

Linklaters Blue Flag Limited
Accounts for the year ended 30 April 2003
Company Number: 3720591



Accounts

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Directors

A L Angel
J W A Cann
S N Firth
P M Nelson
C Forbes-Cockell

Secretary

Hackwood Secretaries Limited

Registered Office

One Silk Street
London EC2Y 8HQ

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

1 Accounts

The Directors present the audited financial statements of Linklaters Blue Flag Limited (the "Company") for the year ended 30 April 2003.

2 Activities and results

The principal activity of the Company is the trade of electronic legal services. The loss for the year after taxation amounted to £27, (2002: loss of £27) which the Directors propose to transfer to the revenue reserve.

3 Directors

The present membership of the Board is set out on page 2. All Directors served throughout the year.

The Directors did not have any interests in the share capital of the Company during the year. The Directors of the Company were also partners in Linklaters (the "Firm") and interested as such in an agreement between the Company and the Firm dated 23 July 1999.

4 Small company

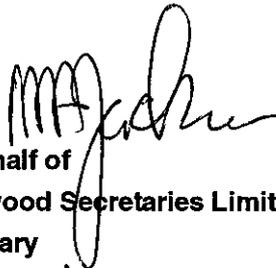
This report has been prepared in accordance with the special provisions relating to small companies under S246 Companies Act 1985.

5 Auditors

A resolution was passed on 24 January 2001 to appoint Deloitte & Touche as auditors of the Company.

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP will be the auditor of the company for the forthcoming financial year under the provision of section 386(2) of the Companies Act 1985.

By order of the Board



on behalf of
Hackwood Secretaries Limited
Secretary

3rd November
~~October~~ 2003

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 financial statements comply with the Companies Act 1985. The directors are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Linklaters Blue Flag Limited

We have audited the financial statements of Linklaters Blue Flag Limited for the year ended 30 April 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under 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 financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

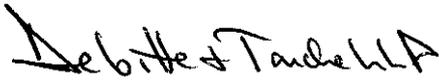
Basis of audit opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 of the state of the company's affairs as at 30 April 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

5 November 2003

Profit and loss account

<i>Note</i>		2003 £	2002 £
1	Turnover	-	-
2	Net operating expenses	<u>(29)</u>	<u>(39)</u>
	Loss on ordinary activities before taxation	(29)	(39)
4	Tax credit on loss on ordinary activities	2	12
8	Retained loss for the financial year	<u><u>(27)</u></u>	<u><u>(27)</u></u>

All activities are derived from continuing operations.

There are no recognised gains or losses, nor movements in shareholders' funds, for the current and preceding year other than as stated in the profit and loss account.

There was no turnover during the current and preceding year.

Balance sheet

Note	2003 £	2002 £
Current assets		
5 Debtors	1,122	3,151
Cash at bank and in hand	100	100
Current liabilities		
6 Creditors: amounts falling due within one year	-	(2,002)
Net current assets	<u>1,222</u>	<u>1,249</u>
Share capital and reserves		
7 Called up share capital	1	1
8 Profit and loss account	1,221	1,248
Equity shareholders' funds	<u>1,222</u>	<u>1,249</u>

The balance sheet has been prepared in accordance with the provisions relating to small companies under S246 Companies Act 1985. The financial statements were approved by the Board of Directors on 27 October 2003.



J W A Cann

Director

1 Statement of accounting policies

The financial statements are prepared in accordance with accounting standards applicable in the United Kingdom. The particular accounting policies adopted are described below.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover is the invoiced amount of services provided, excluding value added tax.

2 Net operating expenses

	2003 £	2002 £
Bank charges and interest	<u>29</u>	<u>39</u>

The audit fee was borne by Linklaters in both the current and preceding years.

3 Directors' remuneration and employee costs

The Directors did not receive any remuneration during the year in respect of services provided to the Company (2002 – £nil). The Company had no employees during the year (2002 – nil).

4 Tax credit on loss on ordinary activities

	2003 £	2002 £
United Kingdom corporation tax credit at 30%	-	12
Prior year adjustment	<u>2</u>	<u>-</u>
	<u>2</u>	<u>12</u>

5 Debtors

	2003 £	2002 £
Amounts due from Linklaters	1,109	3,138
Corporation tax	12	12
Called up share capital not paid	<u>1</u>	<u>1</u>
	<u>1,122</u>	<u>3,151</u>

6 Creditors: amounts falling due within one year

	2003 £	2002 £
Accruals and deferred income	-	2,002

7 Share capital

	2003 £	2002 £
Authorised: 100 ordinary shares of £1 each	100	100
Called up, issued and not fully paid: 1 ordinary share of £1	1	1

8 Profit and loss account

	2003 £	2002 £
At beginning of year	1,248	1,275
Retained loss for the year	(27)	(27)
At end of year	1,221	1,248

9 Cash flow statement

The Company is exempt from the requirements of FRS 1.

10 Related party transactions

During the year Linklaters did not provide any services to the Company (2002: nil). The £1,109 due from Linklaters is outstanding from the prior year (2002: £3,138). There were no other related party transactions during the current year.

11 Ultimate controlling party

The Directors consider that the ultimate controlling party is Linklaters, a partnership registered in England and Wales and formed in Great Britain. The smallest and largest group into which the results are consolidated is Linklaters. Consolidated accounts are not available.