

Company Registration No 3348360 (England and Wales)

**EXOR MANAGEMENT SERVICES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2007**

TUESDAY



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# EXOR MANAGEMENT SERVICES LIMITED

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# **EXOR MANAGEMENT SERVICES LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO EXOR MANAGEMENT SERVICES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Exor Management Services Limited for the year ended 30 September 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

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

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Hurst Morrison Thomson LLP

24<sup>th</sup> July 2008

Chartered Accountants  
Registered Auditor

Chartered Accountants & Registered Auditors  
5 Fairmile  
Henley-on-Thames  
Oxfordshire  
RG9 2JR

# EXOR MANAGEMENT SERVICES LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 30 SEPTEMBER 2007

|   |       | 2007               |                    | 2006               |                    |
|---|-------|--------------------|--------------------|--------------------|--------------------|
|   | Notes | £                  | £                  | as restated<br>£   | £                  |
| <b>Fixed assets</b>   |       |                    |                    |                    |                    |
| Tangible assets   | 2     |                    | 96,966             |                    | 45,527             |
| <b>Current assets</b>   |       |                    |                    |                    |                    |
| Stocks  |       | 37,571             |                    | -                  |                    |
| Debtors   |       | 145,705            |                    | 125,276            |                    |
| Cash at bank and in hand                                      |       | 73,582             |                    | 112,004            |                    |
|   |       | <u>256,858</u>     |                    | <u>237,280</u>     |                    |
| <b>Creditors amounts falling due within one year</b>          | 3     | <u>(1,748,855)</u> |                    | <u>(1,701,002)</u> |                    |
| <b>Net current liabilities</b>                                |       |                    | <u>(1,491,997)</u> |                    | <u>(1,463,722)</u> |
| <b>Total assets less current liabilities</b>                  |       |                    | <u>(1,395,031)</u> |                    | <u>(1,418,195)</u> |
| <b>Creditors amounts falling due after more than one year</b> |       |                    | -                  |                    | (3,902)            |
|   |       |                    | <u>(1,395,031)</u> |                    | <u>(1,422,097)</u> |
| <b>Accruals and deferred income</b>                           |       |                    |                    |                    |                    |
| Deferred income   |       |                    | 496,592            |                    | 600,399            |
| <b>Capital and reserves</b>                                   |       |                    |                    |                    |                    |
| Called up share capital                                       | 5     |                    | 83,177             |                    | 83,177             |
| Share premium account   |       |                    | 567,647            |                    | 567,647            |
| Profit and loss account                                       |       |                    | <u>(2,542,447)</u> |                    | <u>(2,673,320)</u> |
| <b>Shareholders' deficit</b>                                  |       |                    | <u>(1,891,623)</u> |                    | <u>(2,022,496)</u> |
|   |       |                    | <u>(1,395,031)</u> |                    | <u>(1,422,097)</u> |

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and authorised for issue on 24<sup>th</sup> July, 2008

  
Mr I. McKinnon  
Director

# **EXOR MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2007**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on a going concern basis, which is dependent on the continuing provision of financial support by the parent company, The Exor Group Limited. The parent company has given a written undertaking to continue to provide financial support for the foreseeable future.

The directors have prepared and approved forecasts covering a period of not less than 12 months from the date of approval of these financial statements, and are satisfied that the company will generate sufficient cash over that period to meet its operating commitments.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover, representing sales invoiced to external customers net of value added tax, is recognised in the profit and loss account only to the extent that it has been earned.

Income which relates to the performance of accreditation and analytical services is recognised on completion of the related services included within the contract.

Hardware and software licence revenues are recognised on customer acceptance, when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. This policy was changed in 2007, previously licence fee income and income related to the provision of database listings was recognised evenly over the relevant contract term. Note 16 explains the prior year adjustment which resulted from this accounting revenue recognition change.

Revenue associated with multiple element contracts is allocated based on the fair values of the services included within the contract. Unearned revenue is reported on the balance sheet as deferred income.

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

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

|                        |                           |
|------------------------|---------------------------|
| Leasehold Improvements | 20% straight line         |
| Equipment              | 25% - 33 3% straight line |
| Fixtures & fittings    | 25% straight line         |

# **EXOR MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2007**

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### **1 Accounting policies**

**(continued)**

#### **1.5 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### **1.7 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# EXOR MANAGEMENT SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 2 Fixed assets

|                       | Tangible<br>assets<br>£ |
|-----------------------|-------------------------|
| <b>Cost</b>           |                         |
| At 1 October 2006     | 245,852                 |
| Additions             | 103,462                 |
|                       | <hr/>                   |
| At 30 September 2007  | 349,314                 |
|                       | <hr/>                   |
| <b>Depreciation</b>   |                         |
| At 1 October 2006     | 200,325                 |
| Charge for the year   | 52,023                  |
|                       | <hr/>                   |
| At 30 September 2007  | 252,348                 |
|                       | <hr/>                   |
| <b>Net book value</b> |                         |
| At 30 September 2007  | 96,966                  |
|                       | <hr/>                   |
| At 30 September 2006  | 45,527                  |
|                       | <hr/>                   |

### 3 Creditors amounts falling due within one year

Included in creditors are total debts of £3,902 (2006 £15,608) secured on assets of the company

### 4 Prior year adjustment

The prior year adjustment is the result of the change in revenue recognition policy of licence fee income. The effect of this change in accounting policy has been to reduce deferred income and shareholder deficit in the balance sheet by £82,256.

| 5 Share capital                           | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| <b>Authorised</b>                         |           |           |
| 100,000 Ordinary Shares of £1 each        | 100,000   | 100,000   |
|   | <hr/>     | <hr/>     |
| <b>Allotted, called up and fully paid</b> |           |           |
| 83,177 Ordinary Shares of £1 each         | 83,177    | 83,177    |
|   | <hr/>     | <hr/>     |

# **EXOR MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**

***FOR THE YEAR ENDED 30 SEPTEMBER 2007***

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### **6 Ultimate parent company**

The company is a subsidiary of The Exor Group Limited, which at the balance sheet date was the ultimate parent company incorporated in England and Wales. The Exor Group Limited is the parent of both the smallest and largest group of which the company was a member at the balance sheet date.

Following a breach at 30 September 2006 of financial covenants set out in the articles of association of The Exor Group Limited, the holders of that company's 'A' Ordinary shares acquired the ability to invoke rights conferred by the articles of association, under which they would assume 95% of the voting rights attaching to all shares in issue in The Exor Group Limited. Following an exercise of these rights the company's controlling party would be Barclays Unquoted Investments Limited, a subsidiary of Barclays Plc.

Subsequent to the date of the balance sheet the holders of the 'A' Ordinary shares in The Exor Group Limited have confirmed the waiver of their rights arising from the company's breach of its financial covenants.