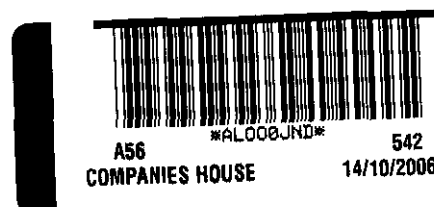


Company No 03089347

eFinancialNews Limited

Directors report & financial statements  
for the year ended 31 December 2005

Registered number: 03089347



## Contents

Directors and Advisors .....	2
Director's report .....	3 - 4
Independent auditors' report .....	5
Profit and loss account .....	6
Balance sheet .....	7
Notes to the financial statements .....	8 - 15

## Directors and advisors

### Directors

David S Gordon	(Non-executive Chairman)
Anthony Gibson	(Chief Executive)
Andrew S Robson	(Finance Director)
William Wright	(Executive Director)
Angus F MacDonald	(Executive Director)
Strone Macpherson	(Non-executive Director)
Sir Richard Storey Bt CBE	(Non-executive Director)
Rupert Pennant-Rea	(Non-executive Director)
Chris Jones	(Non-executive Director)

### Secretary

Andrew S Robson

### Auditors

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

### Solicitors

Mayer, Brown, Rowe & Maw  
20 Blackfriars Lane  
London  
EC4V 6HD

### Bankers

National Westminster Bank  
180 Brompton Road  
London  
SW3 1HL

### Registered Office

Stapleton House  
29-33 Scrutton Street  
London  
EC2A 4HU

### Registered Number

03089347

# **eFinancialNews Limited**

## **Directors' report for the year ended 31 December 2005**

The Directors present their report and the audited financial statements for the year ended 31 December 2005.

### **Sale of a business**

As at 1 January 2005 eFinancialGroup Limited acquired the entire share capital of eFinancialNews Limited in a share for share exchange with the shareholders of eFinancialNews Limited.

Until 31 December 2004 eFinancialNews Limited operated 2 trades: the online recruitment business (trading as eFinancialCareers) and the publishing business (trading as *Financial News*). As at 1 January 2005, eFinancialNews Limited transferred its online recruitment business (trading as eFinancialCareers), including its interest in *jobsinthemoney.com, Inc.* to its previously dormant, wholly owned subsidiary eFinancialCareers Limited for £5.5 million, satisfied by the issue of 5.5 million ordinary shares of £1 each. eFinancialGroup Limited then acquired the entire share capital of eFinancialCareers Limited for £5.5 million settled via the intercompany loan account.

The result of the above transactions was to create a new holding company (eFinancialGroup Limited) with two principle operating subsidiaries, eFinancialNews Limited, the publishing business, and eFinancialCareers Limited, the online recruitment business.

The Company has taken advantage of an exemption not to prepare group accounts on the basis that it is a wholly owned subsidiary of eFinancialGroup Limited, a company registered in the United Kingdom. Consequently comparative results included in these financial statements relate to activities of the Company on an unconsolidated basis. The financial statements for the company for 2004 as submitted to Companies House were prepared on a consolidated basis and are therefore not directly comparable.

### **Principal activities**

The Company's principal activity is that of publishing.

### **Review of business and future developments**

Both the level of business and the year-end financial position were satisfactory given the Company's current level of operations. The Directors anticipate the satisfactory performance of the Company to continue.

### **Results and dividends**

The results for the year are set out in the profit and loss account.

The Directors do not propose payment of a dividend in respect of 2005.

### **Directors and their interests**

The following Directors held office throughout the year unless otherwise noted:

David S Gordon (resigned 31 January 2005; reappointed 11 January 2006)  
Angus F MacDonald  
Anthony Gibson (appointed 11 January 2006)  
Andrew S Robson  
William Wright (appointed 11 January 2006)  
Strone Macpherson (resigned 31 January 2005; reappointed 11 January 2006)  
Sir Richard Storey Bt CBE (resigned 31 January 2005; reappointed 11 January 2006)  
Rupert Pennant-Rea (resigned 31 January 2005; reappointed 11 January 2006)

## **eFinancialNews Limited**

### **Directors' report for the year ended 31 December 2005**

John Benson (resigned 11 January 2006)  
Chris Jones (appointed 11 January 2006)  
Jillian Lavender (resigned 11 January 2006)

The Directors hold no interests in the ordinary shares of the Company. Their interests in the ordinary shares of the parent company are shown in the accounts of that company.

#### **Statement of Directors' responsibilities**

The Directors are required by law to prepare the financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of the profit or loss, and cash flows of the Company for that period.

In preparing these accounts the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for protecting and safeguarding the assets of the Company and taking reasonable steps to prevent and detect fraud and other irregularities.

#### **Auditors**

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

#### **By order of the Board**



**A S Robson**  
**Director**

8 August 2006

## Independent auditor's report to the members of eFinancialNews Limited

We have audited the financial statements of eFinancialNews Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

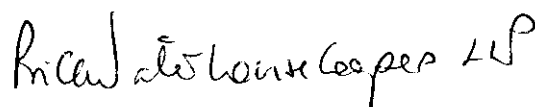
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of the profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

8 August 2006

## eFinancialNews Limited

### Profit and loss account for the year ended 31 December 2005

		year ending 31 December 2005 £ '000	year ending 31 December 2004 £ '000
	<i>Note</i>		
Turnover	2	10,188	10,824
Staff costs	5	(4,765)	(5,593)
Depreciation		(129)	(106)
Other operating charges		(3,988)	(4,272)
Operating profit	3	1,306	853
Exceptional items	6 & 16	3,286	(147)
Interest receivable and similar income	7	454	24
Profit on ordinary activities before taxation		5,046	730
Tax credit on profit on ordinary activities	8	428	568
Profit on ordinary activities after taxation		5,474	1,298

### Statement of total recognised gains and losses for the year ended 31 December 2005

	Year ending 31 December 2005 £ '000	year ending 31 December 2004 £ '000
Profit for the financial year	5,474	1,298
Purchase of shares from existing shareholders by ESOP trust	-	(208)
Reversal of charge in respect of purchase of shares from existing shareholders by ESOP trust	208	-
<b>Total gains recognised</b>	<b>5,682</b>	<b>1,090</b>

# eFinancialNews Limited

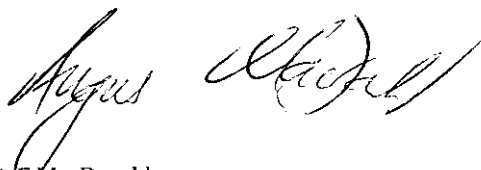
## Balance sheet as at 31 December 2005

	Note	2005 £ '000	2004 £ '000
<b>Fixed Assets</b>			
Investments	9	-	1,858
Tangible assets	10	<u>297</u>	<u>194</u>
		297	2,052
<b>Current assets</b>			
Debtors	11	8,792	3,046
Cash at bank and in hand		3,022	1,115
		<u>11,814</u>	<u>4,161</u>
<b>Creditors: amounts falling due within one year</b>	12	(3,489)	(3,273)
<b>Net Current Assets</b>		8,325	888
<b>Net Assets</b>		<u>8,622</u>	<u>2,940</u>
<b>Capital and reserves</b>			
Called up share capital	13	2,906	2,906
Share premium	14	5,554	5,554
Profit and loss account	14	<u>162</u>	<u>(5,520)</u>
<b>Equity shareholders' funds</b>	15	<u>8,622</u>	<u>2,940</u>

Approved by the Board on 8 August 2006 and signed on its behalf by:



A S Robson  
Director



A F MacDonald  
Director



# **eFinancialNews Limited**

## **Notes to the financial statements for the year ended 31 December 2005**

### **1 Accounting policies**

#### **Accounting convention**

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

#### **Basis of preparation**

The Company has taken advantage of an exemption to prepare group accounts on the basis that it is a wholly owned subsidiary of eFinancialGroup Limited, a company registered in the United Kingdom. Consequently comparative results included in these financial statements relate to activities of the Company on an unconsolidated basis. The financial statements for 2004 as submitted to Companies House were prepared on a consolidated basis and are therefore not directly comparable.

The Company has taken advantage of Financial Reporting Standard (FRS) 1 '*Cash Flow Statements*' not to prepare a cash flow statement as eFinancialNews Limited is included in the consolidated cash flow statement of eFinancialGroup Limited.

The Company has also taken advantage of exemptions in FRS 8 '*Related Party Transactions*'. As a 100% owned subsidiary of eFinancialGroup Limited, the Company is not required to disclose transactions and balances with entities that are part of the wholly-owned group.

#### **Turnover**

Turnover, which is stated net of VAT and trade discounts, represents gross amounts invoiced to clients in respect of newspaper and website subscriptions, advertising and other related services.

Revenue earned from subscriptions is recognised over the period to which the subscription relates with paid but unearned subscriptions being shown as deferred income. Advertising revenue is recognised at the date of publication.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its expected useful life, as follows:

Land and building leasehold	Straight line over the life of the lease
Plant and machinery	3 years straight line
Fixtures, fittings & equipment	3 - 5 years straight line

#### **Deferred taxation**

UK corporation 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 accounted for in line with FRS 19 '*Deferred Taxation*', and 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.

Deferred tax balances are not discounted.

## eFinancialNews Limited

### Notes to the financial statements for the year ended 31 December 2005

#### Operating leases

The cost of operating leases is charged on a straight line basis over the lease term.

#### 2 Turnover

In the year to 31 December 2005 15% (2004: 20%) of the Company's turnover was to markets outside the United Kingdom.

#### 3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	year ended 31 December 2005 £ '000	year ended 31 December 2004 £ '000
Loss on disposal of tangible fixed assets	-	17
Depreciation of tangible assets	129	106
Auditors' remuneration		
- audit services	12	15
- non audit services	6	15
Operating lease charges - land and buildings	135	147
Foreign exchange profits	11	45

#### 4 Directors' emoluments

	2005 £ '000	2004 £ '000
Aggregate emoluments	526	347
<b>Highest paid director</b>		
Aggregate emoluments	167	125

There are no Directors for whom retirement benefits are accruing under money purchase pension schemes (2004: nil).

## **eFinancialNews Limited**

### **Notes to the financial statements for the year ended 31 December 2005**

#### **5 Employee information**

Staff costs (including Directors) are as follows:

	year ended 31 December 2005 £ '000	year ended 31 December 2004 £ '000
Wages and salaries	4,301	5,089
Social security costs	464	504
	<u>4,765</u>	<u>5,593</u>

The average number of persons (including Directors) employed by the Company during the year was 102 people (2004: 125)

#### **6 Exceptional Items**

	year ended 31 December 2005 £ '000	year ended 31 December 2004 £ '000
Professional fees relating to the restructuring of the Company	-	22
Profit on the sale of a business (see note 16)	3,286	-
Redundancy fees relating to reorganisation of the publishing business	-	125
	<u>3,286</u>	<u>147</u>

#### **7 Interest receivable and similar income**

	year ended 31 December 2005 £ '000	year ended 31 December 2004 £ '000
On bank deposits	56	24
On intercompany receivables	398	-
	<u>454</u>	<u>24</u>

# eFinancialNews Limited

## Notes to the financial statements for the year ended 31 December 2005

### 8 Tax credit on profit on ordinary activities

#### a) Analysis of credit for the year

	year ending 31 December 2005 £ '000	year ending 31 December 2004 £ '000
<b>Current tax:</b>		
Adjustments in respect of prior periods	-	56
<b>Deferred tax:</b>		
Deferred taxation on previous years tax losses	428	512
<b>Tax on profit on ordinary activities</b>	<b>428</b>	<b>568</b>

#### b) Factors affecting tax charge for the year

	year ending 31 December 2005 £ '000	year ending 31 December 2004 £ '000
Company profit on ordinary activities before tax	5,046	441
Notional charge on Company profit on ordinary activities before tax at UK Corporation tax rate of 30% (2004: 30%)	1,514	133
Accounting depreciation not eligible for tax purposes	39	35
Non taxable profit on sale of a business (see note 16)	(986)	-
Capital allowances	(48)	(137)
Goodwill amortised not eligible for tax purposes	-	26
Adjustments in respect of prior periods	-	(56)
Prior periods tax losses utilised	(519)	(57)
Total tax charge for the year	-	(56)

#### c) Factors that may affect future tax charges:

Deferred tax was provided on prior year's tax losses relating to the online recruitment business in the year ending 31 December 2004. The deferred tax asset in respect of those losses was disposed with the sale of the online recruitment business (see note 16).

In the year ending 31 December 2005 deferred tax was provided on prior year tax losses relating to the publishing business. These losses as at 31 December 2005 amounted to £1,426,000 which may reduce future tax payments by £428,000. The directors consider all the tax losses to be recoverable against future profits of the Company and have recognised a deferred asset for the full amount in the financial statements. There are no unprovided deferred tax balances.

## eFinancialNews Limited

### Notes to the financial statements for the year ended 31 December 2005

#### 9 Investments

The Company held more than 10% of the share capital of the following companies at 31 December 2005.

	Country of incorporation or registration	Class	Shares held	Nature of business
eFinancial News, Inc.	USA	Ordinary	100%	Financial publishing
London Financial News Publishing Limited	England & Wales	Ordinary	100%	Dormant

The Company disposed of its interest in jobsinthemoney.com, Inc on 1 January 2005 (see note 16).

#### 10 Tangible fixed assets

	Leasehold improvements 2005 £ '000	Plant & machinery 2005 £ '000	Office equipment 2005 £ '000	Total 2005 £ '000
<b>Cost or valuation</b>				
At 1 January 2005	47	735	232	1,014
Additions	93	121	20	234
Disposals	-	-	(2)	(2)
<b>At 31 December 2005</b>	<b>140</b>	<b>856</b>	<b>250</b>	<b>1,246</b>
<b>Depreciation</b>				
At 1 January 2005	5	607	208	820
Charge for the year	20	92	17	129
<b>At 31 December 2005</b>	<b>25</b>	<b>699</b>	<b>225</b>	<b>949</b>
<b>Net book value</b>				
<b>At 31 December 2005</b>	<b>115</b>	<b>157</b>	<b>25</b>	<b>297</b>
At 31 December 2004	42	128	24	194

## eFinancialNews Limited

### Notes to the financial statements for the year ended 31 December 2005

#### 11 Debtors

	2005 £ '000	2004 £ '000
Trade debtors	2,090	2,018
Other debtors	31	131
Deferred tax asset	428	512
Prepayments and accrued income	245	56
Amounts owed by fellow group undertakings	5,998	371
	<u>8,792</u>	<u>3,088</u>

#### 12 Creditors: amounts falling due within one year

	2005 £ '000	2004 £ '000
Trade creditors	474	518
Other taxation & social security	117	657
Accruals and deferred income	2,898	2,098
	<u>3,489</u>	<u>3,273</u>

#### 13 Share capital

	2005 £ '000	2004 £ '000
<b>Authorised</b> 5,000,000 ordinary shares of £1 each (2004: 5,000,000 ordinary shares at £1 each)	<u>5,000</u>	<u>5,000</u>
<b>Alloted, called up and fully paid</b> 2,905,725 ordinary shares at £1 each (2004: 2,905,725 ordinary shares at £1 each)	<u>2,906</u>	<u>2,906</u>

## eFinancialNews Limited

### Notes to the financial statements for the year ended 31 December 2005

#### 14 Movement in reserves

	Share premium account £ '000	Profit and loss account £ '000
As at 1 January 2005	5,554	(5,520)
Retained profit for the year	-	5,474
Reversal of charge in respect of purchase of shares from existing shareholders by ESOP trust	-	208
<b>As at 31 December 2005</b>	<b>5,554</b>	<b>162</b>

#### 15 Reconciliation of movements in equity shareholders' funds

	£ '000
As at 1 January 2005	2,940
Retained profit for the year	5,474
Reversal of charge in respect of purchase of shares from existing shareholders by ESOP trust	208
<b>As at 31 December 2005</b>	<b>8,622</b>

## eFinancialNews Limited

### Notes to the financial statements for the year ended 31 December 2005

#### 16 Sale of a business

Until 31 December 2004 eFinancialNews Limited operated 2 trades: the online recruitment business (trading as eFinancialCareers) and the publishing business (trading as Financial News). As at 1 January 2005, eFinancialNews Limited transferred its online recruitment business (trading as eFinancialCareers), including its interest in jobsinthemoney.com, Inc. to its previously dormant, wholly owned subsidiary eFinancialCareers Limited for £5.5 million, satisfied by the issue of 5.5 million ordinary shares of £1 each. eFinancialGroup Limited then acquired the entire share capital of eFinancialCareers Limited for £5.5 million settled via the intercompany loan account.

	£ '000
Sale Proceeds: 5,500,000 Ordinary shares at £1 each	<u>5,500</u>
<b>Net assets and liabilities at date of disposal</b>	
Investment in jobsinthemoney, Inc	1,858
Deferred tax asset	512
Accruals	<u>(156)</u>
Net assets disposed	2,214
Gain on sale of business	3,286
Total disposal value	<u>5,500</u>

Sponsorship of the ESOP Trust was transferred to eFinancial Group Limited on 1 January 2006 as part of the reorganisation of the Company.

#### 17 Ultimate Parent

The company's ultimate parent is eFinancialGroup Limited, a company incorporated in England & Wales.