

**XWORKS (UK) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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# **XWORKS (UK) LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	J Drummond
<b>Secretary</b>	N Jagatia
<b>Company number</b>	03836178
<b>Registered office</b>	77 Queen Victoria Street London EC4V 4AY
<b>Auditors</b>	Gerald Edelman 25 Harley Street London W1G 9BR

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# **XWORKS (UK) LIMITED**

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# **XWORKS (UK) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010**

The directors present their report and financial statements for the year ended 30 September 2010

### **Principal activity**

The principal activity of the company during the year was that of providing technology and consultancy services

### **Review of the business**

A review of the group's business during the year and the information relating to its financial instruments are given in the consolidated financial statements of the ultimate parent company, Media Corporation plc

### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The disclosures required by Financial Reporting Standard No. 18 in relation to the Directors' going concern assessment are set out in Note 1 to the accounts.

### **Results and dividends**

The results for the year are set out on page 5. No dividends were paid during the year (2009: nil).

### **Directors**

The directors that held office since 1 September 2009 were as follows:

J. Drummond

### **Auditors**

The auditors, Gerald Edelman, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

# **XWORKS (UK) LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010**

### **Statement of directors' responsibilities**

The directors are responsible for preparing The Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they 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

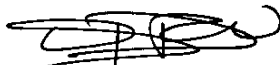
- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### **Statement of disclosure to the auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



J Drummond

**Director**

31 March 2011

# **XWORKS (UK) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF XWORKS (UK) LIMITED**

We have audited the financial statements of Xworks (UK) Limited for the year ended 30 September 2010 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**XWORKS (UK) LIMITED**  
**INDEPENDENT AUDITORS' REPORT ( Continued)**  
**TO THE SHAREHOLDERS OF XWORKS (UK) LIMITED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



E Zekia (Senior statutory auditor)  
for and on behalf of Gerald Edelman

31 March 2011

Chartered Accountants  
Statutory Auditor

25 Harley Street  
London  
W1G 9BR

# XWORKS (UK) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2010

		30 September 2010 £000	30 September 2009 £000
	Notes		
Turnover	2	114	106
Cost of sales		<u>(59)</u>	<u>(33)</u>
Gross profit		55	73
Selling and distribution costs		(2)	(31)
Administrative expenses		<u>(253)</u>	<u>(384)</u>
Operating loss	3	(200)	(342)
Tax on loss on ordinary activities	4	-	-
Retained loss for the year		<u><u>(200)</u></u>	<u><u>(342)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# XWORKS (UK) LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 2010

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
<b>Fixed assets</b>					
Intangible assets	5		16		31
Investments	6		-		-
<b>Current assets</b>					
Debtors	7	385		135	
Cash at bank and in hand		7		-	
		<u>392</u>		<u>135</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,382)</u>		<u>(940)</u>	
<b>Net current liabilities</b>			(990)		(805)
<b>Total assets less current liabilities</b>			<u>(974)</u>		<u>(774)</u>
<b>Creditors: amounts falling due after more than one year</b>			-		-
			<u>(974)</u>		<u>(774)</u>
<b>Capital and reserves</b>					
Called up share capital	9		250		250
Share premium account	9		114		114
Profit and loss account	10		(1,338)		(1,138)
<b>Shareholder's funds</b>	11		<u>(974)</u>		<u>(774)</u>

The financial statements were approved by the Board on 31 March 2011



J Drummond

Director

Company Registration No 03836178

# XWORKS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The Company meets its day to day working capital requirements through an overdraft facility which is repayable on demand and through the support of the parent company. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the Company's bankers.

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Software development	33 3% per annum straight line
Computer equipment	33 3% per annum straight line
Fixtures & fittings	25% per annum reducing balance
Office equipment	25% per annum reducing balance

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are only recognised when they are regarded as recoverable. The Company has not adopted a policy of discounting deferred tax assets and liabilities.

#### 1.7 Investment accounting policy

Fixed asset investments are stated at cost less provision for diminution in value.

# XWORKS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010

### 1 Accounting policies (continued)

#### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.9 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its Group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Media Corporation Plc, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating loss

Operating loss is stated after charging

	2010 £000	2009 £000
Depreciation of tangible assets	14	31

The auditors' remuneration is borne by the parent company.

# XWORKS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010

4	Taxation	2010 £000	2009 £000
	<b>Domestic current year tax</b>		
	Current tax charge	-	-
		-	-
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(200)	(342)
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2009 28%)	(56)	(96)
	Effects of		
	Non deductible expenses	-	-
	Depreciation	-	-
	Capital allowances	-	-
	Group relief	56	96
	<b>Current tax charge</b>	-	-

## 5 Tangible fixed assets

	Software Development £000	Computer equipment £000	Fixtures & fittings £000	Office equipment £000	Total £000
<b>Cost</b>					
At 1 October 2009	157	114	31	14	316
Additions	2	-	-	-	2
At 30 September 2010	159	114	31	14	318
<b>Depreciation</b>					
At 1 October 2009	128	114	31	12	285
Charge for the year	16	-	-	1	17
At 30 September 2010	144	114	31	13	302
<b>Net book value</b>					
At 30 September 2010	15	-	-	1	16
At 30 September 2009	29	-	-	2	31

# XWORKS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010

### 6 Fixed asset investments

	Shares in subsidiary undertakings
	£000
<b>Cost</b>	
At 1 October 2009 and 30 September 2010	28
<b>Provisions for diminution in value</b>	
At 1 October 2009 and 30 September 2010	28
<b>Net book value</b>	
At 30 September 2009 and 30 September 2010	-

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following company

Company	Country of incorporation	Class Of shares	Shares held %
<b>Subsidiary undertakings</b>			
Careerplus Limited	England and Wales	Ordinary 10p	100

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year was as follows

		Capital and reserves	Loss for the year
		2010	2010
		£000	£000
Careerplus Limited	Principal activity Recruitment	(103)	(14)

7 Debtors	2010	2009
	£000	£000
Trade debtors	27	6
Amounts owed by group undertakings	358	129
	385	135

# XWORKS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010

<b>8</b>	<b>Creditors: amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
		<b>£000</b>	<b>£000</b>
	Trade Creditors	32	
	Taxes and social security costs	-	46
	Amounts owed to group undertakings	1,350	894
		<u>1,382</u>	<u>940</u>
<b>9</b>	<b>Share capital</b>	<b>2010</b>	<b>2009</b>
		<b>£000</b>	<b>£000</b>
	Allotted, called up and fully paid		
	1,000,000 Ordinary shares of 25 pence each	<u>250</u>	<u>250</u>
<b>10</b>	<b>Statement of movements on reserves</b>	<b>Share premium account</b>	<b>Profit and loss account</b>
		<b>£000</b>	<b>£000</b>
	Balance at 1 October 2009	114	(1,138)
	Retained loss for the year	-	(200)
		<u>114</u>	<u>(1,338)</u>
	Balance at 30 September 2010	<u>114</u>	<u>(1,338)</u>
<b>11</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2010</b>	<b>2009</b>
		<b>£000</b>	<b>£000</b>
	Loss for the financial year	(200)	(342)
	Opening shareholders' funds	(774)	(432)
		<u>(974)</u>	<u>(774)</u>
	Closing shareholders' funds	<u>(974)</u>	<u>(774)</u>

# XWORKS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 September 2010

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was

	2010 Number	2009 Number
Sales and administration	4	1

	2010 £000	2009 £000
Employment costs		
Wages and salaries	138	44

### 13 Control

The ultimate parent company is Media Corporation plc a company registered in England and Wales

Media Corporation plc prepares consolidated financial statements and copies can be obtained from the parent company's registered office at 77 Queen Victoria Street, London, EC4V 4AY

### 14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company