

**HANSCOMB EUROPE LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006**

**COMPANY REGISTRATION NUMBER 3896620**

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**HANSCOMB EUROPE LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006**

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# **HANSCOMB EUROPE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2006**

#### **Principal activities and business review**

##### ***Nature of business***

The principal activity of the Company was that of the provision of property-related services. The Company also continues to hold investments in subsidiaries whose activities included the provision of project management services and quantity surveying.

##### ***Business Review***

The Company is a non-trading Company.

A profit after tax for the year of £89,179 (2005: loss £123,204) is shown in the income statement on page 7.

No dividends have been paid during the year. A dividend of £128,000 has been received from Hanscomb (Russia) Limited during the year (2005: £nil).

##### **International Financial Reporting Standards (IFRS)**

The financial statements for the year ended 31 March 2006 are the Company's first prepared in accordance with IFRS. A summary of the main impacts of IFRS on reporting of the Company's results and financial position is given in note 18 to the financial statements, which includes reconciliations from UK Generally Accepted Accounting Principles (UK GAAP) to IFRS.

Conversion to IFRS is an accounting change which has no impact on the Company's financial performance, risk profile or ability to generate cash.

The main areas of impact are as follows:

- Changes to the format and presentation of the financial statements, notably the inclusion of a cash flow statement for wholly owned subsidiaries.

##### **Critical accounting policies**

The Company's principal accounting policies are described in note 1 to the financial statements. The financial statements for the year ended 31 March 2006 have been prepared under IFRS and include the re-statement of comparatives for the year ended 31 March 2005.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Material estimates applied across the Company are reviewed to a common standard and adjusted where appropriate to ensure that consistent treatment of similar and related issues that require judgement is achieved. Any revisions to estimates are recognised prospectively.

The company is not trading therefore there are no critical accounting policies.

##### **Corporate responsibility**

Corporate responsibility (CR) is an increasingly important issue for all companies and Hanscomb Europe Limited is no exception. A summary of the key issues and developments for the Atkins Group has been published in the W S Atkins plc annual report which is publicly available.

# HANSCOMB EUROPE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2006

#### Directors

The directors who served during the year and up to the date of signing these financial statements were as follows:

Name	Appointed	Resigned
Basford, Ian Anthony	-	31/10/2005
Griffiths, Alun Hughes	18/11/2005	-
Hall, Richard William	-	-
MacLeod, Robert James	18/11/2005	-
McClellan, James Constantine Stuart	18/11/2005	24/03/2006
Purser, Ian Robert	18/11/2005	-
Sowerby, Mark Andrew	-	-

Directors and officers of the Company have the benefit of a directors' and officers' liability insurance policy which provides appropriate cover in respect of legal actions brought against its directors. The Company's practice has always been to indemnify its directors in accordance with the Company's Articles of Association and to the maximum extent permitted by law. Disclosure of such indemnities is now required by new provisions inserted into the Companies Act 1985 (the Act). Neither insurance nor the indemnities provide cover where the director has acted fraudulently or dishonestly.

#### Directors' remuneration and interests

All the directors' interests in the share capital of WS Atkins plc, the ultimate parent undertaking, required to be disclosed under the Companies Act 1985, are set out below:

WS Atkins plc  
Ordinary shares of 0.05p

	1 April 2005 (or date of appointment)		31 March 2006	
	Shares	Options	Shares	Options
Griffiths, Alun Hughes	16,239	83,285	16,320	83,124
Hall, Richard William	70	106,201	10,661	106,686
MacLeod, Robert James	10,215	61,912	10,281	61,912
Purser, Ian Robert	44,195	34,266	44,195	29,980
Sowerby, Mark Andrew	1,389	6,712	1,389	8,501

During the year options over WS Atkins plc ordinary shares of 0.05 pence were granted / exercised as follows:

	Granted	Exercised
Griffiths, Alun Hughes	-	161
Hall, Richard William	10,865	10,380
MacLeod, Robert James	-	-
Purser, Ian Robert	-	4,286
Sowerby, Mark Andrew	1,789	-

#### Environment

It is the Company's policy to conduct our business in an environmentally responsible manner. Accordingly, concern for the environment influences the services provided by the Company. The Company's own operations have environmental consequences and the policy extends to cover the way its own business is conducted.

#### Health and safety

The Company is proactive in health and safety management, both in its internal focus and in its contribution to other organisations. A positive safety culture is promoted through cascade training and a network of local co-ordinators.

# **HANSCOMB EUROPE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2006**

**Supplier payment policy**

Trade creditors are owned and managed by the group's shared services facility. The policy and practice on payment of creditors is disclosed in WS Atkins plc financial statements.

**Interest rate risk**

The Atkins Group funds its ongoing activities through cash generated from its operations and, where necessary, bank borrowings and finance leases. The Group accepts some interest rate risk and any loans drawn under the banking facility are at floating rates.

**Share capital**

Full detail of the Company's authorised and issued share capital, including changes during the year, can be found in note 12 to the financial statements.

**Statement of directors' responsibilities in relation to financial statements**

The following statement, which should be read in conjunction with the auditors' statement of their responsibilities set out in their report on page 6, is made with a view to distinguishing for the shareholder the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year. The directors are required to prepare these financial statements on a going concern basis unless it is not appropriate. Since the directors are satisfied that the Company has the resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a going concern basis.

The directors consider that, in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other such irregularities.

The directors confirm that, as at the date this report was approved, so far as each director is aware, there is no relevant audit information of which the auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

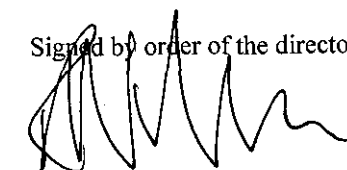
**Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the accounts.

**Auditors**

The Company has passed an Elective Resolution pursuant to section 386(1) of the Companies Act 1985 to dispense with the annual re-appointment of auditors.

Signed by order of the directors



R Webster  
Company Secretary  
10 January 2007

Registered office:

Woodcote Grove  
Ashley Road  
Epsom  
Surrey KT18 5BW

**HANSCOMB EUROPE LIMITED  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
HANSCOMB EUROPE LIMITED  
YEAR ENDED 31 MARCH 2006**

We have audited the financial statements of Hanscomb Europe Limited for the year ended 31 March 2006 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Shareholders Equity, the Cash Flow Statement 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 whether the financial statements have been 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 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 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 IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 March 2006 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Newcastle Upon Tyne  
10 January 2007

**HANSCOMB EUROPE LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2006**

**Page 7**

	Note	2006 £	2005 £
Administrative expenses		(54)	136,534
<b>Operating (loss)/profit</b>	<b>2</b>	<b>(54)</b>	<b>136,534</b>
Amounts written off investments	2	(38,767)	(203,193)
Finance income	3	128,000	-
<b>Profit/(loss) before taxation</b>		<b>89,179</b>	<b>(66,659)</b>
Taxation	6	-	(56,545)
<b>Profit/(loss) for the year from continuing operations</b>	<b>13</b>	<b>89,179</b>	<b>(123,204)</b>

All results refer entirely to continuing operations.

The Company has no recognised income and expenses, as defined in International Accounting Standard 1 Presentation of Financial Statements, which are not included in the above income statement.

There is no material difference between the reported profits and losses and the historical cost profits and losses for 2006 and 2005.

**HANSCOMB EUROPE LIMITED**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2006**

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	Note	2006 £	2005 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	7	114,017	24,822
<b>Current assets</b>			
Trade and other receivables	8	13,602	120,652
Cash and cash equivalents	9	22,686	110,652
		36,288	231,304
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	(1,209,545)	(1,362,141)
Current tax liabilities	11	-	(42,404)
		(1,209,545)	(1,404,545)
<b>Net current liabilities</b>		(1,173,257)	(1,173,241)
<b>Net liabilities</b>		(1,059,240)	(1,148,419)
<b>Capital and reserves</b>			
Ordinary shares	12	100	100
Retained earnings	13	(1,059,340)	(1,148,519)
<b>Equity shareholders' deficit</b>		(1,059,240)	(1,148,419)

These financial statements were approved by the directors and are signed on their behalf by:

*R. MacLeod*

Robert MacLeod  
10 January 2007

The notes on pages 12 to 18 form part of these financial statements.



**HANSCOMB EUROPE LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS AT 31 MARCH 2006**

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	Note	Ordinary Shares £	Retained Earnings £	Total Equity £
At 1 April 2005		100	(1,148,519)	(1,148,419)
Profit for the year			89,179	89,179
At 31 March 2006	12, 13	100	(1,059,340)	(1,059,240)

The notes on pages 12 to 18 form part of these financial statements.

**HANSCOMB EUROPE LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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	Note	2006 £	2005 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	14	(90,536)	(1,362)
Tax paid		(42,404)	-
Net cash generated from operating activities		(132,940)	(1,362)
<b>Cash flows from investing activities</b>			
Dividends received		128,000	-
Disposal proceeds of investment		8,424	-
Investment in subsidiary		(91,450)	-
Net cash inflow from investing activities		44,974	-
<b>Net decrease in cash and cash equivalents</b>		(87,966)	(1,362)
Cash and cash equivalents at 1 April		110,652	112,014
<b>Cash and cash equivalents at 31 March</b>	15	22,686	110,652

The notes on pages 12 to 18 form part of these financial statements.

# HANSCOMB EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2006

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#### 1. Accounting policies

##### **Basis of accounting**

The Company's financial statements for the year ended 31 March 2006 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), and those parts of the Companies Act 1985 applicable to companies reporting under IFRS. A summary of the more important accounting policies applied in the preparation of the financial statements is given below. These financial statements are covered by IFRS 1, *First-time adoption of International Financial Reporting Standards*, as they are the Company's first IFRS financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Material estimates applied across the business are reviewed to a common standard and adjusted where appropriate to ensure that consistent treatment of similar and related issues that require judgement is achieved. Any revisions to estimates are recognised prospectively.

These financial statements have been prepared on the going concern basis and except where noted below, under the historical cost convention.

##### **Basis of consolidation**

The Company is a wholly owned subsidiary of, and is included in, the consolidated financial statements of WS Atkins plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under section 228 of the Companies Act 1985 and IAS 27, *Consolidated and Separate Financial Statements*.

##### **Taxation**

Current and deferred taxation is recognised in the income statement for the period except where the taxation arises as a result of a transaction or event that is recognised directly in equity. Taxation arising on transactions or events recognised directly in equity is charged or credited directly to equity.

Deferred tax is recognised in respect of all taxable temporary differences that have originated but not reversed at the balance sheet date. Deferred tax is measured on a non-discounted basis using tax rates enacted at the balance sheet date. A deferred tax asset is recognised only when it is regarded as more likely than not to be recovered.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and at bank.

##### **Foreign currency transactions**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date.

# HANSCOMB EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2006

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#### 1. Accounting policies (continued)

##### New IFRS standards and interpretations not applied

During the year the IASB and IFRIC issued additional standards and interpretations which are effective for periods starting after the date of these financial statements. The following standards and interpretations have yet to be adopted by the Company:

- Amendment to IAS 1, *Presentation of financial statements*
- Amendment to IAS 21, *The effects of changes in foreign exchange rates*
- IFRIC amendment to the scope of SIC 12
- Amendment to IAS 39, *Cash flow hedge accounting of forecast intra-group transactions*
- Amendment to IAS 39, *Financial instruments: Recognition and measurement of the fair value option*
- Amendment to IAS 39, *Financial instruments: Recognition and measurement* and IFRS 4, *Insurance contracts*
- IFRS 7, *Financial instruments: Disclosures*
- IFRIC 4, *Determining whether an arrangement contains a lease*
- IFRIC 5, *Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds*
- IFRIC 6, *Liabilities arising from participating in a specific market - Waste electrical and electronic equipment*
- IFRIC 7, *Applying the restatement approach under IAS 29 Financial reporting in hyperinflationary economies*
- IFRIC 8, *Scope of IFRS 2* (not yet endorsed by the EU)
- IFRIC 9, *Re-assessment of embedded derivatives* (not yet endorsed by the EU)

#### 2. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2006 £	2005 £
Receipt from Hanscomb Czech s.r.o on liquidation	(6,169)	-
Release of redundancy and closure costs	-	(137,896)
Intercompany balances with subsidiary and associated undertakings written off	44,936	203,193

Audit fees are to be borne by a fellow subsidiary Company, Hanscomb (UK) Limited.

#### 3. Finance income

	2006 £	2005 £
Dividends received	128,000	-

#### 4. Employee benefit costs

There were no employees during the year (2005: nil).

#### 5. Directors' remuneration

Key management comprises the directors, which includes certain senior managers who are members of the Atkins Group Executive. There was no Directors' remuneration in the year (2005: £nil)

Details of directors who exercised options in the shares of the ultimate parent undertaking during the year can be found in the Directors' Report.

**HANSCOMB EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**6. Taxation**

**a) Analysis of charge in the period**

	2006 £	2005 £
Current tax		
- Current year	-	42,404
- Prior years	-	14,141
Tax on profit on ordinary activities	-	56,545
Profit/(Loss) per income statement	89,179	(66,659)
Effective tax rate	0%	(85%)

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

	2006 %	2005 %
UK Statutory tax rate	30	30
Increase resulting from:		
Expenses not deductible for tax purposes	(32)	(94)
Losses claimed and paid for at lower rate or nil consideration	2	-
Adjustments to previous periods		(21)
Tax rate	-	(85)

**7. Investments**

	Total £
Cost at 31 March 2005	24,822
Disposal	(2,255)
Acquisitions	91,450
Cost at 31 March 2006	114,017
Impairment at 1 April 2004, 31 March 2005 and 31 March 2006	-
<b>Net book value at 31 March 2006</b>	<b>114,017</b>
Net book value at 31 March 2005	24,822

**Disposal of Hanscomb Czech s.r.o.**

	Total £
Cost at 31 March 2005	2,255
Disposal Proceeds	8,424
Profit on disposal	6,169

**HANSCOMB EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**7. Investments (continued)**

Hanscomb Europe Limited holds investments in the share capital of the following companies

Principal subsidiary undertaking	Country of incorporation or registration	Class and percentage holding	Nature of business
Hanscomb (UK) Limited	England	100% ordinary	Quantity Surveying and Project Management
Hanscomb (Russia) Limited	England	100% ordinary	Non-trading
Hanscomb GmbH	Germany	100% ordinary	In Liquidation
Hanscomb Polska Sp.Zo.o	Poland	100% ordinary	Quantity Surveying and Project Management
London Group Projects Limited*	England	100% ordinary	Non-trading

\*London Group Projects Limited is owned via Hanscomb (UK) Limited.

During the year a cash contribution of £91,450 was made to Hanscomb Polska Sp.zo.o

On 15 August 2005, Hanscomb Czech s.r.o. was liquidated, and surplus funds of £8,424 were returned to the Company.

**8. Trade and other receivables**

	2006 £	2005 £
Amounts due from group undertakings	13,602	120,652

**9. Cash and cash equivalents**

	2006 £	2005 £
Cash at bank and in hand	22,686	110,652

**10. Current Liabilities - trade and other payables**

	2006 £	2005 £
Amounts payable to group undertakings	1,209,545	1,362,141

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

**11. Current Liabilities – current tax liabilities**

	2006 £	2005 £
Current tax liabilities	-	42,404

**12. Called up share capital**

	2006 £	2005 £
Authorised 100 ordinary shares of £1 each		
At 1 April and 31 March	100	100
Issued and fully paid 100 ordinary share of £1 each		
At 1 April and 31 March	100	100

**HANSCOMB EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**13. Retained earnings**

	2006 £
At 1 April 2005	(1,148,519)
Profit for the year	89,179
At 31 March 2006	(1,059,340)

**14. Cash generated from operations**

	2006 £	2005 £
Net profit/(loss) for the period	89,179	(123,204)
Adjustments for:		
Taxation	-	56,545
Finance income	(128,000)	
Movement in trade and other receivables	107,050	213,831
Movement in trade and other payables	(152,596)	(148,534)
Profit on disposal of investments	(6,169)	-
Cash generated from operations	(90,536)	(1,362)

**15. Analysis of net funds**

	At 31 March 2005 £	Cash flow £	At 31 March 2006 £
Cash and cash equivalents	110,652	(87,966)	22,686
Net funds	110,652	(87,966)	22,686

**16. Related party transactions**

	2006 £	2005 £
Payment of tax creditor	42,404	-
Intercompany debtor written off	44,936	-
Repayment of intercompany creditor	115,473	-
Receipt of intercompany balances	195,000	-
Receivables from group companies	13,602	120,652
Payables to group companies	1,209,545	1,362,141
Dividend received from Hanscomb (Russia) Limited	128,000	-

**17. Ultimate parent company and controlling party**

The immediate parent Company is Anthony Acquisitions Corp., registered in Delaware, USA.

The ultimate parent undertaking and controlling party is WS Atkins plc, a company registered in England and Wales, which is the smallest and largest group to consolidate these financial statements. Copies of WS Atkins plc consolidated financial statements are publicly available from the Company Secretary at Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW.

**HANSCOMB EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**18. Reconciliation of net assets and profit under UK GAAP to IFRS**

The Company reported under UK GAAP in its previously published financial statements for the year ended 31 March 2005. As required by IFRS 1, *First-time adoption of IFRS*, the analysis below shows a reconciliation of equity and profit as reported under UK GAAP as at 31 March 2005 to the revised equity and profit under IFRS as reported in these financial statements and a reconciliation of equity under UK GAAP to IFRS as at the transition date of 1 April 2004.

	31 March 2005 £
<b>Reconciliation of profit</b>	
Loss on ordinary activities after taxation under UK GAAP	(66,659)
Effect of transition to IFRS	-
<b>Profit for the year attributable to equity shareholders under IFRS</b>	<b>(66,659)</b>

	31 March 2005 £	1 April 2004 £
<b>Reconciliation of equity</b>		
Total equity presented under UK GAAP	(1,148,419)	(1,025,215)
Effect of transition to IFRS	-	-
<b>Total equity presented under IFRS</b>	<b>(1,148,419)</b>	<b>(1,025,215)</b>

**Income statement reconciliation from UK GAAP to IFRS for the year ended 31 March 2005:**

	Previous GAAP £	Effect of transition to IFRS £	IFRS £
Administration costs	136,534	-	136,534
Operating profit	136,534	-	136,534
Amounts written off investments	(203,193)	-	(203,193)
Loss on ordinary activities before taxation	(66,659)	-	(66,659)
Taxation	(56,545)	-	(56,545)
<b>Loss on ordinary activities after taxation</b>	<b>(123,204)</b>	<b>-</b>	<b>(123,204)</b>



**HANSCOMB EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**18. Reconciliation of net assets and profit under UK GAAP to IFRS (continued)**

**Balance sheet reconciliation from UK GAAP to IFRS as at 31 March 2005:**

	Previous GAAP £	Effect of transition to IFRS £	IFRS £
<b>Non-current assets</b>			
Investments	24,822	-	24,822
	24,822	-	24,822
<b>Current assets</b>			
Trade and other receivables	120,652	-	120,652
Cash and cash equivalents	110,652	-	110,652
	231,304	-	231,304
Trade and other payables	(1,362,141)	-	(1,362,141)
Current tax liabilities	(42,404)	-	(42,404)
<b>Total liabilities</b>	<b>(1,404,545)</b>	<b>-</b>	<b>(1,404,545)</b>
<b>Net liabilities</b>	<b>(1,148,419)</b>	<b>-</b>	<b>(1,148,419)</b>
Share capital	100	-	100
Retained earnings	(1,148,519)	-	(1,148,519)
<b>Total shareholders' equity</b>	<b>(1,148,419)</b>	<b>-</b>	<b>(1,148,419)</b>

**HANSCOMB EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**18. Reconciliation of net assets and profit under UK GAAP to IFRS (continued)**

**Balance sheet reconciliation from UK GAAP to IFRS as at 1 April 2004:**

	Previous GAAP £	Effect of transition to IFRS £	IFRS £
<b>Non-current assets</b>			
Investments	24,822	-	24,822
	24,822	-	24,822
<b>Current assets</b>			
Trade and other receivables	348,624	-	348,624
Cash and cash equivalents	112,014	-	112,014
	460,638	-	460,638
<b>Current Liabilities</b>			
Trade and other payables	(1,510,675)	-	(1,510,675)
<b>Net liabilities</b>	(1,025,215)	-	(1,025,215)
Share capital	100	-	100
Retained earnings	(1,025,315)	-	(1,025,315)
<b>Total shareholders' equity</b>	(1,025,215)	-	(1,025,215)