

A/14462

**ICSTIS LIMITED**  
**(Limited by Guarantee)**

**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2000**

**Company Number: 2398515**

**REGISTRAR'S COPY**



	Page
Directors and Advisers	2
Report of the Directors	3
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Statement of Directors' Responsibilities and Accounting Policies	7 & 8
Notes to the Accounts	9 - 11

**Directors**

Sir P North CBE, QC  
Sir J B Bailey KCB  
Baroness Gould of Potternewton  
V G Howarth OBE  
K Markus  
A Millard  
C B Milne  
J Simpson  
M Symes

**Company Secretary**

M A Fahy

**Registered Office**

4th Floor  
Clove Building  
4 Maguire Street  
London SE1 2NQ

**Bankers**

HSBC  
20 Eastcheap  
London EC3M 1ED

**Auditors**

Littlejohn Frazer  
Chartered Accountants  
and Registered Auditors  
1 Park Place  
Canary Wharf  
London E14 4HJ

**Solicitors**

Bates, Wells & Braithwaite  
Cheapside House  
138 Cheapside  
London EC2V 6BB

The Directors have pleasure in presenting their Report together with the Accounts for the year ended 31 December 2000.

### Results

The Company is non-profit making.

### Review of the Business

The principal activity of the Company during the year was to provide administrative support to the Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS) which supervises the code of practice relating to premium rate telephone services. The Company is funded by Network Operators. The accounting policy adopted for the recognition of income received is described in the Notes to the Accounts.

During the year, the Company also received income from administrative charges levied on service providers found to be in breach of the code, to recover the costs associated with handling the relevant complaint, from fines imposed on service providers found to be in breach of the code and from the Live Conversation Services Compensation Fund on the basis that all agreed costs incurred by the Company will be reimbursed.

### Future Developments

The Company continues to operate in the above capacities in 2001.

### Directors

The Directors, who served during the year, all of whom are members of the ICSTIS Committee are as follows:

Sir P North CBE, QC

Sir J B Bailey KCB

V G Howarth OBE

K Markus

C B Milne

J Simpson

F Taylor

Baroness Gould of Potternewton

A Millard

M Symes

(resigned 15 June 2000)

(appointed 14 February 2000)

(appointed 19 July 2000)

Each current Director has undertaken to guarantee the liabilities of ICSTIS Limited to the extent of £1.

### Auditors

A resolution proposing the reappointment of Littlejohn Frazer as the Company's auditors will be put to the Annual General Meeting.

### Registered Office

The registered office was changed to 4<sup>th</sup> Floor, Clove Building, 4 Maguire Street, London SE1 2NQ on 5<sup>th</sup> March 2001.

By Order of the Board

M A Fahy

Secretary

26 April 2001



**To the Members of ICSTIS Limited**

We have audited the Accounts on pages 5 to 11 which have been prepared under the Accounting Policies set out on pages 7 and 8.

**Respective Responsibilities of Directors and Auditors**

As described on page 7 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

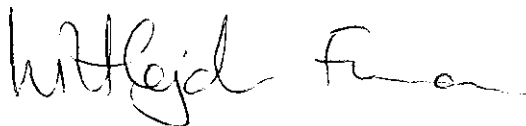
**Basis of Opinion**

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 in the Accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Accounts 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 Accounts 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 Accounts.

**Opinion**

In our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Littlejohn Frazer**

Chartered Accountants  
and Registered Auditors

26 April 2001

1 Park Place  
Canary Wharf  
London E14 4HJ

ICSTIS LIMITED

PROFIT AND LOSS ACCOUNT  
Year ended 31 December 2000

	Note	2000	1999
Turnover		1,604,779	1,436,395
Administrative expenses		1,618,863	1,446,249
		<hr/>	<hr/>
Operating Loss	2	(14,084)	(9,854)
Interest receivable	5	16,826	12,355
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		2,742	2,501
Tax on profit on ordinary activities		(2,742)	(2,501)
		<hr/>	<hr/>
Profit on Ordinary Activities after Taxation		-	-
Revenue Reserve brought forward		-	-
		<hr/>	<hr/>
Revenue Reserve carried forward		£ -	£ -
		<hr/>	<hr/>

All turnover is derived from continued operations.

The Company had no recognised gains or losses other than the result on ordinary activities after taxation stated above.

There is no material difference between the reported result for 2000 and 1999 and the result for those years as restated on an historical cost basis.

The Accounting Policies and Notes on pages 7 to 11 form part of these Accounts.

## ICSTIS LIMITED

BALANCE SHEET  
At 31 December 2000

	Note	2000	1999
Tangible Fixed Assets	6	94,444	98,619
Current Assets			
Debtors	7	502,942	228,989
Cash at bank and in hand		511,075	447,286
		<u>1,014,017</u>	<u>676,275</u>
Creditors: due within one year	8	(1,108,461)	(774,894)
Net Current Liabilities		<u>(94,444)</u>	<u>(98,619)</u>
Total Assets less Current Liabilities		<u>£ -</u>	<u>£ -</u>

Approved by the Board on 26 April 2001

Sir P North CBE, QC

Sir J B Bailey KCB

Directors

The Accounting Policies and Notes on pages 7 to 11 form part of these Accounts.

### Statement of Directors' Responsibilities

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 judgments 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 Accounts;
- 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 maintaining 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. The accounting policies selected are set out below.

### Accounting Policies

#### Basis of Accounting

The Accounts are prepared under the historical cost basis of accounting and comply with applicable Accounting Standards.

#### Turnover

Turnover represents amounts invoiced to third parties excluding VAT, as adjusted for "income received in advance" as described below.

#### Recognition of Income

Income received in respect of services provided to the Live Conversation Services Compensation Fund is on the basis of costs incurred so that ICSTIS Limited will recover full costs with no profit.

An adjustment is made at the year-end to reflect timing differences in the issuing of invoices to the compensation fund and the resulting balance is reflected in trade debtors or creditors as appropriate.

Income received from the Network Operators is on the basis of a levy on the amounts paid by them to service providers during the year. The levy is set at the beginning of each year, based on budgeted expenditure so as to reimburse ICSTIS Limited for costs incurred.

An adjustment is made at the year-end to reflect any difference between the income received and costs incurred during the year and the resulting balance is reflected in trade debtors or income received in advance, as appropriate.

Where a difference does arise between the level of income received from Network Operators and the costs incurred by ICSTIS Limited in any year, this is taken into account in setting the levy for the ensuing year so as to ensure that ICSTIS Limited continues to recover its costs.

Income received from administrative charges levied is on the basis of invoices issued in the year.

Income received from fines is on the basis of fines received during the year.



**Depreciation**

Depreciation is provided on all tangible fixed assets, at rates to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Fixtures and fittings	- 5 years
Office equipment	- 5 years
Computer equipment	- 3 - 5 years

**Pension Contributions**

The Company operates a defined contribution pension scheme for some of its employees. The funds of the scheme are administered by Trustees and are separate from the Company. Contributions are paid by the Company and employees. The pension charge represents contributions payable by the Company for the year. The Company's liability is limited to the amounts of the contribution.

**Leasing Commitments**

Rentals paid under operating leases are charged to the Profit and Loss Account as incurred.

## 1. Turnover and Pre-tax Profit

All of the turnover arose within the United Kingdom and was attributable to the following activities:

	2000	1999
Levy on premium rate telephone services	1,451,641	1,304,783
Administration of the live conversation services compensation fund	780	9,404
Administrative charges	40,358	27,758
Fines	112,000	94,450
	<u>£1,604,779</u>	<u>£1,436,395</u>

## 2. Operating Loss

This loss (which is covered by interest receivable) is stated after charging:

Directors' remuneration	£169,783	£ 161,313
Auditors' remuneration	£3,000	£ 3,000
Depreciation	£47,571	£ 43,912
Operating leases	£67,628	£ 6,860
	<u>£169,783</u>	<u>£ 161,313</u>

## 3. Staff Costs (including Directors)

Wages and salaries	£840,628	769,874
Social security costs	£73,036	70,072
Pension contributions	£38,111	31,442
	<u>£951,775</u>	<u>£871,388</u>

## Average number of employees during the year

	No.	No.
Committee	9	9
Secretariat	31	28
	<u>40</u>	<u>37</u>

## 4. Directors' Remuneration

Aggregate emoluments	163,183	154,963
Company pension contributions	6,600	6,350
	<u>£169,783</u>	<u>£161,313</u>

5. Interest Receivable				2000	1999
Bank interest				£16,826	£12,355
				<u>          </u>	<u>          </u>
6. Tangible Fixed Assets					
	Fixtures & fittings	Office equipment	Computer equipment		Total
Cost					
At 1 January 2000	24,437	80,347	119,929		224,713
Additions	-	22,589	20,807		43,396
	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>
At 31 December 2000	24,437	102,936	140,736		268,109
	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>
Accumulated Depreciation					
At 1 January 1999	23,344	29,567	73,183		126,094
Charge for the year	573	19,019	27,979		47,571
	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>
At 31 December 2000	23,917	48,586	101,162		173,665
	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>
Net Book Value					
At 31 December 2000	£520	£54,350	£39,574		£94,444
	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>
At 31 December 19998	£1,093	£50,780	£46,746		£98,619
	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>
7. Debtors				2000	1999
Trade debtors				445,091	184,329
Other debtors and prepayments				57,851	44,660
				<u>          </u>	<u>          </u>
				£502,942	£228,989
				<u>          </u>	<u>          </u>
8. Creditors: amounts falling due within one year					
Trade creditors				482,997	219,720
Accruals				77,826	45,748
Other tax and social security costs				35,323	31,352
Income received in advance				163,180	125,996
Working capital funding				345,843	345,843
Corporation tax payable				2,742	2,501
Other creditors				550	3,734
				<u>          </u>	<u>          </u>
				£1,108,461	£774,894
				<u>          </u>	<u>          </u>

## 9. Obligations under Operating Leases

The minimum lease payments to which the Company is committed under non-cancellable operating leases for the coming year are:

	2000		1999	
	Land and buildings	Other	Land and buildings	Other
On leases expiring				
In less than one year	32,640	-	-	-
Between one and five years	120,729	1,908	65,730	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	153,369	1,908	£65,730	£ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>