

Company Registration No. 01006870 (England and Wales)



ALAN BAILEY (STUDIOS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2003



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GERALD EDELMAN

CHARTERED ACCOUNTANTS

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ALAN BAILEY (STUDIOS) LIMITED

COMPANY INFORMATION

Directors	A Reynolds P Foulger
Secretary	P Foulger
Company number	01006870
Registered office	14 Kinnerton Place South London SW1X 8EH
Auditors	Gerald Edelman 25 Harley Street London W1G 9BR
Business address	14 Kinnerton Place South London SW1X 8EH

ALAN BAILEY (STUDIOS) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 12

ALAN BAILEY (STUDIOS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2003

The directors present their report and financial statements for the period ended 28 February 2003.

The company has changed its accounting reference date from 31 March to 28 February.

Principal activities and review of the business

The principal activity of the company continued to be that of marketing, public relations and communications consultants.

Results and dividends

The results for the period are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 April 2002:

A Reynolds	(Appointed 23 October 2002)
P Foulger	(Appointed 28 February 2003)
T Sulaiman	(Appointed 23 October 2002 and resigned 28 February 2003)
T A Bailey	(Deceased 3 September 2002)
M Munoz	(Resigned 23 October 2002)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	28 February 2003	1 April 2002
A Reynolds	-	-
P Foulger	-	-
T Sulaiman	-	-

A Reynolds and P Foulger are directors of the ultimate parent company, Hansard Group Plc. Their interests in the shares in that company are disclosed in its own financial statements.

Auditors

Gerald Edelman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

ALAN BAILEY (STUDIOS) LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE PERIOD ENDED 28 FEBRUARY 2003**

Directors' responsibilities

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 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

On behalf of the board



P Foulger

Director

18 July 2003

ALAN BAILEY (STUDIOS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALAN BAILEY (STUDIOS) LIMITED

We have audited the financial statements of Alan Bailey (Studios) Limited on pages 4 to 12 for the period ended 28 February 2003. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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 auditor's 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 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 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 within it.

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 28 February 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

18 July 2003

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

ALAN BAILEY (STUDIOS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 28 FEBRUARY 2003

		Period ended 28 February 2003 £	Year ended 31 March 2002 £
	Notes		
Turnover	2	60,877	142,634
Cost of sales		(5,431)	(8,908)
Gross profit		55,446	133,726
Administrative expenses		(67,195)	(165,593)
Director's and connected parties loans written back	16	37,692	-
Operating profit/(loss)	3	25,943	(31,867)
Interest payable and similar charges	4	(443)	(273)
Profit/(loss) on ordinary activities before taxation		25,500	(32,140)
Tax on profit/(loss) on ordinary activities	5	24,159	-
Profit/(loss) on ordinary activities after taxation	11	49,659	(32,140)

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.

ALAN BAILEY (STUDIOS) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6		49,797		1,200
Current assets					
Debtors	7	40,215		32,178	
Cash at bank and in hand		8,375		-	
		<u>48,590</u>		<u>32,178</u>	
Creditors: amounts falling due within one year	8	<u>(25,700)</u>		<u>(63,920)</u>	
Net current liabilities			22,890		(31,742)
Total assets less current liabilities			72,687		(30,542)
			<u>72,687</u>		<u>(30,542)</u>
Capital and reserves					
Called up share capital	10		4,000		4,000
Revaluation reserve	11		53,570		-
Profit and loss account	11		15,117		(34,542)
Shareholders' funds - equity interests	12		<u>72,687</u>		<u>(30,542)</u>

The financial statements were approved by the Board on 18 July 2003



A Reynolds
Director

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes continued financial support from its group undertakings.

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 accounting standards.

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 are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the term of the lease
Computer hardware	25% Straight line basis
Fixtures, fittings & equipment	25% Straight line basis

The company has changed its accounting policy in relation to depreciation of fixed assets to be in line with the policy of the group. Change of accounting policy does not require a prior year adjustment.

1.5 Leasing

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with SSAP 24.

1.7 Deferred taxation

The company has adopted accounting policy in respect of deferred tax to reflect the requirements of FRS19. 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. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets. If the property were to be sold for the value shown in the financial statement then a tax liability of approximately £16,000 would arise.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no asset would have been recognised as the conditions for recognition would not have been satisfied.

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2003

2 Turnover

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

3	Operating profit/(loss)	2003	2002
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	4,973	1,169
	Operating lease rentals	7,537	8,672
		<u> </u>	<u> </u>

4	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	443	273
		<u> </u>	<u> </u>

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	-	-
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/credit current year	(24,159)	-
		(24,159)	-
		(24,159)	-
	Factors affecting the tax charge for the period		
	Profit/(loss) on ordinary activities before taxation	25,500	(32,140)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002 : 20.00%)	4,845	(6,428)
	Effects of:		
	Non deductible expenses	25	1,064
	Depreciation	945	234
	Capital allowances	(389)	(1,847)
	Chargeable disposals	-	6,977
	Other tax adjustments	(29,585)	-
		(29,004)	6,428
	Tax credit per profit and loss account	(24,159)	-

The company has estimated losses of £ 127,154 (2002 : £ 118,019) available for carry forward against future trading profits.

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2003

6 Tangible fixed assets

	Land and buildings Leasehold	Computer hardware	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2002	751	22,657	91,347	114,755
Revaluation	53,570	-	-	53,570
Disposals	-	(22,657)	(91,347)	(114,004)
At 28 February 2003	54,321	-	-	54,321
Depreciation				
At 1 April 2002	750	21,458	91,347	113,555
On disposals	-	(22,657)	(91,347)	(114,004)
Charge for the period	3,774	1,199	-	4,973
At 28 February 2003	4,524	-	-	4,524
Net book value				
At 28 February 2003	49,797	-	-	49,797
At 31 March 2002	-	1,200	-	1,200

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2003

7 Debtors	2003	2002
	£	£
Trade debtors	13,491	23,230
Other debtors	946	2,900
Prepayments and accrued income	1,619	6,048
Deferred tax asset	24,159	-
	<u>40,215</u>	<u>32,178</u>
Deferred tax	2003	
	£	
Profit and loss account	<u>24,159</u>	
Balance at 28 February 2003	<u>24,159</u>	
	2003	2002
	£	£
Tax losses available	<u>24,159</u>	<u>-</u>
8 Creditors: amounts falling due within one year	2003	2002
	£	£
Bank loans and overdrafts	1,166	7,365
Trade creditors	5,836	22,857
Amounts owed to group undertakings	18,698	-
Accruals and deferred income	-	33,698
	<u>25,700</u>	<u>63,920</u>
9 Pension costs		
Defined contribution	2003	2002
	£	£
Contributions payable by the company for the period	<u>407</u>	<u>2,035</u>

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2003

10 Share capital	2003	2002
	£	£
Authorised		
4,000 Ordinary shares of £ 1 each	4,000	4,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
4,000 Ordinary shares of £ 1 each	4,000	4,000
	<u> </u>	<u> </u>
11 Statement of movements on reserves		
	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 April 2002	-	(34,542)
Retained profit for the period	-	49,659
Revaluation during the period	53,570	-
	<u> </u>	<u> </u>
Balance at 28 February 2003	53,570	15,117
	<u> </u>	<u> </u>
12 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit/(Loss) for the financial period	49,659	(32,140)
Other recognised gains and losses	53,570	-
	<u> </u>	<u> </u>
Net addition to/(depletion in) shareholders' funds	103,229	(32,140)
Opening shareholders' funds	(30,542)	1,598
	<u> </u>	<u> </u>
Closing shareholders' funds	72,687	(30,542)
	<u> </u>	<u> </u>
13 Financial commitments		
At 28 February 2003 the company had annual commitments under non-cancellable operating leases as follows:		
	Land and buildings	
	2003	2002
	£	£
Expiry date:		
In over five years	17,500	17,500
	<u> </u>	<u> </u>

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2003

14 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2003 Number	2002 Number
Administrative	2	4
Employment costs		
	£	£
Wages and salaries	4,685	77,324
Social security costs	581	6,724
Other pension costs	407	2,035
	5,673	86,083

15 Control

The parent company is Hansard Corporate Limited and the ultimate parent company is Hansard Group Plc. Both of these companies are registered in England and Wales.

Hansard Group Plc prepares consolidated financial statements and copies can be obtained from the parent company's registered office 14 Kinnerton Place South, London, SW1X 8EH.

16 Related party transactions

During the period between the death of the director, T A Bailey and the year end all the loans outstanding to connected parties, namely Estate of T A Bailey, Alastor Limited and Technocrats Limited were written back.

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.

17 Comparative figures

The comparatives are in respect of the year from 1 April 2001 to 31 March 2002.