



ALAN BAILEY (STUDIOS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2004



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

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ALAN BAILEY (STUDIOS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2004

The directors present their report and financial statements for the year ended 29 February 2004

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 year 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 March 2003:

A Reynolds

P Foulger

Directors' interests

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

	Ordinary shares of £ 1 each	
	29 February 2004	1 March 2003
A Reynolds	-	-
P Foulger	-	-

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

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

ALAN BAILEY (STUDIOS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

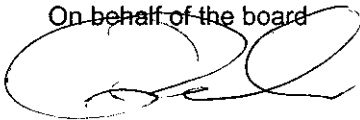
Directors' responsibilities

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

26 April 2004

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 year ended 29 February 2004. 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.

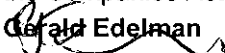
Basis of audit opinion

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 29 February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

 Gerald Edelman

26 April 2004

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

ALAN BAILEY (STUDIOS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 29 FEBRUARY 2004

	Notes	2004 £	2003 £
Turnover	2	57,458	60,877
Cost of sales		-	(5,431)
Gross profit		57,458	55,446
Administrative expenses		(52,485)	(67,195)
Other operating income		9,000	-
Director's and connected parties loans written back		-	37,692
Operating profit	3	13,973	25,943
Interest payable and similar charges	4	-	(443)
Profit on ordinary activities before taxation		13,973	25,500
Tax on profit on ordinary activities	5	(5,792)	24,159
Profit on ordinary activities after taxation	12	8,181	49,659

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 29 FEBRUARY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	6		39,083		49,797
Current assets					
Debtors	7	50,279		40,215	
Cash at bank and in hand		1,679		8,375	
		<u>51,958</u>		<u>48,590</u>	
Creditors: amounts falling due within one year	8	<u>(10,173)</u>		<u>(25,700)</u>	
Net current assets/(liabilities)			41,785		22,890
Total assets less current liabilities			<u>80,868</u>		<u>72,687</u>
			<u>80,868</u>		<u>72,687</u>
Capital and reserves					
Called up share capital	11		4,000		4,000
Revaluation reserve	12		53,570		53,570
Profit and loss account	12		23,298		15,117
Shareholders' funds - equity interests	13		<u>80,868</u>		<u>72,687</u>

The financial statements were approved by the Board on 26 April 2004

A Reynolds
Director



ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2004

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 (Revised 1996) 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

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 year in accordance with SSAP 24.

1.7 Deferred taxation

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. Recognition of deferred tax asset is to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. 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.

2 Turnover

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

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

3	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	10,714	4,973
	Operating lease rentals	18,421	17,500
	and after crediting:	<u> </u>	<u> </u>
4	Interest payable	2004	2003
		£	£
	On bank loans and overdrafts	-	443
		<u> </u>	<u> </u>

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

5	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	-	-
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/(credit) current year	5,792	(24,159)
		5,792	(24,159)
		5,792	(24,159)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	13,973	25,500
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	2,655	4,845
	Effects of:		
	Non deductible expenses	-	25
	Depreciation	2,036	945
	Capital allowances	(338)	(389)
	Tax losses utilised	(4,353)	-
	Other tax adjustments	5,792	(29,585)
		3,137	(29,004)
	Tax credit per profit and loss account	5,792	(24,159)

The company has estimated losses of £ 96,668 (2003: £ 127,154) available for carry forward against future trading profits.

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

6 Tangible fixed assets

	Land and buildings Leasehold £
Cost or valuation	
At 1 March 2003 & at 29 February 2004	54,321
Depreciation	
At 1 March 2003	4,524
Charge for the year	10,714
At 29 February 2004	15,238
Net book value	
At 29 February 2004	39,083
At 28 February 2003	49,797

7 Debtors

	2004 £	2003 £
Trade debtors	-	13,491
Amounts owed by group undertakings	29,954	-
Other debtors	374	946
Prepayments and accrued income	1,584	1,619
Deferred tax asset (see note 9)	18,367	24,159
	50,279	40,215

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	-	1,166
Trade creditors	173	5,836
Amounts owed to group undertakings	10,000	18,698
	10,173	25,700

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

9 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 7) is made up as follows:

	2004 £
Balance at 1 March 2003	(24,159)
Profit and loss account	5,792
	<hr/>
Balance at 29 February 2004	(18,367)
	<hr/>

	2004 £	2003 £
Tax losses available	(18,367)	(24,159)
	<hr/>	<hr/>

10 Pension costs

Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	-	407
	<hr/>	<hr/>

11 Share capital

	2004 £	2003 £
Authorised		
4,000 Ordinary shares of £1 each	4,000	4,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
4,000 Ordinary shares of £1 each	4,000	4,000
	<hr/>	<hr/>

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

12 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 March 2003	53,570	15,117
Retained profit for the year	-	8,181
Balance at 29 February 2004	<u>53,570</u>	<u>23,298</u>

13 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	8,181	49,659
Other recognised gains and losses	-	53,570
Net addition to shareholders' funds	<u>8,181</u>	<u>103,229</u>
Opening shareholders' funds	72,687	(30,542)
Closing shareholders' funds	<u>80,868</u>	<u>72,687</u>

14 Financial commitments

At 29 February 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004 £	2003 £
Expiry date:		
In over five years	<u>17,500</u>	<u>17,500</u>

ALAN BAILEY (STUDIOS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

15 Employees

Number of employees

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

	2004 Number	2003 Number
Administrative	2	2

Employment costs

	£	£
Wages and salaries	-	4,685
Social security costs	-	581
Other pension costs	-	407
	-	5,673

16 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.

17 Related party transactions

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.