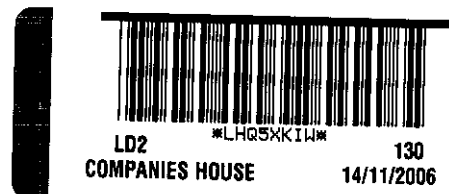


**2e2 Storage Limited (formerly Kingswell Data  
Management Limited)**

**Directors' report and financial statements  
for the year ended 31 December 2005**

**Registered number: 2686986**



# **2e2 Storage Limited**

## **Address**

Langham House  
29-37 Mill Street  
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Bedfordshire  
LU1 2NA

Telephone : 01582 733133  
Fax: 01582 721252  
Web site: [www.2e2.com](http://www.2e2.com)

## **Directors**

Terence Burt  
Nicholas Grossman  
Mark McVeigh

## **Secretary**

Nicholas Grossman

## **Registered office**

The Mansion House  
Benham Valence  
Newbury  
Berkshire  
RG20 8LU

## **Auditors**

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
London  
NW1 2EP

## **Bankers**

Barclays Bank Plc  
8/12 Church Street  
Walton-on-Thames  
Surrey  
KT12 2YW

# 2e2 Storage Limited

## Directors' report for the year ended 31 December 2005

The directors present their report and the audited financial statements of 2e2 Storage Limited for the year ended 31 December 2005.

### Principal activities

The company's principal activity during the period was the supply and support of computer storage, storage management and data management solutions together with associated training and consultancy services.

### Review of the business and future developments

The company had a challenging year and undertook some internal restructuring. On 6<sup>th</sup> January 2006 the entire share capital in the company was sold by SunGard Availability Services (DR) Limited to 2e2 Limited. The directors are optimistic about improvements in 2006 following this restructuring. On 27<sup>th</sup> October 2005 the company sold its dormant subsidiary Kingswell AB to SunGard Availability Services (Nordic) AB, this generated a gain of £6,000 (see note 9). In line with a rebranding exercise carried out by all UK companies within the 2e2 Group, Kingswell Data Management Limited changed its name to 2e2 Storage Limited on 10<sup>th</sup> July 2006.

### Results and dividends

The loss on ordinary activities after taxation for the year ended 31 December 2005 amounted to £425,000 (2004: loss of £228,000). The directors paid an interim dividend of £528,081 (2004: £nil), they do not recommend the payment of a final dividend (2004: £nil).

### Directors

The directors at the date of this report are (and during the year were) as follows:

Neal Roberts	Resigned 8 May 2005
Michael J. Ruane	Resigned 6 January 2006
Keith Tilley	Resigned 6 January 2006
Terence Burt	Appointed 6 January 2006
Nicholas Grossman	Appointed 6 January 2006
Mark McVeigh	Appointed 6 January 2006

### Directors' interests

According to the register of directors' interests kept by the company under s.325 of the Companies Act 1985:

- (a) no director was at 31 December 2005 interested in shares in or debentures of the company or any other body corporate in the same group; and
- (b) no right to subscribe for shares in or debentures of the company or another body corporate in the same group was during the financial year ended 31 December 2005 granted to, or exercised by, a director or a member of his immediate family.

For these purposes:

- (i) reference to a director is to a person who at 31 December 2005 was a director of the company; and
- (ii) references to a body corporate being in the same group and to a director's "immediate family" are to be construed in accordance with Schedule 7 to the Companies Act 1985.

Certain interests have not been disclosed as they are exempt from disclosure by virtue of the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985.

# **2e2 Storage Limited**

## **Directors' report for the year ended 31 December 2005**

### **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 as at the end of the financial year and of the profit or loss of the company for that financial year. In preparing those financial statements, the directors are required to:

- > select suitable accounting policies and then apply them consistently;
- > make judgements and estimates that are reasonable and prudent;
- > state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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.

Company law also requires the directors to prepare a report containing, amongst other things, a fair review of the development of the business of the company and its subsidiary undertakings during the financial year and of their position at the end of it.

### **Auditors**

Following the acquisition of the company's complete share capital by 2e2 Limited on the 6<sup>th</sup> January 2006, the company's previous auditors, PricewaterhouseCoopers LLP, resigned as auditors. Grant Thornton UK LLP were appointed as the company auditors on the same day, namely 6<sup>th</sup> January 2006. The auditors, Grant Thornton UK LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the Board



Nicholas Grossman  
Company Secretary

3rd November 2006

## **2e2 Storage Limited**

### **Independent auditors' report to the members of 2e2 Storage Limited**

We have audited the financial statements of 2e2 Storage Limited for the year ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 22. 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 Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

# 2e2 Storage Limited

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

London  
3rd November 2006

## 2e2 Storage Limited

### Profit and loss account for the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
<b>Turnover</b>	2	<b>7,258</b>	8,806
Cost of sales		(6,355)	(7,055)
<b>Gross profit</b>		<b>903</b>	1,751
Distribution costs		(998)	(986)
Administrative expenses:			
-Exceptional item – (release of investment impairment provision)	9	352	-
-Other		(973)	(1,143)
<b>Total operating expenses</b>		<b>(1,619)</b>	(2,129)
<b>Operating loss</b>	3	<b>(716)</b>	(378)
Gain on sale of subsidiary	9	6	-
Interest receivable and similar income	6	57	63
<b>Loss on ordinary activities before taxation</b>		<b>(653)</b>	(315)
Tax on loss on ordinary activities	7	228	87
<b>Loss for the financial year</b>		<b>(425)</b>	(228)
Dividends		(528)	-
<b>Retained loss for the financial year</b>	17	<b>(953)</b>	(228)

All activities relate to continuing activities.

There are no recognised gains and losses other than as stated in the profit and loss account.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.



# 2e2 Storage Limited

## Balance Sheet at 31 December 2005

	Notes	2005 £'000	2004 £'000
<b>Fixed assets</b>			
Tangible assets	8	256	342
Investments	9	-	-
		<b>256</b>	<b>342</b>
<b>Current assets</b>			
Stocks	10	-	123
Debtors	11	2,252	2,431
Cash at bank and in hand		1,055	1,753
		<b>3,307</b>	<b>4,307</b>
<b>Creditors: Amounts falling due within one year</b>	12	<b>(2,249)</b>	<b>(2,356)</b>
<b>Net current assets</b>		<b>1,058</b>	<b>1,951</b>
<b>Total assets less current liabilities</b>		<b>1,314</b>	<b>2,293</b>
<b>Creditors: Amounts falling due after more than one year</b>	13	<b>(75)</b>	<b>(73)</b>
<b>Provisions for liabilities and charges</b>	14	<b>-</b>	<b>(28)</b>
<b>Net assets</b>		<b>1,239</b>	<b>2,192</b>
<b>Capital and reserves</b>			
Called up share capital	16	64	64
Profit and loss account	17	1,175	2,128
<b>Shareholders' funds</b>	17	<b>1,239</b>	<b>2,192</b>

The notes on pages 8 to 16 form an integral part of these financial statements.

The financial statements on pages 6 to 16 were approved by the Board on 3rd November 2006 and were signed on its behalf by:

Director



# 2e2 Storage Limited

## Notes to the financial statements at 31 December 2005

### 1 Accounting policies

#### (1) Accounting convention

These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

#### (2) Group accounts

Guardian iT is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2005.

Copies of the consolidated financial statements of Guardian iT can be obtained from:

The Company Secretary  
12-13 Bracknell Beeches  
Old Bracknell Lane West  
Bracknell  
Berkshire  
RG12 7BW

#### (3) Turnover and deferred income

Turnover derives from the company's principal activity. It excludes value added tax and trade discounts, and represents the value of goods and services provided in respect of the period to which they relate.

Where the company enters into contracts to provide services, turnover is recognised generally on a straight-line basis daily over the life of those contracts, except where upfront implementation costs are incurred. As a result, amounts invoiced prior to the year end in respect of services to be provided in the following year are included in deferred income at the year end.

Implementation fees are allocated over the periods in which the related costs are incurred.

#### (4) Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write down the cost of tangible fixed assets to their estimated residual values over their estimated lives as follows:

Leasehold improvements	-	lesser of the lease term or 10 years
Plant and machinery	-	4 - 10 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 - 5 years

The carrying values of tangible fixed assets are reviewed for impairment periodically if events or changes in circumstances indicate the carrying value may not be recoverable.

#### (5) Investments

Investments in subsidiaries are stated in the balance sheet of the company at cost less any amounts written off where there has been impairment in value.

# **2e2 Storage Limited**

## **Notes to the financial statements at 31 December 2005**

### **1 Accounting policies (continued)**

#### **(6) Stocks**

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### **(7) Deferred taxation**

Deferred taxation is accounted for on a full-provision basis on timing differences arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise. An asset is recognised to the extent that the transfer of economic benefits in the future is probable.

Deferred taxation balances have not been discounted.

#### **(8) Foreign currencies**

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the balance sheet date.

Other exchange differences are dealt with in the profit and loss account.

#### **(9) Leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Where assets are financed by lease agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright and the corresponding leasing commitments are shown as obligations under finance leases. The relevant assets are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account on a reducing balance over the period of the lease.

#### **(10) Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs, which represent the contributions payable during the year, are written off directly to the profit and loss account as incurred.

#### **(11) Sales commissions**

Amounts paid relating to sales commissions are charged to the profit and loss account when incurred.

#### **(12) Cash flow statement and related party disclosures**

The company was a wholly-owned subsidiary of SunGard Data Systems Inc. at 31 December 2004 and 2005 and is included in the consolidated financial statements of SunGard Data Systems Inc., which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996). The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the SunGard Data Systems Inc. group or investees of the SunGard Data Systems Inc. group. See note 22.

# 2e2 Storage Limited

## Notes to the financial statements at 31 December 2005

### 2 Turnover

Turnover is attributable to one continuing activity, the supply and support of computer storage, storage management and data management solutions together with associated training and consultancy services.

An analysis of turnover by geographical market is given below:

	2005 £'000	2004 £'000
United Kingdom	7,258	8,793
Rest of Europe	-	13
	<b>7,258</b>	<b>8,806</b>

### 3 Operating loss

	2005 £'000	2004 £'000
Operating loss is stated after charging:		
Auditors' remuneration - audit fees	30	30
Depreciation - owned assets	110	117
Hire of plant and machinery	-	8
Operating lease rentals - plant and machinery	110	115
- land and buildings	57	122
Net foreign exchange losses	3	15

### 4 Directors' emoluments

No retirement benefits are accruing to any directors under a defined contribution scheme (2004: none).

Neal Roberts was paid by SunGard Availability Services (UK) Limited for his services to the SunGard Availability Services' European group of companies and his services as a director of the company were incidental to his other services to the group. His emoluments are disclosed in the accounts of SunGard Availability Services (UK) Limited.

Keith Tilley was paid by SunGard Availability Services (UK) Limited for his services to that company and to SunGard Availability Services (DR) Limited. His services as a director of the company were incidental to his other services to the SunGard group of companies. His emoluments are disclosed in the accounts of SunGard Availability Services (UK) Limited.

Michael J. Ruane was paid by SunGard Data Systems Inc. for his services to the SunGard Data Systems Inc. group of companies, and his services as a director of the company were incidental to his other services within the SunGard Data Systems Inc. group. His emoluments are disclosed in the accounts of SunGard Data Systems Inc.

# 2e2 Storage Limited

## Notes to the financial statements at 31 December 2005

### 5 Employees

#### (a) Number of employees

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

	2005 Number	2004 Number
Administration	9	19
Sales	11	17
Engineering	17	15
	37	51

#### (b) Employment costs

	2005 £'000	2004 £'000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	1,787	1,823
Social security costs	219	216
Other pension costs (see note 18)	50	72
	2,056	2,111

### 6 Interest receivable and similar income

	2005 £'000	2004 £'000
Bank interest receivable	57	63

### 7 Tax on loss on ordinary activities

	Notes	2005 £'000	2004 £'000
<b>Current tax:</b>			
UK corporation tax credit on loss of the year		(243)	(61)
Adjustment in respect of previous years		(11)	4
Total current tax		(254)	(57)
<b>Deferred tax:</b>			
Origination and reversal of timing differences		14	(24)
Adjustment in respect of previous years		12	(6)
Total deferred tax	15	26	(30)
Tax credit on loss on ordinary activities		(228)	(87)

# 2e2 Storage Limited

## Notes to the financial statements at 31 December 2005

### 7 Tax on loss on ordinary activities (continued)

The tax assessed for the period is higher (2004 : lower) than the standard rate of corporation tax in the UK of 30% (2004 : 30%). The differences are explained below:

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(653)	(315)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 : 30%)	(196)	(95)
Effects of:		
Expenses not deductible for tax purposes	7	10
Increase in general provisions/other timing differences	44	20
Accelerated capital allowances	2	4
Release of investment impairment provision	(106)	-
Depreciation on assets now qualifying for capital allowances	6	-
Adjustment to tax credit in respect of previous years	(11)	4
Current tax credit for the year	(254)	(57)

### 8 Tangible fixed assets

	Leasehold improvements £'000	Plant & machinery £'000	Fixtures & fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>					
At 1 January 2005	162	24	213	649	1,048
Additions	6	-	-	18	24
<b>At 31 December 2005</b>	<b>168</b>	<b>24</b>	<b>213</b>	<b>667</b>	<b>1,072</b>
<b>Depreciation</b>					
At 1 January 2005	68	16	189	433	706
Charge for the year	16	1	17	76	110
<b>At 31 December 2005</b>	<b>84</b>	<b>17</b>	<b>206</b>	<b>509</b>	<b>816</b>
<b>Net book amount</b>					
<b>At 31 December 2005</b>	<b>84</b>	<b>7</b>	<b>7</b>	<b>158</b>	<b>256</b>
At 1 January 2005	94	8	24	216	342

# 2e2 Storage Limited

## Notes to the financial statements at 31 December 2005

<b>9 Investments</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
<b>Investment in subsidiary undertaking</b>		
At cost	352	352
Impairment provision	-	(352)
Disposal	(352)	-
<b>Net book amount</b>	<b>-</b>	<b>-</b>

On 27 October 2005 the previously impaired capital contribution made to Kingswell AB was repaid in full. The impairment of £345,000 was reversed.

On 27 October 2005 the company sold its investment in Kingswell AB to SunGard Availability Services (Nordic) AB for £13,392. The company reversed its previous impairment of £7,000 and a profit was generated on the sale of £6,392.

<b>10 Stocks</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Finished goods and stock for resale	-	123

<b>11 Debtors</b>		<b>2005</b>	<b>2004</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors		935	885
Amounts owed by group undertakings		243	816
Prepayments and accrued income		1,042	672
Deferred tax asset	15	32	58
		<b>2,252</b>	<b>2,431</b>

All intercompany balances are unsecured, interest free and have no fixed repayment date.

## 12 Creditors: Amounts falling due within one year

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	344	601
Other taxes and social security costs	31	168
Accruals	730	346
Deferred income	1,144	1,241
	<b>2,249</b>	<b>2,356</b>

# 2e2 Storage Limited

## Notes to the financial statements at 31 December 2005

### 13 Creditors: Amounts falling due after more than one year

	2005 £'000	2004 £'000
Deferred income	75	73

### 14 Provisions for liabilities and charges

	2005 £'000	2004 £'000
At 1 January 2005	28	-
(Credit)/charges to profit and loss account	(28)	28
At 31 December 2005	-	28

In 2004 the company rationalised its property portfolio which resulted in a vacant property being identified. A provision was made for the residual lease commitment and other outgoings which was released in 2005.

Maturity profile of provision	2005 £'000	2004 £'000
Within one year	-	28

### 15 Deferred tax

The movement in the deferred tax asset during the year was as follows:

	Notes	£'000
At 1 January 2005		58
Deferred tax charge in profit and loss account	7	(26)
At 31 December 2005	11	32

	2005 £'000	2004 £'000
Deferred tax asset comprises:		
Accelerated capital allowances	31	29
Other short term timing differences	1	29
	32	58

### 16 Called up share capital

	2005 £'000	2004 £'000
Authorised, allotted, called up and fully paid 64,000 ordinary shares of £1 each	64	64

# 2e2 Storage Limited

## Notes to the financial statements at 31 December 2005

### 17 Reconciliation of movement in shareholders' funds

	Share capital £'000	Profit & loss account £'000	Total £'000
At 1 January 2005	64	2,128	2,192
Loss for the year	-	(953)	(953)
<b>At 31 December 2005</b>	<b>64</b>	<b>1,175</b>	<b>1,239</b>

### 18 Pension commitments

The company contributes to a group defined contribution pension scheme for employees. Contributions are charged to the profit and loss account as they become due and amounted to £50,000 (2004: £72,000). There were no outstanding contributions due at the year end (2004 : £7,000).

### 19 Financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
Operating leases which expire:				
within one year	-	80	3	55
between two and five years	-	-	38	39
	-	80	41	94

### 20 Contingent liabilities

The company had no contingent liabilities outstanding at year end (2004: none).

### 21 Capital commitments

The company had nil capital commitments outstanding at year end (2004: £nil).



# **2e2 Storage Limited**

## **Notes to the financial statements at 31 December 2005**

### **22 Ultimate parent undertaking**

The immediate parent undertaking was SunGard Availability Services (DR) Limited at 31 December 2005. The directors regard SunGard Data Systems Inc., a body corporate incorporated in Delaware, USA, as the company's ultimate parent company and controlling party at 31 December 2005. SunGard Data Systems Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2005. Guardian iT is the parent of the smallest group of undertakings to consolidate these financial statements at 31 December 2005. See note 1(2).

The consolidated financial statements of SunGard Data Systems Inc. are available from:

SunGard Data Systems Inc.  
680 East Swedesford Road  
Wayne  
Pennsylvania 19087  
USA

On 6<sup>th</sup> January 2006 the entire share capital in the company was sold by SunGard Availability Services (DR) Limited to 2e2 Limited.