

COMPANY NO: 370721

BARBOUR INDEX PLC

ANNUAL REPORT

◆ *Year ended 31 December 2000* ◆



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COMPANY INFORMATION

Directors	C Guy K Tickle
Secretary	M Margaritelli
Registered office	New Lodge Drift Road Windsor Berks SL4 4RQ
Registered number	370721
Auditors	RSM Robson Rhodes Chartered Accountants 186 City Road London EC1V 2NU
Bankers	National Westminster Bank plc P O Box 2DG 208 Piccadilly London W1A 2DG

REPORT OF THE DIRECTORS

The directors present their report and the financial statements of the company for the year ended 31 December 2000.

Principal activities

The company's principal activity is the provision of specialist information services to professionals in the United Kingdom construction industry and those responsible for health & safety at work.

Results for the year and future developments

Turnover for the year to 31 December 2000 amounted to £15.6m (16 months to 31 December 1999: £18.4m) reflecting the growing subscriber base to electronic services. The profit before tax for the period amounted to £1.4m (1999: £1.9m).

In late 1999 the company began a major web development programme. The effect of this significant investment is reflected in the financial results for 2000 and continuing impact is likely in 2001.

However, this investment has not had a major impact on the underlying profitability of the company's core business and trading continues in line with expectations. The directors do not consider it appropriate to propose the payment of a dividend.

Directors and their interests

The present directors of the company are set out on page 1. The directors who served throughout the year were as follows:

C Guy
K Tickle

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom 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 profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

REPORT OF THE DIRECTORS

Directors' responsibilities

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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the director's report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Creditor payment policy

The company's policy is to pay all creditors at the end of the month following the month of invoice or earlier agreement. The ratio, expressed in days, of the amounts owed to trade creditors at the year ended 31 December 2000 to total purchases during the year was 7 (31 December 1999 - 10 days).

Auditors

The auditors are willing to continue in office, and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

The report of the directors was approved by the Board on *19th November* 2001 and signed on its behalf by:

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

M Margaritelli
Secretary

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BARBOUR INDEX PLC**

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom 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 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 company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

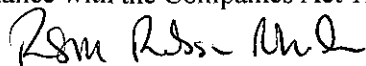
Basis of audit opinion

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 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 of the state of affairs of the company as at 30 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes
Chartered Accountants and Registered Auditors

London, England
Anna 18 2001

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

	Note	Year ended 31 December 2000 £'000	16 months to 31 December 1999 £ '000
Turnover	2	15,590	18,424
Cost of sales		(12,921)	(15,260)
Gross profit		<u>2,669</u>	<u>3,164</u>
Administration expenses		(1,638)	(1,811)
Other operating income	3	274	230
Operating profit	4	<u>1,305</u>	<u>1,583</u>
Interest receivable	7	121	321
Profit on ordinary activities before tax		<u>1,426</u>	<u>1,904</u>
Tax on ordinary activities	8	(265)	(578)
Retained profit for the financial year	15, 16	<u><u>1,161</u></u>	<u><u>1,326</u></u>

All amounts relate to continuing activities.

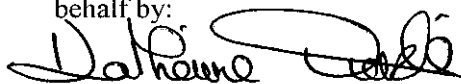
Statement of total recognised gains and losses

	£'000	£ '000
Total recognised gains and losses relating to the period	<u><u>1,161</u></u>	<u><u>1,326</u></u>

BALANCE SHEET
at 31 December 2000

	Note	As at 31 December 2000 £ '000	As at 31 December 1999 £ '000
Fixed assets			
Tangible assets	9	7,912	7,806
Investments	10	62	62
		<u>7,974</u>	<u>7,868</u>
Current assets			
Debtors	11	12,725	6,391
Cash at bank and in hand		396	4,604
		<u>13,121</u>	<u>10,995</u>
Creditors: Amounts falling due within one year	12	(9,050)	(7,979)
Net current assets		<u>4,071</u>	<u>3,016</u>
Total assets less current liabilities		<u>12,045</u>	<u>10,884</u>
Provisions for liabilities and charges	13	-	-
Net assets		<u>12,045</u>	<u>10,884</u>
Capital and reserves			
Called up share capital	14	4,370	4,370
Revaluation reserve	15	2,858	2,858
Share premium account	15	858	858
Profit and loss account	15	3,959	2,798
Equity shareholders' funds		<u>12,045</u>	<u>10,884</u>

The financial statements were approved by the Board on 10th 19th 2001 and signed on its behalf by:



K Tickle
Director

NOTES TO THE FINANCIAL STATEMENTS
31 December 2000 (continued)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The financial statements present information about the company as an individual undertaking and not about its group. The company is a wholly-owned subsidiary undertaking, and therefore has taken advantage of exemptions available under section 228 of the Companies Act 1985, and has not prepared group accounts.

Goodwill

Goodwill arising on the acquisition of business was previously written off immediately against the goodwill reserve. Following the implementation of FRS 10 "Goodwill and intangible assets" purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life up to a maximum of 20 years.

Tangible fixed assets and depreciation

The carrying value of the freehold property reflects previous revaluations as disclosed in note 10. The transitional provisions of the FRS 15 are being followed, and hence the valuation of the property has not been updated.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives.

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit unless it was reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses. Freehold property, other than non depreciable land is reviewed for impairments in accordance with FRS 11 at the end of each reporting period.

No depreciation charge is made of the freehold building on the grounds that it is immaterial because of the length of the estimated remaining useful life, and because the estimated residual value of the building is not materially different from its carrying value. No depreciation is provided on freehold land.

The principal annual rates used for other assets are:

Motor vehicles	25 per cent
Fixtures, fittings and equipment	20 - 50 per cent

Leasing

Operating lease rentals are charged in the profit and loss account as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000 (continued)

1. ACCOUNTING POLICIES (continued)

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Full provision is made for deferred taxation, using the liability method, to the extent that it is probable the liabilities will crystallise in the future.

Pensions

The Company operates a money purchase pension scheme in respect of the majority of its employees. The scheme is a defined contribution scheme and contributions are based on total earnings for the current year. The scheme is funded by payments to a trustee administrated fund completely independent of the Company's finances. The charge for the year to 31 December 2000 representing contributions payable by the Company, amounted to £203,000 (16 months to 31 December 1999: £265,200).

Fixed asset investment

Investments in subsidiary and associated undertakings are included in the accounts at cost less any provisions for permanent diminution in value.

Research and development

Expenditure on research and development is incurred as part of the Company's day to day activities and is written off against profits in the year in which it arises.

Cash flow statement

Under Financial Reporting Statement 1 (revised) the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of Vivendi Universal SA whose financial statements are publicly available.

2. TURNOVER

Turnover represents the amount of services, as described in the business on page 1, provided during the year, net of Value Added Tax and excludes inter company transactions.

NOTES TO THE FINANCIAL STATEMENTS**31 December 2000 (continued)****2. TURNOVER (Contd.)**

A geographical analysis of turnover is given below. It is impracticable to analyse profit or net assets by geographical segment.

	Year ended 31 December 2000 £'000	16 months to 31 December 1999 £ '000
UK	14,489	17,118
Other European countries	1,009	1,201
Rest of the world	92	105
	15,590	18,424

3. OTHER OPERATING INCOME

	£'000	£ '000
Rent and services charges receivable	274	230

4. OPERATING PROFIT

	£'000	£ '000
This is stated after charging:		
Directors' emoluments	131	373
Depreciation of tangible assets	606	737
Auditor's remuneration:		
Audit	12	44
Other work	-	10
Hire of motor vehicles	7	10
Research and development	452	716

NOTES TO THE FINANCIAL STATEMENTS**31 December 2000 (continued)****5. DIRECTORS EMOLUMENTS**

	Year ended 31 December 2000 £'000	16 months to 31 December 1999 £ '000
Emolument of the highest paid director	131	170
Aggregate emolument received or receivable under long term incentive schemes		-
Aggregate employer contributions to money purchase pension scheme	12	18
Number of directors in pension scheme - money purchase	1	3
Number of directors exercising share options (including highest paid director)	-	3
Number of directors with shares received or receivable under long term incentive schemes	-	-

6. STAFF

	£'000	£'000
Wages and salaries	3,993	4,732
Social security costs	384	454
Pension scheme costs	203	345
	<u>4,560</u>	<u>5,531</u>
The average weekly number of employees during the period was:		
	Number	Number
Sales	87	72
Administration	78	69
	<u>165</u>	<u>141</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000 (continued)

7. INTEREST RECEIVABLE

	Year ended 31 December 2000 £'000	16 months to 31 December 1999 £ '000
Interest from bank accounts	121	321

8. TAX ON PROFITS ON ORDINARY ACTIVITIES

	2000 £'000	1999 £ '000
The tax charge for the period is:		
Corporation tax at 30 % (1999: 30.44%)	265	585
Adjustment in respect of over provision in previous period	-	(7)
	<u>265</u>	<u>578</u>

9. TANGIBLE FIXED ASSETS

	Freehold land & buildings £'000	Motor vehicles £ '000	Equipment £ '000	Total £ '000
Cost or valuation				
At 1 January 2000	6,750	1,055	2,040	9,845
Additions	-	364	376	740
Disposals	-	(142)	(1)	(144)
At 31 December 2000	<u>6,750</u>	<u>1,277</u>	<u>2,415</u>	<u>10,442</u>
Depreciation				
At 1 January 2000	-	481	1,558	2,039
Charge	-	287	319	606
Disposals	-	(113)	-	(114)
At 31 December 2000	<u>-</u>	<u>655</u>	<u>1,875</u>	<u>2,530</u>
Net book value				
At 31 December 2000	<u>6,750</u>	<u>622</u>	<u>540</u>	<u>7,912</u>
At 31 December 1999	<u>6,750</u>	<u>574</u>	<u>482</u>	<u>7,806</u>

NOTES TO THE FINANCIAL STATEMENTS**31 December 2000 (continued)****9. TANGIBLE FIXED ASSETS (Contd.)**

The Company's freehold land and buildings were professionally valued at £6,750,000 on an open market existing use basis at 30 April 1998 by BS Campsie & Co, Chartered Surveyors. A taxation liability of £302,000 (1999: £302,000) could arise if the freehold property was sold at this value. See note 13 provision for deferred taxation.

	As at 31 December 2000 £'000	As at 31 December 1999 £ '000
If stated under the historical cost principles the comparable amount for freehold property at cost would be	2,082	2,082

10. FIXED ASSET INVESTMENTS

The Company owns 100 per cent of the issued ordinary share capital of a subsidiary undertaking,, Barbour Index Trustees Limited (non-trading) at a cost of £2, which is registered in England and Wales. The company also owns 37.5% of the issued ordinary share capital of National Engineering Specification Limited, (NES) which is registered in England and Wales. NES has prepared and maintain an engineering specification for the building services industry which is available on a subscription basis. Another group undertaking also owns 37.5% of NES.

11. DEBTORS

	£'000	£ '000
Trade debtors	3,908	3,733
Amount due from group companies	6,310	26
Other debtors	20	98
Prepayments and accrued income	1,354	1,139
Corporation tax recoverable	1,133	1,395
	12,725	6,391

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000 (continued)

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 December 2000 £'000	As at 31 December 1999 £ '000
Trade creditors	229	306
Amount due to group companies	-	50
Other creditors	6	-
Other taxes and social security	157	181
Accruals and deferred income	8,658	7,442
Proposed dividends	-	-
	<u>9,050</u>	<u>7,979</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	£ '000
Deferred taxation unprovided	
Revaluation of freehold property	302
Less ACT recoverable	(284)
Balance at 31 December 2000	<u>18</u>

14. SHARE CAPITAL

At 31 December 1999 and 2000

	No. '000	£ '000
Authorised		
Ordinary shares of 25p each	20,000	5,000
Allotted, issued and fully paid		
Ordinary shares of 25p each		<u>4,370</u>

15. RESERVES

	Revaluation reserve £'000	Share premium £ '000	Profit and loss £ '000
At 1 January 2000	2,858	858	2,798
Movements for the year	-	-	1,161
At 31 December 2000	<u>2,858</u>	<u>858</u>	<u>3,959</u>

NOTES TO THE FINANCIAL STATEMENTS**31 December 2000 (continued)****16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	2000	1999
	£ '000	£ '000
Retained profit for the year	1,161	1,326
Share issues during the period	-	361
Net additions to shareholders funds	<u>1,161</u>	<u>1,687</u>
Opening shareholders funds	10,884	9,197
Closing shareholders funds	<u><u>12,045</u></u>	<u><u>10,884</u></u>

17. CAPITAL COMMITMENTS

At 31 December 2000, the Company had capital commitments authorised but not yet contracted totalling £nil (1999: £6,800) .

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of FRS8 paragraph 3 (c) exemption not to disclose inter-group transactions.

19. ULTIMATE HOLDING UNDERTAKING

The Company's ultimate holding company is Vivendi Universal SA a company incorporated in France. Accounts may be obtained from 42, Avenue de Friedland, 75380 Paris Cedex 08, France. The Company's intermediate parent undertaking is Havas Business Information (UK) plc a company incorporated in England. The registered address of Havas Business Information (UK) Plc is Exchange Tower, 2 Harbour Exchange Square, London E14 9GE.