

01588561

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003
FOR
INFORMATION TRANSFER SERVICES LIMITED**



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FOR THE YEAR ENDED 31 DECEMBER 2003

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INFORMATION TRANSFER SERVICES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2003**

DIRECTORS:

Dr R Rickards
W R Mann
N B Clayton
G L Sweeten
Dr R E Meller
Ms D R Ganz
Dr O Rose
M Borg

SECRETARY:

N B Clayton

REGISTERED OFFICE:

Burleigh House
15 Newmarket Road
Cambridge
CB5 8EG

REGISTERED NUMBER:

01588561

ACCOUNTANTS:

Chater Allan LLP
Chartered Accountants
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

INFORMATION TRANSFER SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property rental and the provision of office services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2003.

DIRECTORS

The directors during the year under review were:

Dr R Rickards
W R Mann
N B Clayton
G L Sweeten
Dr R E Meller
Ms D R Ganz
Dr O Rose
M Borg

- appointed 1/4/2003

The beneficial interests of the directors holding office on 31 December 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03 or date of appointment if later
Ordinary £1 shares		
Dr R Rickards	365	365
W R Mann	365	365
N B Clayton	365	370
G L Sweeten	365	365
Dr R E Meller	365	365
Ms D R Ganz	365	365
Dr O Rose	365	365
M Borg	365	365

POTENTIAL IMPACT OF THE EURO

The directors have considered the potential impact on the company's business of the introduction of the Euro. In the opinion of the directors there will be no material adverse effect on, or cost to, the company as a result of the introduction of the Euro.

ON BEHALF OF THE BOARD:


.....
Dr R Rickards - Director

Date: 19 Oct 2004

INFORMATION TRANSFER SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	£ 2003	£ 2002
		£	£
TURNOVER		6,965	5,784
Administrative expenses		<u>127,406</u>	<u>108,445</u>
		(120,441)	(102,661)
Other operating income	2	<u>120,333</u>	<u>106,633</u>
OPERATING (LOSS)/PROFIT	4	(108)	3,972
Interest receivable and similar income		<u>190</u>	<u>-</u>
		190	-
		82	3,972
Interest payable and similar charges	5	<u>1,185</u>	<u>1,562</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,103)	2,410
Tax on (loss)/profit on ordinary activities	6	<u>(3)</u>	<u>135</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(1,100)	2,275
(DEFICIT)/RETAINED PROFIT FOR THE YEAR		<u>(1,100)</u>	<u>2,275</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

INFORMATION TRANSFER SERVICES LIMITED

BALANCE SHEET 31 DECEMBER 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	208	12,467
CURRENT ASSETS			
Debtors	8	25,046	18,329
Cash at bank and in hand		13,561	9,386
		38,607	27,715
CREDITORS			
Amounts falling due within one year	9	34,464	25,607
NET CURRENT ASSETS		4,143	2,108
TOTAL ASSETS LESS CURRENT LIABILITIES		4,351	14,575
CREDITORS			
Amounts falling due after more than one year	10	-	9,484
		4,351	5,091
CAPITAL AND RESERVES			
Called up share capital	12	2,920	2,560
Profit and loss account	13	1,431	2,531
SHAREHOLDERS' FUNDS	15	4,351	5,091

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

ON BEHALF OF THE BOARD:

R. Rickards

Dr R Rickards - Director

Approved by the Board on 19 Oct 2004

The notes form part of these financial statements

INFORMATION TRANSFER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on cost
Fixtures and fittings	- Over the term of the lease

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. OTHER OPERATING INCOME

	2003 £	2002 £
Rents received	94,375	77,713
Service charges	25,958	28,920
	<u>120,333</u>	<u>106,633</u>

3. STAFF COSTS

There were no staff costs for the year ended 31 December 2003 nor for the year ended 31 December 2002.

The average monthly number of employees during the year was as follows:

	2003	2002
Management and administration	<u>6</u>	<u>6</u>

INFORMATION TRANSFER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003**

4. OPERATING (LOSS)/PROFIT

The operating loss (2002 - operating profit) is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	219	219
Depreciation - assets on finance leases	2,562	3,074
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	55	13
Leasing	1,130	1,549
	<u> </u>	<u> </u>
	1,185	1,562
	<u> </u>	<u> </u>

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	-	79
Over/under provision from previous year	(3)	56
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	(3)	135
	<u> </u>	<u> </u>

Factors affecting the tax (credit)/charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2003	2002
	£	£
(Loss)/profit on ordinary activities before tax	(1,103)	2,410
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2002 - 10%)	-	241
Effects of:		
Depreciation in excess of capital allowances	-	319
Finance lease payments and lease premium	-	(250)
Reduction in tax rate during the year	-	(232)
Under provision from previous year	(3)	57
	<u> </u>	<u> </u>
Current tax (credit)/charge	(3)	135
	<u> </u>	<u> </u>

INFORMATION TRANSFER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2003	745	17,378	18,123
Disposals	-	(15,370)	(15,370)
At 31 December 2003	745	2,008	2,753
DEPRECIATION			
At 1 January 2003	596	5,060	5,656
Charge for year	149	2,632	2,781
Eliminated on disposal	-	(5,892)	(5,892)
At 31 December 2003	745	1,800	2,545
NET BOOK VALUE			
At 31 December 2003	-	208	208
At 31 December 2002	149	12,318	12,467

Fixed assets, included in the above, which are held under finance leases are as follows:

	Fixtures and fittings £
COST	
At 1 January 2003	15,370
Disposals	(15,370)
At 31 December 2003	-
DEPRECIATION	
At 1 January 2003	3,330
Charge for year	2,562
Eliminated on disposal	(5,892)
At 31 December 2003	-
NET BOOK VALUE	
At 31 December 2003	-
At 31 December 2002	12,040

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	-	11
Other debtors	24,457	14,991
Prepayments and accrued income	589	3,327
	25,046	18,329

• INFORMATION TRANSFER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2003

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Finance leases (see note 11)	-	2,796
Trade creditors	66	53
Tax	-	79
VAT	9,385	4,884
Accruals and deferred income	25,013	17,795
	<u>34,464</u>	<u>25,607</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£	£
Finance leases (see note 11)	-	9,484
	<u>-</u>	<u>9,484</u>

11. OBLIGATIONS UNDER LEASING AGREEMENTS

	2003	2002
	£	£
Gross obligations repayable:		
Within one year	-	4,053
Between one and five years	-	11,146
	<u>-</u>	<u>15,199</u>
Finance charges repayable:		
Within one year	-	1,257
Between one and five years	-	1,662
	<u>-</u>	<u>2,919</u>
Net obligations repayable:		
Within one year	-	2,796
Between one and five years	-	9,484
	<u>-</u>	<u>12,280</u>

• **INFORMATION TRANSFER SERVICES LIMITED**

• **NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2003

12. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
5,000	Ordinary		<u>5,000</u>	<u>5,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
2,920	Ordinary		<u>2,920</u>	<u>2,560</u>
(2002 - 2,560)				

The following shares were allotted and fully paid for cash at par during the year:

360 Ordinary shares of £1 each

13. **RESERVES**

	Profit and loss account
	£
At 1 January 2003	2,531
Deficit for the year	<u>(1,100)</u>
At 31 December 2003	<u>1,431</u>

14. **RELATED PARTY DISCLOSURES**

The company is controlled jointly by the directors.

During the year the company had the following related party transactions:

£6,965 (2002: £5,784) management services, £48,750 (2002: £40,838) rent and £22,774 (2002: £26,603) service charges to Information Transfer LLP, a limited liability partnership of which all the directors of Information Transfer Services Limited are members.

At the year end £24,097 was due from Information Transfer LLP.

-£93,500 (2002: £74,515) rent was paid to Namulus Pension Trustees Limited, as trustees for pension plans of which the directors and shareholders are members.

15. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003	2002
	£	£
(Loss)/Profit for the financial year	(1,100)	2,275
New shares issued	<u>360</u>	<u>-</u>
Net (reduction)/addition to shareholders' funds	<u>(740)</u>	<u>2,275</u>
Opening shareholders' funds	<u>5,091</u>	<u>2,816</u>
Closing shareholders' funds	<u>4,351</u>	<u>5,091</u>
Equity interests	<u>4,351</u>	<u>5,091</u>