

Hansard Development Services (UK) Limited

Directors' report and accounts

for the year ended 30 June 2006

Registered number 4065297



# **Hansard Development Services (UK) Limited**

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# **Hansard Development Services (UK) Limited**

## **Company information**

### **Directors**

J E Krasin  
J Kanarek

### **Company secretary**

Aldwych Secretaries Limited

### **Registered office**

6<sup>th</sup> Floor  
Aldwych House  
81 Aldwych  
London  
WC2B 4RP

### **Registered number**

4065297

### **Auditors**

PricewaterhouseCoopers  
Sixty Circular Road  
Douglas  
Isle of Man  
IM1 1SA

# Hansard Development Services (UK) Limited

## Report of the directors

The directors have pleasure in submitting their report for the year ended 30 June 2006, together with the audited financial statements

### Activities

The principal activity of the company has been the provision of market development services to other companies in the Hansard Global plc group of companies, which it will continue to do in the future

### Results

The profit for the year, after tax, amounted to £14,043 (2005 £23,428) The directors do not propose a dividend and recommend that the retained profit be taken to reserves

The directors are content that the results of operations for the year are largely in accordance with expectations and derived from continuing activities

### Directors

The directors who served during the year and to the date of this report were

J E Krasin  
J Kanarek

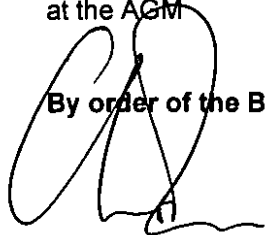
None of the directors had an interest in the share capital of the company at 30 June 2006

### Auditor and the disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he or she is obliged to take as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information

A resolution to reappoint PricewaterhouseCoopers as the auditor of the company will be presented at the AGM

By order of the Board



Company secretary

*for and on behalf of  
Hansard Development Services Limited*

3 November 2006

# Hansard Development Services (UK) Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements, for each financial period, 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 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 have been properly prepared in accordance with the United Kingdom 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.

By order of the Board

  
Company secretary

*for and on behalf of  
Hansard Development Services Limited*

3 November 2006

PricewaterhouseCoopers  
Sixty Circular Road  
Douglas  
Isle of Man  
IM1 1SA

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## Independent auditors' report to the shareholders of Hansard Development Services (UK) Limited

We have audited the financial statements of Hansard Development Services (UK) Limited for the year ended 30 June 2006, which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



Chartered Accountants and  
Registered Auditors

 2006

# Hansard Development Services (UK) Limited

## Profit and loss account for the year ended 30 June 2006

	Note	2006 £	2005 £
Turnover		414,462	487,322
Administration expenses		(395,874)	(457,140)
<b>Profit on ordinary activities before tax</b>	2	18,588	30,182
Tax on ordinary activities	3	(4,545)	(6,754)
<b>Retained profit for the year</b>		14,043	23,428
Retained profit brought forward		70,465	47,037
<b>Retained profit carried forward</b>		84,508	70,465

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year above and their historical cost equivalents

All activities are continuing

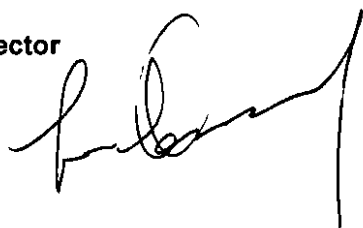
# Hansard Development Services (UK) Limited

## Balance sheet as at 30 June 2006

	Note	2006 £	2005 £
<b>Fixed assets</b>	4	<b>1,394</b>	<b>2,014</b>
<b>Current assets</b>			
Debtors	5	<b>106,727</b>	<b>88,966</b>
<b>Creditors</b>			
Amounts falling due within one year	6	<b>23,612</b>	<b>20,514</b>
<b>Net current assets</b>		<b>83,115</b>	<b>68,452</b>
<b>Net assets</b>		<b>84,509</b>	<b>70,466</b>
<b>Capital and reserves</b>			
Issued share capital	8	<b>1</b>	<b>1</b>
Profit and loss account		<b>84,508</b>	<b>70,465</b>
<b>Equity shareholder's funds</b>	9	<b>84,509</b>	<b>70,466</b>

The accounts were approved by the Board on 3 November 2006 and signed on its behalf by

Director





# Hansard Development Services (UK) Limited

## Notes to the financial statements for the year ended 30 June 2006

### 1 Principal accounting policies and general information

The company is incorporated in the United Kingdom

A summary of the more important accounting policies, which have been applied consistently, is set out below

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention and in accordance with United Kingdom Accounting Standards

#### **Turnover**

Turnover represents service fees receivable from group companies

#### **Tangible assets**

The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are -

Computer equipment	33 1/3% per annum
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#### **Pension costs**

The company contributes to employees' personal pension plans. Contributions are charged to the profit and loss account as they become payable under the terms of the relevant employment contract

#### **Foreign currencies**

Assets and liabilities held in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Foreign currency transactions during the year are translated at the rates of exchange ruling at the date of the transaction. Exchange differences are included in the profit and loss account

### 2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2006 £	2005 £
Auditors' remuneration for audit services	1,209	2,000
Depreciation	1,264	1,887
Directors' remuneration	105,000	100,000
Pension costs	47,920	24,219
Salaries	120,340	200,807
Social security costs	32,631	32,616

The average number of persons employed by the company during the year was 4 (2005 7)

# Hansard Development Services (UK) Limited

## Notes to the financial statements for the year ended 30 June 2006 (continued)

### 3 Tax on profit on ordinary activities

Tax on profit on ordinary activities	2006 £	2005 £
<b>a) Analysis of charge for the year</b>		
Current tax		
UK Corporation tax at 30%	3,924	7,121
Adjustment in respect of prior period	804	-
<b>Total current tax (Note 3 (b))</b>	<b>4,728</b>	<b>7,121</b>
Deferred tax		
Origination and reversal of timing differences	(183)	(367)
Under provision in previous year	-	-
<b>Total deferred tax (note 7)</b>	<b>(183)</b>	<b>(367)</b>
<b>Total tax on profit on ordinary activities</b>	<b>4,545</b>	<b>6,754</b>

#### (b) Factors affecting tax charge for year

The tax assessed in the year is lower than the relevant rate of corporation tax in the UK

The differences are explained below -

	2006 £	2005 £
Profit on ordinary activities before tax	18,588	30,182
Profit on ordinary activities multiplied by relevant rate of corporation tax in the UK 30% (2005 30%)	5,576	9,054
Effects of		
Depreciation in excess of capital allowances	1	580
Expenses not deductible for tax purposes	379	1,037
Marginal relief	(2,032)	(3,550)
Adjustment in respect of prior year	804	-
<b>Current tax charge (Note 3 (a))</b>	<b>4,728</b>	<b>7,121</b>

#### c) Factors that may affect future tax charges

There are no factors that are expected to significantly affect the taxation charge in future periods

# Hansard Development Services (UK) Limited

## Notes to the financial statements for the year ended 30 June 2006 (continued)

### 4 Tangible assets

	Computer Equipment £
<b>Cost</b>	
At 1 July 2005	7,976
Additions	1,256
Disposals	(1,049)
<b>At 30 June 2006</b>	<b>8,183</b>
<b>Depreciation</b>	
At 1 July 2005	5,962
Charge for year	1,264
Disposals	(437)
<b>At 30 June 2006</b>	<b>6,789</b>
<b>Net book value</b>	
<b>At 30 June 2006</b>	<b>1,394</b>
At 30 June 2005	2,014

### 5 Debtors

	2006 £	2005 £
Debtors and prepayments	2,400	196
Amounts due from parent company	104,327	88,770
	<b>106,727</b>	<b>88,966</b>

### 6 Creditors

	2006 £	2005 £
Amounts falling due within one year		
Corporation tax	3,924	7,121
Other creditors	19,332	13,094
Amounts due to fellow subsidiaries	240	-
Deferred tax (Note 7)	116	299
	<b>23,612</b>	<b>20,514</b>

# Hansard Development Services (UK) Limited

## Notes to the financial statements for the year ended 30 June 2006 (continued)

### 7 Provision for deferred tax

	2006 £	2005 £
Provision at start of year (being accelerated capital allowances) @ 30%	299	666
Deferred tax credit in profit and loss account for year (note 3 (a))	(183)	(367)
Provision at end of year (being accelerated capital allowances) @ 30%	116	299

### 8 Share capital

	2006 £	2005 £
Authorised 100 Ordinary shares of £1 each	100	100
Issued and fully paid 1 Ordinary share of £1	1	1

### 9 Reconciliation of movement in shareholders' funds

	2006 £	2005 £
Profit for the year	14,043	23,428
Net addition to shareholders' funds	14,043	23,428
Opening shareholders' funds	70,466	47,038
Closing shareholders' funds	84,509	70,466

### 10 Ultimate parent company

The ultimate parent company at 30 June 2006 was Polar Cap Limited (formerly Hansard Financial Trust Limited), a company domiciled in Bermuda. The immediate parent company is Hansard Development Services Limited, a company incorporated in the Isle of Man.

Polar Cap Limited is controlled by Dr L S Polonsky, a director of Polar Cap Limited.

# **Hansard Development Services (UK) Limited**

## **Notes to the financial statements for the year ended 30 June 2006** (continued)

### **11 Related party disclosures**

The company provides distribution services, and is remunerated as part of a service agreement with the parent company

The directors have availed themselves of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" which permits qualifying subsidiaries of an undertaking not to disclose details of transactions between group entities that are eliminated on consolidation

### **12 Cash flow statement**

The company has taken the exemption under Financial Reporting Standard No 1 from presenting a cash flow statement, as the consolidated financial statements of Hansard Global plc (formerly Hansard Holdings Limited), in which the company is included, are publicly available

The financial statements of Hansard Global plc are available from the company's registered office Harbour Court, Lord Street, Box 192, Douglas, Isle of Man, IM99 1QL