

**CLARKE ASSOCIATES UK LIMITED
(formerly DAVID CLARKE ASSOCIATES
LIMITED)**

Report and Financial Statements

30 September 2000

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr D E Clarke
Mr R G Bull
Mr G T Brindley

SECRETARY

Mrs N J Clarke

REGISTERED OFFICE

Centre Court
1301 Stratford Road
Hall Green
Birmingham
B28 9AP

BANKERS

Barclays Bank plc
PO Box 85
Shirley
Solihull
B90 3AT

AUDITORS

Deloitte & Touche
Chartered Accountants
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

The company name was changed to Clarke Associates UK Limited on 19 April 2000.

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 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
- 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.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of public relations consultants.

RESULTS AND DIVIDENDS

The net loss for the year after taxation amounted to £23,201 (1999 - profit £26,218). This amount has been deducted from reserves. The directors do not recommend the payment of a dividend (1999 - £Nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interest in the shares of the company at the end of the year were as follows:

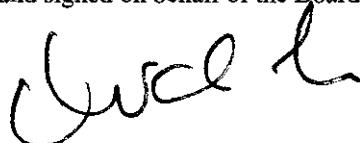
	30 September 2000	30 September 1999
Mr D E Clarke	5,100	5,100
Mr R G Bull	-	-
Mr G T Brindley	-	-

DIRECTORS' REPORT (continued)

AUDITORS

Deloitte & Touche have expressed their willingness to continue as auditors of the company and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

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

A handwritten signature in black ink, appearing to read 'D E Clarke', is written over the printed name.

D E CLARKE

Director

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.



AUDITORS' REPORT TO THE MEMBERS OF

CLARKE ASSOCIATES UK LIMITED (formerly DAVID CLARKE ASSOCIATES LIMITED)

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 circumstances of the company and the group, 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 at 30 September 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Chartered Accountants and Registered Auditors

21 February 2001

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2000

	Note	2000 £	1999 £
TURNOVER	2	569,488	933,273
Cost of sales		<u>(150,978)</u>	<u>(412,586)</u>
Gross profit		418,510	520,687
Administrative expenses		<u>(441,952)</u>	<u>(495,454)</u>
OPERATING (LOSS)/PROFIT	3	(23,442)	25,233
Interest receivable and similar income		<u>265</u>	<u>1,235</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(23,177)	26,468
Tax on loss/profit on ordinary activities	4	<u>(24)</u>	<u>250</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR	10	<u>(23,201)</u>	<u>26,218</u>

All activities derive from continuing operations.

There were no recognised gains or losses other than those shown above.

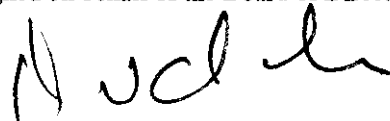
BALANCE SHEET
30 September 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	5	43,106	78,638
CURRENT ASSETS			
Work in progress		34,403	287
Debtors	6	182,351	132,365
Cash at bank and in hand		6,835	22,748
		<u>223,589</u>	<u>155,400</u>
CREDITORS: amounts falling due within one year	7	<u>(150,153)</u>	<u>(84,010)</u>
NET CURRENT ASSETS		<u>73,436</u>	<u>71,390</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		116,542	150,028
CREDITORS: amounts falling due after more than one year	8	<u>(942)</u>	<u>(11,227)</u>
NET ASSETS		<u>115,600</u>	<u>138,801</u>
CAPITAL AND RESERVES			
Called up share capital	9	5,100	5,100
Profit and loss account	10	<u>110,500</u>	<u>133,701</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	<u>115,600</u>	<u>138,801</u>

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 15 FEB 2001

Signed on behalf of the Board of Directors



D E Clarke

Director

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

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.

Depreciation

Depreciation of fixed assets is calculated by the straight line method at rates designed to write down the original cost to estimated residual value at the following rates per annum:

Furniture, fixtures and equipment	10% - 33 1/3%
Computer equipment	25% - 33 1/3%
Motor vehicles	20%

Work in progress

Work in progress represents net cost of services and materials.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred arising from timing differences between the treatment of certain items for accounting and taxation purposes. However, no provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future. In assessing the likelihood of continuing deferment the directors have regard for past investment levels and the extent to which tax allowances will be available on expected future capital expenditure.

Pension

The company operates a defined contribution pension scheme for certain employees. Contributions are charged to profit and loss account as they are made.

Leases

Tangible fixed assets held under finance leases or acquired by hire purchase agreements are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease or contract on a straight line basis. The costs of operating leases are charged to the profit and loss account as they accrue.

2. TURNOVER

Turnover represents amounts derived from continuing ordinary activities within the United Kingdom and is exclusive of discounts and Value Added Tax.

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

3. OPERATING (LOSS)/PROFIT

	2000	1999
	£	£
Operating (loss)/profit is after charging:		
Depreciation		
- owned assets	25,027	25,040
- leased assets	13,620	13,271
Rentals under operating leases:		
- other operating leases	30,850	30,850
Directors' remuneration	119,404	151,952
Auditors' remuneration for audit work	2,520	2,350
	<u> </u>	<u> </u>
And after crediting:		
Profit on disposal of fixed assets	300	4,021
	<u> </u>	<u> </u>

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2000	1999
	£	£
United Kingdom corporation tax at 20%		
(1999 – 21%)	50	250
Adjustment to prior year's tax provisions	(26)	-
	<u> </u>	<u> </u>
	24	250
	<u> </u>	<u> </u>

Subject to the agreement of the Inland Revenue losses of £8,000 are available to carry forward to offset against future trading profits.

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

5. TANGIBLE FIXED ASSETS

	Furniture, fixtures and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 October 1999	53,201	33,605	98,440	185,246
Additions	-	3,115	-	3,115
Disposals	(1,129)	(5,632)	(6,369)	(13,130)
At 30 September 2000	<u>52,072</u>	<u>31,088</u>	<u>92,071</u>	<u>175,231</u>
Accumulated depreciation				
At 1 October 1999	41,615	23,779	41,214	106,608
Charge for the year	11,215	9,072	18,360	38,647
Disposals	(1,129)	(5,632)	(6,369)	(13,130)
At 30 September 2000	<u>51,701</u>	<u>27,219</u>	<u>53,205</u>	<u>132,125</u>
Net book value				
At 30 September 2000	<u>371</u>	<u>3,869</u>	<u>38,866</u>	<u>43,106</u>
At 30 September 1999	<u>11,586</u>	<u>9,826</u>	<u>57,226</u>	<u>78,638</u>

There were no capital commitments as at 30 September 2000 (1999 - £Nil).

The net book amount of fixed assets includes £34,924 (1999 - £52,120) in respect of assets held under finance leases and hire purchase contracts.

6. DEBTORS

	2000 £	1999 £
Trade debtors	167,687	115,068
Other debtors	-	2,978
Prepayments	<u>14,664</u>	<u>14,319</u>
	<u>182,351</u>	<u>132,365</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	99,853	28,619
Corporation tax	50	250
Obligations under hire purchase contracts	10,315	17,928
Other taxes and social security costs	27,621	23,692
Accruals and deferred income	<u>12,314</u>	<u>13,521</u>
	<u>150,153</u>	<u>84,010</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

8. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Obligations under hire purchase contracts	942	11,227

9. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted		
5,100 ordinary shares of £1 each, fully paid	5,100	5,100

10. PROFIT AND LOSS ACCOUNT

	£
1 October 1999	133,701
Loss for the year	(23,201)
30 September 2000	110,500

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/profit for the financial year	(23,201)	26,218
Net (decrease)/increase of shareholders' funds	(23,201)	26,218
Opening shareholders' funds	138,801	112,583
Closing shareholders' funds	115,600	138,801

12. FINANCIAL COMMITMENTS

The company has a commitment under a property lease of £30,850 (1999 - £30,850) per annum. The lease expires in more than five years' time.

13. RELATED PARTY TRANSACTIONS

During the year the company made sales of £1,573 on an arms' length basis to Birmingham Forward Limited, a company of which David Clarke is a director.