

# HAMILTON RENTALS PLC

and subsidiary undertakings

## Annual Report and Consolidated Accounts

Year ended 30 June 2002

Registered Number 1041096



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COMPANIES HOUSE

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# Report of the Directors

For the year ended 30 June 2002

The directors present their annual report and the audited and consolidated accounts of the Company and its subsidiaries for the year ended 30 June 2002.

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## Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and Group, and of the profit or loss for that period. In preparing those accounts, 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 accounts;
- prepare the accounts 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 accounts 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.

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## Principal activity

The principal activity of the Group is the provision of IT solutions.

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## Business review

Market conditions appear to have stabilised, but have done so at a very low level.

Within our target customers and prospects, we are seeing a general trend to incur IT expenditure and to make IT investment only where it is essential to do so or where there is a clear, rapid return on investment.

We have reduced and controlled our costs, whilst ensuring that we did not damage the key fabric of the business, especially in the areas of customer facing services and sales. Indeed, we have particularly and successfully prioritised achieving a very high level of customer service and have had no material customer losses during the period; our sales momentum and orientation has also been strong.

In the short term, it is very difficult to predict the direction of the market. We do not expect a further decline, but neither do we expect a material improvement; we consider it most likely that current market conditions will persist. Against this backdrop we will remain flexible, continue to take market share and continue to develop, in both the short and the long term, to ensure that the solutions we offer to our customers are attractive to them.

On 1 July 2001, the administration of the accounting records of a subsidiary, Compelmidas Limited, was transferred to Hamilton Rentals plc. All assets and liabilities were also transferred at book value, which is considered to be fair value, and the resulting liability is included in creditors as an amount due to a group company. Compelmidas continues to trade and there is no effect on the Group accounts.

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## Results and dividends

The Group's results are set out on page 6 of these accounts. After payment of dividends the profit for the year retained in the group is £345,000 (2001: loss of £3,406,000).

## Report of the Directors

Dividends of £1,080,000 were paid during the year (2001: £6,305,000). The directors do not recommend payment of a final dividend (2001: £nil).

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### Directors and their interests

The directors who held office during the year were as follows:

D P Frankling  
N Davis  
A J Lee  
P Berry  
J M Butler  
R Barter (appointed 1 November 2001)  
D Riley (resigned 13 July 2001)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

According to the register of directors' interests, no rights to subscribe for shares or debentures of the Hamilton Rentals Group companies were granted to the directors or their immediate families, or exercised by them during the financial year.

The interests of N Davis, A J Lee and D P Frankling in the share capital of the ultimate parent Company, Compel Group PLC, including rights to subscribe for shares or debentures, are disclosed within the consolidated accounts of that company, which can be obtained from the address given in note 25. P Berry held 6,693 ordinary shares of 5p each in Compel Group PLC at 30 June 2001 and 30 June 2002. During the year options for shares in Compel Group PLC were granted to J Butler (10,000), P Berry (30,000) and R Barter (10,000).

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### Creditor payment policy and practice

The Group values its relationships with suppliers and operates a vendor assessment scheme to establish mutual responsibilities as part of its ISO 9001 quality procedures. It is the Group's policy to negotiate terms and ensure suppliers are aware of payment terms before business is transacted. Wherever

possible suppliers are notified of amounts in dispute before payment is due.

The Company had trade creditors of £8,762,000 (2001: £10,691,000) at 30 June 2002 and made purchases on trade credit during the year of £58,395,000 (2001: £68,459,000) (including VAT) resulting in a payment period of 55 days (2001: 57 days).

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### Employees

It is the Group's policy to encourage the employment, training and career development of disabled persons. If employees become disabled every effort will be made to enable them to continue in employment.

Directors and managers provide all employees with information on matters affecting them as employees. Staff are briefed at regular meetings and are encouraged to share their views.

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### Political and charitable contributions

The Group made no political contributions during the year (2001: £nil).

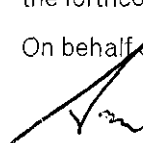
The Group made charitable contributions totalling £3,818 in the year (2001: £nil).

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### Auditor

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the Company and Group, is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board,



A J Lee  
Secretary  
18 October 2002

Registered office  
6 Meadway Court  
Rutherford Close  
Stevenage  
Herts  
SG1 2EF

# Report of the Independent Auditors

To the members of Hamilton Rentals plc

We have audited the accounts on pages 4 to 19.

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## Respective responsibilities of directors and independent auditors

The Company's directors are responsible for preparing the directors' report, including as described on page 1 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.

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## 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.

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## Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 June 2002 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc 23 October 2002*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## Accounting policies

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### Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The Group has adopted FRS 17 'Retirement benefits', FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these accounts. All other accounting policies outlined below have been applied consistently in dealing with items which are considered material in relation to the Group's accounts.

The Company is exempt from the requirement of Financial Reporting Standard No. 1 (Revised), to prepare a cash flow statement as it is a wholly owned subsidiary undertaking, and its cash flows are included within the consolidated cash flow statement of Compel Group PLC a company incorporated in the UK whose accounts are publicly available from the address given in note 25.

In accordance with Section 230(4) of the Companies Act 1985 Hamilton Rentals plc is exempt from the requirement to present its own profit and loss account. The amount of the profit for the financial year dealt with in the accounts of Hamilton Rentals plc is disclosed in note 22.

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### Basis of consolidation

The Group accounts consolidate the accounts of Hamilton Rentals plc and all its subsidiary undertakings.

The acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the Company's accounts, investments in subsidiary undertakings are stated at cost. Dividends received and receivable are credited to the Company's profit and loss account to the extent that they represent a realised profit for the Company.

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### Intangible assets - goodwill

Purchased goodwill arising on consolidation in respect of acquisitions before 1 July 1998, when FRS 10 'Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given and associated costs over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 July 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

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### Revenue recognition

Revenue from product sales is recognised on delivery of the equipment. Revenue from consultancy and other professional services is recognised as the services are performed.

Revenue from equipment rental, software support and hardware maintenance provided by the Group is recognised rateably over the term of the agreement on a straight line basis. The unrecognised revenue is shown separately in the balance sheet as deferred income.

For contracts involving a combination of products and services, revenue is recognised on each element in accordance with the above policy, unless all elements are considered to be interdependent and

## Accounting policies

not separately deliverable, when revenue is recognised based on the stage of completion. On major contracts extending over more than one accounting period, revenue is recognised based on the stage of completion when the outcome of the contract can be foreseen with reasonable certainty and after allowing for costs to completion.

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### Pensions and other post retirement benefits

Pension costs charged to the profit and loss account represent the contributions payable for the accounting period to defined contribution pension schemes and employees' personal pension plans. The assets of the scheme are held separately from those of the Group in independently administered funds.

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### Tangible fixed assets and depreciation

Tangible fixed assets are stated at original cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less the estimated residual value, of each asset by equal instalments over their estimated useful economic lives as follows:

	Annual Rate
Rental equipment	33-50% or more if prudent
Office equipment, fixtures and fittings	10 - 50%
Motor vehicles	33% or the life of the lease

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### Fixed Asset Investments

Investments in subsidiaries are stated at cost.

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### Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

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### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost consists of invoice value less applicable trade discounts. Net realisable value represents the combined proceeds from the sale or use of items of stock less all further costs directly relating to their disposal.

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### 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. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

## Consolidated profit and loss account for the year ended 30 June 2002

	Note	2002 £'000	2001 £'000
Turnover	1	62,620	86,230
Cost of sales		(47,080)	(67,049)
Gross profit		15,540	19,181
Administrative expenses	3	(15,031)	(17,390)
Restructuring costs	3	(513)	-
Other operating income	3	1,028	-
Operating profit		1,024	1,791
Other interest receivable and similar income		41	48
Interest payable and similar charges	2	(182)	(190)
Profit on ordinary activities before taxation		883	1,649
Tax on profit on ordinary activities	6	542	1,250
Profit on ordinary activities after taxation		1,425	2,899
Dividends	7	(1,080)	(6,305)
Retained profit/(loss) for the financial year	19	345	(3,406)

All results arise from continuing operations.

Hamilton Rentals plc has no recognised gains and losses during the current and previous year other than those passing through the profit and loss account.

## Consolidated balance sheet at 30 June 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Intangible assets - goodwill	8	3,311	3,714
Tangible assets	9	6,053	7,616
		9,364	11,330
Current assets			
Stocks	11	297	257
Debtors	12	16,672	19,232
Cash at bank and in hand		3,192	997
		20,161	20,486
Creditors: Amounts falling due within one year	13	(18,025)	(20,772)
Net current assets/(liabilities)		2,136	(286)
Total assets less current liabilities		11,500	11,044
Creditors: Amounts falling due after more than one year	14	(2,900)	(2,931)
Provisions for liabilities and charges	16	(57)	(41)
Deferred income	17	(1,096)	(970)
Net assets		7,447	7,102
Capital and reserves			
Called up share capital	18	2,439	2,439
Profit and loss account	19	5,008	4,663
Equity shareholders' funds	20	7,447	7,102

These accounts were approved by the board of directors on 18 October 2002 and were signed on its behalf by:



A J Lee  
Director

# Company balance sheet at 30 June 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Tangible assets	9	6,053	7,461
Investments	10	-	-
		<hr/> 6,053	<hr/> 7,461
Current assets			
Debtors	12	21,030	21,259
Cash at bank and in hand		3,192	1,399
		<hr/> 24,222	<hr/> 22,658
Creditors			
Amounts falling due within one year	13	(18,868)	(19,409)
		<hr/> 5,354	<hr/> 3,249
Net current assets			
		<hr/> 11,407	<hr/> 10,710
Total assets less current liabilities			
Creditors			
Amounts falling due after more than one year	14	(2,900)	(2,900)
Provisions for liabilities and charges	16	(57)	(41)
Deferred income	17	(1,096)	(834)
		<hr/> 7,354	<hr/> 6,935
Net assets			
Capital and reserves			
Called up share capital	18	2,439	2,439
Profit and loss account	19	4,915	4,496
		<hr/> 7,354	<hr/> 6,935
Equity shareholders' funds	20		
		<hr/> 7,354	<hr/> 6,935

These accounts were approved by the board of directors on 18 October 2002 and were signed on its behalf by:



A J Lee  
Director

## Notes to the Accounts

### 1 Turnover

Turnover comprises sales and rental of computer systems and services to major computer users within the United Kingdom. In the opinion of the directors, only one class of business is operated by the Group.

### 2 Interest payable and similar charges

	2002 £'000	2001 £'000
Bank loans and overdrafts, wholly repayable within five years	160	183
Finance leases	14	7
Other interest payable	8	-
	<b>182</b>	<b>190</b>

### 3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

			Group		Company	
			2002 £'000	2001 £'000	2002 £'000	2001 £'000
Auditors' remuneration	-	Audit	31	36	12	30
	-	Other services	-	22	-	22
Operating lease rentals	-	Plant, machinery and motor vehicles	519	748	110	80
	-	Other	442	523	133	523
Depreciation of owned assets	-	Rental assets	5,263	6,584	5,263	6,584
	-	For own use	1,060	905	1,060	651
Depreciation of leased assets			33	34	33	-
Profit on sale of tangible fixed asset			(406)	(571)	(1)	(571)
Amortisation of goodwill			403	208	-	-
Restructuring costs*			513	-	513	-
Other operating income♦			(1,028)	-	(1,028)	-
Rentals receivable			(11,051)	(16,231)	(11,051)	(16,231)

\*Restructuring costs principally comprise staff severance and premises closure costs.

♦Other operating income comprises liquidation dividends in respect of a debt previously written off.

## Notes to the Accounts

### 4 Directors' emoluments

	2002 £'000	2001 £'000
Directors' emoluments	400	644
Company contributions to money purchase pension schemes	42	50
Compensation for loss of office	61	-
	<hr/> 503	<hr/> 694

The aggregate of emoluments of the highest paid director was £144,735 (2001: £156,984), and company pension contributions of £22,197 (2001: £22,197) were made to a money purchase scheme on his behalf.

	Number of directors	
	2002	2001
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	4	3

## Notes to the Accounts

### 5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2002 Number	2001 Number
Sales and distribution	153	164
Technical	89	102
Administration	40	46
	<hr/> 282	<hr/> 312
	2002 £'000	2001 £'000
Wages and salaries	10,326	12,054
Social security costs	1,233	1,454
Other pension costs	604	585
	<hr/> 12,163	<hr/> 14,093

### 6 Tax on profit on ordinary activities

	2002 £'000	2001 £'000
Current tax		
UK corporation tax at 30% (2001:30%)	(396)	392
Adjustments to tax charge in respect of previous periods	(146)	(1,642)
	<hr/> (542)	<hr/> (1,250)
Total tax on profit on ordinary activities		

The differences between the total current tax charge shown above and the amount calculated by applying the standard rate of corporation tax to the profit on ordinary activities before tax is as follows:

	2002 £'000	2001 £'000
Group profit on ordinary activities before tax	883	1,663
Tax on group profit on ordinary activities at standard national tax rates	265	499
Effects of:		
Expenses not deductible for tax purposes	157	63
Non-taxable items	(308)	(113)
Capital allowances in excess of depreciation	(470)	679
Utilisation of tax losses	(40)	(736)
Adjustments to tax charge in respect of previous periods	(146)	(1,642)
	<hr/> (542)	<hr/> (1,250)
Group current tax credit for the period		

## Notes to the Accounts

### 7 Dividends

	2002 £'000	2001 £'000
Equity shares:		
Interim dividends paid	1,080	6,305

### 8 Intangible fixed assets - goodwill

	Total £'000
Cost	
At beginning and end of year	3,973
Amortisation	
At beginning of year	(259)
Charged in year	(403)
At end of year	(662)
Net Book Value	
At 30 June 2002	3,311
At 30 June 2001	3,714

The directors have reconsidered the useful economic life of goodwill and have concluded that a life of 10 years is more appropriate than 20 years. Accordingly, with effect from 1 July 2001, the remaining goodwill is being amortised on a straight line basis over the revised estimated useful economic life. The change in estimated useful economic life reduced the group profit by £196,000.

### 9 Tangible fixed assets

	Rental equipment £'000	Office furniture fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Group				
Cost	£'000	£'000	£'000	£'000
At beginning of year	23,456	4,582	185	28,223
Additions	6,659	443	-	7,102
Transfers	59	(59)	-	-
Disposals	(8,594)	(400)	(73)	(9,067)
Assets written off	(6,431)	-	-	(6,431)
At 30 June 2002	15,149	4,566	112	19,827
Depreciation				
At beginning of year	17,204	3,296	107	20,607
Charge for year	5,263	1,052	41	6,356
Transfers	51	(51)	-	-
Disposals	(6,339)	(379)	(40)	(6,758)
Assets written off	(6,431)	-	-	(6,431)
At 30 June 2002	9,748	3,918	108	13,774
Net book value				
At 30 June 2002	5,401	648	4	6,053
At 30 June 2001	6,252	1,286	78	7,616

## Notes to the Accounts

### 9 Tangible fixed assets (continued)

Company	Rental equipment £'000	Office furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At beginning of year	23,456	4,371	40	27,867
Additions	6,659	443	-	7,102
Transfers from other group companies	-	224	145	369
Transfers	59	(59)	-	-
Disposals	(8,594)	(413)	(73)	(9,080)
Assets written off	(6,431)	-	-	(6,431)
At 30 June 2002	15,149	4,566	112	19,827
Depreciation				
At beginning of year	17,204	3,162	40	20,406
Charge for year	5,263	1,052	41	6,356
Transfers from other group companies	-	147	67	214
Transfers	51	(51)	-	-
Disposals	(6,339)	(392)	(40)	(6,771)
Assets written off	(6,431)	-	-	(6,431)
At 30 June 2002	9,748	3,918	108	13,774
Net book value				
At 30 June 2002	5,401	648	4	6,053
At 30 June 2001	6,252	1,209	-	7,461
Leased assets included in the above (group and company)				
Net book value				
At 30 June 2002	-	-	4	4
At 30 June 2001	-	-	73	73
Depreciation charge for the year			33	33

## Notes to the Accounts

### 10 Investments

Company	Shares in group undertakings £
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Cost at beginning and end of the year	102
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Hamilton Rentals plc owns all of the ordinary share capital of Hamilton Remarketing Limited and Compelsolve Ltd.

All subsidiaries are incorporated in Great Britain and registered in England and Wales.

The principal activity of Compelsolve is enterprise computing solutions. Hamilton Remarketing Limited has not traded during the year.

### 11 Stocks

	Group 2002	2001
	£'000	£'000
Finished goods and goods for resale	297	257

### 12 Debtors

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Trade debtors	10,286	14,271	10,286	12,187
Amounts receivable under contracts	623	-	623	-
Corporate tax recoverable	445	-	445	-
Amounts owed by fellow group undertakings	3,577	2,625	7,935	7,043
Other debtors	1,328	1,230	1,328	991
Prepayments and accrued income	413	1,106	413	1,038
	16,672	19,232	21,030	21,259

## Notes to the Accounts

### 13 Creditors: amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Trade creditors	8,762	11,441	8,762	10,691
Amounts owed to group undertakings	5,205	5,205	6,048	5,205
Corporation tax	-	35	-	34
Other taxes and social security	1,048	1,165	1,048	1,165
Other creditors	2,035	1,229	2,035	1,154
Accruals	975	1,697	975	1,160
	18,025	20,772	18,868	19,409

### 14 Creditors: amounts falling due after more than one year

Group and company	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Amounts owed to group undertaking due in two to five years	2,900	2,900	2,900	2,900
Other creditors	-	31	-	-
	2,900	2,931	2,900	2,900

### 15 Obligations under finance lease agreements

	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Amounts falling due:				
Within one year	5	50	5	-
Between one and two years	-	31	-	-
	5	81	5	-
Finance charges relating to future periods	1	9	1	-
	6	90	6	-

Obligations under finance leases are included within other creditors in notes 13 and 14 above.

## Notes to the Accounts

### 16 Provisions for liabilities and charges

	Property Provisions £'000
Group and company	
At 1 July 2001	41
Charged to the profit and loss account	16
At 30 June 2002	57

The property provision is in respect of rent and other expenses on a vacant property leased by Hamilton Rentals PLC

#### Deferred tax

A deferred tax asset has not been recognised in respect of unrelieved tax losses of £1,020,000 (2001: £nil) and capital allowances of £1,121,000 (2001: £2,627,000) on the grounds that it is not considered recoverable at this time.

### 17 Deferred income

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Income to be recognised within one year	1,096	970	1,096	834
Deferred income at 30 June	1,096	970	1,096	834

### 18 Share capital

	2002 Number	2001 Number	2002 £'000	2001 £'000
Authorised				
Ordinary shares of £0.01 each	243,900,000	185,406,000	2,439	1,854
'A' ordinary shares of £0.01 each	-	58,464,000	-	585
	243,900,000	243,870,000	2,439	2,439
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	243,870,000	185,406,000	2,439	1,854
'A' ordinary shares of £0.01 each	-	58,464,000	-	585
	243,870,000	243,870,000	2,439	2,439

Changes in allotted, called up and fully paid ordinary shares:

During the year the existing authorised share capital of £2,439,000 were reclassified to 243,900,000 ordinary shares of 1p each.

## Notes to the Accounts

### 19 Reserves

Group	Profit and loss
	£'000
At 1 July 2001	4,663
Retained profit for the year	345
	<hr/>
At 30 June 2002	5,008
	<hr/>
Company	Profit and loss
	£'000
At 1 July 2001	4,496
Retained profit for the year	419
	<hr/>
At 30 June 2002	4,915
	<hr/>

The cumulative amount of goodwill resulting from acquisitions of subsidiary undertakings which has been written off to the profit and loss reserve before 30 June 1998 is £403,000 (2001: £403,000).

### 20 Reconciliation of movements in shareholders' funds

	Group		Company	
	30 June 2002	30 June 2001	30 June 2002	30 June 2001
	£'000	£'000	£'000	£'000
Profit/(loss) for the financial year	345	(3,406)	419	(3,572)
	<hr/>		<hr/>	
Increase/(reduction) of shareholders' funds	345	(3,406)	419	(3,572)
Opening shareholders' funds	7,102	10,508	6,935	10,507
	<hr/>		<hr/>	
Closing shareholders' funds	7,447	7,102	7,354	6,935
	<hr/>		<hr/>	

## Notes to the Accounts

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### 21 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	Other	Land and buildings	Other
	2002	2002	2001	2001
Group and company	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	13	101	98	213
In the second to fifth year inclusive	251	165	186	182
Over five years	80	-	161	-
	344	266	445	395

At 30 June 2002, the Group had contracted capital commitments of £330,000 (2001: £305,000). Contract hire agreements for motor vehicles may be cancelled on payment of an early termination charge.

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### 22 Profit attributable to the company

The retained profit for the year attributable to the Company and consolidated in these accounts is £419,000 (2001: loss £3,572,000).

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### 23 Related party transactions

As 100% of the voting rights of the Company are controlled within the group headed by Compel Group PLC, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of that Group (see note 25).

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### 24 Contingent liabilities

The bank holds a Cross Guarantee and Debenture containing charges over all the assets and rights of Hamilton Rentals plc and its subsidiary and parent undertakings in respect of borrowings by the group companies.

The company has therefore guaranteed the overdrafts of other group companies and the amount outstanding at the year end was £nil (2001: £nil).

At 30 June 2002, the total amount owed to the bank by the group was £2,600,000 (2001: £3,500,000) being the medium term loan held by Hamilton Rentals Group Limited.

## Notes to the Accounts

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### 25 Ultimate parent company

The Company's immediate parent is Offerdata Limited, a company registered in England and Wales.

The ultimate parent company and ultimate controlling party is Compel Group PLC, which is registered in England and Wales. This is the smallest and largest group in which the Company's results are consolidated and a copy of the group financial statements can be obtained from the registered office

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