
=====

HARRISON OPERATIONS LIMITED

NOTES ON FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2001

(Continued)

XIV RESERVES

	<u>Capital Reserve</u>	<u>Profit and Loss Account</u>
	<u>£</u>	<u>£</u>
At 1 July 2000	103,393	(515,655)
Retained Profit for the Year	-	15,219
	<hr/>	<hr/>
At 30 June 2001	£103,393	£(500,436)
	=====	=====

XV COMPARATIVE FIGURES

The comparative figures present balances at 30 June 2000 for income and expenditure for the year ended on that date.

XVI CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

Reconciliation of Operating Profit to Cash Inflow from  
Operating Activities

	<u>£</u>
Operating Profit	33,081
Depreciation Charges	8,304
Decrease in Debtors	13,113
(Decrease) in Creditors	(32,691)
(Increase in Stock)	(4,623)
	<hr/>
Net Cash Inflow from Operating Activities	£17,184
	=====

Cash Flow Statement

Net Cash Inflow from Operating Activities	17,184
Returns on Investments and Servicing of Finance [Note (a)]	(17,861)
Taxation - U.K. Corporation Tax Paid	-
Capital Expenditure [Note (a)]	(6,559)
	<hr/>
Net Cash (Outflow) before Financing	(7,236)
Financing - Bank Loan Repayments	(8,952)
	<hr/>
(Decrease) in Cash	£(16,188)
	=====

HARRISON OPERATIONS LIMITED

NOTES ON FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2001

(Continued)

XVI CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

(Continued)

Reconciliation of Net Cash Flow to Movement in Net Debt

	<u>£</u>
(Decrease) in cash in period	(16,188)
Change in period	(16,188)
Net Debt at 1 July 2000	(70,136)
Net Debt at 30 June 2001	£(86,324) =====

Note to Cash Flow Statement

(a) Gross Cash Flows

Returns on investment and servicing of finance

Interest Received	4
Interest Paid	(17,865)
	£(17,861) =====

Capital Expenditure

Payments to acquire tangible fixed assets	(6,559)
Proceeds of sale of tangible fixed assets	-
	£(6,559) =====

(b) Analysis of Changes in Net Debt

	<u>At</u> <u>1 July 2000</u>	<u>Cash Flows</u>	<u>At</u> <u>30 June 2001</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Bank (Ovedraft)	(71,020)	(15,678)	(86,698)
Cash in Hand	884	(510)	374
	(70,136)	(16,188)	£(86,324) =====

HARRISON OPERATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2001

(Continued)


XVII STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the Director 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 Director is 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 Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the Financial Statements comply with the Companies Act 1985. He is 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.

By Order of the Board



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T.B. Harrison  
Director

11 March 2002

HARRISON OPERATIONS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF  
HARRISON OPERATIONS LIMITED

We have audited the Financial Statements on pages 3 to 11 which have been prepared under the accounting policies set out on page 5.

**Respective responsibilities of the Director and the Auditors**  
As described above, the Company's Director is responsible for the preparation of the Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Financial Statements and to report our opinion to you.

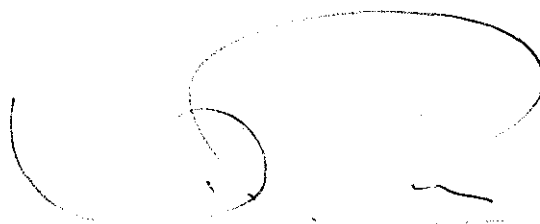
**Basis of Opinion**

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 of the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Director 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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the Financial Statements.

**Opinion**

In our opinion these Financial Statements give a true and fair view of the state of affairs of the Company at 30 June 2001 and of its loss and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



15 March 2002

Whitmill Prescott & Co.  
Chartered Accountants  
Registered Auditors

PO Box 34  
Bishop's Stortford  
Herts.  
CM23 5SW