

**Messenger Vehicle Identification Systems Limited  
(formerly Racal Messenger Limited)**

**Directors' Report and Financial Statements**

**Period Ended 30 September 2001**

**Registered No.: 1524281**



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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors at 26 July 2002**

P Ryan  
M Duffin

**Solicitors**

TLT Solicitors  
Bush House  
72 Prince Street  
Bristol

**Secretary and Registered Office**

David Hearn  
Racal House  
Eastern Business Centre  
Eastern Road  
Bracknell  
Berks RG12 2UP

**Bankers**

Allied Irish Bank (GB)  
City Branch  
12 Old Jewry  
London EC2R 8DP

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Wilton Place  
Dublin 2

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 30 September 2001.

### Statement of directors' responsibilities

Company law requires the directors' to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors' confirm that suitable policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 30 September 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial situation 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.

### Principal activities

The principal activity is the supply and installation of a neural network based licence plate recognition system. The system has applications in urban traffic management, access control, tolling, enforcement, surveillance, high speed and high volume vehicle recognition. The company owns the Talon Licence Plate Registration Systems ('Talon') which is a market leader and based on neural network technology.

### Business review

Sales for the period amounted to £1,830,405 (2000: £1,426,465) from continuing operations and £Nil (2000: £1,017,828) from discontinued operations. On 17 June 1999 the company disposed of its Widanet business to Vodafone Value Added and Data Services Limited and this is reflected in the comparative figures.

### Books of account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Eastern Business Centre, Eastern Road, Bracknell, Berkshire, UK.

### Subsequent events

Management are transferring the business and assets of Messenger Vehicle Identification Systems Ltd to Appian Technology plc.

In January 2002 the company entered into an agreement to provide services to Anite Government Systems Limited. This agreement resulted in the company receiving an initial payment of £1.99 million on 31 January 2002.

The directors' have reviewed the present financial position and based on its current strong cash position and the forecasted results, they are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

### Results and dividends

The trading results are set out in the audited financial statements on pages 6 to 7. The directors do not recommend payment of a dividend (2000: £Nil).

### Important events occurring during the period

On the 15 June 2000 the offer by Thomson-CSF Invest Limited to acquire Racal Electronics Plc was declared wholly unconditional. As a consequence the ultimate parent and controlling party became Thomson-CSF SA, a company incorporated in France.

On 31 August 2000 Appian Technology plc acquired the entire issued share capital of Messenger Vehicle Identification Systems Limited (formerly Racal Messenger Limited) for the sum of £1.04 million with £715,000 being paid in cash immediately and £325,000 being deferred. As a consequence the ultimate parent and controlling party became Appian Technology plc, a company incorporated in the United Kingdom. Copies of the group financial statements of Appian Technology plc are available from Racal House, Eastern Business Centre, Eastern Road, Bracknell, Berkshire, RG12 2UP.

## DIRECTORS' REPORT - continued

In addition on 8 September 2000 the company changed its name from Racal Messenger Limited to Messenger Vehicle Identification Systems Limited.

### Directors

The directors of the company during the period were as follows:

|               | Date appointed | Date resigned     |
|---------------|----------------|-------------------|
| N Sugden      | 10 April 2000  | 31 August 2000    |
| MR Richardson |                | 16 June 2000      |
| M Slade       |                | 10 April 2000     |
| S Roberts     |                | 31 August 2000    |
| J Molloy      | 31 August 2000 | 31 August 2001    |
| P Ryan        | 31 August 2000 |                   |
| A Kelly       | 6 October 2000 | 21 September 2001 |
| M Duffin      | 14 June 2001   |                   |

M.W.P. Seabrook resigned as company secretary on 31 August 2000 and J Molloy was appointed as company secretary on 31 August 2000. On 31 August 2001 J Molloy resigned as company secretary and on 31 August 2001 D Evans was appointed as company secretary. D Evans resigned as company secretary on 1 November 2001 and D Hearn was appointed as company secretary on 1 November 2001.

### Directors share interests

Where the directors are also a director of Appian Technology plc, then their shareholdings in Appian Technology plc are disclosed in those accounts.

At 30 September 2001, Mr J. Molloy had no other interest in the shares of any other group companies.

### Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### On behalf of the Board

M Duffin

P Ryan

26 July 2002

The block contains two handwritten signatures. The top signature is a complex, stylized scribble, likely belonging to M Duffin. The bottom signature is more fluid and cursive, likely belonging to P Ryan.

**PricewaterhouseCoopers**

P.O. Box 1283  
George's Quay  
Dublin 2  
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Facsimile +353 (0) 1 704 8600  
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**Independent auditors' report: To the members of Messenger vehicle Identification Systems Limited  
(formerly Racal Messenger Limited)**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable 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 generally issued by the Auditing Practices Board.

We report to you if in 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 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 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 the company's affairs at 30 September 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Dublin**

**26 July 2002**

**PROFIT AND LOSS ACCOUNT**  
**Period Ended 30 September 2001**

|   | Note | For the<br>18 month<br>period ended<br>30 September<br>2001<br>£ | For the<br>year<br>ended<br>31 March<br>2000<br>£ |
|---|------|--|---|
| <b>Turnover</b>                               | 2    |  |   |
| Continuing operations                         |      | 1,830,405  | 1,426,465   |
| Discontinued operations                       |      | -  | 1,017,828   |
|   |      | <u>1,830,405</u>   | <u>2,444,293</u>                                  |
| <b>Operating loss before exceptional item</b> |      |  |   |
| Continuing operations                         | 3    | (1,177,252)  | (1,118,710)                                       |
| Discontinued operations                       |      | -  | 1,045,452   |
|   |      | <u>(1,177,252)</u>   | <u>(73,258)</u>                                   |
| <b>Exceptional item</b>                       | 6    | <u>291,006</u>   | -   |
| <b>Operating loss</b>                         |      | 886,246  | (73,258)  |
| Interest receivable                           |      | 8,815  | -   |
| Interest payable                              |      | <u>(5,500)</u>   | -   |
| <b>Loss before taxation</b>                   |      | (882,931)  | (73,258)  |
| Tax credit on loss on ordinary activities     | 7    | -  | 3,402   |
| Retained loss for the period                  | 14   | <u>(882,931)</u>   | <u>(69,856)</u>                                   |

There were no other recognised gains or losses other than the loss for the current and preceding years

On behalf of the Board

M Duffin

P Ryan



**BALANCE SHEET**  
30 September 2001

|  | Note | 2001<br>£          | 2000<br>£          |
|--|------|--------------------|--------------------|
| <b>Fixed assets</b>  |      |                    |                    |
| Tangible assets  | 8    | 17,021             | 114,140            |
| <b>Current assets</b>                                      |      |                    |                    |
| Stocks   | 9    | 177,180            | 176,771            |
| Debtors due within one year                                | 10   | 683,039            | 2,126,653          |
| Debtors due after more than one year                       | 10   | -                  | 212,515            |
| Cash at bank and in hand                                   |      | 385                | 2,720              |
|  |      | <u>860,604</u>     | <u>2,518,659</u>   |
| <b>Creditors: amounts falling due within one year</b>      | 11   | <u>(1,006,488)</u> | <u>(1,814,976)</u> |
| <b>Net current (liabilities)/assets</b>                    |      | <u>(145,884)</u>   | <u>703,683</u>     |
| <b>Total assets/(liabilities) less current liabilities</b> |      | (128,863)          | 817,823            |
| <b>Provision for liabilities and charges</b>               | 12   | <u>-</u>           | <u>(63,755)</u>    |
|  |      | <u>(128,863)</u>   | <u>754,068</u>     |
| <b>Capital and reserves</b>                                |      |                    |                    |
| Called up share capital                                    | 13   | 5,500,000          | 5,500,000          |
| Profit and loss account                                    | 14   | <u>(5,628,863)</u> | <u>(4,745,932)</u> |
| <b>Equity shareholders' funds</b>                          |      | <u>(128,863)</u>   | <u>754,068</u>     |

On behalf of the Board of Directors

M Duffin

P Ryan



## NOTES TO THE ACCOUNTS

Period ended 30 September 2001

### 1 Accounting policies

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and UK statute comprising the Companies Act, 1985. The financial statements have been prepared in Sterling. The particular accounting policies adopted are described below.

#### Basis of accounting

The financial statements are prepared under the historical cost convention.

#### Turnover

Turnover represents invoiced sales by the company net of sales related taxes.

#### Stocks

Stocks and work in progress are valued at the lower of cost and estimated net realisable value less progress payments received. Cost includes manufacturing overheads.

#### Tangible fixed assets

Tangible fixed assets are shown in cost less accumulated depreciation. The depreciation policy was changed during the period to accommodate the group rules, otherwise depreciation is provided on all tangible fixed assets at such rates as to write off the cost of those assets in equal instalments over their expected useful lives as follows:

|                        |                          |
|------------------------|--------------------------|
| Plant and machinery    | 3 years (2000: 10 years) |
| Motor vehicles         | 3 years (2000: 4 years)  |
| Furniture and fittings | 3 years (2000: 10 years) |

#### Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is possible that a liability will crystallise in the future.

#### Pension costs

The company Racal Messenger Limited participated in two group defined benefit schemes up to 31 August 2000 during its period of ownership by Thomson - CSF SA. Racal Messenger Limited was previously owned by Racal Electronics plc. Following the company's acquisition by Appian Technology plc on 31 August 2000 the company ceased to participate in the group's schemes and the employees left the schemes and were granted leaving service benefits. Messenger Vehicle Identifications Systems Limited currently operates a defined contribution scheme.

Pension costs, which are payable under the defined contribution scheme, are charged to the profit and loss account as they become due.

Pension costs, which are periodically calculated by professionally qualified actuaries, are charged against profits so that the expected cost of providing pensions is recognised during the period in which benefit is derived from the employees' service. The cost of the various pension schemes may vary from the funding dependent upon actuarial advice with any difference between pension cost and funding being treated as a provision or prepayment.

#### Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

NOTES TO THE ACCOUNTS - continued  
Period ended 30 September 2001

2 Turnover

In the directors' opinion there was only one class of business during the period, namely the supply and installation of a neural network based licence plate recognition system.

|                                    | For the<br>18 month<br>period ended<br>30 September<br>2001<br>£ | For the<br>year<br>ended<br>31 March<br>2000<br>£ |
|------------------------------------|--|---|
| <b>Turnover</b>                    | <u>1,830,405</u>   | <u>2,444,293</u>                                  |
|                                    | £000's   | £000's  |
| Geographical analysis of turnover: |  |   |
| United Kingdom                     | 1,305  | 1,322   |
| Other European countries           | 189  | 134   |
| Africa                             | -  | 955   |
| The Americas                       | 290  | 16  |
| Asia and Australasia               | 29   | 17  |
| Middle East                        | 17   | -   |
|                                    | <u>1,830</u>   | <u>2,444</u>                                      |

NOTES TO THE ACCOUNTS - continued  
Period ended 30 September 2001

3 Operating loss

|                                | Continuing operations<br>2001<br>£ | Discontinued operations<br>2001<br>£ | For the<br>18 month<br>period ended<br>30 September<br>2001<br>£ | Continuing operations<br>2000<br>£ | Discontinued operations<br>2000<br>£ | For the<br>year<br>ended<br>31 March<br>2000<br>£ |
|--------------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|---|
| Turnover                       | 1,830,405                          | -                                    | 1,830,405  | 1,426,465                          | 1,017,828                            | 2,444,293   |
| Cost of sales                  | (689,953)                          | -                                    | (689,953)  | (566,847)                          | (275,167)                            | (842,014)   |
| Gross profit                   | 1,140,452                          | -                                    | 1,140,452  | 859,618                            | 742,661                              | 1,602,279   |
| Selling and distribution costs | 457,519                            | -                                    | 457,519  | 784,816                            | (271,430)                            | 513,386   |
| Administrative costs           | 1,860,185                          | -                                    | 1,860,185  | 1,193,512                          | (31,361)                             | 1,162,151   |
| Operating (loss)/profit        | (1,177,252)                        | -                                    | (1,177,252)  | (1,118,710)                        | 1,045,452                            | (73,258)  |

**NOTES TO THE ACCOUNTS - continued**  
**Period ended 30 September 2001**

**3 Operating loss: continued**

|   | For the<br>18 month<br>period ended<br>30 September<br>2001<br>£ | For the<br>year<br>ended<br>31 March<br>2000<br>£ |
|---|--|---|
| Operating profit/(loss) has been arrived at after charging: |  |   |
| Directors' emoluments (note 4)                              | 133,004  | 119,357   |
| Auditors' remuneration and expenses - audit fees            | 10,000   | 3,150   |
| Depreciation of tangible fixed assets                       | 109,042  | 89,233  |
| Loss on disposal of tangible fixed assets                   | 267  | -   |
| Payments under operating leases                             | <u>160,569</u>   | <u>3,826</u>                                      |

**4 Directors' emoluments**

|                       | For the<br>18 month<br>period ended<br>30 September<br>2001<br>£ | For the<br>year<br>ended<br>31 March<br>2000<br>£ |
|-----------------------|--|---|
| Fees                  | 98,965   | -   |
| Other emoluments      | 15,912   | 86,605  |
| Pension contributions | <u>18,127</u>  | <u>32,752</u>                                     |
|                       | <u>133,004</u>   | <u>119,357</u>                                    |

No.

No.

Number of directors who:

|   |   |   |
|---|---|---|
| - are members of a defined contribution pension scheme (note 1) | 1 | - |
| - are members of a defined benefit pension scheme               | 1 | 2 |
| - exercised share options                                       | - | - |

**NOTES TO THE ACCOUNTS - continued**  
**Period ended 30 September 2001**

**5 Employees**

|  |   |
|--|---|
| For the<br>18 month<br>period ended<br>30 September<br>2001<br>£ | For the<br>year<br>ended<br>31 March<br>2000<br>£ |
|--|---|

**Employee costs during the year:**

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,139,069        | 988,409          |
| Social security costs | 100,171          | 102,908          |
| Other pension costs   | 88,786           | 81,846           |
|                       | <u>1,328,026</u> | <u>1,173,163</u> |

|                                    |           |           |
|------------------------------------|-----------|-----------|
| Average number of persons employed | No.       | No.       |
| Indirect                           | <u>16</u> | <u>36</u> |

The company operates a defined contribution pension scheme in the UK. Under the defined contribution pension scheme, the amount charged to the profit and loss account represents contributions payable to the individual policies effected by employees with an independent insurance company.

Until 31 August 2000 the company participated in a number of pension schemes, operated by the Racal Electronics group, which covered the majority of its directors and employees. The schemes were defined benefit arrangements and were operated on a pre-funded basis.

Actuarial assessments covering expenses and contributions were carried out by independent qualified actuaries.

At 30 September 2001, there are no prepayments included in prepayments due in more than one year (2000: £212,515). The 2000 balance represented the excess of the amounts funded over the accumulated pension costs.

The last valuation of the schemes was carried out at 1 April 1998 and the results of these valuations and details of the main actuarial assumptions adopted for the purpose are given in the accounts of Racal Electronics Plc, the ultimate parent company as at 31 August 2000.

**6 Exceptional item**

On 31 August 2000 Appian Technology plc acquired the entire issued share capital of Racal Messenger Limited. An exceptional gain arises which relates to an inter company debt payment between Racal Electronics Plc (now Thales Electronics Plc) and Racal Messenger Limited (now Messenger Vehicle Identification Systems Limited). The profit and loss account incorporates the period from 1 April 2000 to 31 August 2000 during which period the forgiveness of the inter company debt arose.

**NOTES TO THE ACCOUNTS - continued**  
**Period ended 30 September 2001**

| 7 Tax on loss on ordinary activities | For the<br>18 month<br>period ended<br>30 September<br>2001<br>£ | For the<br>year<br>ended<br>31 March<br>2000<br>£ |
|--------------------------------------|--|---|
| Corporation tax at 30% (2000: 31%)   | -  | (36,681)  |
| Deferred taxation                    | -  | 34,263  |
|                                      | -  | (2,418)   |
| Adjustment in respect of prior years | -  | (984)   |
|                                      | -  | (3,402)   |

The tax credit for the year ended 31 March 2000 has been decreased by £15,920 as a result of capital allowances being less than depreciation for which no provision has been made.

**8 Tangible fixed assets**

**Cost**

|                         |          |       |       |        |       |        |         |          |
|-------------------------|----------|-------|-------|--------|-------|--------|---------|----------|
| As at 1 April 2000      | 43,490   | 1,497 | 1,160 | 32,275 | -     | 10,530 | 247,978 | 336,930  |
| Additions               |          | -     | 1,316 |        | 800   | 3,482  | 6,993   | 12,591   |
| Disposals               | (43,489) | -     | -     | -      | (800) | -      | -       | (44,289) |
| As at 30 September 2001 | -        | 1,497 | 2,476 | 32,275 | -     | 14,012 | 254,971 | 305,231  |

**Depreciation**

|                         |          |       |       |        |       |       |         |          |
|-------------------------|----------|-------|-------|--------|-------|-------|---------|----------|
| As at 1 April 2000      | 43,490   | 336   | 1,160 | 14,893 | -     | 2,459 | 160,452 | 222,790  |
| Charge for period       | (1)      | 754   | 217   | 15,785 | 133   | 7,464 | 84,690  | 109,042  |
| Disposals               | (43,489) | -     | -     | -      | (133) | -     | -       | (43,622) |
| As at 30 September 2001 | -        | 1,090 | 1,377 | 30,678 | -     | 9,923 | 245,142 | 288,210  |

**Net book value**

|                      |   |       |       |        |   |       |        |         |
|----------------------|---|-------|-------|--------|---|-------|--------|---------|
| At 30 September 2001 | - | 407   | 1,099 | 1,597  | - | 4,089 | 9,829  | 17,021  |
| At 31 March 2000     | - | 1,161 | -     | 17,382 | - | 8,071 | 87,526 | 114,140 |

**NOTES TO THE ACCOUNTS - continued**  
**Period ended 30 September 2001**

| 9 Stocks       | 2001<br>£      | 2000<br>£      |
|----------------|----------------|----------------|
| Finished goods | 177,180        | 176,771        |
|                | <u>177,180</u> | <u>176,771</u> |

| 10 Debtors                                   | 2001<br>£      | 2000<br>£        |
|--|----------------|------------------|
| <b>Amounts due within one year:</b>          |                |                  |
| Trade debtors                                | 107,320        | 1,613,026        |
| Amounts owed by group undertakings           | 488,928        | 270,995          |
| VAT recoverable                              | 41,142         | -                |
| Prepayments and accrued income               | 45,649         | 242,632          |
|  | <u>683,039</u> | <u>2,126,653</u> |
| <b>Amounts due after more than one year:</b> |                |                  |
| Prepayments and accrued income               | -              | 212,515          |
|  | <u>-</u>       | <u>212,515</u>   |

| 11 Creditors: amounts falling due within one year | 2001<br>£        | 2000<br>£        |
|---|------------------|------------------|
| Bank overdraft                                    | 11,898           | -                |
| Trade creditors                                   | 322,894          | 1,307,847        |
| Amounts owed to group undertakings                | 96,109           | 40,941           |
| Other taxes and social security costs             | 266,497          | 128,322          |
| Accruals and deferred income                      | 235,508          | 332,547          |
| Other creditors                                   | 73,582           | -                |
| Corporation tax payable                           | -                | 5,319            |
|   | <u>1,006,488</u> | <u>1,814,976</u> |

**12 Provision for liabilities charges**

**Deferred taxation**

The amount of deferred taxation provided in the financial statements and the potential amounts not provided are:

|  | Amount<br>provided<br>2001<br>£ | Potential<br>liability<br>2001<br>£ | Amount<br>provided<br>2000<br>£ | Potential<br>liability<br>2000<br>£ |
|--|---------------------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Capital allowances in excess of depreciation | -                               | -                                   | -                               | 1,200                               |
| Other timing differences                     | -                               | -                                   | 63,755                          | 63,755                              |
|  | <u>-</u>                        | <u>-</u>                            | <u>63,755</u>                   | <u>64,955</u>                       |



**NOTES TO THE ACCOUNTS - continued**  
**Period ended 30 September 2001**

**12 Provision for liabilities and charges: continued**

|   |                 |
|---|-----------------|
|   | £               |
| Deferred taxation movement in the year: |                 |
| At 1 April 2000                         | 63,755          |
| Current period charge                   | -               |
| Transfer to group undertaking           | <u>(63,755)</u> |
| At 30 September 2001                    | <u>-</u>        |

**13 Called up share capital**

|   | 2001<br>£        | 2000<br>£        |
|---|------------------|------------------|
| Authorised, allotted, called up and fully paid:<br>5,500,000 ordinary shares of £1 each | <u>5,500,000</u> | <u>5,500,000</u> |

**14 Profit and loss account**

|                                   |                    |
|-----------------------------------|--------------------|
|                                   | £                  |
| Retained losses 1 April 2000      | (4,745,932)        |
| Retained loss for the period      | <u>(882,931)</u>   |
| Retained losses 30 September 2001 | <u>(5,628,863)</u> |

**15 Reconciliation of movements in shareholder's funds**

|                                       | 2001<br>£        | 2000<br>£       |
|---------------------------------------|------------------|-----------------|
| Loss for the financial period         | <u>(882,931)</u> | <u>(69,856)</u> |
| Net reduction in shareholders' funds  | (882,931)        | (69,856)        |
| Opening shareholders' funds           | <u>754,068</u>   | <u>823,924</u>  |
| Closing shareholders' (deficit)/funds | <u>(128,863)</u> | <u>754,068</u>  |

**16 Contingent liabilities**

There were no contingent liabilities.

**NOTES TO THE ACCOUNTS - continued**  
**Period ended 30 September 2001**

**17 Financial commitments**

At 30 September 2001 the company was committed to making the following payments during the next year in respect of operating leases:

|  | Land and<br>buildings<br>2001<br>£ | Other<br>assets<br>2001<br>£ | Land and<br>buildings<br>2000<br>£ | Other<br>assets<br>2000<br>£ |
|--|------------------------------------|------------------------------|------------------------------------|------------------------------|
| Payable on operating leases that expire within one year            | 106,072                            | 9,232                        | -                                  | 2,307                        |
| Payable on operating leases that expire between two and five years | -                                  | 40,731                       | -                                  | 63,664                       |
|  | <u>106,072</u>                     | <u>49,963</u>                | <u>-</u>                           | <u>65,971</u>                |

**18 Ultimate parent company and controlling party**

The ultimate parent company is Appian Technology plc, a company incorporated in Great Britain. This is also both the largest and smallest group which includes the company and for which consolidated financial statements are prepared. Copies of the group financial statements of Appian Technology plc can be obtained from Racal House, Eastern Business Centre, Eastern Road, Bracknell, Berkshire RG12 2UP. The ultimate controlling party, as defined by Financial Reporting Standard No.8 "Related Party Disclosures," is Appian Technology plc.

**19 Related party transactions**

In accordance with Financial Reporting Standard No.8 "Related Party Disclosures" transactions with other undertakings within, and invested related parties of, the Appian Technology plc group have not been disclosed in these financial statements.

**20 Approval of the financial statements**

The board of directors' approved the financial statements on 26 July 2002.