560971

HTS Development Limited

Report and Accounts

31 March 2003

Registered No. 560971

Directors
R K Wood

Secretary
C J Vickers

Auditors
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Bankers
Barclays Bank Plc
PO Box 357
51 Mosley Street
Manchester
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London
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Directors' Report

The directors submit their annual report and accounts of the Company for the year ended 31 March 2003.

Activities

The Company carries out consultancy in natural resource development, processing and interpretation of geographical data, and procurement of agricultural and allied equipment. The directors consider the level of business and the year end financial position to be satisfactory in the current economic climate.

Directors

The following directors held office in the year:

R K Wood	
T P Acton	(resigned 17 March 2003)
M R D Roller	(appointed 17 March 2003, resigned 6 August 2003)

Results and dividends

The profit for the year after taxation is £442,000 (2002: £81,000). The directors do not propose a dividend for the year (2002: nil) and recommend that the surplus of £442,000 (2002: £81,000) be transferred to reserves.

Directors' interests

None of the directors held any interest in the ordinary shares of the company at any time during the year. The interests of RK Wood and MRD Roller in the shares of the ultimate parent company, Genus plc, are shown in that company's accounts.

Suppliers

The company endeavours to agree the terms of payment with suppliers prior to placing business. This ensures that suppliers are aware of these terms in advance. It is the company's policy to settle liabilities by the due date. At 31 March 2003 the company had an average of 44 days (2002: 34 days) purchases outstanding in trade creditors.

By order of the Board

C Y Vickers
Secretary

26 JAN 2004

Statement of directors' responsibilities in respect of the financial statements

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent auditors' report

to the members of HTS Development Limited

We have audited the company's financial statements for the year ended 31 March 2003 which comprise the Profit and Loss Account, Statement of Recognised Gains and Losses, Balance Sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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 Directors' Report 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 Directors' Report 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 affairs of the company as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Manchester
Date: 30/1/04

Profit and Loss Account

for the year ended 31 March 2003

	Notes	Year ended 31 March 2003 £'000	Year ended 31 March 2002 £'000
Turnover	2	14,410	13,008
Cost of sales		(12,923)	(11,621)
Gross profit		1,487	1,387
Distribution costs		(478)	(447)
Administrative expenses		(369)	(822)
Operating profit	3	640	118
Interest receivable		2	4
Profit on ordinary activities before taxation		642	122
Taxation on profit on ordinary activities	6	(200)	(41)
Profit for the year		442	81
Profit and loss account brought forward		(124)	(205)
Profit and loss account carried forward		318	(124)

All results arise from continuing operations

Statement of total recognised gains and losses

For the year ended 31 March 2003

There were no recognised gains or losses other than the profits for the current year and previous year shown above.

Balance Sheet
at 31 March 2003

	Notes	31 March 2003 £'000	31 March 2002 £'000
Fixed assets			
Tangible assets	8	85	138
Investments	9	-	-
		85	138
Current assets			
Debtors	10	7,271	5,109
Cash at bank and in hand		589	860
		7,860	5,969
Creditors: amounts falling due within one year	11	(6,227)	(4,831)
Net current assets		1,633	1,138
Total assets less current liabilities		1,718	1,276
Capital and reserves			
Called up share capital	12	1,400	1,400
Profit and loss account	13	318	(124)
Equity shareholders' funds	13	1,718	1,276

These accounts were approved by the board of directors on

Director

26 JAN 2004

Notes to the Accounts

for the year ended 31 March 2003

1. Accounting policies

Basis of accounting

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

The company is exempt from the obligation to prepare and deliver group accounts under section 228 of the Companies Act 1985. These financial statements present information about the company as an individual undertaking and not about its group.

The parent undertaking has prepared a cash flow statement in accordance with FRS 1 (Revised 1996). As permitted by FRS 1 (Revised 1996) the company has not prepared its own cash flow statement.

Turnover

Turnover represents the total amounts receivable, excluding VAT, for goods and services provided during the year.

Contract revenues and profit recognition

Most of the Company's activities comprise the performance of contracts for the supply of services. The greater proportion of these contracts allow for the invoicing of staff and reimbursables on a monthly basis and in these cases turnover and profit has been recognised for each month of the year's results. Profit on other contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end by recording turnover as contract activity progresses. Provision is made for the full amount of any foreseeable losses on contracts.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	-	between 3 and 10 years
Plant and equipment	-	over 3 years
Motor vehicles	-	over 4 years

Foreign exchange

All assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the balance sheet.

Transactions in foreign currencies have been converted to sterling using the rates of exchange ruling at the dates of the transaction.

All differences on exchange arising in the year are taken to the profit and loss account.

Notes to the Accounts

for the year ended 31 March 2003

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less in future have occurred at the balance sheet date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits and which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Group's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

Deferred taxation is recognised in respect of the future remittance of retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Pensions

The Genus plc group participates in the multi employer Milk Pension Fund Scheme, a defined benefit scheme for some of the company's employees. It is not possible to identify the company's share of the underlying assets and liabilities of the scheme. Contributions are therefore charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

A number of employees are members of defined contribution pension schemes. Contributions are charged to profit and loss as they become payable in accordance with the rules of the scheme. The assets of these schemes are held separately from those of the group.

Leases

The rental costs arising from operating leases are charged in the profit and loss account as they arise.

2. Turnover

All turnover arises from the company's principal activity of consultancy and processing and interpretation of geographical data. The analysis of turnover by geographical destination is as follows:

	Year ended 31 March 2003 £'000	*Year ended 31 March 2002 £'000*
United Kingdom	17	119
Europe	868	657
Far East	3,566	3,343
Rest of World	9,959	8,889
	14,410	13,008

Notes to the Accounts

for the year ended 31 March 2003

3. Operating profit

Operating profit is stated after charging/(crediting) the following:

	Year ended 31 March 2003 £'000	*Year ended 31 March 2002 £'000*
Depreciation	84	104
Auditors remuneration:		
Audit fees	8	8
Non audit fees	2	1
Profit on disposal of fixed assets	-	(4)
Operating lease rentals:		
Plant and machinery	4	4
Land and buildings	116	116
Foreign exchange gain	(24)	(27)
Rents receivable	(26)	(35)

4. Emoluments of directors

	Year ended 31 March 2003 £'000	*Year ended 31 March 2002 £'000*
Emoluments	-	16

5. Employees

The average number of employees during the year by activity was made up as follows:

	Year ended 31 March 2003 No.	*Year ended 31 March 2002 No.*
Consulting and geographical data management	77	72

Notes to the Accounts

for the year ended 31 March 2003

5. Employees (continued)

Staff costs during the year amounted to:

	Year ended 31 March 2003 £'000	*Year ended 31 March 2002 £'000*
Wages and salaries	2,515	2,582
Social security costs	114	129
Pension costs	67	78
	2,696	2,789

Pensions

Employees of the Company are members of the multi employer Milk Pension Fund Scheme, a defined benefit scheme, contributions to which are determined by the aggregate membership and funding of the scheme. The assets and liabilities of the fund cannot be separately identified between group companies. Further details of the scheme are contained within the accounts of Genus Plc, the ultimate parent company. The updated FRS17 valuation as at 31 March 2003 indicates that the group's share of the scheme showed a deficit of £8,000,000 at that date (2002: surplus of £11,600,000).

6. Taxation

a) The taxation charge, based on the profit for the year comprises:

	Year ended 31 March 2003 £'000	*Year ended 31 March 2001 £'000*
UK corporation tax @ 30% (2002 – 30%)	420	42
Adjustment in respect of earlier years	-	(1)
Total current tax (note 6(b))	420	41
Less: tax borne by third party	(220)	-
Taxation on profit on ordinary activities	200	41

Under an agreement with the company's previous parent company, tax relating to a settlement received by the company during the year is met by the previous parent.

Notes to the Accounts

for the year ended 31 March 2003

6. Taxation (continued)

(b)

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2002 – 30%). The differences are explained below:

	Year ended 31 March 2003 £'000	*Year ended 31 March 2002 £'000*
Profit on ordinary activities before taxation	642	122
Tax at 30% thereon	193	36
Effects of:		
Expenses not deductible for tax purposes	225	1
Capital allowances in excess of depreciation	2	5
Prior year adjustments	-	(1)
	420	41

7. Deferred taxation

There is no provision for deferred taxation at 31 March 2003 (2002:- £nil). Unprovided deferred taxation at 31 March 2003 was an asset of £38,000 (2002 - £34,000) relating to capital allowances.

The taxation charge for the year would have been £4,000 lower had deferred taxation been provided for in full (2002 - £4,000 lower).

8. Tangible fixed assets

	Leasehold improvements £'000	*Plant and equipment £'000*	*Motor vehicles £'000*	*Total £'000*
Cost:				
At 1 April 2002	135	421	115	671
Additions	6	9	16	31
At 31 March 2003	141	430	131	702
Depreciation:				
At 1 April 2002	97	342	94	533
Charge for year	13	48	23	84
At 31 March 2003	110	390	117	617
Net book value:				
At 31 March 2003	31	40	14	85
At 31 March 2002	38	79	21	138

Notes to the Accounts

for the year ended 31 March 2003

9. Investments

	Subsidiary undertakings	*Other investments*	*Total*
	£	*£*	*£*
Cost:			
At 1 April 2002 and 31 March 2003	-	2	2

The following are investments of the Company at the end of the year.

Name	*Country of incorporation or registration*	*Proportion of voting rights and ordinary share capital held*	*Nature of business*
Agro-Services (Africa) Limited	Tanzania	40%	Dormant
GEB Geomatic and Environmental Bureau A.E.	Cyprus	15%	Dormant

10. Debtors

	31 March 2003	*31 March 2002*
	£'000	*£'000*
Trade debtors	397	1,326
Amounts recoverable on contracts	1,709	1,761
Prepayments and accrued income	87	59
Amounts due from subsidiary undertaking	-	27
Other debtors	296	352
Amount due from fellow subsidiaries	4,782	1,580
Amount due from holding company	-	4
	7,271	5,109

11. Creditors: amounts falling due within one year

	31 March 2003	*31 March 2002*
	£'000	*£'000*
Unsecured bank overdrafts	2,637	2,262
Trade creditors	2,537	1,036
Payments on account	298	1,129
Corporation tax	420	45
Other creditors and accruals	157	266
Amount due to holding company	88	-
Amounts due to fellow subsidiaries	90	93
	6,227	4,831

The Company is a party to a group set-off arrangement with Barclays Bank Plc. The cash shown in the balance sheet is not subject to these set of arrangements.

Notes to the Accounts

for the year ended 31 March 2003

12. Called up share capital

	31 March 2003 £'000	31 March 2002 £'000
Authorised, issued and fully paid:		
1,400,000 ordinary £1 shares	1,400	1,400

13. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2001	1,400	(205)	1,195
Profit for the year	-	81	81
At 31 March 2002	1,400	(124)	1,276
Profit for the year	-	442	442
At 31 March 2003	1,400	318	1,718

14. Financial commitments

The company has annual commitments under non-cancellable operating leases which expire as follows:

	31 March 2003 £'000	31 March 2002 £'000
Between two and five years	4	4
Five years and over	116	116
	120	120
Comprising:		
Land and buildings	116	116
Other	4	4
	120	120

The Company has no capital commitments contracted but not provided for at 31 March 2003 (31 March 2002 : £nil).

15. Contingent liabilities

At 31 March 2003 contingent liabilities amounting to £1,048,021 (2002: £1,443,333) existed in respect of performance bonds and advance payment guarantees given by the Company's bankers to clients of the Company.

Notes to the Accounts

for the year ended 31 March 2003

16. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard No.8 not to disclose transactions with related parties that are part of the Genus Plc group.

17. Ultimate parent undertaking

The directors consider that the company's ultimate parent undertaking and controlling party is Genus Plc, a company registered in England and Wales. Genus plc includes the company in its group accounts, copies of which can be obtained from da Vinci House, Basing View, Basingstoke, Hampshire, RG21 4EQ.