

SKIPTON INFORMATION GROUP PLC
(FORMERLY HAMSARD 2692 LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2004

(Registered Number 4968328)

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SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the thirteen months ended 31 December 2004. The Company was formed on 18th November 2003 and changed its name to Skipton Information Group plc ('SIG') on 7th June 2004. On 14th June 2004 it acquired 100% of the Ordinary Share Capital of EuroDirect Database Marketing Limited ('EuroDirect') which in turn owns the entire share capital of GMAP Limited and Callcredit plc. Full details of the subsidiary undertakings are listed in note 10.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

Skipton Information Group plc is a holding company. The principal activities of its subsidiary companies are as follows:
EuroDirect: the development and marketing of information databases and the development of marketing information systems.
GMAP: geographical modelling and planning.
Callcredit: the provision of web enabled credit reference and marketing services for business and consumer markets.

BUSINESS REVIEW

The Directors are satisfied with the Group's performance for the period.

RESULTS AND DIVIDENDS

The audited financial statements for the thirteen months ended 31 December 2004 are set out on pages 4 to 21. The loss for the period after taxation was £3.2m for the Group. No dividend was paid.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served during the period and their interests in the Company's issued share capital are:

	31st December 2004 Ordinary B 10p Shares	At date of appointment as director
J G Goodfellow (appointed 14th June 2004)	-	-
M J Green (appointed 13th April 2004)	245,000	245,000
E A Richards (appointed 27th May 2004)	25,000	25,000
R J Twigg (appointed 14th June 2004)	-	-
Hammonds Directors Limited (appointed 18th November 2003, resigned 13th April 2004)	-	-

Messrs J G Goodfellow and R J Twigg are directors of the ultimate parent undertaking, Skipton Building Society, and of the immediate parent undertaking, Skipton Group Holdings Limited. Their interests in the shares of the Group undertakings are not required to be recorded in the register maintained by this company.

SUPPLIER PAYMENT POLICY

The Group's policy is to agree terms of payment in advance and to make payment in accordance with agreed terms and any other legal obligations. At 31 December 2004 the average of creditor days for the Group was 33 days.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no political contributions during the period. Donations to UK charities amounted to £419.

EMPLOYEES

It has been the policy of the Group to disclose to staff at all levels information on matters of concern to them as employees.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

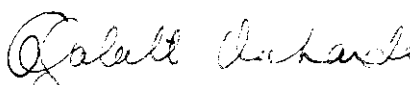
The Skipton Building Society Group and subsidiaries will be implementing International Financial Reporting Standards with effect from 1 January 2005 and plans are well progressed for this to be achieved.

AUDITORS

Following the commencement of trading, the Group appointed KPMG Audit Plc as auditors on 24th May 2004. A resolution will be placed before the annual general meeting to reappoint KPMG Audit Plc as auditors for the ensuing year.

One Park Lane
Leeds
West Yorkshire
LS3 1EP

By order of the board


E A Richards

Secretary

Date: 1st February 2005

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 and of the Group and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

We have audited the financial statements on pages 4 to 21.

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 auditor's 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

The Directors are responsible for preparing the Directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the Group is not disclosed.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with 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 Group'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 of the state of affairs of the Company and the Group at 31st December 2004 and of the loss of the Group for the thirteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc /

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds
1st February 2005

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

	Notes	£'000s
Turnover		
Continuing Operations		-
Acquisitions		6,914
	1,2	6,914
Cost of sales	2	(3,844)
Gross profit	2	3,070
Administrative expenses	2	(7,064)
Other operating income	2	1
Operating loss		
Continuing Operations		(419)
Acquisitions		(3,574)
	2	(3,993)
Other interest receivable and similar income	3	98
Interest payable and similar charges	3	(328)
Loss on ordinary activities before taxation	4	(4,223)
Tax credit on loss on ordinary activities	7	1,015
Loss on ordinary activities after taxation		(3,208)
Retained loss for the year		(3,208)
Retained profit brought forward		-
Retained loss carried forward		(3,208)

There were no recognised gains or losses in the period other than those reflected in the profit and loss account.

The notes on pages 7 to 21 form part of these accounts.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

BALANCE SHEETS

AS AT 31ST DECEMBER 2004

	Notes	Group		Company	
		£'000s	£'000s	£'000s	£'000s
Fixed assets					
Intangible fixed assets	8		29,281		-
Tangible fixed assets	9		2,715		-
Investments	10		-		35,000
Current assets					
Debtors	11	6,547		6,974	
Cash at bank and in hand		2,188		1,547	
		8,735		8,521	
Creditors: amounts falling due within one year	12	(13,939)		(13,831)	
Net current liabilities			(5,204)		(5,310)
Total assets less current liabilities			26,792		29,690
Net assets			26,792		29,690
Capital and reserves					
Called up share capital	14		29,100		29,100
Share premium account	15		900		900
Profit and loss account	15		(3,208)		(310)
Total Shareholders' funds	16		26,792		29,690
Analysis of total shareholders' funds					
Equity			1,792		4,690
Non-Equity			25,000		25,000
			26,792		29,690

A reconciliation of the movement in shareholders' funds is given in note 16.

These financial statements were approved by the Board of Directors on 1st February 2005 and signed on its behalf by:

J G Goodfellow)

) Directors

M J Green)

The notes on pages 7 to 21 form part of these accounts.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

	Notes	£'000s
Cash outflow from operating activities	17	(2,440)
Returns on investments and servicing of finance	18	(230)
Taxation		465
Capital expenditure and financial investment	18	(2,377)
Acquisitions and disposals	18	<u>(8,230)</u>
Cash outflow before financing		(12,812)
 Financing	 18	 15,000
Increase in cash in the period		<u><u>2,188</u></u>

Reconciliation of net cash flow to movement in net debt

		£'000s
Increase in cash in the period	19	2,188
New loans		10,000
Loans acquired with subsidiary		25,000
Repayments of debt		<u>(25,000)</u>
 Movement in net debt in the period		 <u>12,188</u>
Net debt at the start of the period		-
 Net debt at the end of the period	 19	 <u><u>12,188</u></u>

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

1. Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Group Accounts consolidate the accounts of Skipton Information Group plc and all its subsidiary undertakings. The acquisition method of accounting has been adopted, under which the results of subsidiary undertakings acquired or disposed of during the year are included in the Profit and Loss account from the date of acquisition or up to the date of disposal.

All Group undertakings prepare accounts to 31 December annually.

In the Company's accounts, investments in subsidiary undertakings are stated at cost less provision for any permanent diminution in value. In accordance with Section 230(4) of the Companies Act 1985, the Company is exempt from the requirement to present its own profit and loss account. The Company's loss for the year is disclosed in note 15 to the accounts.

The Company has taken advantage of the exemption in SSAP 25 from preparing segmental information on the grounds that the ultimate parent, Skipton Building Society, discloses such information.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write off the cost of tangible fixed assets less estimated residual value over their estimated useful lives as set out below on a straight line basis unless stated otherwise.

Leasehold Property Improvements	--	10% per annum
Office Equipment	--	20-50% per annum
Computer Equipment	--	33.33% per annum
Motor Vehicles	--	25% book value
Databases and Classifications	--	20% to 100% per annum

Fixed asset purchases are depreciated on a monthly basis from the date the asset is available for utilisation.

Profits and losses on the sale of these assets are included within the depreciation charge except where these are material when they are separately disclosed.

Short life assets and the associated accumulated depreciation are written out of the balance sheet once they are fully depreciated.

(c) Intangible fixed assets

Goodwill

Goodwill arises where the fair value of the consideration for a business or subsidiary undertaking exceeds the fair value of the net assets at the date of acquisition. Such goodwill is capitalised and amortised over its useful economic life, which is not more than 20 years.

Internally generated intangible fixed assets

Intangible fixed assets purchased separately from a business are capitalised at cost.

Databases comprise the data purchase and capture costs of internally developed databases, for use by customers to determine the credit-worthiness of individuals. The costs are capitalised as development costs in accordance with SSAP13. The databases, which are regularly updated, are amortised on a straight line basis over the anticipated useful economic life of between three to five years.

Deferred development expenditure comprises the product development costs of commercially exploitable systems to the extent that they are recoverable. Such costs are amortised on a straight line basis over the anticipated product life of five years.

For the intangible fixed assets, an annual review is undertaken to establish whether there are any indications of impairment. Should this be the case an impairment review is performed by comparing the carrying value to the net present value of future cash flows.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

1. Principal accounting policies (continued)

(d) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes as required by FRS19, Deferred Tax.

(e) Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

(f) Foreign currency

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 at the balance sheet date are reported at the rates of exchange prevailing at the date. All exchange differences are included in the profit and loss account.

(g) Operating leases

Rentals under operating leases are charged to the profit and loss account at a constant annual rate.

(h) Pensions

Some employees are members of the Skipton Building Society stakeholder scheme and in addition a defined contribution scheme is operated for certain EuroDirect and GMAP employees. The assets of the schemes are held separately from those of the Company and Group. Contributions are charged to the profit and loss account as they become payable in accordance with scheme rules.

2. Continuing Operations

In accordance with FRS 3 'Reporting Financial Performance' the following table illustrates the Group results split between continuing operations and acquisitions for the categories between turnover and operating profit for the 13 month period ended 31 December 2004.

	Continuing £'000s	Acquisitions £'000s	Total £'000s
Turnover	-	6,914	6,914
Cost of sales	-	(3,844)	(3,844)
Gross Profit	-	3,070	3,070
Administrative Expenses	(419)	(6,645)	(7,064)
Other operating income	-	1	1
Operating Loss	(419)	(3,574)	(3,993)

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

3. Interest

	Group £'000s
Other interest receivable and similar income	
Bank interest receivable	15
Interest receivable from ultimate parent undertaking	80
Other interest	3
	<hr/>
	98
Interest payable and similar charges	
Loan interest payable to group undertakings	324
Bank charges	4
	<hr/>
	328

4. Loss on ordinary activities before taxation

	£'000s
Loss on ordinary activities before taxation is stated after charging the following:	
Depreciation of Tangible fixed assets	579
Depreciation of Intangible fixed assets	1,696
Amortisation of goodwill	617
Foreign currency exchange differences	9
Operating lease costs:	
Land and buildings	183
Motor vehicles	7
Plant and machinery	63
Directors' emoluments (note 6)	127
Auditors' fees and their associates remuneration and expenses:	
Group	
For audit work	21
For non audit work	214
Company	
For audit work	5
For non audit work	214

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

5. Staff numbers and costs

The average monthly number of persons employed (including executive directors but excluding non executive directors) during the period since 14 June 2004 was:

	Group
Executive	2
Sales	25
Operations	140
Administration	52
	<hr/>
	219

	Group £'000s
The aggregate payroll costs of these persons is as follows:	
Wages and salaries	3,682
Social security costs	401
Other pension costs (note 20)	112
	<hr/>
	4,195

The Company had no employees during the period.

6. Directors' remuneration and transactions

	Group £'000s
<i>Remuneration</i>	
The remuneration of the directors was as follows:	
Emoluments	123
Pension costs	4
	<hr/>
	127

Highest paid Director

The above amounts for remuneration include the following in respect of the highest paid director:

Emoluments	77
Payments to defined contribution schemes	3
	<hr/>
	80

Pensions

Retirement benefits are accruing to the following number of directors:

Defined contribution schemes	<hr/>
	2

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

7. Taxation on loss on ordinary activities

	Group £'000s
a) Analysis of credit in period at 30%	
Current tax at 30%	(363)
Total current tax	(363)
Deferred tax	
Origination and reversal of timing differences	(652)
Total deferred tax (see note 13)	(652)
Tax credit on loss on ordinary activities	(1,015)

A reconciliation of current tax on loss on ordinary activities at the standard UK corporation tax rates to the actual tax charge is shown below:

b) Factors affecting current tax credit in the period.

	£'000s
Loss on ordinary activities before tax	(4,223)
Tax on loss on ordinary activities at UK standard rate of 30%	(1,267)
Effects of:	
Expenses not deductible for tax purposes	104
Accelerated capital allowances	240
Other	560
Current tax credit for period	(363)

8) Intangible fixed assets

	Group			
	Deferred Development Costs £'000s	Databases £'000s	Goodwill £'000s	Total £'000s
Cost				
At 18th November 2003	-	-	-	-
Assets acquired on purchase of subsidiary undertakings	4,974	2,713	18,809	26,496
Additions	894	516	3,688	5,098
At 31st December 2004	5,868	3,229	22,497	31,594
Amortisation				
At 18th November 2003	-	-	-	-
Charge for the period	691	1,005	617	2,313
At 31st December 2004	691	1,005	617	2,313
Net Book Value				
At 31st December 2004	5,177	2,224	21,880	29,281
At 18th November 2003	-	-	-	-

The Company holds no intangible fixed assets

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

9. Tangible fixed assets

	Group				
	Land and Buildings £'000s	Databases & Classifications £'000s	Motor Vehicles £'000s	Office Equipment £'000s	TOTAL £'000s
Cost					
At 18th November 2003	-	-	-	-	-
Assets acquired on purchase of subsidiary	331	573	194	1,229	2,327
Additions	34	489	31	413	967
At 31st December 2004	365	1,062	225	1,642	3,294
Depreciation					
At 18th November 2003	-	-	-	-	-
Charge for the period	22	189	42	326	579
At 31st December 2004	22	189	42	326	579
Net Book Value					
At 31st December 2004	343	873	183	1,316	2,715
At 18th November 2003	-	-	-	-	-

The Company holds no tangible fixed assets.

None of the assets included above are held under finance leases.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

10. Fixed asset investments

Company	Shares in subsidiary undertakings
	£'000s
Cost	
At 18th November 2003	-
Additions	35,000
At 31st December 2004	35,000
Net Book Value	
At 31st December 2004	35,000
At 18th November 2003	-

At 31st December 2004, the Company held effective interests in the following principal subsidiary undertakings:

Name of subsidiary	Principal Business Activity	Type of Shares Held	Proportion of Shares Held	Immediate Parent
Callcredit plc	Credit Referencing	Ordinary Shares	100%	EuroDirect
EuroDirect Database Marketing Limited	Database Marketing	Ordinary Shares	100%	SIG plc
GMAP Limited	Geographical modelling and planning	Ordinary Shares	100%	EuroDirect

All the above companies are incorporated and registered in England and operate in the United Kingdom.

On 14th June 2004, the Company acquired 100% of the ordinary share capital of EuroDirect Database Marketing Ltd for £10 million.

In addition, on 23rd December 2004, the Company subscribed for £25 million of preference shares in CallCredit plc.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

10. Fixed asset investments (continued)

During the year the Company acquired 100% of the Ordinary Share Capital of the following subsidiary:

	Date of Acquisition	Acquired Shareholding
EuroDirect Database Marketing Limited	14th June 2004	100%

The results of the above subsidiary has been consolidated using the acquisition method of accounting. The net assets acquired have been incorporated into the Group Accounts at their fair values outlined below.

	Book Value and Fair Value
Net assets / (liabilities) at acquisition	£'000s
Goodwill	18,809
Intangible fixed assets	7,687
Tangible fixed assets	2,327
Debtors	5,651
Cash	1,770
Long term loan to ultimate parent	(25,000)
Creditors due within one year	(4,932)
Total	6,312
Consideration	10,000
Goodwill	3,688

The consideration for EuroDirect Database Marketing Limited (and subsidiaries) was satisfied by issuing £10 million of non-coupon bearing preference shares in SIG plc to the immediate parent undertaking, Skipton Group Holdings Limited.

A fair value review was undertaken and no fair value adjustments were deemed to be required.

The goodwill of £3,688,000 arising on the above acquisition is being amortised over 20 years. The financial year end of all subsidiary undertakings is 31 December.

In accordance with FRS 6 the summary results of substantial acquisitions for the pre acquisition period and for the prior year are disclosed below. The figures comprise the consolidated results of EuroDirect and GMAP plus the individual Company results for Calcredit plc as this Company was only acquired by EuroDirect on 14th June 2004.

EuroDirect Group £'000s

For the period 1st January 2004 to 14th June 2004

Turnover	6,013
Operating loss	(2,545)
Loss before tax	(3,073)
Taxation credit	832

For the previous financial year ended 31st December 2003

Loss after tax	(4,910)
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SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

11. Debtors**Group
£'000s****Company
£'000s**

Amounts falling due within one year:

Trade debtors	4,368	-
Amounts owed by group undertakings	25	6,972
UK corporation tax	915	-
Other debtors	131	-
Deferred tax asset (see note 13)	618	-
Prepayments and accrued income	490	2
	6,547	6,974

12. Creditors: amounts falling due within one year**Group
£'000s****Company
£'000s**

Trade creditors	672	6
Amounts owed to group undertakings	11,444	13,778
UK corporation tax	-	47
Other taxation and social security	335	-
Other creditors	5	-
Accruals and deferred income	1,483	-
	13,939	13,831

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

13. Deferred tax asset

The amounts provided for deferred taxation, which represent the full potential deferred tax assets are as follows:

	Group £'000s	Company £'000s
At 18th November 2003	-	-
Deferred tax asset acquired with subsidiary	(34)	-
Decrease during the period	652	-
At 31st December 2004	618	-

The amounts of deferred tax which are fully provided for are as follows:

Difference between accumulated depreciation and capital allowances	(721)	-
Losses carried forward to offset against future taxable profits	1,339	-
Deferred tax asset	618	-

14. Called up share capital

Authorised, allotted, called up and fully paid

Group and Company
£'000s

4,000,000 Ordinary A redeemable, convertible shares of £1 each	4,000
1,000,000 Ordinary B convertible shares of 10p each	100
10,000,000 A non-cumulative, redeemable Preference shares	10,000
15,000,000 B non-cumulative, redeemable Preference shares	15,000
	29,100

The 'A' redeemable and convertible ordinary shares were issued at par on 14th June 2004. The A ordinary shareholders may require the company to redeem some or all of the A ordinary shares immediately prior to and conditional upon the occurrence of a Listing. The Company shall pay an amount equal to the issue price of the share. Where the Company is permitted by the Companies Act only to redeem some of the A ordinary shares, the remainder shall be redeemed as soon thereafter as the Company is permitted to do so. Immediately prior to, and conditional upon a Listing, each A Ordinary share not subject to redemption as above shall be subdivided and converted into and redesignated as an ordinary share and a deferred share. The ordinary shares arising on conversion shall rank pari passu in all respects with the issued Ordinary Shares.

The 'B' convertible ordinary shares were issued at a 90p premium on 6th April 2004. Immediately prior to, and conditional upon a Listing each B Ordinary share shall be converted into and designated as the same number of ordinary shares. The ordinary shares arising on conversion shall rank pari passu in all respects with the issued Ordinary Shares.

The holders of Ordinary shares (A and B) are entitled to dividends as determined by the directors from any remaining distributable profits after the payment of the B preference shares dividend. Dividends will be paid to the holders of the ordinary shares according to the number of shares actually held by each shareholder as if all the shares constituted one class of shares. Each holder of an Ordinary share is entitled, on a poll, to one vote per each Ordinary share held and on a show of hands to have one vote each.

On winding up the surplus assets of the Company, remaining after the payment of liabilities and amounts owed to the holders of A and B Preference shares, but otherwise in priority to the holders of any other shares, are payable as follows to the Ordinary shareholders:

(a) first any dividends which have been declared but are unpaid and secondly an amount equal to the issue price of each Ordinary share; and

(b) thereafter all amounts owing to the holders, if any, of deferred shares.

The remaining balance is then distributed between the members holding Ordinary shares in proportion to the number of shares held by them.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

14. Called up share capital (continued)

'A' Preference Shares

The non-cumulative, redeemable 'A' Preference shares were issued at par on 14th June 2004. The 'A' Preference shareholders are not entitled to any payment of dividend or other distribution and confer no other rights to participate in the profits of the Company.

On winding up the 'A' Preference shareholders have priority over holders of all other classes of shares to receive an amount equal to the issue price of the shares held from the Company's surplus assets once its liabilities have been settled. There is no other right to participate on a return of capital by the Company.

The shares are redeemable at the Company's option at par in the following circumstances:

- (i) On 90 days at any time after 31 December 2005
- (ii) Immediately prior to an Exit Event or appointment of a receiver or equivalent
- (iii) On 30 April 2014 - The shares shall be redeemed on this date.

The shareholders will be entitled to vote on any resolution in respect of their shares if the meeting includes a resolution for the liquidation of the Company or which varies the rights attaching to the 'A' Preference shares. Each shareholder will be entitled to, on a show of hands, one vote each and, on a poll, have in aggregate such number of votes as, when aggregated with all ordinary shares held by such members, equal 75% of the total number of votes exercisable on the resolution by all the members.

'B' Preference Shares

The non-cumulative redeemable B Preference shares were issued at par on 14th June 2004. These shares attract, in priority to dividends from any other class of share, a non-cumulative dividend. The dividend rate equates to the aggregate of base rate and 1% per annum of the issue price of the relevant B Preference share. There are no other rights to participate in the profits of the Company. The dividend will accrue from the date of issue and shall be paid in arrears each year on 30 June and 31 December and on an Exit Event. No dividend will be paid or liability arise in any year when the Company has insufficient distributable reserves to meet the dividend payment in full.

On winding up, the surplus assets of the Company after settlement of all liabilities and payments of amounts due to the 'A' preference shareholders will be used to pay the B preference shareholders as follows:

- (i) all unpaid arrears and accruals in respect of dividends and other amounts;
- (ii) an amount equal to the issue price.

There are no other rights to participate in the profits of the Company in a return of capital situation.

Shares can be redeemed at the Company's option in the following circumstances. The amount payable on redemption will equal the sum of the issue price plus any arrears owing on the B Preference share dividends.

- (i) On 90 days notice at any time after 31 December 2005
- (ii) Immediately prior to an Exit Event or appointment of a receiver or equivalent
- (iii) On 30 April 2014 - The shares shall be redeemed on this date.

The shareholders will be entitled to vote on any resolution in respect of their shares if the meeting includes a resolution for the liquidation of the Company or which varies the rights attaching to the 'B' Preference shares. Each shareholder will be entitled to, on a show of hands, one vote each and, on a poll, have in aggregate such number of votes as, when aggregated with all ordinary shares held by such members, equal 75% of the total number of votes exercisable on the resolution by all the members.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

15. Reserves Company

	Share premium account £'000s	Profit and loss account £'000s	Total £'000s
At 18th November 2003	-	-	-
In respect of shares issued in the year (note 14)	900	-	900
Retained loss for the year	-	(310)	(310)
At 31st December 2004	900	(310)	590

Group

	Share premium account £'000s	Profit and loss account £'000s	Total £'000s
At 18th November 2003	-	-	-
In respect of shares issued in the year (note 14)	900	-	900
Retained loss for the period	-	(3,208)	(3,208)
At 31st December 2004	900	(3,208)	(2,308)

16. Reconciliation of movement in shareholders' funds

	Group £'000s	Company £'000s
Loss for the financial period	(3,208)	(310)
New share capital subscribed (net of issue costs)	30,000	30,000
Net addition to Shareholders' funds	26,792	29,690
Opening Shareholders' funds	-	-
Closing Shareholders' funds	26,792	29,690

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

17. Reconciliation of operating loss to net cash flow from operating activities

	Continuing Operations £'000s	Acquisitions £'000s	Total £'000s
Operating Loss	(419)	(3,574)	(3,993)
Depreciation and amortisation charges	-	2,892	2,892
(Increase) in debtors	(29)	(776)	(805)
Increase / (Decrease) in creditors	6	(540)	(534)
Net cash outflow from operating activities	<u>(442)</u>	<u>(1,998)</u>	<u>(2,440)</u>

18. Analysis of cash flows for headings netted in the cashflow statement

	£'000s
Returns on investment and servicing of finance	
Interest received	98
Interest paid	(328)
Net cash outflow for returns on investment and servicing of finance	<u>(230)</u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(967)
Purchase of intangible fixed assets	(1,410)
	<u>(2,377)</u>
Acquisitions and disposals	
Payments to acquire subsidiary undertakings	(10,000)
Net cash acquired with subsidiary	<u>1,770</u>
	<u>(8,230)</u>
Financing	
Repayment of loans	(25,000)
New loans	10,000
Issue of ordinary share capital	5,000
Issue of preference share capital	25,000
	<u>15,000</u>

19. Analysis of net debt

	At beginning of period £'000s	Cash flow £'000s	Other movement £'000s	At end of period £'000s
Cash at bank and in hand	-	418	1,770	2,188
Debt due within one year	-	10,000	-	10,000
Debt due after one year	-	(25,000)	25,000	-
Total	<u>-</u>	<u>(14,582)</u>	<u>26,770</u>	<u>12,188</u>

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

20. Pension arrangements

Some employees of the group are members of the Skipton Building Society stakeholder scheme and in addition a defined contribution scheme is operated for certain EuroDirect and GMAP employees. The assets of the schemes are held separately from those of the Company and Group. There were no amounts owing to the schemes at the year end. The total pension cost for the Group in the period is shown in note 5.

21. Commitments

a) Operating lease commitments

At 31st December 2004 annual commitments under non-cancellable operating leases are as follows:

Group	Land & buildings £'000s	Other £'000s
Expiry date:		
Within 1 year	-	240
Between 2 and 5 years	-	84
Over 5 years	497	-
	497	324

Company

At 31st December 2004 the company had no commitments under operating leases.

b) Other commitments

Group Banking arrangements:

The group is party to pooling arrangements with other Skipton Building Society group companies.

SKIPTON INFORMATION GROUP PLC (FORMERLY HAMSARD 2692 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 31ST DECEMBER 2004

22. Related party transactions

In accordance with FRS 8 'Related Party Disclosures' the Company has taken advantage of the exemption from disclosing transactions between members of the Skipton Information Group companies (comprising EuroDirect, Callcredit, GMAP and Skipton Information Group plc) which are fully eliminated on consolidation.

Transactions with other members of the group headed by Skipton Building Society are set out below:

Related Party	Relationship	Transaction	Transaction Value £'000s	Balance outstanding at the period end £'000s
Purchases				
Skipton Building Society	Ultimate Parent	Management charges	84	15
Skipton Building Society	Ultimate Parent	Maintenance of bespoke software	73	12
Skipton Building Society	Ultimate Parent	Development of bespoke software	619	104
Skipton Building Society	Ultimate Parent	Provision of financing facility	555	-
Revenue				
Skipton Building Society	Ultimate Parent	Licence revenue	40	-
Homeloan Management Limited	Fellow subsidiary	Licence revenue	8	8
Skipton Business Finance Limited	Fellow subsidiary	Rental income	1	1
Skipton Building Society	Ultimate Parent	Credit referencing and scorecard development	41	-
Amber Homeloans Limited	Fellow subsidiary	Scorecard development	52	-
Deposits / Funding				
Skipton Group Holdings Limited	Immediate Parent	Loan	10,000	10,000
		Interest payable on loan	312	-
Skipton Building Society	Ultimate Parent	Cash on deposit (SIG plc)	1,490	1,490
		Interest receivable on deposit	74	2
Skipton Building Society	Ultimate Parent	Cash on deposit - interest earned on various short term deposits (Eurodirect)	Various	6

23. Ultimate controlling party

The company is an 80% subsidiary undertaking of Skipton Group Holdings Limited, registered in the United Kingdom.

Skipton Building Society is the parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. The directors regard Skipton Building Society, registered in the United Kingdom, as the ultimate parent undertaking and the ultimate controlling party. Copies of the group financial statements are available from:

The Secretary
Skipton Building Society
The Bailey
Skipton
North Yorkshire
BD23 1DN