

Tradesman Link Limited
Financial statements
For the year ended 31 May 2004

Grant Thornton 



Company No. 3892735

Company information

Company registration number	3892735
Registered office	Keystone House Boundary Road Loudwater HIGH WYCOMBE HP10 9PN
Directors	Mr P J Brown Mr G P Leask
Secretary	Causeway Management Services Limited
Bankers	Barclays Bank Plc 54 Lombard Street London EC3V 9EX
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1 Westminster Way OXFORD OX2 0PZ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 May 2004.

Principal activities and business review

The company is principally engaged in data provision to the UK construction industry.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests in the shares of the parent company

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	Class of share	At 31 May 2004	At 1 June 2003
Mr P J Brown	Common shares of \$1 each	6,505,262	6,505,262
Mr G P Leask	Common shares of \$1 each	<u>1,564,283</u>	<u>1,564,283</u>

Note 13 shows the directors *right* to subscribe for shares in the ultimate parent undertaking.

Directors' responsibilities

United Kingdom 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 at the end of the year and of the profit or loss for the year then ended. 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

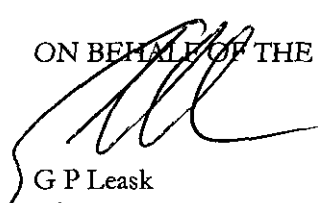
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the director(s) consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



G P Leask
Director
2 February 2005

Report of the independent auditors to the members of Tradesman Link Limited

We have audited the financial statements of Tradesman Link Limited for the year ended 31 May 2004 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 16. These financial statements have been prepared under 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

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with 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.

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 report of the directors 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 other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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.

Report of the independent auditors to the members of Tradesman Link Limited (continued)

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 May 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
2 February 2005

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The principle accounting policies of the company have remained unchanged from the previous year.

Goodwill

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life.

Software development costs

Software development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised on a straight line basis over their estimated useful life of three years commencing with the first year of sale. All other research and development expenses are charged to the profit and loss account as incurred.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Purchased goodwill	-	5 years
Database licenses	-	3 years

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	20%
Computer equipment	-	33 1/3%

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Profit and loss account

	Note	2004 £	2003 £
Turnover		—	—
Cost of sales		—	7,703
Gross loss		—	(7,703)
Other operating charges	1	96,809	130,849
Loss on ordinary activities before taxation		(96,809)	(138,552)
Tax on loss on ordinary activities	4	—	—
Loss for the financial year	11	<u>(96,809)</u>	<u>(138,552)</u>

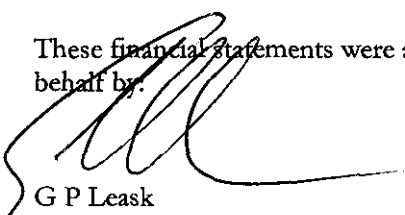
All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2004 £	2003 £
Fixed assets			
Intangible assets	5	24,310	120,107
Tangible assets	6	—	1,012
		<u>24,310</u>	<u>121,119</u>
Current assets			
Debtors	7	317,034	339,672
Cash at bank		—	451
		<u>317,034</u>	<u>340,123</u>
Creditors: amounts falling due within one year	8	—	23,089
Net current assets		<u>317,034</u>	<u>317,034</u>
Total assets less current liabilities		<u>341,344</u>	<u>438,153</u>
Capital and reserves			
Called-up share capital	10	1,500,100	1,500,100
Profit and loss account	11	(1,158,756)	(1,061,947)
Shareholders' funds (including non-equity interests)	12	<u>341,344</u>	<u>438,153</u>

These financial statements were approved by the directors on 2 February 2005 and are signed on their behalf by:


G P Leask
Director

Notes to the financial statements

1 Other operating income and charges

	2004	2003
	£	£
Administrative expenses	<u>80,143</u>	<u>130,849</u>

2 Operating loss

Operating loss is stated after charging:

	2004	2003
	£	£
Amortisation	95,797	95,797
Depreciation of owned fixed assets	<u>1,012</u>	<u>34,632</u>

3 Directors and employees

No salaries or wages have been paid to employees, including the directors, during the year.

4 Taxation on ordinary activities

(a) Factors affecting current tax charge

The tax assessed for the year does not equate to the small companies rate of corporation tax in the UK of 19% (2003 - 19%). The differences are explained as follows:

	2004	2003
	£	£
Loss on ordinary activities before taxation	<u>(80,143)</u>	<u>(138,552)</u>
Loss on ordinary activities by small companies rate of corporation tax in the UK of 19% (2003 - 19%)	(15,227)	(26,325)
Tax losses carried forward	<u>15,227</u>	<u>26,325</u>
Total current tax	<u>-</u>	<u>-</u>

(b) Factors that may affect future tax charges

Unrelieved tax losses of £765,000 (2003 - £730,000) remain available to offset against future taxable trading profits subject to agreement with the Inland Revenue, however no deferred tax asset has been recognised due to the uncertainty of their use.

5 Intangible fixed assets

	Database licences £	Purchased goodwill £	Software development expenditure £	Total £
Cost				
At 1 June 2003 and 31 May 2004	<u>50,000</u>	<u>98,250</u>	<u>178,442</u>	<u>326,692</u>
Amortisation				
At 1 June 2003	22,222	65,402	118,961	206,585
Charge for the year	16,666	19,650	59,481	95,797
At 31 May 2004	<u>38,888</u>	<u>85,052</u>	<u>178,442</u>	<u>302,382</u>
Net book value				
At 31 May 2004	<u>11,112</u>	<u>13,198</u>	-	<u>24,310</u>
At 31 May 2003	<u>27,778</u>	<u>32,848</u>	<u>59,481</u>	<u>120,107</u>

6 Tangible fixed assets

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
At 1 June 2003 and 31 May 2004	<u>1,162</u>	<u>115,444</u>	<u>116,606</u>
Depreciation			
At 1 June 2003	770	114,824	115,594
Charge for the year	392	620	1,012
At 31 May 2004	<u>1,162</u>	<u>115,444</u>	<u>116,606</u>
Net book value			
At 31 May 2004	-	-	-
At 31 May 2003	<u>392</u>	<u>620</u>	<u>1,012</u>

7 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	<u>317,034</u>	<u>339,641</u>
Other debtors	-	31
	<u>317,034</u>	<u>339,672</u>

8 Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	–	15,516
Amounts owed to group undertakings	–	7,573
	<u>–</u>	<u>23,089</u>

9 Related party transactions

As a wholly owned subsidiary of Causeway Technologies, Inc., the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Causeway Technologies, Inc.

10 Share capital

Authorised share capital:

	2004	2003
	£	£
51 "A" Ordinary shares of £1 each	51	51
49 "B" Ordinary shares of £1 each	49	49
1,500,000 Preference shares of £1 each	1,500,000	1,500,000
	<u>1,500,100</u>	<u>1,500,100</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
"A" Ordinary shares of £1 each	51	51	51	51
"B" Ordinary shares of £1 each	49	49	49	49
Preference shares of £1 each	1,500,000	1,500,000	1,500,000	1,500,000
	<u>1,500,100</u>	<u>1,500,100</u>	<u>1,500,100</u>	<u>1,500,100</u>

Rights of shares

The preference shares are non-equity which carry an entitlement to a dividend at the rate of 15p per share per annum beginning on 31 December 2003. They may be redeemed at any time at the option of the company. Holders of preference shares have one vote for every share held, but only on a resolution for the winding-up of the company or on a resolution affecting the rights attached to the shares. Preference shareholders have the right on a winding-up to receive, in priority to any other class of shares, the sum of £1 per share together with any arrears of dividends.

The "A" and "B" ordinary shares rank pari passu in all respects.

11 Reserves

	Profit and loss account
	£
At 1 June 2003	(1,061,947)
Loss for the year	(96,809)
At 31 May 2004	<u>(1,158,756)</u>

12 Reconciliation of movements in shareholders' funds

Equity shareholders' funds

	2004	2003
	£	£
Loss for the financial year	(96,809)	(138,552)
Opening shareholders' equity deficit	<u>(1,061,847)</u>	<u>(923,295)</u>
Closing shareholders' equity deficit	<u>(1,158,656)</u>	<u>(1,061,847)</u>

Non-equity shareholders' funds

Opening and closing shareholders' non-equity funds	<u>1,500,000</u>	<u>1,500,000</u>
Total shareholders' funds	<u>341,344</u>	<u>438,153</u>

13 Share options

The interests of directors in share options in the ultimate parent undertaking are set out below:

	Exercise price	Options held at 1 June 2003	Options granted/ (forfeited)	Options held at 31 May 2004	Earliest date option exercisable	Date options lapse
Mr P J Brown	\$0.75	30,000	-	30,000	01/06/04	31/05/11
Mr G P Leask	\$2	25,000	-	25,000	30/04/02	29/04/09
Mr G P Leask	<u>\$0.75</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>01/06/04</u>	<u>31/05/11</u>

No share options were exercised during the year.

14 Capital commitments

The company had no capital commitments at 31 May 2004 or 31 May 2003.

15 Contingent liabilities

There were no contingent liabilities at 31 May 2004 or 31 May 2003.

16 Ultimate parent company

The directors consider that the ultimate parent undertaking of the company is Causeway Technologies, Inc., a company incorporated in the U.S.A. Copies of the group financial statements can be obtained from Keystone House, Boundary Road, Loudwater, High Wycombe, HP10 9PN.