

# **XANSA BARCLAYCARD PARTNERSHIP LIMITED**

Report and Accounts  
For the year ended 30 April 2005

Registered Office:  
420 Thames Valley Park Drive  
Thames Valley Park  
Reading  
Berkshire  
RG6 1PU



Registered in England number 2958406

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

## DIRECTORS' REPORT for the year ended 30 April 2005

The Directors present their report and accounts for the year ended 30 April 2005.

### Authorised and issued share capital

There were no changes in share capital during the year.

### Activities and review of the business

The Company exists to provide a broad range of services including software development, support of existing business applications and the management of future strategic technology developments for the Retail and Commercial operations of Barclaycard. Xansa and Barclays jointly own the Company, with a shareholding split of 49:51 respectively. Xansa has operational and board control.

### Results and dividend

In the year ended 30 April 2005 the Company had a turnover of £45,688,084 (2004: £46,575,396) and a profit after taxation of £1,988,900 (2004: £2,625,525).

The Directors recommend the payment of a final dividend of £2,313,131 (2004: £2,555,606), of which £2,000,000 (2004: £2,100,000) will be payable to holders of the A shares and £313,131 (2004: £455,606) will be payable to holders of the B shares.

### Directors

The Directors of the Company, who served during the year, together with their dates of appointment and resignation, where appropriate, are as shown below:

S P Adams - resigned 22 April 2005  
D N Ashcroft - resigned 30 October 2004  
L K Barrat - appointed 22 April 2005 and resigned 31 December 2005  
J V M Chambers - resigned 22 April 2005  
D W Curd - resigned 22 April 2005  
J K Coulter - appointed 22 April 2005  
J A Doyle - appointed 22 April 2005  
G J Edwards - appointed 22 April 2005  
M L Evans - appointed 22 April 2005  
B L Jackson - resigned 22 April 2005  
G T Kitchen - appointed 22 April 2005  
C J O'Loughlin - appointed 22 April 2005  
G D Robson - resigned 22 April 2005  
Y E Spalding - appointed 22 April 2005  
S R Weston

### Directors' interests in shares and options in shares

None of the Directors had an interest in the shares of the Company.

L K Barrat and S R Weston are Directors of the ultimate parent company, Xansa plc, and their interest in the shares of Xansa plc and details of their interests under the Xansa plc share schemes are disclosed in that Company's accounts.

J K Coulter, G J Edwards, M L Evans and G T Kitchen had no interest in the shares or options in shares in Xansa plc, at year end.

The number of shares in the ultimate parent undertaking in which the other Directors at the year end, had an interest, as defined by the Companies Act 1985, were as follows:

| Ordinary shares of 5p each | 30 April 2005 | 30 April 2004                     |
|----------------------------|---------------|-----------------------------------|
|                            |               | (or date of appointment if later) |
| J A Doyle                  | 21,308        | 1,308                             |
| C J O'Loughlin             | 23,478        | 23,478                            |
| Y E Spalding               | 166,229       | 166,229                           |

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

## DIRECTORS' REPORT (continued) for the year ended 30 April 2005

### Share option schemes

|                | Option price (pence) | Date from when exercisable | Expiry Date | As at date of appointment 22 April 2005 | Granted during the year | Lapsed during the year | As at 30 April 2005 |
|----------------|----------------------|----------------------------|-------------|---|-------------------------|------------------------|---------------------|
| J A Doyle      | 92.85 *              | 03 Dec 2007                | 02 Dec 2014 | 32,310                                  | -                       | -                      | 32,310              |
|                | 92.85 *              | 03 Dec 2007                | 02 Dec 2011 | 47,690                                  | -                       | -                      | 47,690              |
|                | 80.10 **             | 01 Feb 2008                | 31 Jul 2008 | 4,731                                   | -                       | -                      | 4,731               |
|                | 0 ***                | 30 Apr 2007                | 30 Apr 2009 | -                                       | 7,340                   | -                      | 7,340               |
| C J O'Loughlin | 63.77 *              | 30 Aug 1999                | 29 Aug 2006 | 2,478                                   | -                       | -                      | 2,478               |
|                | 88.78 *              | 19 Aug 2000                | 18 Aug 2007 | 2,382                                   | -                       | -                      | 2,382               |
|                | 280.00 *             | 14 Aug 2001                | 13 Aug 2008 | 7,092                                   | -                       | -                      | 7,092               |
|                | 352.50 *             | 18 Feb 2002                | 17 Feb 2009 | 1,829                                   | -                       | -                      | 1,829               |
|                | 239.00 **            | 01 Feb 2005                | 31 Jul 2005 | 1,589                                   | -                       | -                      | 1,589               |
|                | 54.50 **             | 01 Mar 2006                | 31 Aug 2006 | 1,387                                   | -                       | -                      | 1,387               |
|                | 120.00 *             | 05 Dec 2006                | 04 Dec 2010 | 9,775                                   | -                       | -                      | 9,775               |
|                | 102.60 **            | 01 Feb 2007                | 31 Jul 2007 | 3,596                                   | -                       | -                      | 3,596               |
| Y E Spalding   | 80.10 **             | 01 Feb 2008                | 31 Jul 2008 | 4,731                                   | -                       | -                      | 4,731               |
|                | 291.80 *             | 09 Nov 2004                | 08 Nov 2008 | 15,000                                  | -                       | -                      | 15,000              |
|                | 239.00 **            | 01 Feb 2005                | 31 Jul 2005 | 794                                     | -                       | -                      | 794                 |
|                | 103.60 *             | 04 Jul 2005                | 03 Jul 2009 | 10,000                                  | -                       | -                      | 10,000              |
|                | 120.00 *             | 05 Dec 2006                | 05 Dec 2013 | 6,681                                   | -                       | -                      | 6,681               |
|                | 120.00 *             | 05 Dec 2006                | 05 Dec 2013 | 4,214                                   | -                       | -                      | 4,214               |
|                | 67.65 *              | 02 Aug 2007                | 01 Aug 2014 | 20,000                                  | -                       | -                      | 20,000              |

\* Granted under the Xansa 1996 Share Option Scheme

\*\* Granted under the ShareSave Scheme

\*\*\*Granted under the EIP.

### Political and charitable donations

The Company did not make any political donations in the year. Charitable donations of £1,260 were made in the year.

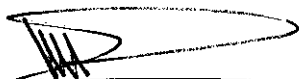
### Employee policies

The Company's employment policies are designed to ensure that the organisation is able to attract the highest calibre of employee from all sections of the communities within which it operates. The organisation values diversity in the workplace and is committed to providing equality of opportunity to all employees and potential employees. This ensures that the Company offers people with disabilities the same opportunities for employment, training and career progression as other employees. The Company continues to develop and encourage a participative and accountable management style that complements the employee participation in the equity of the ultimate parent company. Further, the Company has a continuing commitment to the training and development of its employees together with a structured communications programme for keeping them aware of matters of concern including financial and economic factors affecting the performance of the organisation. The ultimate parent company is a member of the Involvement and Participation Association.

### Auditors

Ernst & Young LLP will be reappointed as the Company's auditor in accordance with the elective resolution passed by the Company under

By Order of the Board,



M D Peters  
Company Secretary

16 February 2006

# **XANSA BARCLAYCARD PARTNERSHIP LIMITED**

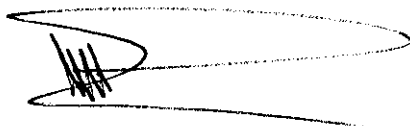
## **Statement of Directors' Responsibilities in respect of the Accounts**

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. 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; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

By Order of the Board

A handwritten signature in black ink, appearing to be 'M D Peters', is written over a horizontal line.

**M D Peters**  
Company Secretary

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

## INDEPENDENT AUDITORS' REPORT

to the members of Xansa Barclaycard Partnership Limited

We have audited the Company's accounts for the year ended 30 April 2005 which comprise the Profit and Loss Account, Balance Sheet, Statement of Cash Flows and the related notes 1 to 17. These accounts 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 accounts in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30 April 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst and Young LLP  
Registered Auditor  
London

16 February 2006

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 30 April 2005

|   | Notes | Year ended 30<br>April 2005<br>£ | Year ended 30<br>April 2004<br>£ |
|---|-------|----------------------------------|----------------------------------|
| Turnover                                      |       | 45,688,084                       | 46,575,396                       |
| Operating costs                               |       | (43,521,261)                     | (43,449,904)                     |
| Operating profit                              |       | <u>2,166,823</u>                 | <u>3,125,492</u>                 |
| Net interest receivable                       | 5     | 407,720                          | 594,741                          |
| Profit on ordinary activities before taxation |       | <u>2,574,543</u>                 | <u>3,720,233</u>                 |
| Taxation                                      | 6     | (585,643)                        | (1,094,708)                      |
| Profit on ordinary activities after taxation  |       | <u>1,988,900</u>                 | <u>2,625,525</u>                 |
| Dividends                                     | 7     | (2,313,131)                      | (2,555,606)                      |
| Retained (loss) profit                        |       | <u>(324,231)</u>                 | <u>69,919</u>                    |

There are no recognised gains or losses other than the retained (loss) profit for the year.

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

## Balance Sheet As at 30 April 2005

|  | Notes | 30 April 2005       | 30 April 2004       |
|--|-------|---------------------|---------------------|
|  |       | £                   | £                   |
| Debtors  | 8     | 18,493,897          | 18,814,421          |
| Cash at bank and in hand                       |       | <u>903,867</u>      | <u>2,108</u>        |
|  |       | 19,397,764          | 18,816,529          |
| Creditors: amounts falling due within one year | 9     | <u>(18,372,315)</u> | <u>(17,427,331)</u> |
| Net current assets                             |       | 1,025,449           | 1,389,198           |
| Provisions for liabilities and charges         | 10    | (7,426)             | (46,944)            |
| Net assets                                     |       | <u>1,018,023</u>    | <u>1,342,254</u>    |
| Capital and Reserves                           |       |                     |                     |
| Called up share capital                        | 11    | 100                 | 100                 |
| Profit and loss account                        |       | <u>1,017,923</u>    | <u>1,342,154</u>    |
| Equity shareholders' funds                     | 12    | <u>1,018,023</u>    | <u>1,342,254</u>    |

Approved by the Board on 16 February 2006



Mark Evans  
Director



Steve Weston  
Director

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

## STATEMENT OF CASH FLOWS for the year ended 30 April 2005

|   | Notes | Year ended 30<br>April 2005 | Year ended 30<br>April 2004 |
|---|-------|-----------------------------|-----------------------------|
|   |       | £                           | £                           |
| Net cash inflow from operating activities       | 13    | 1,715,507                   | 4,258,741                   |
| Returns on Investments and servicing of finance |       |                             |                             |
| Interest paid                                   |       | (242)                       | (71,381)                    |
| Dividends paid to minority interests            |       | -                           | (252,311)                   |
| Dividends paid                                  |       | -                           | (3,747,689)                 |
| Taxation paid                                   |       | (813,506)                   | (1,755,994)                 |
| Increase / (Decrease) in cash at bank           | 14    | <u>901,759</u>              | <u>(1,568,634)</u>          |



# XANSA BARCLAYCARD PARTNERSHIP LIMITED

Notes to the Accounts  
for the year ended 30 April 2005

## 1 ACCOUNTING POLICIES

### Basis of accounting

The accounts are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

The Company is exempt from preparing group accounts under s228 of the Companies Act 1985, as its immediate parent and ultimate parent are companies within member states of the European Economic Area (EEA).

### Turnover

Turnover comprises the total value of fees and expenses due from external customers after deducting all credits and allowances and excluding value added tax.

All turnover is generated and delivered within the United Kingdom and the Directors consider that the Company operates one continuing class of business, namely that of the provision of computer staff and services.

### Contracts in progress

Profits on time and material contracts are recognised in line with the effort expended. Profits on fixed price contracts are taken in proportion to the work performed on each contract relative to the estimated total cost of completing the contract. Provision is made for the whole of any anticipated contract losses as soon as they are identified.

### Pensions

The Company participates in a group defined benefit pension scheme, with both a contributory and non-contributory element, for the benefit of its employees.

In accordance with the flexible benefits programme, 5% of members' salaries is allocated to individual flex funds to meet their pension obligations. For members who qualify for enhanced benefits under the senior executive arrangements the allocation is 10%. Contributions to this scheme are charged in the profit and loss account so as to spread the cost of pensions over the employees' working lives.

The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees. Differences between the amounts funded and the amounts charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet. The assets of the scheme are held separately from those of the Company in an independently administered fund.

### Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based upon tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

## 2 OPERATING PROFIT

This is stated after charging:  
Auditors remuneration – fees

| Year ended    | Year ended    |
|---------------|---------------|
| 30 April 2005 | 30 April 2004 |
| £             | £             |
| <u>10,000</u> | <u>10,000</u> |

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

Notes to the Accounts (continued)  
for the year ended 30 April 2005

## 3 STAFF COSTS

|                       | Year ended<br>30 April 2005 | Year ended<br>30 April 2004 |
|-----------------------|-----------------------------|-----------------------------|
|                       | £                           | £                           |
| Wages and salaries    | 12,332,475                  | 11,818,068                  |
| Social security costs | 1,173,460                   | 1,115,432                   |
| Pension costs         | 2,308,960                   | 1,725,762                   |
|                       | <u>15,814,894</u>           | <u>14,659,262</u>           |

The monthly average number of employees during the year was:

|                | Number | Number |
|----------------|--------|--------|
| Technical      | 279    | 293    |
| Administrative | 7      | 9      |

## 4 DIRECTORS AND THEIR EMOLUMENTS

A list of the Directors who have served during the year is shown in the Directors' Report.

S P Adams, J K Coulter, D W Curd, G J Edwards, M L Evans, B L Jackson and G T Kitchen did not receive any emoluments from the Company, or any member of the Xansa group of companies.

L K Barrat and S R Weston are Directors of Xansa plc, and details of their emoluments are disclosed in the accounts of that Company. G D Robson and J A Doyle did not receive any emoluments from any Xansa group company in respect of their services as directors of the Company.

|                | Salaries | Benefits in kind | Bonuses | Sub-total | Pensions | Total   |
|----------------|----------|------------------|---------|-----------|----------|---------|
|                | £        | £                | £       | £         | £        | £       |
| D N Ashcroft   | 60,513   | -                | 23,160  | 83,673    | 4,220    | 87,893  |
| J V Chambers   | 45,576   | -                | 56,250  | 101,826   | 3,200    | 105,026 |
| C J O'Loughlin | 2,018    | -                | -       | 2,018     | 446      | 2,464   |
| Y E Spalding   | 2,484    | -                | -       | 2,484     | 543      | 3,027   |

The figures for pensions, shown above, are the contributions paid by the Company.

### Directors' pension entitlement.

The Directors are members of the Xansa Pension Plan (the "Plan"). The Plan is a defined benefit scheme under which the Directors are entitled to receive benefits that are based on one sixtieth of final pensionable earnings for each year of pensionable service. The Plan operates on a non contributory basis as part of the Company's Flexible Benefit arrangements, under which a deduction is made from the Director's Flex Fund, which includes an amount equivalent to 5% of salary.

The normal retirement date under the Plan is age 60, which enables Directors to achieve a maximum pension of two thirds of their salary at normal retirement date after 40 years' service, subject to the maximum benefit set down by the Inland Revenue Pension Schemes Office.

A lump sum is payable on death in service which, subject to a minimum core benefit, is elected by the member under the Flexible Benefit arrangements, together with a spouse's pension of 50% of the member's prospective pension plan at age 60. On death, after retirement, a spouse's pension of 50% of the member's pre - commutation pension is payable. In the event of the death of the member after leaving service, but prior to commencement of pension, a spouse's pension of 50% of the preserved pension, with revaluation up to the date of death, is payable. Early retirement after age 50 is subject to Company and Trustee consent and pensions are actuarially reduced for early payment.

All pensions will increase in the course of payment in line with the Retail Price Index to a maximum of 5% per annum for Directors who joined the Plan prior to 1 May 1993. For Directors that joined on or after 1 May 1993, all pensions in excess of Guaranteed Minimum Pension ("GMP's") will increase in payment in line with the Retail Price Index to a maximum of 5% per annum and GMP's will receive statutory increases. The Trustees have not at any time exercised their discretion to provide further increases to pensions in payment.

Substantial protection is also offered in the event of incapacity, through a Group Permanent Health Insurance Scheme.

## 5 INTEREST

|  | Year ended<br>30 April 2005 | Year ended<br>30 April 2004 |
|--|-----------------------------|-----------------------------|
|  | £                           | £                           |
| Interest receivable from fellow group undertakings | 407,720                     | 605,739                     |
| Bank interest payable                              | -                           | (10,998)                    |
|  | <u>407,720</u>              | <u>594,741</u>              |

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

Notes to the Accounts (continued)  
for the year ended 30 April 2005

## 6 TAXATION

Tax on profit on ordinary activities

|  | Year ended<br>30 April 2005 | Year ended<br>30 April 2004 |
|--|-----------------------------|-----------------------------|
|  | £                           | £                           |
| The charge / (credit) for the year comprises : |                             |                             |
| UK Corporation tax - current year              | 736,508                     | 1,091,846                   |
| Adjustments in respect of prior years          | (111,347)                   | 21,126                      |
| Total current tax                              | 625,161                     | 1,112,972                   |
| Deferred tax                                   | (39,518)                    | (18,264)                    |
| Tax on profit on ordinary activities           | 585,643                     | 1,094,708                   |

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows :-

|   | Year ended<br>30 April 2005 | Year ended<br>30 April 2004 |
|---|-----------------------------|-----------------------------|
|   | £                           | £                           |
| Profit on ordinary activities before tax  | 2,574,543                   | 3,720,233                   |
| Tax charge on profit on ordinary activities at standard UK corporation tax rate of 30% (2004 : 30%) | 772,363                     | 1,116,070                   |
| Effects of :  |                             |                             |
| Expenses not deductible for tax purposes  | 10,500                      | 10,500                      |
| Tax relief on shares transferred to AESOP   | (101,373)                   | (34,724)                    |
| Un-utilised tax losses  | 55,018                      | -                           |
| Adjustments to tax charge in respect of previous years  | (111,347)                   | 21,126                      |
| Total current tax charge for the year   | 625,161                     | 1,112,972                   |

## 7 DIVIDENDS

|  | Year ended<br>30 April 2005 | Year ended<br>30 April 2004 |
|--|-----------------------------|-----------------------------|
|  | £                           | £                           |
| Equity dividends on ordinary shares:         |                             |                             |
| Proposed final dividend on A ordinary shares | 2,000,000                   | 2,100,000                   |
| Proposed final dividend on B ordinary shares | 313,131                     | 455,606                     |
|  | 2,313,131                   | 2,555,606                   |

## 8 DEBTORS

|  | 30 April 2005 | 30 April 2004 |
|--|---------------|---------------|
|  | £             | £             |
| Amounts due from related party           | 555,830       | 2,111,898     |
| Amounts to be billed                     | 2,362,544     | 1,835,177     |
| Amounts due from parent company          | 392,833       | 692,075       |
| Amounts due from ultimate parent company | 15,182,690    | 14,175,271    |
|  | 18,493,897    | 18,814,421    |

## 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                 | 30 April 2005 | 30 April 2004 |
|---------------------------------|---------------|---------------|
|                                 | £             | £             |
| Revenue in advance              | 8,236,811     | 8,039,563     |
| Corporation tax                 | 463,502       | 651,847       |
| Other taxes and social security | 282,395       | 371,212       |
| Other creditors and accruals    | 326,723       | 276,892       |
| Amounts due to parent company   | 4,194,147     | 5,532,211     |
| Dividend approved not yet paid  | 2,555,606     | -             |
| Proposed dividend               | 2,313,131     | 2,555,606     |
|                                 | 18,372,315    | 17,427,331    |

# XANSA BARCLAYCARD PARTNERSHIP LIMITED

Notes to the Accounts (continued)  
for the year ended 30 April 2005

## 10 PROVISION FOR LIABILITIES AND CHARGES: DEFERRED TAXATION

|                    | 30 April 2005 | 30 April 2004 |
|--------------------|---------------|---------------|
| Deferred taxation  | £             | £             |
| Opening balance    | 46,944        | 65,208        |
| Movement in period | (39,518)      | (18,264)      |
|                    | <u>7,426</u>  | <u>46,944</u> |

The closing deferred tax liability comprises :

|                               |              |               |
|-------------------------------|--------------|---------------|
|                               | £            | £             |
| Short term timing differences | <u>7,426</u> | <u>46,944</u> |

## 11 CALLED UP SHARE CAPITAL

|                                    | 30 April 2005 | 30 April 2004 |
|------------------------------------|---------------|---------------|
| Authorised                         | £             | £             |
| 49 A ordinary shares of £1 each    | 49            | 49            |
| 51 B ordinary shares of £1 each    | 51            | 51            |
|                                    | <u>100</u>    | <u>100</u>    |
| Called up, allotted and fully paid | £             | £             |
| 49 A ordinary shares of £1 each    | 49            | 49            |
| 51 B ordinary shares of £1 each    | 51            | 51            |
|                                    | <u>100</u>    | <u>100</u>    |

On a winding up of the Company, the holders of A and B shares rank equally. Holders of A shares have the right to receive a preferred dividend on all profits up to a prescribed level. Thereafter holders of A and B shares are entitled to dividends in proportion to their respective shareholdings.

## 12 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

|                                     | Share Capital | Profit & Loss Account | Total            |
|-------------------------------------|---------------|-----------------------|------------------|
|                                     | £             | £                     | £                |
| As at 1 May 2003                    | 100           | 1,272,235             | 1,272,335        |
| Profit attributable to shareholders | -             | 2,625,525             | 2,625,525        |
| Proposed dividend                   | -             | (2,555,606)           | (2,555,606)      |
| As at 30 April 2004                 | 100           | 1,342,154             | 1,342,254        |
| Profit attributable to shareholders | -             | 1,988,900             | 1,988,900        |
| Proposed dividend                   | -             | (2,313,131)           | (2,313,131)      |
| As at 30 April 2005                 | 100           | <u>1,017,923</u>      | <u>1,018,023</u> |

## 13 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

|                                    | Year ended<br>30 April 2005 | Year ended<br>30 April 2004 |
|------------------------------------|-----------------------------|-----------------------------|
|                                    | £                           | £                           |
| Operating profit                   | 2,166,823                   | 3,125,492                   |
| Increase / (decrease) in debtors   | 728,486                     | (1,484,123)                 |
| Increase / (decrease) in creditors | (1,179,802)                 | 2,617,372                   |
|                                    | <u>1,715,507</u>            | <u>4,258,741</u>            |

## 14 ANALYSIS OF CHANGE IN DEBT

|                          | At 30 April<br>2004 | Cash flow | At 30 April<br>2005 |
|--------------------------|---------------------|-----------|---------------------|
|                          | £                   | £         | £                   |
| Cash at bank and in hand | 2,108               | 901,759   | <u>903,867</u>      |

## XANSA BARCLAYCARD PARTNERSHIP LIMITED

Notes to the Accounts (continued)  
for the year ended 30 April 2005

### 15 RELATED PARTY TRANSACTIONS

Xansa Barclaycard Partnership Limited is jointly owned by Barclays PLC and Xansa plc which hold 51% and 49% respectively of the issued share capital. In the year ended 30 April 2005 related party transactions as listed below occurred which fall to be disclosed under Financial Reporting Standard No.8.

Xansa plc and certain of its subsidiaries have received payments from Xansa Barclaycard Partnership Limited during the year in respect of the supply of seconded IT resources. In addition Xansa Barclaycard Partnership Limited has made payment to Barclays PLC mainly in respect of accommodation, and received payment, from Barclays PLC, in respect of the provision of IT professionals for the development of software, and the maintenance and support of software application.

|                  | Sales to<br>related<br>parties<br>£ | Purchases<br>from related<br>party<br>£ | Amounts<br>owing by<br>related party<br>£ | Amounts<br>owing to<br>related party<br>£ |
|------------------|-------------------------------------|---|---|---|
| Barclays PLC     | 42,410,594                          | 225,961                                 | 555,830                                   | -   |
| Xansa UK Limited | 3,277,490                           | 27,146,449                              | 392,833                                   | 4,194,147                                 |
| Xansa plc        | -                                   | -                                       | 15,182,690                                | -   |

### 16 PENSION COSTS

The Company continues to account for pension costs under Statement of Accounting Practice (SSAP) 24. Disclosures are provided under both SSAP24 and FRS17 as required by the Standards.

The Company participates in a Group defined benefit pension scheme in the UK called the Xansa Pension Plan ("the Plan"). Employees of the Company are eligible to join by invitation only. The scheme is funded by contributions to a separately administered fund.

The last triennial valuation of the Xansa Pension Plan was performed as at 31 December 2003, by professionally qualified actuaries, using the projected unit method. The major assumptions used by the actuaries were that, over the long term, the return on the Plan's assets would be 7.5% (2000: 6.5%) per annum and that salaries would increase at an average of 3.9% (2000: 5.0%) per annum. Allowances have been made for post-retirement pension increases guaranteed under the Plan rules.

The actuarial value of the assets was 82% of the liabilities using the assumptions outlined above (2000: 86%). The market value of the scheme's assets was £146.8 million. Allowing for the above mentioned salary increases, the actuarial unfunded liability disclosed at the valuation date was £32.1 million (2000: £11.4 million). The contribution rate for the year to 30 April 2006 has been set at 20.65% of pensionable earnings, which includes 3.25% to recover the actuarial unfunded liability over the average remaining service lives of the employees.

Contributions made in respect of the year to 30 April 2005 were £1,551,455 (2004: £1,215,504).

The Company is unable to identify its share of the underlying assets and liabilities in the Xansa Pension Plan, as the Plan also covers employees of other Xansa companies. Information concerning the assets and liabilities of the Plan calculated in accordance with FRS17 can be found in the Xansa plc annual report and accounts for the year ended 30 April 2005.

The Company makes contributions to a number of defined contribution pension schemes operated by the group in the UK. The main scheme is called the Xansa Money Purchase Pension Scheme and is open to all employees who are not members of the Xansa Pension Plan.

As at April 2005 the amount outstanding in respect of the Company's contribution to the Group's defined contribution schemes was £19,893 (2004: £27,724), contributions made in respect of the year were £265,268 (2004: £364,521).

### 17 PARENT UNDERTAKING

The Company's ultimate parent undertaking is Xansa plc, a company registered in England. The Xansa plc Report and Accounts are available to the public and can be obtained from: 420 Thames Valley Park Drive, Thames Valley Park, Reading, Berkshire RG6 1PU.