

Report and Accounts

Academy Income Management Limited

31 December 1999



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Academy Income Management Limited

Registered No. 3291172

DIRECTORS

P Kelly
G M Hurst

SECRETARY

G M Hurst

BANKERS

Barclays Bank PLC
54 Lombard Street
London SW1A 1RA

SOLICITORS

Herbert Smith
Exchange House
Primrose Street
London SW1A 1QB

REGISTERED OFFICE

61-71 Victoria Street
London SW1H 0XA

Academy Income Management Limited

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 December 1999.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company did not trade during the year. As a result, a profit and loss account has not been prepared.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year were as follows:

P Kelly
G M Hurst

Mr Hurst is a director of the ultimate parent undertaking, The Capita Group Plc, and details of his interests are included in the accounts of that company.

Mr Kelly is a director of the immediate parent undertaking, Academy Information Systems Limited, and details of his interests are included in the accounts of that company.

YEAR 2000 COMPLIANCE

Over the past few years our Year 2000 compliance programme has been in operation to ensure all our essential systems were 2000 compliant. We are pleased to report following the Year 2000 date change that there were no incidents and operations continue as normal. The company is continuing to monitor essential systems to ensure no problems emerge in the future.

AUDITORS

It was reported that, as the company is dormant and meets the other requirement of section 250 of the Companies Act 1985, it is entitled to exemption from the obligations to appoint auditors. The following special resolution was proposed and passed, "that no auditors be appointed by the company."

By order of the board



Secretary

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

Academy Income Management Limited

BALANCE SHEET

at 31 December 1999

	<i>Notes</i>	<i>1999</i> <i>£000</i>	<i>1998</i> <i>£000</i>
CURRENT ASSETS			
Debtors – amount owed by group undertaking		216	216
		<u>216</u>	<u>216</u>
CAPITAL AND RESERVES			
Called up share capital	2	38	38
Share premium	3	693	693
Profit and loss account	3	(515)	(515)
		<u>216</u>	<u>216</u>

The company was dormant (within the meaning of section 250 of the Companies Act 1985) throughout the financial year.

The accounts were approved by the Board of Directors on
and signed on its behalf by:

Secretary

S3N,

Academy Income Management Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Profit and loss

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

2. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	£	£	£	£
Ordinary shares of £1 each	24,616	24,616	24,616	24,616
Ordinary 'A' shares of £1 each	7,773	7,773	7,773	7,773
Preference ordinary shares of 1p each	246	246	246	246
Preference shares of 1p each	4,923	4,923	4,923	4,923
	<u>37,558</u>	<u>37,558</u>	<u>37,558</u>	<u>37,558</u>

The preference shareholders receive a fixed cumulative preferential net cash dividend of 9.6p per annum from the date of subscription and payable half yearly on 6 April and 6 October, the first payment being made on 6 April 1997.

The 'A' ordinary shareholders receive a fixed cumulative preferential net cash dividend of £1.11 per annum from the date of subscription and payable half yearly on 6 April and 6 October, the first payment being made on 6 April 1997.

The 'A' ordinary shareholders also receive a cumulative preferential net cash dividend, which when added to the fixed dividend for that year (above) agrees to 7.5% of the net profit of the company for that year. The dividend calculated, if any, is payable within 4 months of the financial year end, or not later than 14 days after the auditors have signed the accounts of the company.

The 'A' ordinary shareholders for each financial year also receive a cumulative preferential net cash dividend equal to the 'excess remuneration' divided by the number of ordinary shares held by relevant directors on the last day of that financial year. The 'excess remuneration' is calculated with emoluments in excess of £225,000 index-linked to the aggregated payable in respect of the relevant directors after deducting income tax at the basic rate on the excess sum.

The assets of the company remaining after the payment of liabilities are applied as follows: holders of the preference shares receive £1 per share plus accruals of dividends, the balance (up to £5 million) is then distributed to 'A' ordinary shareholders and preferred ordinary shareholders.

The preference shares shall be redeemed in the proportion and on the dates below:

<i>Redemption date</i>	<i>Number of shares redeemable</i>
6 April 1999	98,461
6 April 2000	98,461

Academy Income Management Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

6 April 2001	98,461
6 April 2002	98,461

3. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 1998	38	693	(515)	216
At 31 December 1998 and 31 December 1999	38	693	(515)	216

4. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Academy Information Systems Limited.

The company's ultimate parent undertaking is The Capita Group Plc which is incorporated in England and Wales. The accounts of The Capita Group Plc are available from the registered office at 61-71 Victoria Street, London SW1H 0XA.