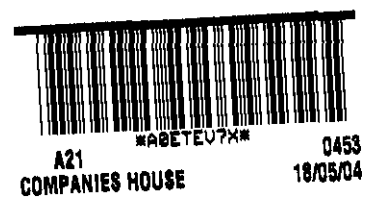


A.T.M. Limited
Financial statements
For the year ended 30 November 2003

Grant Thornton 



Company No. 1473629

Company information

Company registration number	1473629
Registered office	Knaves Beech Estate Loudwater Buckinghamshire HP10 9QY
Directors	Mr R Brittain Mr L See Mr K Wilcox
Secretary	Mr L See
Bankers	Barclays Bank plc Croydon Business Centre 1 North End Croydon Surrey CR9 1RN
Solicitors	Lovetts plc 56-58 Chertsey Street Guildford Surrey GU1 4HL
Auditors	Grant Thornton Chartered Accountants Registered Auditors Churchill House Chalvey Road East Slough Berkshire SL1 2LS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 November 2003.

Principal activities and business review

The company is principally engaged in providing quality services in support of computing technology.

There was a loss for the year after taxation amounting to £48,505 (2002 - loss £266,934).

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003	2002
	£	£
Dividends paid on ordinary shares	<u>1,161</u>	<u>1,161</u>

Directors

The directors who served the company during the year were as follows:

Mr R Brittain
Mr T White
Mr L See
Mr K Wilcox

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Mr T White retired as a director on 27 March 2003.

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 at the end of the year and of the profit or loss for the year then ended. 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

- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

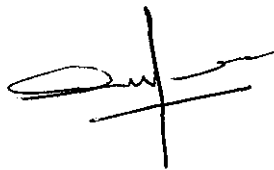
Auditors

A resolution to re-appoint Grant Thornton as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

Mr L See
Secretary

.....

A handwritten signature in black ink, consisting of a stylized 'L' and 'S' followed by a horizontal line.

Report of the independent auditors to the members of A.T.M. Limited

We have audited the financial statements of A.T.M. Limited for the year ended 30 November 2003 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 19. 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

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and 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 other information contained in the Directors' 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 other information.

Basis of 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 any 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.

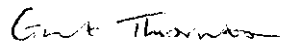
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Grant Thornton 

Report of the independent auditors to the members of A.T.M. Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

11 May 2004

Principal accounting policies

Basis of accounting

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

The principal accounting policies of the company are set out below and have remained unchanged from the previous year.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover is the total amount receivable by the company for good supplied and services provided, excluding VAT and trade discounts. Provision is made for unexpired periods of service contracts extending beyond the accounting period.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- 20% per annum
Furniture & Fittings	- 20% per annum
Motor Vehicles	- 25% per annum
Equipment	- 10 - 20% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Stock items are available for repeated use and consequently are written off over 3 years.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Profit and loss account

	Note	2003 £	2002 £
Turnover	1	7,039,411	7,696,741
Cost of sales		5,143,767	5,668,325
Gross profit		1,895,644	2,028,416
Other operating charges	2	1,938,378	2,323,568
Operating loss	3	(42,734)	(295,152)
Interest receivable		4,698	31,261
Interest payable	6	(10,469)	(3,043)
Loss on ordinary activities before taxation		(48,505)	(266,934)
Tax on loss on ordinary activities	7	—	—
Loss on ordinary activities after taxation		(48,505)	(266,934)
Dividends	8	1,161	1,161
Loss for the financial year		(49,666)	(268,095)
Balance brought forward		211,306	479,401
Balance carried forward		161,640	211,306

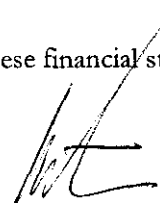
All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	9	<u>751,046</u>	<u>287,067</u>
Current assets			
Stocks	10	497,647	555,837
Debtors	11	1,003,224	1,075,436
Cash at bank		<u>419,592</u>	<u>962,789</u>
		<u>1,920,463</u>	<u>2,594,062</u>
Creditors: amounts falling due within one year	12	<u>1,502,260</u>	<u>1,655,733</u>
Net current assets		<u>418,203</u>	<u>938,329</u>
Total assets less current liabilities		<u>1,169,249</u>	<u>1,225,396</u>
Provisions for liabilities and charges			
Other Provisions	13	<u>1,007,529</u>	<u>1,014,010</u>
		<u>161,720</u>	<u>211,386</u>
Capital and reserves			
Called-up equity share capital	16	80	80
Profit and loss account		<u>161,640</u>	<u>211,306</u>
Shareholders' funds	17	<u>161,720</u>	<u>211,386</u>

These financial statements were approved by the directors on 23/4/04 and are signed on their behalf by:



 Mr R Brittain

Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003 £	2002 £
United Kingdom	<u>7,039,411</u>	<u>7,696,741</u>

2 Other operating income and charges

	2003 £	2002 £
Administrative expenses	<u>1,938,378</u>	<u>2,323,568</u>

3 Operating loss

Operating loss is stated after charging/(crediting):

	2003 £	2002 £
Directors' emoluments	232,182	290,071
Depreciation of owned fixed assets	149,954	93,544
(Profit)/Loss on disposal of fixed assets	(2,975)	545
Auditors' remuneration:		
Audit fees	11,050	11,350
Non audit fees	2,050	2,900
Operating lease costs:		
Land and buildings	126,500	139,500
Plant and equipment	<u>112,093</u>	<u>148,020</u>

4 Directors and employees

The average number of persons employed by the company during the financial year, including the directors, amounted to 133 (2002 - 136).

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	3,734,694	4,185,595
Social security costs	320,095	314,073
Other pension costs	104,380	92,674
	<u>4,159,169</u>	<u>4,592,342</u>

5 Directors

Remuneration in respect of directors was as follows:

	2003 £	2002 £
Emoluments receivable	232,182	290,071
Value of company pension contributions to money purchase schemes	12,195	14,682
	<u>244,377</u>	<u>304,753</u>

Emoluments of highest paid director:

	2003 £	2002 £
Total emoluments (excluding pension contributions):	78,519	89,443
Value of company pension contributions to money purchase schemes	4,200	4,200
	<u>82,719</u>	<u>93,643</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003 No	2002 No
Money purchase schemes	<u>4</u>	<u>4</u>

6 Interest payable and similar charges

	2003 £	2002 £
Interest payable on bank borrowing	<u>10,469</u>	<u>3,043</u>

7 Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2002 - 20%).

	2003 £	2002 £
Loss on ordinary activities before taxation	<u>(48,505)</u>	<u>(266,934)</u>
Loss on ordinary activities multiplied by rate of tax	9,216	53,387
Expenses not deductible for tax purposes	(2,849)	(4,024)
Capital allowances for period in excess of depreciation	34,736	(5,787)
Accumulation of tax losses	(41,958)	(43,576)
Other timing differences	855	-
Total current tax	<u>-</u>	<u>-</u>

8 Dividends

	2003 £	2002 £
Equity dividends:		
Ordinary shares - final dividend of £14.51 (2002 - £14.51) per share	<u>1,161</u>	<u>1,161</u>

9 Tangible fixed assets

	Leasehold improvements £	Assets under construction £	Furniture & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Dec 2002	13,000	100,000	83,748	62,435	366,080	625,263
Additions	—	—	8,515	—	634,793	643,308
Disposals	—	—	—	(62,435)	(15,720)	(78,155)
Transfers	—	(100,000)	—	—	100,000	—
At 30 Nov 2003	<u>13,000</u>	<u>—</u>	<u>92,263</u>	<u>—</u>	<u>1,085,153</u>	<u>1,190,416</u>
Depreciation						
At 1 Dec 2002	13,000	—	53,492	25,038	246,666	338,196
Charge for the year	—	—	16,954	8,222	124,978	150,154
On disposals	—	—	—	(33,260)	(15,720)	(48,980)
At 30 Nov 2003	<u>13,000</u>	<u>—</u>	<u>70,446</u>	<u>—</u>	<u>355,924</u>	<u>439,370</u>
Net book value						
At 30 Nov 2003	<u>—</u>	<u>—</u>	<u>21,817</u>	<u>—</u>	<u>729,229</u>	<u>751,046</u>
At 30 Nov 2002	<u>—</u>	<u>100,000</u>	<u>30,256</u>	<u>37,397</u>	<u>119,414</u>	<u>287,067</u>

10 Stocks

	2003 £	2002 £
Raw materials	<u>497,647</u>	<u>555,837</u>

11 Debtors

	2003 £	2002 £
Trade debtors	715,147	873,447
Other debtors	63,250	125,963
Prepayments and accrued income	224,827	76,026
	<u>1,003,224</u>	<u>1,075,436</u>

12 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	517,584	635,521
Amounts owed to group undertakings	200,263	-
Other taxation and social security	365,586	449,043
Proposed dividends	2,322	1,161
Accruals	416,505	570,008
	<u>1,502,260</u>	<u>1,655,733</u>

13 Other provisions

	2003 £
Deferred income:	
Balance brought forward	1,014,010
Movement for year	(6,481)
	<u>1,007,529</u>

14 Leasing commitments

At 30 November 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	14,572	-	45,612
Within 2 to 5 years	126,500	101,475	126,500	14,580
	<u>126,500</u>	<u>116,047</u>	<u>126,500</u>	<u>60,192</u>

15 Related party transactions

As a wholly owned subsidiary of Technology Management Group plc, the company is exempt from the requirements of Financial Reporting Standard No. 8 to disclose transactions with other members of the group headed by Technology Management Group plc.

At 30 November 2003, £301,626 (2002 - £92,680) was owed to Pulse Service Centre Limited and £101,363 (2002 - £101,363) owed by Technology Management Group plc. Pulse Service Centre Limited is a member of the group headed by Technology Management Group plc.

16 Share capital

Authorised share capital:

	2003	2002
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>80</u>	<u>80</u>	<u>80</u>	<u>80</u>

17 Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Loss for the financial year	(48,505)	(266,934)
Dividends	<u>(1,161)</u>	<u>(1,161)</u>
	(49,666)	(268,095)
Opening shareholders' equity funds	<u>211,386</u>	<u>479,481</u>
Closing shareholders' equity funds	<u>161,720</u>	<u>211,386</u>

18 Capital commitments

The company had no capital commitments at 30 November 2003 or 30 November 2002.

19 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is Technology Management Group plc, incorporated in Great Britain.

The largest and smallest group undertaking for which the group accounts have been produced is that headed by Technology Management Group plc.