

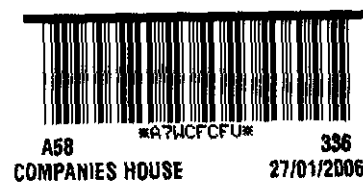
Registered Number: 756582

Xafinity Limited

(Formerly Hogg Robinson Services Limited)

Annual Report

For the year ended 31 March 2005



Xafinity Limited (formerly Hogg Robinson Services Limited)

Annual report for the year ended 31 March 2005

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Xafinity Limited (formerly Hogg Robinson Services Limited)

Directors' report for the year ended 31 March 2005

The directors present their report and the audited financial statements of the company for the year ended 31 March 2005.

Principal activities and business review

The principal activity of the company is the holding of investments in subsidiary undertakings and it is intended that it will continue to be so for the foreseeable future.

On 22 October 2004, a subsidiary, Global Events Solutions Limited, was sold to a fellow group company. The profit on the sale was £1.

On 8 December 2004, Court approval was received for a capital reduction. The authorised share capital of the company was reduced from 100,000,000 ordinary shares of £1 each to 65,782,350 ordinary shares of £1 each. The issued share capital of the company was reduced from 96,210,000 ordinary shares of £1 each to 61,992,350 ordinary shares of £1 each and represents a reduction of 35.6%. 34,217,650 ordinary shares of £1 each were repurchased for £34,217,650 from the immediate parent company and settled by extinguishing an existing group loan.

Post Balance Sheet Events

On 8 July 2005 the company became controlled by Xafinity Holdings Limited (formerly Stopbridge Limited) consequent upon the sale of the company to Xafinity Services Limited (formerly Sprintdrive Limited). The company subsequently changed its name to Xafinity Limited.

Results and Dividends

The profit for the financial year amounted to £2,800,001 (2004: £10,300,000). The directors proposed an interim dividend for the year of £2,800,000 (2004: proposed £10,300,000). £1 (2004: £nil) has been taken to reserves.

Directors and their interests

The directors of the company during the year ended 31 March 2005 were as follows:

R M Westwood	(resigned 8 July 2005)
K A Ruffles	(resigned 8 July 2005)
M J Hutchison	(resigned 8 July 2005)
F S Jones	(appointed 8 July 2005)
R J Birmingham	(appointed 8 July 2005)
P Bingham	(appointed 8 July 2005)
R E Barker	(appointed 8 July 2005)
D L Meades	(appointed 22 July 2005)

Mr R M Westwood and Mr K A Ruffles are also directors of Farnborough (Holdings) Limited which was the ultimate holding company prior to 8 July 2005. Their interests in its shares are disclosed in the financial statements of that company.

Mr M J Hutchison's interests in the shares of Farnborough (Holdings) Limited which was the ultimate holding company prior to 8 July 2005 are as follows:

	31 March 2005	31 March 2004
	Number	Number
A Ordinary shares of 1p each	5,475	5,475
B Ordinary shares of 1p each	130	-
B Redeemable Ordinary shares of 1p each	37	-
Preference shares of £1 each	3,810	3,525

Other than as stated above, no director holds any interest in the company's shares.

Xafinity Limited (formerly Hogg Robinson Services Limited)

Directors' report for the year ended 31 March 2005 (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



J A Salter
Company Secretary

Date: 26 January 2006

Xafinity Limited (formerly Hogg Robinson Services Limited)

Independent auditors' report to the members of Xafinity Limited (formerly Hogg Robinson Services Limited)

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

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 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 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 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' remuneration and transactions is not disclosed.

Basis of audit 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 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 at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

Date: 26 January 2006

Xafinity Limited (formerly Hogg Robinson Services Limited)

Profit and loss account for the year ended 31 March 2005

	Note	2005	2004
		£	£
Turnover		-	-
Profit on the sale of subsidiary		1	-
Operating result		1	-
Income from fixed asset investments		2,800,000	10,300,000
Profit on ordinary activities before taxation	2	2,800,001	10,300,000
Tax on profit on ordinary activities	3	-	-
Profit for the financial year		2,800,001	10,300,000
Dividends	4	(2,800,000)	(10,300,000)
Retained profit for the financial year	10	1	-

All operations are continuing.

The company has no recognised gains and losses other than the result above and therefore no separate statement of total recognised gains and losses has been prepared.

There is no material difference between the profit on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalents.

Xafinity Limited (formerly Hogg Robinson Services Limited)

Balance sheet as at 31 March 2005

	Note	2005 £	2004 restated £
Fixed assets			
Investments	5	58,700,000	58,700,000
		58,700,000	58,700,000
Current assets			
Debtors: Amounts falling due after more than one year	6	-	36,410,684
Debtors: Amounts falling due within one year	6	8,458,635	9,865,600
		8,458,635	46,276,284
Creditors: Amounts falling due within one year	7	(4,435,278)	(8,035,278)
Net current assets		4,023,357	38,241,006
Total assets less current liabilities		62,723,357	96,941,006
Creditors: Amounts falling due after more than one year	8	(730,047)	(730,047)
Net assets		61,993,310	96,210,959
Capital and Reserves			
Called up share capital	9	61,992,350	96,210,000
Profit and loss account	10	960	959
Equity shareholders funds	11	61,993,310	96,210,959

The balance sheet for 2004 has been restated to reflect a reclassification of group balances.

The financial statements on pages 4 to 9 were approved by the board of directors and were signed on its behalf by:



F S Jones

Director

Date: 26 January 2006

Xafinity Limited (formerly Hogg Robinson Services Limited)

Notes to the financial statements for the year ended 31 March 2005

1 Accounting policies

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgments and estimates.

The company has taken advantage of the exemption provided by section 228 of the United Kingdom Companies Act from producing consolidated financial statements as it is consolidated within the accounts of Farnborough (Holdings) Limited.

Cash flow

The company was a wholly owned subsidiary of Farnborough (Holdings) Limited and the cash flows of the company are included in the consolidated cash flow statement of Farnborough (Holdings) Limited. Consequently, the company is exempt under the terms of FRS 1 'Cash flow statements' from publishing a cash flow statement.

Related party transactions

The company was a wholly owned subsidiary of the Farnborough (Holdings) Limited group and under the terms of FRS 8 'Related party transactions', has taken advantage of the exemption not to disclose transactions with other group companies.

Investments

Investments in subsidiaries are held at cost less any provisions for diminution in value.

Taxation and Deferred taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Full provision is made where required by Financial Reporting Standard 19 'Deferred Taxation' (FRS19) for deferred taxation on all timing differences, which have arisen but have not reversed at the balance sheet date.

2 Profit on ordinary activities before taxation

Directors

Mr R M Westwood and Mr K A Ruffles are directors of Farnborough (Holdings) Limited, the ultimate holding company prior to 8 July 2005, and their remuneration is disclosed in the financial statements of that company. It is not practicable to allocate the remuneration of these individuals to subsidiaries.

Mr M J Hutchison received his emoluments in respect of his role as Director of Finance - Audit and Business Controls for Hogg Robinson Limited and not in respect of his role as a Director of this company. Therefore his emoluments are not reflected in these accounts.

Retirement benefits were accruing to three directors under a defined benefit scheme in 2005. The directors as at 31 March 2005 have now resigned.

Staff costs and numbers

The company has no employees (2004: nil)

Audit fees

Auditor's remuneration is borne by a parent company.

Xafinity Limited (formerly Hogg Robinson Services Limited)

Notes to the financial statements for the year ended 31 March 2005 (Continued)

3 Taxation

	2005 £	2004 £
Current tax:		
UK Corporation tax at 30% (2004: 30%)	-	-

Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2004:30%)

The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	2,800,001	10,300,000
Profit on ordinary activities multiplied by standard rate in UK 30% (2004:30%)	840,000	3,090,000
Effect of UK non-taxable dividend receivable	(840,000)	(3,090,000)
Current tax charge for the period	-	-

4 Dividends

	2005 £	2004 £
Dividends on equity shares:		
Ordinary – 4.52p per share (2004:10.71p) - interim proposed	2,800,000	10,300,000

5 Investments

	Interests in Group undertakings £
Cost:	
At 1 April 2004	60,230,000
Disposal	(1,530,000)
At 31 March 2005	58,700,000
Provision for impairment:	
At 1 April 2004	(1,530,000)
Disposal	1,530,000
At 31 March 2005	-
Net book value:	
At 31 March 2005	58,700,000
At 1 April 2004	58,700,000

Xafinity Limited (formerly Hogg Robinson Services Limited)

Notes to the financial statements for the year ended 31 March 2005 (Continued)

5 Investments (continued)

At 31 March 2005 the company had the following principal subsidiaries, all of which were wholly owned:

Name	Business activity	Country of Incorporation	Class of Share
Entegria Limited	Employee Benefit Consultancy	England and Wales	Ordinary
Paymaster (1836) Limited	Pensions administration	England and Wales	Ordinary
Claybrook Computer (Holdings) Limited	Holding company	England and Wales	Ordinary

On 22 October 2004, a subsidiary, Global Events Solutions Limited, was sold to a fellow group company. The profit on the sale was £1.

6 Debtors

	2005 £	2004 restated £
Amounts due within one year:		
Due from group undertakings	8,458,635	6,265,600
Dividends receivable	-	3,600,000
	<u>8,458,635</u>	<u>9,865,600</u>
Amounts due after more than one year:		
Due from group undertakings	-	36,410,684
	<u>8,458,635</u>	<u>46,276,284</u>

Amounts due from group undertakings are unsecured and interest free. Those due after more than one year have no fixed date of repayment and those due within one year are repayable on demand. The debtor balances for 2004 has been restated to reflect a reclassification of group balances.

7 Creditors – Amounts falling due within one year

	2005 £	2004 £
Due to group undertakings	4,435,278	4,435,278
Proposed dividend payable	-	3,600,000
	<u>4,435,278</u>	<u>8,035,278</u>

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

8 Creditors – Amounts falling due after more than one year

	2005 £	2004 £
Due to group undertakings	730,047	730,047
	<u>730,047</u>	<u>730,047</u>

Amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment.

Xafinity Limited (formerly Hogg Robinson Services Limited)

Notes to the financial statements for the year ended 31 March 2005 (Continued)

9 Called up Share capital

	2005 £	2004 £
Authorised		
65,782,350 ordinary shares of £1 each (2004: 100,000,000)	65,782,350	100,000,000
		0
Allotted, called up and fully paid		
61,992,350 ordinary shares of £1 each (2004: 96,210,000)	61,992,350	96,210,000

On 8 December 2004, Court approval was received for a capital reduction. The authorised share capital of the company was reduced from 100,000,000 ordinary shares of £1 each to 65,782,350 ordinary shares of £1 each. The issued share capital of the company was reduced from 96,210,000 ordinary shares of £1 each to 61,992,350 ordinary shares of £1 each and represents a reduction of 35.6%. 34,217,650 ordinary shares of £1 each were repurchased for £34,217,650 from the immediate parent company and settled by extinguishing an existing group loan.

10 Profit and loss account

	£
At 1 April 2004	959
Result for the financial year	1
At 31 March 2005	960

11 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	2,800,001	10,300,000
Dividends	(2,800,000)	(10,300,000)
Net movement in shareholders' funds	1	-
Capital reduction (note 9)	(34,217,650)	-
Shareholders' funds as at 1 April	96,210,959	96,210,959
Shareholders' funds as at 31 March	61,993,310	96,210,959

12 Contingent liabilities

The company has provided security over its assets and a guarantee in relation to the repayment of syndicated banking facilities available to its intermediate holding company, Farnborough Limited, and certain fellow subsidiary companies. No liability is expected to arise in respect of these arrangements. This security was released upon the sale of the company (note 14).

13 Ultimate parent undertaking

Prior to the 8 July 2005, the immediate parent company was Hogg Robinson Limited. The immediate parent company is now Xafinity Services Limited. The ultimate parent undertaking and controlling party at 31 March 2005 was Farnborough (Holdings) Limited. Copies of the Farnborough (Holdings) Limited consolidated financial statements can be obtained from the Company Secretary at Farnborough (Holdings) Limited, Global House, Victoria Street, Basingstoke, Hampshire RG21 3BT.

14 Post Balance Sheet Event

On 8 July 2005 the company became controlled by Xafinity Holdings Limited (formerly Stopbridge Limited) consequent upon the sale of the company to Xafinity Services Limited (formerly Sprintdrive Limited).