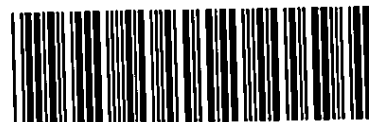


2e2 Storage Limited (formerly Kingswell Data Management Limited)

**Directors' report and financial statements
for the year ended 31 December 2006**

Registered number: 2686986

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COMPANIES HOUSE

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Address and Registered Office

The Mansion House
Benham Valence
Newbury
Berkshire
RG20 8LU

Telephone 01635 568000
Web site www.2e2.com

Directors

Terence Burt
Nicholas Grossman
Mark McVeigh

Secretary

Nicholas Grossman

Auditors

Ernst & Young LLP

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements of 2e2 Storage Limited for the year ended 31 December 2006

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

On 6th January 2006 the entire share capital in the company was sold by SunGard Availability Services (DR) Limited to 2e2 Limited. Following a period of consultation, the sales activity of the company and the associated employee and other costs were amalgamated with 2e2 Data Management Limited (formerly known as TriSys Limited – company number 2553304) a business whose principal activity is the same as that of 2e2 Storage Limited. 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 10th July 2006.

Results and dividends

The profit on ordinary activities after taxation for the year ended 31 December 2006 amounted to £395,000 (2005 loss of £425,000). The directors paid an interim dividend in 2006 of £131,000 (2005 £528,081 interim payment).

Directors

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

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 2006 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 2006 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 2006 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

Directors' report for the year ended 31 December 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Principal Risks and Uncertainties

Discussed below are the Company's major business risks, together with systems and initiatives in place to address them.

Market

The IT services market is subject to fluctuations of demand by customers. These fluctuations are linked to the economic cycle and changes in the spending patterns of customers. In addition, the Company works with a number of key vendors and it is important to maintain strong relationships and terms of business with these partners.

Operational

This relates to the risk of financial loss resulting from internal processes, people and systems. The

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Company manages this risk through appropriate internal controls and proactive intervention, such as management reporting systems, insurances, business interruption and disaster recovery planning

Liquidity

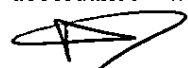
This relates to the risk that the Company is unable to fund its requirements because of insufficient banking facilities. This risk is reduced as 2e2 Group's banking facilities are available on a committed basis.

Key Performance Indicators

The senior management of the Company focus on a number of key performance indicators. These include sales bookings and billings, the value of contracted annuity revenues, gross margins and staff utilisation. These, along with other measures, are monitored regularly with explanations sought for variances against expectations.

Auditors

Grant Thornton UK LLP resigned as auditors during the year. Ernst and Young LLP were appointed to fill the casual vacancy arising. Ernst and Young LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.



By order of the Board
Nicholas Grossman
Company Secretary

31 October 2007

2e2 Storage Limited (formerly Kingswell Data Management Limited)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 2E2 STORAGE LIMITED

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 20. 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 Annual Report and the financial statements in accordance with applicable 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

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 judgments 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 2006 and of its profit for the year then ended,

2e2 Storage Limited (formerly Kingswell Data Management Limited)

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP
Ernst & Young LLP

Registered auditor

Reading

31 October 2007

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Profit and loss account for the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover	2	2,652	7,258
Cost of sales		(1,175)	(6,355)
Gross profit		1,477	903
Distribution costs		(260)	(998)
Administrative expenses		(770)	(621)
Total operating expenses		(1,030)	(1,619)
Operating profit/(loss)	3	447	(716)
Gain on sale of subsidiary	9	-	6
Interest receivable and similar income	6	4	57
Profit/(loss) on ordinary activities before taxation		451	(653)
Tax on loss on ordinary activities	7		228
Profit/(loss) for the financial year		451	(425)
Dividends		(1,231)	(528)
Retained loss for the financial year	15	(780)	(953)

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

The notes on pages 9 to 16 form an integral part of these financial statements

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Balance Sheet at 31 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	8	67	256
		67	256
Current assets			
Stocks	9	8	-
Debtors	10	1,771	2,252
Cash at bank and in hand		77	1,055
		1,856	3,307
Creditors: Amounts falling due within one year	11	(1,464)	(2,249)
Net current assets		392	1,058
Total assets less current liabilities		459	1,314
Creditors: Amounts falling due after more than one year	12	-	(75)
Net assets		459	1,239
Capital and reserves			
Called up share capital	14	64	64
Profit and loss account	15	395	1,175
Shareholders' funds	15	459	1,239

The notes on pages 9 to 16 form an integral part of these financial statements

The financial statements on pages 7 to 16 were approved by the Board on **31 October** 2007 and were signed on its behalf by



Director

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

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) 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.

(3) 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.

(4) 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 (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

1 Accounting policies (continued)

(5) 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.

(6) Taxation

Current tax, including UK corporation tax and foreign taxes, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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.

(7) 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.

(8) 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.

(9) 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.

(10) Sales commissions

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

(11) Cash flow statement

The company was a wholly-owned subsidiary of 2e2 Holdings Limited at 31 December 2006 and is included in the consolidated financial statements of 2e2 Holdings Limited, 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).

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

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

	2006	2005
	£'000	£'000
United Kingdom	2,652	7,258
Rest of Europe	-	-
	2,652	7,258

3 Operating profit/(loss)

	2006	2005
	£'000	£'000
Operating profit/(loss) is stated after charging		
Auditors' remuneration - audit fees	5	30
Depreciation - owned assets	188	110
Hire of plant and machinery	-	-
Operating lease rentals - plant and machinery		110
- land and buildings (including onerous lease charge (see note 14))		57
Administrative Expenses	770	621
Net foreign exchange losses	2	3

Administrative expenses include a charge of £243,000 relating to the transfer of tax losses (2005 gain of £352,000 relating to the release of investment impairment provision)

4 Directors' emoluments

No retirement benefits are accruing to any directors under a defined contribution scheme (2005 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 (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

5 Employees

(a) Number of employees

The average number of persons employed by the company (including directors) during the year (being only the first 3 months of the year), analysed by category, was as follows

	2006 Number	2005 Number
Administration	3	9
Sales	4	11
Engineering	17	17
	24	37

(b) Employment costs

	2006 £'000	2005 £'000
The aggregate payroll costs of these persons were as follows		
Wages and salaries	269	1,787
Social security costs	29	219
Other pension costs (see note 18)	9	50
	307	2,056

6 Interest receivable and similar income

	2006 £'000	2005 £'000
Bank interest receivable	4	57

7 Tax on profit/(loss) on ordinary activities

	Notes	2006 £'000	2005 £'000
Current tax			
UK corporation tax credit on profit/(loss) of the year		-	(243)
Adjustment in respect of previous years		-	(11)
Total current tax		-	(254)
Deferred tax:			
Origination and reversal of timing differences		-	14
Adjustment in respect of previous years		-	12
Total deferred tax	15	-	26
Tax credit on loss on ordinary activities		-	(228)

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

7 Tax on loss on ordinary activities (continued)

The differences between current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	2006 £'000	2005 £'000
Profit/(Loss) on ordinary activities before tax	451	(653)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	135	(196)
Effects of		
Expenses not deductible for tax purposes	24	7
(Decrease)/increase in general provisions/other timing differences	-	44
Decelerated capital allowances	23	2
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)
Utilisation of brought forward tax losses	(182)	-
Current tax charge/(credit) for the year	-	(254)

8 Tangible fixed assets

	Leasehold Improvements £'000	Plant & machinery £'000	Fixtures & fittings £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2006	168	24	213	667	1,072
Additions	-	-	-	-	-
Elimination at acquisition	(168)	(24)	(213)	(369)	(774)
At 31 December 2006	0	0	0	298	298
Depreciation					
At 1 January 2006	84	17	206	509	816
Charge for the year	-	-	-	43	43
Elimination at acquisition	(84)	(17)	(206)	(321)	(628)
At 31 December 2006	0	0	0	231	231
Net book amount					
At 31 December 2006	0	0	0	67	67
At 1 January 2006	84	7	7	158	256

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

9 Stocks		2006	2005
		£'000	£'000
Finished goods and stock for resale		8	0
10 Debtors		2006	2005
	Notes	£'000	£'000
Trade debtors		5	935
Amounts owed by group undertakings		1,528	243
Prepayments and accrued income		206	1,042
Deferred tax asset	13	32	32
		1,771	2,252

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

11 Creditors: Amounts falling due within one year

	2006	2005
	£'000	£'000
Trade creditors	41	344
Other taxes and social security costs	16	31
Accruals	124	730
Deferred income	183	1,144
Dividends Payable	1,100	-
	1,464	2,249

12 Creditors: Amounts falling due after more than one year

	2006	2005
	£'000	£'000
Deferred income	0	75

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

13 Deferred tax

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

	Notes	£'000
At 1 January 2006		32
Deferred tax charge in profit and loss account	7	
At 31 December 2006	11	32

	2006 £'000	2005 £'000
Deferred tax asset comprises		
Decelerated capital allowances	32	31
Other short term timing differences	-	1
	32	32

Deferred tax not recognised in the accounts amounts to £83,769 in relation to brought forward tax losses

From financial year 2008, the UK corporation tax rate will reduce from 30% to 28%. It is estimated that as a result the recognised deferred tax asset will decrease by £2,140 and unrecognised deferred tax asset by £5,584

14 Called up share capital

	2006 £'000	2005 £'000
Authorised, allotted, called up and fully paid 64,000 ordinary shares of £1 each	64	64

15 Reconciliation of movement in shareholders' funds

	Share capital £'000	Profit & loss account £'000	Total £'000
At 1 January 2006	64	1,175	1,239
Loss for the year	-	(780)	(780)
At 31 December 2005	64	395	459

2e2 Storage Limited (formerly Kingswell Data Management Limited)

Notes to the financial statements at 31 December 2006

16 Pension commitments

Upon acquisition by 2e2, the company pension scheme was changed to the 2e2 Group Personal Pension Plan, managed by Scottish Equitable. Contributions were matched under the new plan. There were no outstanding commitments at 31 December 2006, other than December contributions which were paid in January 2007.

17 Financial commitments

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

	Land and buildings		Other	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Operating leases which expire within one year	-	-	13	3
between two and five years	-	-	-	38
	-	-	13	41

18 Contingent liabilities

There are no contingent liabilities outstanding.

19 Capital commitments

The company had nil capital commitments outstanding at year end (2005: £nil).

20 Ultimate parent company and controlling party

The immediate parent company of 2e2 Storage Limited is 2e2 Limited, a company incorporated in the United Kingdom. The ultimate holding company and controlling party is 2e2 Holdings Limited, a company incorporated in the United Kingdom.

The smallest and largest undertaking into which the results of the company are consolidated is 2e2 Group Limited. Copies of financial statements for 2e2 Group Limited can be obtained from the company's registered office at The Mansion House, Benham Valence, Newbury, Berkshire RG20 8LU.

The company has not disclosed related party transactions with group entities as permitted by the exemption under Financial Reporting Standard No. 8.