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**PARLIAMENTARY COMMUNICATIONS LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**

**Company Number 1262354**



**PARLIAMENTARY COMMUNICATIONS LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003**

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# **PARLIAMENTARY COMMUNICATIONS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003**

The directors submit their report and the audited financial statements of Parliamentary Communications Limited for the year ended 30 June 2003.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company are publishing, organising seminars, the provision of internet services, government monitoring and management services.

### **RESULTS AND DIVIDENDS**

The loss for the year after taxation was £687,708 (2002 : profit £404,706). The directors do not propose the payment of a dividend.

### **REVIEW OF ACTIVITIES**

The Company has continued to develop its core business, increasing its turnover from continuing operations by 20%.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:-

	<b>Number of ordinary £0.05 shares</b>	
	<b>2003</b>	<b>2002</b>
K Young	52,760,000	52,760,000
C Jeavons	-	-
D Robinson	-	-
P Wilkinson (resigned 1 March 2004)	-	-
B Antell (resigned 26 February 2004)	-	-

### **SHARE OPTIONS**

The Board has implemented an Enterprise Management Incentive employee share option plan designed to incentivise key employees and to reward their contribution to building the value of the company.

The interests of the directors in the share option plan are as follows:

	<b>Number of £0.05 ordinary shares under option</b>	
	<b>At 30 June 2003</b>	<b>At 30 June 2002</b>
C Jeavons	9,009,009	9,009,009

# **PARLIAMENTARY COMMUNICATIONS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2003 - continued**

### **CLOSE COMPANY**

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

### **STATEMENT OF 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 year. 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.

### **AUDITORS**

A resolution to reappoint Blueprint Audit Limited as the company auditors will be proposed at the Annual General Meeting.

**By order of the Board**



C Jeavons  
Director

14 Great College Street  
London SW1P 3RX

5 March 2004

## **PARLIAMENTARY COMMUNICATIONS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARLIAMENTARY COMMUNICATIONS LIMITED**

We have audited the financial statements of Parliamentary Communications Limited for the year ended 30 June 2003 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the historical cost convention 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 auditors 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 directors and auditors**

As described in the Directors' Report, 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We 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 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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

66 Chiltern Street  
London W1U 4JT  
5 March 2004

  
**BLUEPRINT AUDIT LIMITED**  
Chartered Accountants  
Registered Auditor

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 £	2002 £
<b>Turnover</b>	2		
- Continuing operations		7,980,349	6,658,731
- Discontinued operations		-	2,318,870
		<hr/>	<hr/>
		7,980,349	8,977,601
Cost of sales		(5,073,550)	(6,817,570)
		<hr/>	<hr/>
<b>Gross profit</b>		2,906,799	2,160,031
Administration expenses		(1,976,436)	(1,757,039)
Exceptional item	4	(1,214,373)	-
Other operating income	3	-	110,531
Amounts written off fixed assets		(152,680)	(56,038)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>			
- Continuing operations		(436,690)	868,204
- Discontinued operations		-	(410,719)
		<hr/>	<hr/>
		(436,690)	457,485
Interest payable		(45,634)	(52,779)
Interest receivable		65,490	-
		<hr/>	<hr/>
<b>(Loss)/Profit on ordinary activities before taxation</b>	4	(416,834)	404,706
Tax on profit on ordinary activities	6	(270,874)	-
		<hr/>	<hr/>
<b>(Loss)/Profit on ordinary activities after taxation</b>	14	(687,708)	404,706
		<hr/>	<hr/>

All recognised gains and losses are included in the profit and loss account.

# PARLIAMENTARY COMMUNICATIONS LIMITED

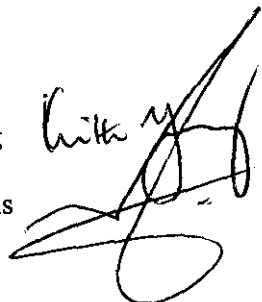
## BALANCE SHEET AT 30 JUNE 2003

	Notes	2003 £	2002 £
<b>Fixed Assets</b>			
Intangible assets	7	5,331	7,881
Tangible assets	8	597,789	437,538
Investments	9	1	90,000
		<u>603,121</u>	<u>535,419</u>
<b>Current assets</b>			
Debtors	10	1,716,599	2,923,245
Stock		20,026	-
		<u>1,736,625</u>	<u>2,923,245</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,957,975)</u>	<u>(3,389,185)</u>
<b>Net current liabilities</b>		<u>(1,221,350)</u>	<u>(465,940)</u>
<b>Net (liabilities)/assets</b>		<u>(618,229)</u>	<u>69,479</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,638,000	2,638,000
Profit and loss account	13	(3,256,229)	(2,568,521)
<b>Shareholder's funds -equity</b>	14	<u>(618,229)</u>	<u>69,479</u>

The financial statements were approved by the Board on 5 March 2004 and signed on its behalf by:

K Young

C Jeavons



)

) Directors

)

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2003**

	<b>Note</b>	<b>2003 £</b>	<b>2002 £</b>
<b>Cash flow from operating activities</b>	15	1,395,954	307,494
<b>Returns on investments and servicing of finance</b>	16	(45,634)	(52,779)
<b>Capital expenditure and financial investment</b>	16	(816,062)	(489,142)
<b>Increase/(decrease) in cash in year</b>	17	<u>534,258</u>	<u>(234,427)</u>



# PARLIAMENTARY COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 1. ACCOUNTING POLICIES

#### a) Accounting convention

The financial statements have been prepared in accordance with applicable Accounting Standards.

The directors have reviewed the company's accounting policies and satisfied themselves as to their appropriateness. The company's policy regarding Deferred Taxation has been amended as noted in d) below.

#### b) Depreciation

Depreciation is provided to write off fixed assets on a straight line basis over their estimated useful lives as follows:

Short leasehold premises	- Term of the lease
Office equipment	- 25% on cost
Motor vehicles	- 33% on cost

#### c) Goodwill

Goodwill is stated at cost less accumulated amortisation and any impairment in value.

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its net separable assets.

Goodwill and the premium paid on acquisition of investments are amortised in equal annual instalments over their estimated economic lives of 10 – 20 years.

#### d) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or less tax in the future have occurred by the balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

In view of the profitability of the company the Directors have taken the view that it is appropriate to recognize the Deferred Tax asset. This has been effected as a prior year adjustment and the 2002 figures have been amended for this. The full effect is shown in notes 13 and 14.

#### e) Lease and hire purchase commitments

Assets acquired subject to finance lease or hire purchase contracts are capitalised as fixed assets and depreciated in accordance with the stated policy. The interest element of rentals falling due is charged to the profit and loss account over the contract period so as to produce a constant periodic rate of charge, except where the contract stipulates a variable rate of charge.

Operating lease rentals are charged to the profit and loss account in the period in which they fall due.

# PARLIAMENTARY COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003 - continued

### 1. ACCOUNTING POLICIES – continued

#### f) Pensions

The company does not operate a pension scheme. Contributions into personal pension plans for employees are charged in the profit and loss account.

#### g) Investments

Investments are stated at the lower of cost and net realisable value.

#### h) Foreign exchange

Assets and liabilities denominated in foreign currencies are translated into sterling at market rates of exchange ruling at the balance sheet date. Transactions in foreign currency during the year have been translated into sterling at market rates of exchange ruling at the date of settlement. All exchange differences are included in the profit and loss account.

#### i) Revenue recognition

i) Subscription revenue is allocated by accounting periods in proportion to the number of issues covered by the subscription published before and after the accounting date. Unappropriated subscription revenue is included within current liabilities.

ii) Advertising revenue is brought into account on publication date.

iii) Fees are recognised over the period of the relevant assignments or agreements.

iv) Fees in respect of internet services are recognised on invoice.

### 2. TURNOVER

Turnover represents sales net of value added tax. All turnover arises in the United Kingdom from the following classes of business.

	2003 £'000	2002 £'000
Publishing	4,619	4,653
Conferences	1,441	2,321
Internet Services	1,379	1,402
Government monitoring	321	342
Other revenue	220	260
	<hr/>	<hr/>
	7,980	8,978
	<hr/>	<hr/>

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 – continued**

**3. OTHER OPERATING INCOME**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Disposal of lease	-	40,586
Disposal of businesses	-	69,945
	<hr/>	<hr/>
	-	110,531
	<hr/>	<hr/>

**4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES  
BEFORE TAXATION**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
This is stated after charging:-		
Directors' remuneration	402,257	354,057
Auditors' remuneration	9,000	11,000
Amortisation of goodwill	3,950	6,449
Depreciation	166,413	172,712
Hire of equipment	349	1,279
Bank loan interest	45,634	52,779
Exceptional item	1,214,373	-
	<hr/>	<hr/>

The exceptional item represents provisions made against the cost of investments held, together with a provision against amounts owing to the company by the investee company.

**5. STAFF COSTS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,409,835	3,566,707
Social security costs	345,223	326,761
Pension costs	3,823	3,250
	<hr/>	<hr/>
	3,758,881	3,896,718
	<hr/>	<hr/>

The average number of employees during the year was 96 (2002: 113).

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 – continued**

**5. STAFF COSTS - continued**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Directors' emoluments</b>		
Remuneration for management services	398,434	350,807
	<hr/>	<hr/>
Company contributions paid to pension scheme	3,823	3,250
	<hr/>	<hr/>
Emoluments of the highest paid director excluding pension contributions	180,994	135,416
	<hr/>	<hr/>
Company pension contributions	-	-
	<hr/>	<hr/>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
UK Corporation tax has been charged at 30% on the profits for the year		
<b>Current tax:</b>		
UK corporation tax on profits of the period	-	-
Adjustments in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
<b>Deferred tax</b>		
Origination and reversal of timing differences	270,874	-
Other timing differences	-	-
	<hr/>	<hr/>
Total deferred tax	270,874	-
	<hr/>	<hr/>
	<hr/>	<hr/>
	270,874	-
	<hr/>	<hr/>

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 – continued**

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES - continued**

The tax assessed for the year is difference from the UK corporation tax rate of 30%. The differences are explained below:

(Loss)/Profit on ordinary activities before tax	(416,834)	404,706
	<hr/>	<hr/>
Current tax on profit on ordinary activities calculated At standard rate of corporation tax in the UK of 30%	(125,050)	121,412
Exceptional item disallowed	364,312	-
Expenses not deductible for tax purposes	31,612	12,884
Accelerated capital allowances and other timing differences	14,897	1,978
Utilisation of tax losses	(285,771)	(136,274)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

See note 13 for the effect on reserves of the prior year adjustment relating to Deferred Taxation.

**7. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 July 2002	39,448
Additions	1,400
	<hr/>
At 30 June 2003	40,848
	<hr/>
<b>Amortisation</b>	
At 1 July 2002	31,567
Charge for the year	3,950
	<hr/>
At 30 June 2003	35,517
	<hr/>
<b>Net book value:</b>	
At 30 June 2003	5,331
	<hr/>
At 30 June 2002	7,881
	<hr/>

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 – continued**

**8. TANGIBLE FIXED ASSETS**

	Office equipment £	Short leasehold premises £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2002	720,204	237,477	19,300	976,981
Additions during the year	433,792	13,742	35,816	483,350
Disposals	(158,275)	-	(10,300)	(168,575)
At 30 June 2003	995,721	251,219	44,816	1,291,756
<b>Depreciation</b>				
At 1 July 2002	474,825	57,566	7,052	539,443
Charge for the year	125,495	23,406	17,512	166,413
Disposals	(5,595)	-	(6,294)	(11,889)
At 30 June 2003	594,725	80,972	18,270	693,967
<b>Net book value:</b>				
At 30 June 2003	400,996	170,247	26,546	597,789
At 30 June 2002	245,379	179,911	12,248	437,538

**9. INVESTMENTS**

	Shares in subsidiary undertakings £	Other investments £	Total £
<b>Cost</b>			
At 1 July 2002 and 1 July 2003	12,417	493,204	505,621
<b>Provision against cost</b>			
At 1 July 2002	12,417	403,204	415,621
Provision made in year	-	89,999	89,999
At 30 June 2003	12,417	493,203	505,620
<b>Net book value</b>			
At 30 June 2002	-	1	1
At 30 June 2003	-	90,000	90,000

**PARLIAMENTARY COMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003 – continued**

**9. INVESTMENTS - continued**

**a) Shares in subsidiary undertakings**

The company owns 745 registered shares in European Parliamentary Communications Services SPRL, a company incorporated in Belgium, representing 99.33% of its issued share capital. The company has made full provision against the cost of its investment. At 30 June 2003 Capital and Reserves totalled £15,624. The company's loss after taxation was £12,810.

**b) Other investments**

The company is entitled for the year ended 30 June 2003 to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts as the group qualifies as a medium sized group.

**10. DEBTORS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,010,361	1,304,283
Other debtors	239,273	928,276
Prepayments and accrued income	182,253	135,100
Deferred tax asset (note 21)	284,712	555,586
	<hr/>	<hr/>
	1,716,599	2,923,245
	<hr/>	<hr/>

In 2002 £284,712 of the deferred tax asset was recoverable in more than one year.

**11. CREDITORS: amounts falling due within one year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank overdraft (secured)	447,223	981,481
Trade creditors	605,522	550,348
Amount due to subsidiary undertaking	18,291	6,431
Other taxes and social security	486,754	384,966
Other creditors	399,624	672,359
Accruals and deferred income	1,000,561	780,935
Finance lease creditor	-	12,665
	<hr/>	<hr/>
	2,957,975	3,389,185
	<hr/>	<hr/>

The bank overdraft is secured by way of a fixed charge on the assets and a floating charge over the assets and undertaking of the business.

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 – continued**

**12. SHARE CAPITAL**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100,000,000 Ordinary shares of £0.05 each	5,000,000	5,000,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
52,760,000 Ordinary shares of £0.05 each	2,638,000	2,638,000
	<hr/>	<hr/>

**Share option scheme**

The company has implemented a share option scheme under which an option has been granted to an employee. At 30 June 2003, options outstanding under the scheme were as follows:

<b>Number of options granted on ordinary £0.05 shares outstanding at the end of the year</b>	<b>Option Price</b>	<b>Dates exercisable</b>
9,009,009	£0.05	23 May 2002 to 23 May 2011

**13. PROFIT AND LOSS ACCOUNT**

	<b>2002</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Retained loss brought forward	(2,568,521)	(3,528,813)
Prior year adjustment for deferred tax	-	555,586
(Loss)/Profit for the year	(687,708)	404,706
	<hr/>	<hr/>
Retained loss carried forward	(3,256,229)	(2,568,521)

**14. RECONCILIATION OF MOVEMENT  
ON SHAREHOLDER'S FUNDS**

	<b>2002</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Shareholder's funds brought forward	69,479	(890,813)
Prior year adjustment for deferred tax	-	555,586
Retained profit for the year	(687,708)	404,706
	<hr/>	<hr/>
Shareholder's funds carried forward	(618,229)	69,479



**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 – continued**

<b>15. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS</b>	<b>2002 £</b>	<b>2002 £</b>	
Operating (loss)/ profit	(436,690)	457,485	
Depreciation	166,413	172,712	
Amortisation of goodwill	3,950	6,449	
(Profit)/loss on disposal of fixed assets	(1,897)	30,385	
Profit on disposal of investments	-	(42,012)	
Write down of fixed assets	152,650	-	
Disposal/Impairment of goodwill	-	98,050	
Decrease in debtors	214,134	783,588	
Increase in stock	(20,026)	-	
Increase/(decrease)in creditors	103,047	(1,199,163)	
Exceptional Item (note 4)	1,214,373	-	
	<hr/>	<hr/>	
Net cash inflow from operating activities	1,395,954	307,494	
	<hr/>	<hr/>	
<b>16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT</b>	<b>2003 £</b>	<b>2002 £</b>	
<b>Returns on investments and servicing of finance</b>			
Interest paid	(45,634)	(52,779)	
	<hr/>	<hr/>	
<b>Net cash outflow from returns on investments and servicing of finance</b>	(45,634)	(52,779)	
	<hr/>	<hr/>	
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(484,750)	(209,706)	
Receipts from disposal of fixed assets	5,934	-	
Receipts from disposal of investments	-	72,112	
Payments to connected undertakings	(337,246)	(664,436)	
Receipts from connected undertakings	-	312,888	
	<hr/>	<hr/>	
<b>Net cash outflow from capital expenditure and financial investment</b>	(816,062)	(489,142)	
	<hr/>	<hr/>	
<b>17. ANALYSIS OF DEBT</b>	<b>At 1 July 2002 £</b>	<b>Cash Inflow £</b>	<b>At 30 June 2003 £</b>
Bank overdraft	(981,481)	534,258	(447,223)

# PARLIAMENTARY COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003 – continued

### 18. CONTINGENT LIABILITIES

The company has an agreement with Christian Weekly Newspapers Limited to manage the production and publication of the Church of England Newspaper. Under terms of this agreement the company indemnifies Christian Weekly Newspapers Limited against all obligations and liabilities and any losses incurred in connection with the publication.

### 19. OTHER FINANCIAL COMMITMENTS

At 30 June 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	2003		2002	
	Short Leasehold £	Other £	Short Leasehold £	Other £
Operating leases which expire:				
In the second to fifth years inclusive	55,000	-	39,800	-
In over five years	60,000	-	60,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	115,000	-	99,800	-
	<hr/>	<hr/>	<hr/>	<hr/>

### 20. RELATED PARTY TRANSACTIONS

- i) During the year the company was provided with the following services on an arm's length basis by businesses over which Keith Young, director and chairman, exercises influence.

	2003 £	2002 £
Management services	23,162	53,368
Courier services	10,468	23,880
	<hr/>	<hr/>
	33,630	77,248
	<hr/>	<hr/>

Management services were provided by ITM Graphics Limited and courier services by Excel Couriers Limited and Excel Executive Limited. The total amounts due to these companies at 30 June 2003 totalled £5,993 (2003: £22,432).

- ii) During the year the company provided the following services on an arm's length basis to businesses in which Keith Young, director and chairman, has an interest.

	2003 £	2002 £
Management services	60,000	52,288
	<hr/>	<hr/>

The total amount due from Synesis Media Limited at 30 June 2003 was £72,041 (2002: £nil)

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 - continued**

**20. RELATED PARTY TRANSACTIONS – continued**

- iii) Included in other creditors are amounts due to Keith Young of £211,344 (2002: £463,344). These amounts are interest free and repayable on demand.
- iv) During the year the company provided funds to Sport First Publishing Limited and Sport First PLC, companies in which Keith Young is a director and shareholder. The amounts due from Sport First PLC and Sport First Publishing Limited at 30 June 2003 were £835,952 and £288,422 respectively (2002: £718,098).
- v) The amount due to European Parliamentary Communications Services SPRL at 30 June 2003 was £18,291 (2002 - £6,431).
- vi) Keith Young has given a limited personal guarantee to the company's bankers as security for the company's banking facilities.
- vii) The directors have confirmed that the company will continue to provide Synesis Media Limited with financial support to enable it to continue trading and pay its debts as they fall due for twelve months from 22 May 2003.
- viii) During the year the company was provided on an arms length basis with software development and consultancy services from Firstlight NZ Limited, a subsidiary of Firstlight Online Limited in which Keith Young and Colin Jeavons are shareholders.

	2003 £	2002 £
Software Development	192,304	-
Consultancy services	11,750	-
	<hr/>	<hr/>
	204,054	-
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The total amount due to Firstlight Online Limited at 30 June 2003 is £7,417 (2002: £nil)

**PARLIAMENTARY COMMUNICATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003 – continued**

**21. DEFERRED TAXATION**

	2003 £	2002 £
Deferred tax asset:		
Capital allowances timing differences	3,763	(11,134)
Tax losses carried forward and other deductions	280,949	566,720
	<hr/>	<hr/>
As at 30 June 2002	284,712	555,586
	<hr/>	<hr/>
1 July 2002 as previously reported	-	-
Prior year adjustment – FRS 19	555,586	-
	<hr/>	<hr/>
1 July 2002 as restated	555,586	-
Transfer to profit and loss account (Note 6)	(270,874)	-
	<hr/>	<hr/>
As at 30 June 2003	284,712	-
	<hr/>	<hr/>

The directors expect the company to make sufficient future profits against which the deferred tax asset can be recovered.

The deferred tax asset of £555,586 has been adjusted through reserves as a prior period adjustment – see note 13.

**22. ULTIMATE CONTROLLING PARTY**

Keith Young, a director of the company, is the ultimate controlling party for both this and the preceding year, by virtue of his shareholding in the company.