

TTC (1994) LIMITED

**Directors' Report and Accounts
31 December 2003**

Registered No. 2267132



TTC (1994) LIMITED
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DIRECTORS' REPORT

The directors present their report and statement of accounts of the company for the year ended 31 December 2003.

Principal activity

The company is a holding company for a group of companies whose principal businesses are specialised information and publishing.

Review of business and likely future developments

The directors consider that the result for the period and the position at the end of it are satisfactory and they expect the present level of activity to be sustained for the foreseeable future.

Results and dividends

The profit after taxation for the year amounted to £13,382,000 (2002 - loss of £54,000). The directors do not recommend the payment of a dividend (2002 - £nil).

Statement of directors' responsibilities

The directors are required by UK company law to prepare accounts which give a true and fair view of the state of affairs of the company at the year end and of the results of the company for the year then ended. In preparing the accounts, the directors are required to select suitable accounting policies, apply them consistently, and make reasonable and prudent judgements and estimates. The directors are required to 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 also required to prepare the accounts in accordance with applicable accounting standards. The directors are further responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the company to enable them to ensure that the financial statements comply with the Companies Act 1985, for taking reasonable steps in safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. The directors confirm that they have complied with the above requirements in preparing the financial statements.

Directors

The directors of the company since 1 January 2003 are named below:-

N.J.W.Brockmann
S.L.Jenner
A.E.Kendall
W.Lee
Y.H.Tio-Parry

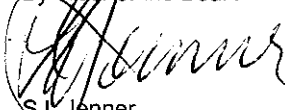
Directors' interests

None of the directors have any beneficial interest in the shares of the company or any other group companies. Non-beneficial interests of the directors in group companies are disclosed in the accounts of the respective companies. The interests of the directors in share options of group companies are disclosed in the notes to the accounts (see note 2). None of the directors had a beneficial interest in any contract to which the company or a subsidiary undertaking was a party during the year.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By order of the Board


S.L.Jenner
Secretary

 July 2004

First Floor, The Quadrangle
180 Wardour Street
London W1A 4YG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TTC (1994) LIMITED

We have audited the financial statements which comprise the profit and loss account, balance sheet, reconciliation of movements in shareholders' funds and the related notes to the accounts.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

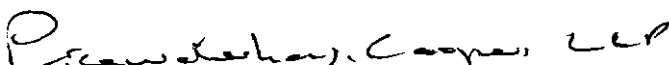
Basis of audit opinion

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 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 at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

2 July 2004

TTC (1994) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £'000	2002 £'000
Administrative expenses	4	(7)	(21)
Other operating income		-	1
Operating (loss)	5	<u>(7)</u>	<u>(20)</u>
Interest income	3	250	-
Profit /(loss) on ordinary activities before taxation		<u>243</u>	<u>(20)</u>
Taxation on profit /(loss) on ordinary activities	6	13,139	(34)
Profit /(loss) for the financial year		<u><u>13,382</u></u>	<u><u>(54)</u></u>

The company had no recognised gains or losses other than those reflected in the profit and loss account above so no separate statement of total recognised gains and losses is presented.

All results for both years derive from continuing operations.

TTC (1994) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2003

		2003 £'000	2002 £'000
	Notes		
Fixed assets			
Investments	8	<u>437,128</u>	<u>99,421</u>
Current assets			
Debtors	9	465,090	603,057
Cash at bank and in hand		-	422
		<u>465,090</u>	<u>603,479</u>
Creditors - amounts falling due within one year	10	(185,936)	-
Net current assets		<u>279,154</u>	<u>603,479</u>
Net assets		<u><u>716,282</u></u>	<u><u>702,900</u></u>
Capital and reserves			
Called up share capital	11	105,382	105,382
Share premium		259,474	259,474
Capital redemption reserve		170,637	170,637
Profit and loss account	12	180,789	167,407
Equity shareholders' funds		<u><u>716,282</u></u>	<u><u>702,900</u></u>

APPROVED BY THE BOARD
AND SIGNED ON ITS BEHALF BY



A.E. Kendall
Director
2 July 2004

TTC (1994) LIMITED

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 £'000	2002 £'000
Profit /(loss) on ordinary activities after taxation	13,382	(54)
Shareholders' funds at 1 January	702,900	702,954
Shareholders' funds at 31 December	<u>716,282</u>	<u>702,900</u>

TTC (1994) LIMITED

NOTES TO THE ACCOUNTS

1 Accounting policies

Basis of preparation

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

As permitted by paragraph 5(a) of Financial Reporting Standard 1 (Revised) the company has not presented a cash flow statement.

As permitted by paragraph 3(c) of Financial Reporting Standard 8 the company has not disclosed any details of transactions or balances with other group companies.

Group accounts are not prepared as the company is a wholly owned subsidiary of another company incorporated in England and Wales.

Investments

Investments are stated at cost less any provision for permanent diminution in value.

2 Directors' emoluments

During the year no emoluments were paid by the company to the directors (2002 - £nil). However, the directors received emoluments from other group undertakings in respect of their services to the group.

At 31 December 2002 and 2003 Messrs N J W Brockmann and W Lee each held 1,170 share options under Thomson's 2000 Stock Incentive Plan. No share options were granted or exercised during the year.

3 Interest income

	2003	2002
	£'000	£'000
Interest from fellow group undertaking	250	-

4 Administrative expenses

The company did not have any employees at any time during the year (2002 - nil). The auditors' remuneration is paid by a fellow group undertaking and is not recharged to the company (2002 - £nil).

5 Operating profit / (loss)

Operating profit / (loss) is stated after charging / (crediting):

	2003	2002
	£'000	£'000
Release of provisions no longer required	-	(1)
Provision for impairment of investment	-	21

TTC (1994) LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

6 Taxation

The charge/(credit) is based on the results on ordinary activities before taxation and comprises:

	2003 £'000	2002 £'000
Group relief charge at 30% (2002 - 30%)		
- current year	75	-
- prior year	-	34
Total current taxation	<u>75</u>	<u>34</u>
Deferred taxation (credit) at 30%		
- adjustments to previously estimated recoverable amounts	(13,214)	-
Total deferred taxation (note 7)	<u>(13,214)</u>	<u>-</u>
Total tax on profit / (loss) on ordinary activities	<u>(13,139)</u>	<u>34</u>

The table below reconciles the tax calculated at the UK standard rate of 30% of the profit / (loss) on ordinary activities before tax to the actual tax charge / (credit) recognised in the profit and loss account. The differences are attributed to the following factors:-

	2003 £'000	2002 £'000
Profit / (loss) on ordinary activities before taxation	<u>243</u>	<u>(20)</u>
Taxation charge / (credit) at standard UK corporation tax rate of 30%	73	(6)
- Current tax recognised	<u>75</u>	<u>34</u>
	<u>(2)</u>	<u>(40)</u>
Difference attributable to:		
- Non-deductible expenses	(2)	(6)
- Adjustments to tax charges in respect of prior periods	-	(34)
	<u>(2)</u>	<u>(40)</u>

7 Deferred taxation

Deferred tax is provided in full on certain timing differences. The company does not discount the provision.

	2003 £'000	2002 £'000
Asset at 1 January	-	-
Deferred tax credit in the profit and loss account	13,214	-
Deferred tax charge realised in the year	(13,214)	-
Asset at 31 December	<u>-</u>	<u>-</u>

The company has irrevocably surrendered ACT in the amount of £13,214,000 to fellow group companies for which payment was received in 2004. The company has further ACT carried forward of £6,500,000 (2002 - £19,800,000). The directors do not consider it appropriate to recognise this as a deferred tax asset as its utilisation is uncertain.

TTC (1994) LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

8 Investments

Shares in group
undertakings
£'000

At 1 January 2003	99,421
Additions	337,812
Disposals	(105)
At 31 December 2003	<u>437,128</u>

During the year the company made a capital contribution of £152,000,000 to Thomson Holdings Limited.

On 9 June 2003 Quantec Asia Limited was liquidated and the company received £105,000. There was no profit or loss on disposal resulting from this transaction.

On 12 November 2003 the company acquired 45% of the ordinary shares in Thomson Publishing Group Ltd for £185,812,000 from fellow group companies.

The principal subsidiary undertakings are as follows:

	Class of share	Percentage of class held
Thomson Treasury (UK) Limited	Deferred £1 Redeemable preferred £1	100% 100%
Thomson Holdings Limited	Ordinary £1	100%
The Thomson Organisation (No.23)	Ordinary £1	100%
Thomson Healthcare plc	Ordinary £1	100%

The directors are of the opinion that the value of the company's investments is not less than the amount at which it is included in the balance sheet.

9 Debtors

	2003 £'000	2002 £'000
Amounts due from fellow group undertakings	451,876	603,057
Other debtors	13,214	-
	<u>465,090</u>	<u>603,057</u>

10 Creditors - amounts falling due within one year

	2003 £'000	2002 £'000
Amounts due to fellow group undertakings	185,861	-
Group relief	75	-
	<u>185,936</u>	<u>-</u>

TTC (1994) LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

11 Called up share capital	2003 £'000	2002 £'000
Authorised, issued and fully paid:		
Equity share capital		
103,014,820 ordinary shares of £1 each	103,015	103,015
236,698,172 common shares of 1p each	2,367	2,367
	<u>105,382</u>	<u>105,382</u>
Authorised, but unissued:		
181 ordinary shares of £1 each	-	-
63,301,828 common shares of 1p each	633	633
	<u>633</u>	<u>633</u>
Total authorised share capital	<u>106,015</u>	<u>106,015</u>

The common shareholders are not entitled to dividends. On winding up, the common shareholders rank above ordinary shareholders and are entitled to receive the par value of the shares. The shares can be redeemed at the option of the company and do not carry any voting rights.

12 Profit and loss account	£'000
Retained profit at 1 January 2003	167,407
Profit for the financial year	13,382
Retained profit at 31 December 2003	<u>180,789</u>

13 Contingent liabilities

In 2003 the company entered into an arrangement of joint and severable liability with a number of fellow Thomson companies with respect to the group set-off overdraft facility of £5 million net and £25 million gross. This represents a contingent liability for the company, standing at £5 million plus or minus the value of any deposit or overdraft of the company within the group set-off, with a maximum of £25 million and a minimum of £nil.

14 Subsequent events

On 31 March 2004 the company acquired the entire share capital of CCBN.Com Limited from a fellow group company for £84,000.

15 Company status

The company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988. The company's immediate parent is The Thomson Organisation Limited. Within the meaning of the Companies Act 1985 Thomson Investments Limited ("TIL") is regarded by the directors of the company as being the company's ultimate parent company and controlling party. Within the meaning of the said Act The Thomson Corporation ("Thomson") is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. The Thomson Corporation PLC ("Thomson PLC") is the parent undertaking of the smallest such group of undertakings for which group accounts are drawn up and of which the company is a member. TIL and Thomson are incorporated under the laws of the Province of Ontario, Canada. Thomson PLC is incorporated in England and Wales.

Copies of the Thomson and Thomson PLC annual reports are available from: First floor, The Quadrangle, 180 Wardour Street, London W1A 4YG.