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WNS GLOBAL SERVICES (UK) LIMITED

(FORMERLY TOWN AND COUNTRY ASSISTANCE LIMITED)

REPORT AND FINANCIAL STATEMENTS

31 March 2003



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WNS Global Services (UK) Limited

REGISTERED NO. 2292251

DIRECTORS

DC Tibble
S Dunning
B Agnew
T T M Agnew
J Walker
T Adam

SECRETARY

J Walker

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London SE1 7EU

REGISTERED OFFICE

Acre House
11-15 William Road
London
NW1 3ER

BUSINESS ADDRESS

St. Vincent House
Ipswich
Suffolk
IP1 1LL

BANKERS

Bank of Scotland Plc
35 Princes Street
Ipswich
IP1 1AE

Barclays Bank Plc
PO Box 216
Brightwell Court
Martlesham Heath
Ipswich
IP5 3PW

WNS Global Services (UK) Limited

REGISTERED NO. 2292251
DIRECTORS REPORT

The directors present their annual report and the audited accounts for the 7 month period ended 31 March 2003.

CHANGE OF NAME

On 31 March 2003 the company changed its name from Town and Country Assistance Limited to WNS Global Services (UK) Limited.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be the handling and assessment of motor claims together with the provision of legal expenses insurance to motorists.

REVIEW OF THE BUSINESS

The company continued to experience steady growth in the seven months ended March 31 2003 and the directors are cautiously optimistic that this trend will continue.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £759,989 (2002: £1,109,934). The directors do not recommend a dividend for the period (2002: Nil).

DIRECTORS AND THEIR INTERESTS

The directors at 31 March 2003 and their beneficial interests in the shares of the company were:

	Ordinary shares of 10p each	
	31 March 2003	31 August 2002
B Agnew	-	-
T T M Agnew	-	-
J Walker	-	-
S Dunning	-	-
D C Tibble	-	-
T Adam	-	-

AUDITORS

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board

Secretary

13-8-2003

WNS Global Services (UK) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS**to the members of WNS Global Services (UK) Limited**

We have audited the company's financial statements for the 7 month period ended 31 March 2003 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses, and the related notes 1 to 25. These financial statements have been prepared on the basis of 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 Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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.

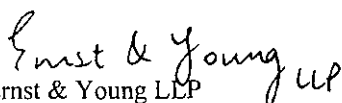
Basis of audit opinion

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 judgments 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 as at 31 March 2003 and of its profit for the 7 month period then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

18 / 8 2003

WNS Global Services (UK) Limited

PROFIT AND LOSS ACCOUNT

for the 7 month period ended 31 March 2003

		2003 7 Month Period	2002 12 Month Period
	Notes	£	£
TURNOVER	2	18,391,577	29,111,400
Cost of sales		(15,739,496)	(24,772,677)
GROSS PROFIT		2,652,081	4,338,723
Distribution costs		(34,971)	(40,273)
Administration expenses		(1,795,825)	(2,771,763)
OPERATING PROFIT	3	821,285	1,526,687
Interest receivable and similar income	6	47,281	105,698
Interest payable and similar charges	7	(21,877)	(26,149)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		846,689	1,606,236
Tax on profit on ordinary activities	8(a)	(86,700)	(496,302)
PROFIT ON ORDINARY ACTIVITY AFTER TAXATION		759,989	1,109,934
RETAINED PROFIT FOR THE FINANCIAL YEAR		759,989	1,109,934
Retained profit brought forward		1,407,661	297,727
RETAINED PROFIT CARRIED FORWARD		2,167,650	1,407,661

All of the operations are considered to be continuing.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than the profit for the year disclosed in the profit and loss account. (2002: nil)

WNS Global Services (UK) Limited

BALANCE SHEET

at 31 March 2003

		<i>As at</i> <i>31 March</i> 2003	<i>As at</i> <i>31 August</i> 2002
	<i>Notes</i>	£	£
FIXED ASSETS			
Tangible assets	9	464,449	477,842
		<u>464,449</u>	<u>477,842</u>
CURRENT ASSETS			
Stocks	10	197,115	180,773
Debtors	11	6,972,733	4,661,099
Cash at bank and in hand		2,094,270	2,069,128
		<u>9,264,118</u>	<u>6,911,000</u>
CREDITORS: amounts falling due within one year	12	(7,430,570)	(5,850,834)
NET CURRENT ASSETS		<u>1,833,548</u>	<u>1,060,166</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,297,997</u>	<u>1,538,008</u>
NET ASSETS		<u>2,297,997</u>	<u>1,538,008</u>
CAPITAL AND RESERVES			
Called up share capital	15	50,505	50,505
Share premium account	16	24,810	24,810
Other reserves	16	55,032	55,032
Profit and loss account		2,167,650	1,407,661
EQUITY SHAREHOLDERS' FUNDS	17	<u>2,297,997</u>	<u>1,538,008</u>

These accounts were approved by the Board of Directors on 18-3-2003
and were signed on its behalf by:

TTM Agnew
Director

D Tibble
Director

WNS Global Services (UK) Limited

STATEMENT OF CASH FLOWS

For the 7 month period ended 31 March 2003

		2003 7 Month Period £	2002 12 Month Period £
	Notes		
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18	452,250	(512,017)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(12,697)	(16,841)
Interest received		47,281	105,698
Interest element of hire purchase and finance lease rentals		(9,180)	(9,308)
		25,404	79,549
TAXATION			
UK Corporation Tax paid		(55,240)	(208,756)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(225,850)	(312,176)
Receipts from sale of fixed asset investment		-	7,500
		(225,850)	(304,676)
EQUITY DIVIDENDS PAID		-	(410,000)
FINANCING			
Capital element of finance lease rental payments		(19,999)	(48,934)
INCREASE/(DECREASE) IN CASH	19	176,565	(1,404,834)

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS at 31 March 2003

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Comparatives

During the year the company changed its financial year-end to 31 March to coincide with their immediate parent undertakings year-end. As such, the comparatives are for a 12 month period whilst the current period is 7 months only.

Turnover

Turnover represents the invoiced value of services provided net of VAT. Income from policies written is credited to the profit and loss account over the period of the cover. In respect of directly sold policies, a sum equal to the costs of selling that policy is credited to the profit and loss account on inception of the policy.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets as follows:

Buildings improvements	–	25%
Computer equipment & software	–	33-50%
Fixtures, fittings & equipment	–	25%
Motor vehicles	–	25%

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The capital element of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest element of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Work in progress

Work in progress represents the costs incurred to date with cases outstanding at the year end and is stated at the lower of cost and net realisable value.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31 March 2003

Deferred taxation

Full provision is made for deferred tax on all material 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 a right to pay less, tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised where their recovery is considered more likely than not in that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse.

2. TURNOVER

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

3. OPERATING PROFIT

Operating profit is stated after charging:

	2003 7 Month Period £	2002 12 Month Period £
Depreciation of owned tangible fixed assets	223,880	318,950
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	9,138	43,167
Operating lease rentals	53,084	52,956
Auditors' remuneration	20,000	20,000

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS at 31 March 2003

4. DIRECTOR'S EMOLUMENTS

	2003 7 Month Period	2002 12 Month Period
	£	£
Emoluments	126,231	193,650
Company contributions to defined contribution pension schemes	5,232	13,251
	<u>131,463</u>	<u>206,901</u>

Retirement benefits are accruing to 2 (2002 – 2) directors under a money purchase pension scheme. The amounts disclosed above include the following amounts in respect of the highest paid director:

	2003 7 Month Period	2002 12 Month Period
	£	£
Emoluments	63,911	72,150
Company contributions to defined contribution pension schemes	2,432	7,021
	<u>66,343</u>	<u>79,171</u>

5. STAFF COSTS

Number of employees

The average number of employees during the period was:

	2003 Number	2002 Number
Selling and Distribution	122	130
Office Management	20	16
	<u>142</u>	<u>146</u>

Employment costs

	£	£
Wages and salaries	1,641,741	2,686,003
Social security costs	137,534	226,268
Other pension costs	32,373	52,216
	<u>1,811,648</u>	<u>2,964,487</u>

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS at 31 March 2003

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 7 Month Period	2002 12 Month Period
	£	£
Interest receivable and similar income	47,281	105,698

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 7 Month Period	2002 12 Month Period
	£	£
Interest payable on:		
Other loans	12,697	16,841
Finance lease and hire purchase contracts	9,180	9,308
	21,877	26,149

8. TAXATION

(a) Tax on profit on ordinary activities

	2003 7 Month Period	2002 12 Month Period
	£	£
UK corporation tax at 30% (2002 – 30 %)		
Current	130,809	562,145
Deferred Tax	(44,109)	(65,843)
	86,700	496,302

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31 March 2003

8. TAXATION CON'T

b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2002 – 30%). The differences are reconciled below:

	2003 7 Month Period £	2002 12 Month Period £
Profit before tax	846,689	1,606,236
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002 – 30%)	254,006	481,871
Expenses not deductible for tax purposes	1,571	15,669
Capital allowances in excess of depreciation	32,732	47,043
Group relief claimed for nil payments	(157,500)	-
Other	-	17,562
Total current tax charge	130,809	562,145

9. TANGIBLE ASSETS

	Leasehold building improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2002	112,871	1,248,934	303,202	1,665,007
Additions	-	219,578	6,272	225,850
Disposals	-	(7,973)	-	(7,973)
At 31 March 2003	112,871	1,460,539	309,474	1,882,884
Depreciation				
At 1 September 2002	56,671	899,006	231,487	1,187,164
Provided during the year	12,211	197,750	23,057	233,018
Disposals	-	(1,747)	-	(1,747)
At 31 March 2003	68,882	1,095,009	254,544	1,418,435
Net book value:				
At 31 March 2003	43,989	365,530	54,930	464,449
At 1 September 2002	56,200	349,927	71,715	477,842

Plant and machinery includes items held under finance leases with a net book value of £nil (2002: £24,181).

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31 March 2003

10. STOCKS

	2003	2002
	£	£
Work in progress	197,115	180,773

11. DEBTORS

	2003	2002
	£	£
Trade debtors	4,036,677	2,608,727
Amounts due from related parties	34,026	28,189
Amounts due from immediate parent undertaking	2,000,000	1,500,000
Other debtors	140,350	91,825
Prepayments and accrued income	761,680	432,358
	6,972,733	4,661,009

12. CREDITORS: amounts falling due within one year

	2003	2002
	£	£
Bank overdraft	42,074	193,497
Trade creditors	5,613,385	4,264,093
Corporation tax	527,761	496,302
Other taxation	231,411	355,774
Other creditors	494,934	281,930
Accruals and deferred income	395,831	144,187
Obligations under finance lease and hire purchase contracts (note 13)	-	19,999
Amounts owed to related parties	125,174	95,052
	7,430,570	5,850,834

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	2003	2002
	£	£
Within one year	-	19,999
Gross obligations	-	19,999

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS at 31 March 2003

14. DEFERRED TAXATION ASSET

	2003	2002
	£	£
Capital allowances in excess of depreciation	73,125	40,393
Other timing differences	36,827	25,450
	<u>109,952</u>	<u>65,843</u>

15. SHARE CAPITAL

	2003	2002
	£	£
Authorised:		
1,000,000 Ordinary shares of 10p each	100,000	100,000
100,000 Redeemable preference shares of £1 each	100,000	100,000
	<u></u>	<u></u>
Allotted, called up and fully paid:		
50,505 Ordinary shares of £1 each	50,505	50,505
	<u>50,505</u>	<u>50,505</u>

16. RESERVES

	Share premium account	Capital redemption reserve	Total
	£	£	£
Balance at 1 September 2002 and at 31 March 2003	24,810	55,032	79,842
	<u>24,810</u>	<u>55,032</u>	<u>79,842</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Opening shareholders' funds	1,538,008	428,074
Retained profit for the year	759,989	1,109,934
	<u>2,297,997</u>	<u>1,538,008</u>
Closing shareholders' funds	<u>2,297,997</u>	<u>1,538,008</u>

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS at 31 March 2003

18. NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2003 7 Month Period £	2002 12 Month Period £
Operating profit	821,285	1,526,687
Depreciation of tangible fixed assets	233,018	362,117
Loss on disposal of tangible fixed assets	6,226	-
Increase in work in progress	(16,342)	(56,942)
Increase in debtors	(2,311,634)	(2,130,728)
Increase/(decrease) in creditors	1,719,697	(213,151)
	<u>452,250</u>	<u>(512,017)</u>

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH

	2003 7 Month Period £	2002 12 Month Period £
(Decrease)/increase in cash in the period	176,565	(1,404,834)
Cash used to repay capital element of finance lease and hire purchase payment	19,999	48,934
Change in net cash arising from cash flows	<u>196,564</u>	<u>(1,355,900)</u>
Movement in net cash	196,564	(1,355,900)
Net cash at beginning of the period	1,855,632	3,211,532
Net cash at the end of the period	<u>2,052,196</u>	<u>1,855,632</u>

20. ANALYSIS OF NET CASH

	At 1 September 2002 £	Cash flow £	At 31 March 2003 £
Cash at bank and in hand	2,069,128	25,142	2,094,270
Bank overdraft	(193,497)	151,423	(42,074)
Hire purchase and finance lease obligations	(19,999)	19,999	-
	<u>1,855,632</u>	<u>196,564</u>	<u>2,052,196</u>

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31 March 2003

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £32,373 (2002: £52,216).

22. OTHER FINANCIAL COMMITMENTS

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and Buildings</i>		<i>Other</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Expiry date:				
Within one year	48,099	147,324	91,121	8,048
Between two and five years	25,635	-	97,588	92,296
	<u>73,734</u>	<u>147,324</u>	<u>188,709</u>	<u>100,344</u>

23. RELATED PARTY TRANSACTIONS

Accident & Credit (Property) Limited

As at the balance sheet date the company owed £1,778 (2002: £4,955) to Accident & Credit (Property) Limited, a company in which TTM Agnew is a director and has a material interest. In turn, Accident & Credit (Property) Limited owed the company £23,790 (2002: £22,000).

Practical Car & Van Rental Limited

As at the balance sheet date the company owed £79,998 (2002: £90,067) to Practical Car & Van Rental Limited, a company in which B Agnew is a director and has a material interest. In turn Practical Car & Van Rental Limited owed the company £6,189 (2002: £6,189).

Idoink Ltd

As at the balance sheet date the company owed £43,398 (2002: £42,625) to Idoink Limited, a company in which TTM Agnew holds a material interest. In turn, Idoink owes the company £4,047. (2002:nil)

The transactions with Accident & Credit (Property) Limited, Practical Car & Van Rental Limited and Idoink Ltd were carried out at arms length and on normal commercial terms.

24. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking is WNS (Holdings) Limited, a company incorporated in Jersey.

WNS Global Services (UK) Limited

NOTES TO THE ACCOUNTS at 31 March 2003

25. POST BALANCE SHEET EVENT

On 1 April 2003 the assets, liabilities and business of WNS (UK) Limited were transferred to WNS Global Services (UK) Limited at book value.