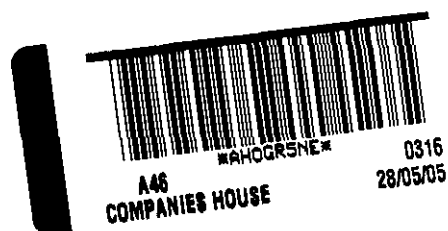


Screenhold Limited

Registered number 2833063

Report and accounts

for the year ended 30 September 2004



Screenhold Limited

Report of the Directors

The directors submit their report and audited financial statements for the year ended 30 September 2004.

Principle activities

The Company's principal activity is to carry on business as a general trading company.

Review of business and future developments

The company is a member of the City and Guilds Group. It carries out its activities for the benefit of its parent, The City and Guilds of London Institute, a charity, and other members of the Group. These activities comprise printed material being supplied to the parent company and design customisation of computer systems infrastructure for the group. The Company intends to continue such activities to accommodate Group requirements.

Results

The loss for the year amounted to £579,163 (2003: £Nil). The directors do not recommend the payment of a dividend (2003: £Nil).

Directors and their interests

The directors who served during the period are as follows:

C Humphries CBE (Chairman)

K Brooker

C M Gregory

(resigned 30 June 2004)

The directors who held office at the end of the financial year have no beneficial interest in the shares of the Company (2003: £Nil).

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year to 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue in business

Screenhold Limited

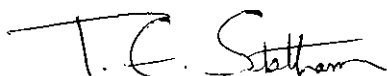
Director's responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company enabling 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 appoint PricewaterhouseCoopers LLP as auditors to the company was passed at the Annual General Meeting held on 27 November 2003.

The financial statements on pages 5 to 13 were approved by the board on 10 February 2005 and were signed on its behalf by:



T E Statham
Secretary

1 Giltspur Street
London
EC1A 9DD

10 February 2005

Screenhold Limited

Independent auditors' report to the members of Screenhold Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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. The other information comprises only the directors' report.

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 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.

Screenhold Limited

Independent auditors' report to the members of Screenhold Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
10 February 2005

Screenhold Limited

Profit and Loss Account for the year ended 30 September 2004

	Note	30 September 2004 £	30 September 2003 £
Turnover	2	50,438	75,853
Cost of sales		242,205	70,074
Gross (loss)/profit		(191,767)	5,779
Administrative Expenses		221,862	5,779
Operating loss	4	(413,629)	-
Interest payable and similar charges	5	163,644	-
Loss on ordinary activities before Taxation		(577,273)	-
Taxation	6	1,890	-
Loss for the financial year		(579,163)	-

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included above, and therefore, no separate statement of total recognised gains and losses has been presented.

The notes on page 7 to 13 form part of these financial statements

Screenhold Limited

Balance Sheet at 30 September 2004

	Note	30 September 2004 £	30 September 2003 £
Tangible fixed assets	7	5,925,295	1,378,366
Current assets			
Debtors	8	917,550	241,109
Cash		958	6,028
		<u>918,508</u>	<u>247,137</u>
Creditors: amounts falling due within one year	9	(1,509,890)	-
Net current (liabilities)/assets		<u>(591,382)</u>	<u>247,137</u>
Total assets less current liabilities		<u>5,333,913</u>	<u>1,625,503</u>
Creditors: amount falling due after more than one year	10	(5,913,075)	(1,625,502)
NET ASSETS		<u>(579,162)</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up Share Capital	12	1	1
Profit and Loss Account	13	(579,163)	-
Shareholders Funds – equity interests	14	<u>(579,162)</u>	<u>1</u>

The notes on page 7 to 13 form part of these financial statements.

Approved by the Board on 10 February 2005


K Brooker
Director

Screenhold Limited

Notes to the Financial Statements for the year ended 30 September 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

1.2 Cashflow statement

The Company has taken advantage of the exemption permitted by 'FRS 1 (revised 1996) cashflow statements' and not included a cashflow statement as part of its financial statements. The cashflows of the company are included in the consolidated cashflow statement of the company's parent undertaking.

1.3 Fixed assets and depreciation

Tangible fixed assets are stated at cost. The policy is to capitalise equipment greater than £1,000. Assets which are subject to a period of construction are depreciated when they are ready for operational use. The cost of computer software and equipment is depreciated on a straight-line method basis over the estimated useful life of the asset as follows:

Computer software and equipment	20%
Furniture and Fixtures	25%

1.4 Turnover

Turnover is included in the profit and loss account on a receivable basis.

1.5 Taxation

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised when the directors are satisfied that the likelihood of future taxable profits arising against which to set the deferred tax asset is reasonably assured.

Screenhold Limited

Notes to the Financial Statements (continued) for the year ended 30 September 2004

1.6 Related party transactions

The Company is wholly owned by its parent undertaking. The Company has therefore elected to make use of the exemption provided in Financial Reporting Standard No. 8 ("Related Party Transactions") not to disclose related party transactions with other members of the City & Guilds Group.

1.7 Parent undertaking

The Company's immediate and ultimate parent undertaking is The City and Guilds of London Institute, an organisation formed under Royal Charter which is a charity registered in England and which operates worldwide. The principal address of The City and Guilds of London Institute is 1 Giltspur Street, London, EC1A 9DD. Group accounts have been prepared as at 30 September 2004 and may be obtained from the Secretary at the above address.

2 Turnover

Turnover comprises sales of printed matter supplied to the company's parent undertaking amounting to £17,938 (2003: £75,853), and charges for design customisation of computer systems infrastructure amounting to £32,500 (2003: £Nil).

3 Directors emoluments and employee information

The directors received no emoluments in respect of their services to the Company (2003: £Nil). The Company had no employees (2003: Nil).

4 Operating (loss)/profit

	30 September 2004 £	30 September 2003 £
Operating (loss)/profit is stated after charging		
Audit Fees	3,000	-
Depreciation	220,704	-

The audit fees for the previous year were payable by the parent undertaking.

Screenhold Limited**Notes to the Financial Statements (continued)
for the year ended 30 September 2004****5 Interest payable and similar charges**

	30 September 2004	30 September 2003
	£	£
Interest on intercompany loan	163,644	-
	163,644	-

6 Taxation

	30 September 2004	30 September 2003
	£	£
United Kingdom corporation tax at 30% (2003: 30%):		
Current tax		
Under provision in prior years	1,890	-
Total current tax	1,890	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax (note 11)	-	-
Tax on profit on ordinary activities	1,890	-

Screenhold Limited

Notes to the Financial Statements (continued) for the year ended 30 September 2004

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	30 September 2004 £	30 September 2003 £
(Loss)/profit on ordinary activities before taxation	<u>(577,273)</u>	<u>-</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003:30%)	(173,182)	-
Effects of:		
Depreciation in excess of capital allowances	(471,647)	-
Adjustments in respect of previous periods	1,890	-
Tax loss available for future offset not recognised (note 11)	<u>644,829</u>	<u>-</u>
	<u>1,890</u>	<u>-</u>

Screenhold Limited

**Notes to the Financial Statements (continued)
for the year ended 30 September 2004**

7 Tangible fixed assets

	Computer Software and Equipment	Total
	£	£
Cost or Valuation		
At 1 October 2003	1,378,366	1,378,366
Additions	4,778,743	4,778,743
Disposals	(11,110)	(11,110)
	<u>6,145,999</u>	<u>6,145,999</u>
Depreciation		
At 1 October 2003	-	-
Charge for period	220,704	220,704
Disposals	-	-
	<u>220,704</u>	<u>220,704</u>
Net Book Value at 1 October 2003	<u>1,378,366</u>	<u>1,378,366</u>
Net Book Value at 30 September 2004	<u>5,925,295</u>	<u>5,925,295</u>

Computer software and equipment includes computer projects capitalised at cost totalling £2,629,405 (2003: £1,378,366) which are assets in the course of construction and as such no depreciation charge has been made.

8 Debtors

	30 September 2004 £	30 September 2003 £
Other taxes	917,550	241,109

Screenhold Limited

Notes to the Financial Statements (continued) for the year ended 30 September 2004

9 Creditors: amounts falling due within one year

	30 September 2004 £	30 September 2003 £
Other taxes	43,661	-
Accruals and other creditors	1,108,257	-
Amounts due to parent company	357,972	-
	<u>1,509,890</u>	<u>-</u>

10 Creditors: amount falling due after more than one year

	30 September 2004 £	30 September 2003 £
Amounts due to parent company	5,913,075	1,625,502
	<u>5,913,075</u>	<u>1,625,502</u>

There is no fixed period of repayment. Interest is payable at Bank of England base rate plus 0.5%.

11 Deferred tax

The deferred tax asset of £644,829 (2003:£nil) has not been recognised on the carried forward losses and other timing differences. These assets can only be deducted against certain types of future income. There is currently insufficient evidence that the right type of income will be generated.

12 Called up share capital

	30 September 2004 £	30 September 2003 £
Authorised		
100 ordinary shares of £1 each	100	100
Authorised, allotted and fully paid		
1 ordinary share of £1 each	1	1

Screenhold Limited

Notes to the Financial Statements (continued) for the year ended 30 September 2004

13 Profit and loss reserve

	30 September 2004 £	30 September 2003 £
Balance at 1 October	-	-
Retained loss for the financial year	(579,163)	-
Balance at 30 September	<u>(579,163)</u>	<u>-</u>

14 Reconciliation of movements in equity shareholders' funds

	30 September 2004 £	30 September 2003 £
Loss for the year	(579,163)	-
Shareholders' funds at 1 October	<u>1</u>	<u>1</u>
Shareholders' funds at 30 September	<u>(579,162)</u>	<u>1</u>