

Information Management Consultants Limited  
Financial Statements  
for the year ended 30 June 2000

Company Number: 1905935



# Information Management Consultants Limited

## Company Information

Company No: 1905935

### Directors

Mr W R Wilson (Chairman)  
Mr A W F Steenberg  
Mr I T Holding

### Secretary

Mr A W F Steenberg

### Registered Office

Apsley House  
Wellington Street  
Leeds  
LS1 2EQ

### Auditors

PricewaterhouseCoopers  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

Information Management Consultants Limited  
Financial Statements  
for the year ended 30 June 2000  
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# **Information Management Consultants Limited**

## **Directors' report for the year ended 30 June 2000**

The directors submit their report and the audited financial statements for the year ended 30 June 2000.

### **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 for that period.

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 30 June 2000 and that applicable accounting standards have been followed.

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 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.

### **Results and dividends**

The profit on the ordinary activities of the group before taxation amounted to £247,000 (1999: £143,000).

After deducting taxation a profit of £157,000 (1999: £100,000) has been transferred to reserves.

The directors do not recommend payment of a dividend.

### **Principal activity and business review**

The principal activity of the company continued to be that of the maintenance and development of an international news and electronic mail service.

On 3 September 1999 the entire share capital of the company was purchased by IMS Group PLC ("IMS").

On 3 April 2000 Teamtalk.com Limited was de-merged from IMS to form part of Teamtalk.com Group plc. The share capital of the company was acquired by Teamtalk.com Limited on 17 February 2000 as part of the pre-demerger reorganisation of IMS.

The directors plan to continue with the management policies that have led to the satisfactory result achieved in the year.

# Information Management Consultants Limited

## Directors' report for the year ended 30 June 2000

### Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

Mr B E M Thomas	- resigned 3 September 1999
Mr T P Whalley	- resigned 3 September 1999
Mrs E Weber	- resigned 3 September 1999
Mr N P Froggatt	- appointed 3 September 1999, resigned 18 February 2000
Mr W R Wilson	- appointed 3 September 1999
Mr I T Holding	- appointed 14 March 2000
Mr A W F Steenberg	- appointed 18 February 2000

None of the directors in office at 30 June 2000 had a direct interest in the share capital of the company.

All of the directors at 30 June 2000, Mr W R Wilson, Mr I T Holding and Mr A W F Steenberg, are directors of the company's ultimate parent company, Teamtalk.com Group plc. Their interests in the shares of the ultimate parent company will be disclosed in the annual report of Teamtalk.com Group plc.

### Purchase of Own Shares

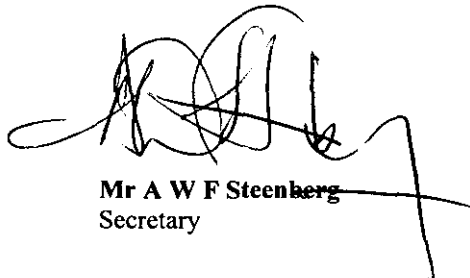
On 3 September 1999 the company repurchased 100% of the 1,808,000 £1 'A' shares in issue for their nominal value. The purpose of this purchase was to facilitate the sale of the company to IMS.

### Auditors

On 3 September 1999, PricewaterhouseCoopers were appointed as the auditors to the company following the resignation of Lathams.

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

### By order of the Board



Mr A W F Steenberg  
Secretary

4 October 2000

# **Information Management Consultants Limited**

## **Auditors' report to the members of Information Management Consultants Limited**

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair and are properly prepared in accordance with the United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

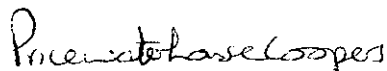
### **Basis of audit opinion**

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 affairs of the company and the group at 30 June 2000 and the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
LEEDS  
4 October 2000

# Information Management Consultants Limited

## Consolidated profit and loss account for the year ended 30 June 2000

	Notes	2000 £'000	1999 £'000 As restated
Turnover	2	2,458	2,070
Cost of sales		(718)	(623)
Gross profit		1,740	1,447
Administrative expenses		(1,504)	(1,303)
Operating profit	3	236	144
Net interest receivable/(payable)	4	11	(1)
Profit on ordinary activities before taxation		247	143
Tax on profit on ordinary activities	6	(90)	(43)
Retained profit for the financial year	13	157	100

All of the trading during the period related to continuing operations as defined by Financial Reporting Standard No 3. Under the Companies Act 1985 the company is exempt from preparing a company profit and loss account.

## Statement of group total recognised gains and losses for the year ended 30 June 2000

	2000 £'000	1999 £'000 As restated
Profit for the financial year	157	100
Exchange differences on retranslation of foreign subsidiary	7	8
Total recognised gains relating to the year	164	108
Prior year adjustment (as explained in note 18)	(66)	-
Total recognised gains since last annual report	98	108

# Information Management Consultants Limited

## Balance sheet as at 30 June 2000

		Group		Company	
	Notes	2000	1999	2000	1999
		£'000	£'000	£'000	£'000
		As restated		As restated	
<b>Fixed assets</b>					
Tangible assets	7	12	-	9	-
Investments	8	-	-	445	445
		12	-	454	445
<b>Current assets</b>					
Debtors	9	1,299	454	1,212	553
Cash at bank and in hand		547	362	485	94
		1,846	816	1,697	647
<b>Creditors:</b>					
Amounts falling due within one year	10	(1,442)	(564)	(1,442)	(564)
<b>Net current assets</b>					
		404	252	255	83
<b>Net assets</b>					
		416	252	709	528
<b>Capital and Reserves</b>					
Called up equity share capital	11	6	6	6	6
Share premium account	12	87	87	87	87
Profit and loss account	13	323	159	616	435
<b>Equity Shareholders' Funds</b>	14	<b>416</b>	<b>252</b>	<b>709</b>	<b>528</b>

The financial statements were approved by the board on 4 October 2000.

Mr W R Wilson

Mr A W F Steenberg

Directors



# **Information Management Consultants Limited**

## **Notes to the financial statements for the year ended 30 June 2000**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The Financial Statements have been prepared in accordance with the historical cost convention. The consolidated profit and loss account and balance sheet include the accounts of the company and its operating subsidiaries drawn up to the end of the financial year. The results of subsidiaries acquired and sold during the year are included in the consolidated profit and loss account from the date of acquisition or to the date of disposal. Inter-company sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

#### **Goodwill**

Goodwill arising on acquisitions represents the excess of fair value of the consideration given over the fair value of the identifiable net assets acquired.

Goodwill arising on acquisitions prior to 30 June 1998 has been written off directly to reserves. No adjustment has been made to reinstate the goodwill as permitted by FRS 10, "Goodwill and intangible assets".

#### **Turnover**

Turnover, which excludes value added tax and sales between IMC Group businesses, represents the invoiced value of services supplied to customers.

#### **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The principal annual rates and method used are:

Office equipment	10% straight line
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#### **Operating leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

#### **Fixed Asset Investments**

Fixed asset investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### Principal accounting policies (continued)

#### Foreign Currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies which are included in the balance sheet are translated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are included in the profit or loss on ordinary activities. The accounts of overseas subsidiary undertakings are translated using the closing rate method whereby balance sheet amounts are translated at the rate of exchange ruling at the balance sheet date and profit and loss account amounts are translated at the average rates for the year. The exchange differences arising on the retranslation of opening net assets are taken directly to reserves. All other translation differences are taken to the profit and loss account.

#### Pension Costs

Teamtalk.com Group plc, the ultimate parent undertaking, operates a defined contribution pension scheme in which the employees of Information Management Consultants Limited participate. The pension cost under this scheme is the amount of contributions payable in respect of the accounting period. Information Management Consultants Limited provides no other post retirement benefits to its employees.

IMC (USA) Inc. operates a defined contribution pension scheme in which the employees of IMC (USA) Inc. participate. The benefits provided by this scheme are as for employees of Information Management Consultants Limited. The pension cost under this scheme is the amount of contributions payable in respect of the accounting period. IMC (USA) Inc provides no other post retirement benefits to its employees.

### 2 Segmental analysis

The Group operates in one class of business. Turnover is classified below by destination.

Turnover	2000	1999
	£'000	£'000
		As restated
United Kingdom	212	186
Europe (excluding United Kingdom)	616	518
North America	1,399	1,179
Rest of world	231	187
	2,458	2,070

# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### Operating Profit

The operating profit is stated after charging /(crediting):	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
		As restated
<hr/>		
Operating lease costs:		
Plant and machinery	2	6
Other	33	24
Auditors remuneration		
Audit services (Group and company)	20	8
Non-audit services	-	-
Depreciation of office equipment	6	-
Fixed assets written off in the period	18	-
Foreign exchange (gains)/losses	(34)	-
<hr/>		

### Net interest receivable/(payable)

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
		As restated
<hr/>		
Interest receivable on cash deposits	12	2
Interest payable :		
On bank overdraft	(1)	-
On late payment of tax	-	(3)
<hr/>		
	11	(1)
<hr/>		

# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### Directors and Employees

Staff costs during the year were as follows:

	2000	1999
	£'000	£'000
Wages and salaries	680	722
Social security costs	60	73
Other pension costs	20	36
	760	831

The Group has made payments totalling £20,000 (1999: £36,000) to defined contribution pension schemes, the assets of which are held in independently administered funds. The pension cost charge represents the total contributions payable to the funds.

The average monthly number of employees, including directors, during the year was as follows:

	2000	1999
	Number	Number
Management and administration	34	26

Remuneration in respect of the directors was as follows:

	2000	1999
	£'000	£'000
Emoluments	30	357
Payments to defined contribution pension scheme	3	24
Total remuneration	33	381

Remuneration in respect of the highest paid director was as follows:

	2000	1999
	£'000	£'000
Total emoluments excluding pension contributions	15	185
Payments to defined contribution pension scheme	2	7
	17	192

The number of directors accruing retirement benefits was as follows:

	2000	1999
Defined contribution pension scheme	2	2

# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### Tax on Profit on Ordinary Activities

Based on the profit for the year:	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax at 30.00% (1999: 30.75%)	<b>90</b>	<b>43</b>

### Tangible Fixed Assets

#### Group

	<b>Motor vehicles £'000</b>	<b>Office equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 July 1999	12	67	79
Prior year adjustment	(12)	(67)	(79)
Restated at 1 July 1999	-	-	-
Additions	-	758	758
Transferred to group undertaking	-	(728)	(728)
Written off in the period	-	(18)	(18)
<b>At 30 June 2000</b>	<b>-</b>	<b>12</b>	<b>12</b>
<b>Depreciation</b>			
At 1 July 1999	-	47	47
Prior year adjustment	-	(47)	(47)
Restated at 1 July 1999	-	-	-
Charged for the year	-	6	6
Transferred to group undertakings	-	(6)	(6)
<b>At 30 June 2000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
<b>At 30 June 2000</b>	<b>-</b>	<b>12</b>	<b>12</b>
Restated as at 30 June 1999	-	-	-

# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### Tangible Fixed Assets (continued)

#### Company

	Motor vehicles £'000	Office equipment £'000	Total £'000
<b>Cost</b>			
At 1 July 1999	12	67	79
Prior year adjustment	(12)	(67)	(79)
Restated at 1 July 1999	-	-	-
Additions	-	755	755
Transferred to group undertakings	-	(728)	(728)
Written off in the period	-	(18)	(18)
<b>At 30 June 2000</b>	-	9	9
<b>Depreciation</b>			
At 1 July 1999	-	47	47
Prior year adjustment	-	(47)	(47)
Restated at 1 July 1999	-	-	-
Charged for the year	-	6	6
Transferred to group undertakings	-	(6)	(6)
<b>At 30 June 2000</b>	-	-	-
<b>Net Book Value</b>			
<b>At 30 June 2000</b>	-	9	9
Restated as at 30 June 1999	-	-	-

# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### Fixed Asset Investments

#### Shares in Group Undertakings

£'000

#### Cost and Net Book Value

At 1<sup>st</sup> July 1999 and at 30<sup>th</sup> June 2000

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All of the above cost relates to the company holding in the entire ordinary share capital of IMC (USA) Inc, a company registered in the United States of America. The purpose of this subsidiary is the maintenance and development of an international news and electronic mail service.

The company's voting rights in respect of the subsidiary are held in the same proportion as the company's share of the ordinary share capital of the subsidiary.

The results of IMC (USA) Inc are consolidated together with the results of Information Management Consultants Limited to produce these consolidated financial statements. The most recent accounting period of IMC (USA) Inc ended on 31 October 1999.

### Debtors

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
	As restated		As restated	
Trade debtors	407	331	291	278
Amounts owed by ultimate parent	622	-	622	-
Amounts owed by subsidiary undertakings	-	-	29	191
Other debtors	184	34	184	34
Prepayments and accrued income	86	89	86	50
	1,299	454	1,212	553

# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### 10 Creditors: Amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
	As restated		As restated	
Trade creditors	275	190	275	190
Amounts owed to fellow subsidiary	822	-	822	-
Corporation tax	90	77	90	77
Other taxes and social security	-	31	-	31
Directors' loan accounts	-	2	-	2
Accruals	255	264	255	264
	1,442	564	1,442	564

### 11 Share capital

#### Ordinary shares

	Number	Nominal
	'000	£'000
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
At 1 July 1999	6	6
New issue of 2,542 £1 ordinary shares	2	2
Conversion of 2,456 £1 ordinary shares to £1 'A' shares	(2)	(2)
<b>At 30 June 2000</b>	<b>6</b>	<b>6</b>

#### £1 'A' shares

	Number	Nominal
	'000	£'000
<b>Authorised</b>		
1,808,000 £1 'A' shares	1,808	1,808
<b>Allotted, called up and fully paid</b>		
At 1 July 1999	-	-
Conversion of 2,456 £1 ordinary shares to £1 'A' shares	2	2
Bonus issue of 1,805,544 £1 'A' shares	1,806	1,806
Repurchase of 1,808,000 'A' shares by company	(1,808)	(1,808)
<b>At 30 June 2000</b>	<b>-</b>	<b>-</b>



# Information Management Consultants Limited

## Notes to the financial statements for the year ended 30 June 2000 (continued)

### Share capital (continued)

The issue of 2,542 £1 ordinary shares was for net proceeds of £1,808,000 generating share premium of £1,805,458. 2,456 £1 existing ordinary shares were converted to £1 'A' shares. The premium generated on this issue of shares was used to fund a bonus issue of 1,805,544 £1 'A' shares at nominal value.

Subsequently the company used the proceeds from the issue of share of £1,808,000 to fund the repurchase of 1,808,000 'A' shares at nominal value.

### Share Premium Account

#### Group and Company

	£'000
At 1 July 1999	87
Premium on issue of ordinary shares	1,806
Bonus issue of £1 'A' shares	(1,806)
At 30 June 2000	87

### Profit and loss account

	Group £'000	Company £'000
At 1 July 1999	225	501
Prior year adjustment (as explained in note 18)	(66)	(66)
Restated at 1 July 1999	159	435
Profit for the period	157	181
Exchange rate differences on retranslation of foreign subsidiary	7	-
At 30 June 2000	323	616

## Information Management Consultants Limited

### Notes to the financial statements for the year ended 30 June 2000 (continued)

#### 14 Reconciliation of movement in group shareholders' funds

	2000 £'000	1999 £'000 As restated
Profit for the financial year	157	100
Other recognised gains and losses relating to the year	7	8
New share capital subscribed in the period	1,808	-
Repurchase of shares by the company	(1,808)	-
Net addition to shareholders' funds	164	108
Opening shareholders' funds (originally £318,000 before deducting prior year adjustment of £66,000)	252	144
Closing shareholders' funds	416	252

#### 15 Group operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2000 Land and buildings £'000	2000 Other £'000	1999 Land and buildings £'000	1999 Other £'000
Expiring:				
Within one year	-	2	-	-
Within two to five years	23	-	14	4
After five years	-	-	-	-
	23	2	14	4

#### 16 Other group commitments

At 30 June 2000 the Group was subject to a cross guarantee in respect of borrowings of Teamtalk.com Group plc or any of its subsidiaries. At 30 June 2000 there were no outstanding commitments.

## Information Management Consultants Limited

### Notes to the financial statements for the year ended 30 June 2000 (continued)

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#### Related party transactions

Under the definitions of Financial Reporting Standard No. 8 "Related Party Transactions", the Group was related, prior to its acquisition by Interactive Media Services Limited on 3 September 1999, to Comsat Mobile Communications Inc, a company which owned 20% of the share capital of the Group, and to its directors.

During the year ended 30 June 2000 sales by the Group to Comsat Mobile Communications Inc amounted to £39,000 (1999:£129,000). At 30 June 1999 the Group was owed £16,000. Comsat Mobile Communications was not a related party at 30 June 2000.

During the year ended 30 June 2000 the Group purchased services from Comsat Mobile Communications Inc. amounting to £10,000 (1999:£39,000). At 30 June 1999 the Group owed £23,000 to Comsat Mobile Communications Inc.

At 30 June 2000 the company owed its directors £Nil (1999: £2,000), being expenses met by the directors awaiting reimbursement.

In accordance with Financial Reporting Standard 8 "Related Party Transactions" the directors have not disclosed transactions with other group companies, namely IMS Group between 3 September 1999 and 17 February 2000, and Teamtalk.com Group plc thereafter.

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#### Prior year adjustment

The prior year adjustment represents the correction of a number of fundamental errors identified during the course of preparing the accountants' report on the company for inclusion in the listing particulars prepared for the purpose of the demerger of Teamtalk.com Group plc. The impact on the profit and loss account for the year ended 30 June 1999 was as follows.

	£'000
Overstated turnover	(15)
Understated cost of sales	(40)
Understated administrative expenses	(14)
Understated interest payable	(3)
Overstated taxation charge	34
Overstatement of reserves at 1 July 1998	(28)
<b>Total</b>	<b>(66)</b>

The impact on the balance sheet as at 30 June 1999 was to reduce fixed assets by £32,000, increase trade debtors by £8,000, and increase creditors by £42,000.

## **Information Management Consultants Limited**

### **Notes to the financial statements for the year ended 30 June 2000 (continued)**

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#### **Ultimate parent undertaking**

The company's ultimate parent undertaking and controlling party is Teamtalk.com Group plc which is registered in England. Copies of Teamtalk.com Group plc quarterly reports can be obtained from the Secretary, Teamtalk.com Group plc, Apsley House, Wellington Street, Leeds, LS1 2EQ.