

Hansard Development Services (UK) Limited

Directors' report and accounts

for the year ended 30 June 2004

Registered number: 4065297



# Hansard Development Services (UK) Limited

## Contents

Company information .....	1
Report of the directors .....	2
Statement of directors' responsibilities .....	3
Report of the auditors.....	4
Profit and loss account .....	5
Balance sheet .....	6
Notes to the financial statements .....	7-10

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

## **Company information**

### **Directors**

J E Krasin  
J Kanarek

### **Company secretary**

Aldwych Secretaries Ltd

### **Registered office**

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

### **Registered number**

4065297

### **Auditors**

PricewaterhouseCoopers

# Hansard Development Services (UK) Limited

## Report of the directors

The directors have pleasure in submitting their report for the year ended 30 June 2004, together with the audited accounts.

### Activities

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

### Results

The profit for the year, before tax, amounted to £24,806 (2003: £20,322). The directors do not recommend the payment of a dividend.

### Directors

The directors who served during the year were:

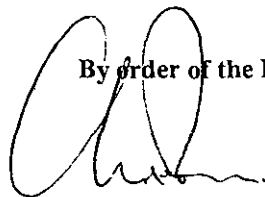
J E Krasin  
J Kanarek

None of the directors had an interest in the share capital of the company at 30 June 2004.

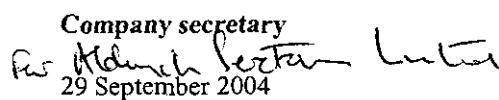
### Auditors

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

By order of the Board



Company secretary

  
29 September 2004

# Hansard Development Services (UK) Limited

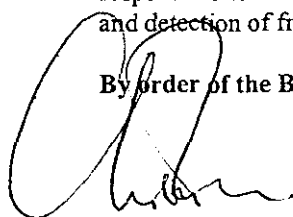
## Statement of directors' responsibilities

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 Ahmed I. Karam*  
29 September 2004

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

PricewaterhouseCoopers  
Sixty Circular Road  
Douglas  
Isle of Man IM1 1SA  
Telephone +44 (0) 1624 689689  
Facsimile +44 (0) 1624 689690

We have audited the financial statements of Hansard Development Services (UK) Limited for the year ended 30 June 2004 set out on pages 5 to 10.

### 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 United Kingdom 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 United Kingdom Companies Act 1985. 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 United Kingdom 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' fees and transactions with the company is not disclosed.

We read the Directors' Report and 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 audit 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.

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 the company's affairs as at 30 June 2004 and of its profit for the year then ended in accordance with United Kingdom Accounting Standards and have been properly prepared in accordance with the United Kingdom Companies Act 1985.

*PricewaterhouseCoopers*

Chartered Accountants and  
Registered Auditors

24 November 2004

# Hansard Development Services (UK) Limited

## Profit and loss account for the year ended 30 June 2004

	Note	2004 £	2003 £
Turnover	1	524,365	443,626
Administration expenses	2	(499,395)	(422,501)
Operating profit		24,970	21,125
Interest payable and similar charges		(164)	(803)
Profit on ordinary activities before tax	2	24,806	20,322
Tax on ordinary activities	3	(4,713)	(3,314)
Retained profit for the period		20,093	17,008
Retained profit brought forward		26,944	9,936
Retained profit carried forward		47,037	26,944

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.

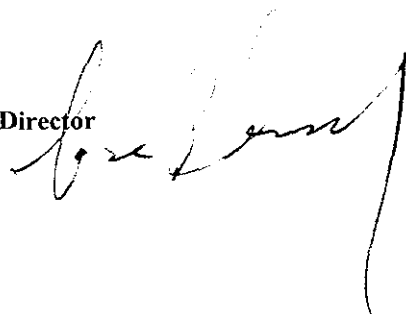
# Hansard Development Services (UK) Limited

## Balance sheet as at 30 June 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>	4	4,294	2,290
<b>Current assets</b>			
Debtors	5	72,683	200,352
Creditors			
Amounts falling due within one year	6	29,939	175,697
<b>Net current assets</b>		42,744	24,655
<b>Net assets</b>		47,038	26,945
<b>Capital and reserves</b>			
Issued share capital	8	1	1
Profit and loss account		47,037	26,944
<b>Equity shareholder's funds</b>	9	47,038	26,945

The accounts were approved by the Board on 29 September 2004 and signed on its behalf by:

Director





# Hansard Development Services (UK) Limited

## Notes to the financial statements for the year ended 30 June 2004

### 1 Principal accounting policies

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

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 modified by the revaluation of investments.

#### 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
--------------------	-------------------

#### 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.

### 2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2004 £	2003 £
Auditors' remuneration for audit services	1,250	1,904
Depreciation	1,825	1,624
Directors' remuneration	112,000	111,254

Staff costs for the year were £364,994 (2003: £312,240).

The average number of persons employed by the company during the period was 7 (2003: 5).

# Hansard Development Services (UK) Limited

## 3 Tax on profit on ordinary activities

### Tax on profit on ordinary activities

	2004 £	2003 £
<b>a) Analysis of charge for the year</b>		
Current tax:		
UK Corporation tax at 19%	4,283	3,897
Adjustment in respect of prior period	-	(819)
<b>Total current tax (see b)</b>	<b>4,283</b>	<b>3,078</b>
Deferred tax:		
Origination and reversal of timing differences	430	(36)
Under provision in previous year	-	272
<b>Total deferred tax (note 7)</b>	<b>-</b>	<b>236</b>
<b>Total tax on profit on ordinary activities</b>	<b>4,713</b>	<b>3,314</b>

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

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

The differences are explained below:-

	2004 £	2003 £
Profit on ordinary activities before tax	24,806	20,322
Profit on ordinary activities multiplied by relevant rate of corporation tax on the UK 19% (2003: 19%)	4,713	3,861
Effects of:		
Capital depreciation in excess of allowances	-	36
Capital allowances in excess of depreciation	(430)	-
Adjustments to tax charge in respect of previous years	-	(819)
<b>Current tax charge (Note 3 (a))</b>	<b>4,283</b>	<b>3,078</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

## 4 Tangible assets

	Computer Equipment £	Total £
<b>Cost</b>		
At 1 July 2003	5,236	5,236
Additions	3,829	3,829
<b>At 30 June 2004</b>	<b>9,065</b>	<b>9,065</b>
<b>Depreciation</b>		
At 1 July 2003	2,946	2,946
Charge for year	1,825	1,825
<b>At 30 June 2004</b>	<b>4,771</b>	<b>4,771</b>
<b>Net book value</b>		
<b>At 30 June 2004</b>	<b>4,294</b>	<b>4,294</b>
At 30 June 2003	2,290	2,290

## 5 Debtors

	2004 £	2003 £
Debtors and prepayments	241	16,747
Amounts due from parent company	72,442	183,605
	<b>72,683</b>	<b>200,352</b>

## 6 Creditors

	2004 £	2003 £
Amounts falling due within one year:		
Corporation tax	4,283	3,897
Other creditors	21,583	19,679
Amounts due to fellow subsidiaries	3,407	151,885
Deferred tax	666	236
	<b>29,939</b>	<b>175,697</b>

# Hansard Development Services (UK) Limited

## 7 Provision for deferred tax

	2004 £	2003 £
Provision at start of year (being accelerated capital allowances)	236	-
Deferred tax charge in profit and loss account for period (see note 3 (a))	430	236
Provision at end of year (being accelerated capital allowances)	666	236

## 8 Share capital

	2004 £	2003 £
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 shareholder's funds

	2004 £	2003 £
Profit for the year	20,093	17,008
Net addition to shareholder's funds	20,093	17,008
Opening shareholder's funds	26,945	9,937
Closing shareholder's funds	47,038	26,945

## 10 Ultimate parent company

The ultimate parent company is Hansard Financial Trust Limited, a company registered in the Isle of Man. Hansard Financial Trust Limited is controlled by Dr L S Polonsky, a director of group companies including Hansard Financial Trust Limited.

## 11 Related party disclosure

The directors have availed of the exemptions in Financial Reporting Standard No. 8 "Related Party Disclosures" which permits qualifying subsidiaries of an undertaking not to disclose details of transactions and balances 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 Financial Trust Limited, in which the company is included, are publicly available.

The financial statements of Hansard Financial Trust Limited are available from the company's registered office: Harbour Court, Lord Street, Box 192, Douglas, Isle of Man, IM99 1QL.