

Report and Accounts  
May 2001 – December 2001

**GUARDIAN DATA MANAGEMENT  
LIMITED**

(FORMERLY KINGSWELL COMPUTER COMPANY LIMITED)

Registered Number 2686986

A Guardian iT plc group company

**[www.guardianit.com](http://www.guardianit.com)**



**GUARDIAN DATA MANAGEMENT LIMITED**

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Brackmills, Northampton NN4 7EX

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www.guardianit.com

Registered No. 2686986

**Registered Office**

Benchmark House  
St George's Business Centre  
203 Brooklands Road  
Weybridge  
Surrey KT13 0RH

**Directors**

P MacLean		Group Chief Executive
N Roberts	(appointed 12 April 2002)	Group Finance Director
P Jakob	(resigned 24 September 2001)	Group Finance Director
M R King	(resigned 25 January 2002)	Managing Director
G I Presswell, ACA BSc	(resigned 28 January 2002)	Finance Director
C G Benham	(resigned 28 January 2002)	Customer Services Director
A Stanford	(resigned 12 February 2002)	Sales Director
G Growns	(appointed 24 September 2001)	Group Sales & Marketing Director
	(resigned 12 April 2002)	

**Secretary**

A Schroeder

**Auditors**

PricewaterhouseCoopers  
Central Business Exchange  
Midsummer Boulevard  
Central Milton Keynes  
MK9 2DF

**Bankers**

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

**Solicitors**

Kimbell & Co.  
352 Silbury Court  
Silbury Boulevard  
Milton Keynes  
MK9 2HJ

## DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the 8 month period ended 31<sup>st</sup> December 2001.

## PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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.

The company has continued to focus its resources in the growing market of computer storage, back up and data archiving.

On 3 January 2002, the company changed its name from Kingswell Computer Company Limited to Guardian Data Management Limited.

## RESULTS AND DIVIDENDS

The profit for the 8-month period ended 31 December 2001 before taxation amounted to £983,000 (30.4.2001: £1,537,000). The directors have not recommended the payment of a dividend and have transferred the profit after taxation for the year to reserves.

## DIRECTORS AND THEIR INTERESTS

The directors at 31<sup>st</sup> December 2001 had no interests in the share capital of the company.

Details of the options held by the directors under the share option schemes of the ultimate parent company, Guardian iT plc, are as follows:

Date of Grant	Earliest exercise date	Expiry date	Exercise price	No at 1/5/ 2001	Granted in year	Exercised in year	No at 31/12/2001
<b>M King</b>							
10.10.2000	10.10.2003	10.10.2010	1163p	2,579	-	-	2,579
10.10.2000	10.10.2003	10.10.2007	1163p	18,917	-	-	18,917
11.04.2001	11.04.2004	11.04.2008	657p	9,751	-	-	9,751
<b>G Presswell</b>							
10.10.2000	10.10.2003	10.10.2010	1163p	2,579	-	-	2,579
10.10.2000	10.10.2003	10.10.2007	1163p	12,468	-	-	12,468
11.04.2001	11.04.2004	11.04.2008	657p	7,420	-	-	7,420
<b>C Benham</b>							
10.10.2000	10.10.2003	10.10.2010	1163p	2,579	-	-	2,579
10.10.2000	10.10.2003	10.10.2007	1163p	12,468	-	-	12,468
11.04.2001	11.04.2004	11.04.2008	657p	5,993	-	-	5,993
<b>A Stanford</b>							
10.10.2000	10.10.2003	10.10.2010	1163p	2,579	-	-	2,579
10.10.2000	10.10.2003	10.10.2007	1163p	12,468	-	-	12,468
11.04.2001	11.04.2004	11.04.2008	657p	4,281	-	-	4,281
04.09.2001	04.09.2004	04.09.2008	272p	-	11,000	-	11,000

The options, if any, held by P MacLean, G Grown and N Roberts in Guardian iT plc are disclosed in the accounts of Guardian iT plc.

## 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.

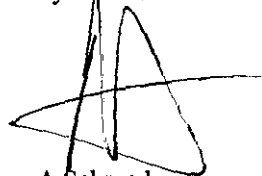
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31<sup>st</sup> December 2001 and that applicable accounting standards have been followed.

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

## AUDITORS

A resolution to reappoint PricewaterhouseCoopers as auditors will be put to the members at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'A Schroeder', written over a horizontal line.

A Schroeder  
Secretary  
28 June 2002

## **Independent auditors' report to the members of Guardian Data Management 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 issued by the Auditing Practices Board.

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 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 31 December 2001 and of its profit for the 8 month period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors  
Milton Keynes  
28 June 2002

# **PROFIT AND LOSS ACCOUNT**

for the 8 month period ended 31<sup>st</sup> December 2001

	Note	8 month period ended 31.12.01 £'000	Year ended 30.04.01 £'000
<b>TURNOVER – CONTINUING OPERATIONS</b>	3	8,988	14,019
Cost of sales		(5,847)	(9,467)
Gross profit		3,141	4,552
Distribution costs		(1,758)	(2,423)
Administrative expenses		(405)	(646)
		(2,163)	(3,069)
<b>OPERATING PROFIT – CONTINUING OPERATIONS</b>	4	978	1,483
Interest receivable and similar income		10	58
Interest payable and similar charges	7	(5)	(4)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		983	1,537
Tax on profit on ordinary activities	8	(301)	(462)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	18	682	1,075

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

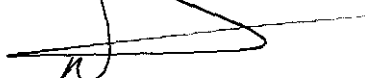
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

# **BALANCE SHEET**

As at 31<sup>st</sup> December 2001

	Notes	31.12.01 £'000	30.04.01 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	416	457
Investments	10	-	7
		<u>416</u>	<u>464</u>
<b>CURRENT ASSETS</b>			
Stocks	11	612	637
Debtors	12	5,952	4,392
Cash at bank and in hand		650	411
		<u>7,214</u>	<u>5,440</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(4,744)	(3,594)
<b>NET CURRENT ASSETS</b>		<u>2,470</u>	<u>1,846</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,886</u>	<u>2,310</u>
<b>CREDITORS: amounts falling due after one year</b>	14	(235)	(323)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	16	(1)	(19)
<b>NET ASSETS</b>		<u>2,650</u>	<u>1,968</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	64	64
Profit and loss account	18	2,586	1,904
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18	<u>2,650</u>	<u>1,968</u>

The financial statements on pages 6 to 15 were approved by the board of directors on 28 June 2002 and were signed on its behalf by:



N Roberts  
Director

## NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

### 1. ACCOUNTING POLICIES

#### Accounting convention

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

#### Group accounts

These accounts present information regarding the company as an individual undertaking and not as a group as the directors have taken advantage of the exemption to prepare group accounts under Section 248 of the Companies Act 1985.

#### Turnover

Turnover, which is stated net of value added tax, represents amounts supplied to third parties except in respect of certain short and long term contracts where turnover represents the value of the work carried out during the period. Income from maintenance and support contracts is apportioned in equal instalments over the period of the contract.

#### Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Leasehold improvements	-	over the lease term
Plant and machinery	-	4-10 years
Fixtures and fittings	-	5 years
Computer equipment	-	4 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.

#### Investments

Investments in subsidiary companies are stated at cost less any provision for permanent impairment of value.

#### 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.

#### Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.



**NOTES TO THE ACCOUNTS**  
at 31<sup>st</sup> December 2001

**1. ACCOUNTING POLICIES (continued)**

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful life. The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Pension costs**

The company contributes to certain employee's personal contribution pension policies. Contributions are charged to the profit and loss account as they become payable.

**2. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES**

The company is a wholly owned subsidiary of Guardian iT plc and is included in the consolidated financial statements of Guardian iT plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Guardian iT plc group or investees of the Guardian iT group.

**3. 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:

	8 month period ended 31.12.01 £'000	Year ended 30.4.01 £'000
United Kingdom	8,986	13,974
Rest of Europe	2	43
Other	-	2
	<hr/> 8,988 <hr/>	<hr/> 14,019 <hr/>

# NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

## 4. OPERATING PROFIT

	8 month period ended 31.12.01 £'000	Year ended 30.04.01 £'000
Operating profit is stated after charging:		
Auditors' remuneration	12	12
Depreciation on owned fixed assets	86	97
Depreciation of assets held under finance leases	7	11
Hire of plant and machinery	2	5
Operating lease rentals		
- plant and machinery	121	144
- land and buildings	58	78
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## 5. DIRECTORS' EMOLUMENTS

	8 month period ended 31.12.01 £'000	Year ended 30.04.01 £'000
Emoluments (excluding pension contributions)	341	558
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Pension contributions to directors' private pension schemes of £3,987 (30.04.01: £5,618) were paid in respect of four directors (30.04.01: three directors). The emoluments of the highest paid director were £113,866 (30.04.01: £175,509) including pension contributions of £nil (30.04.01: £2,510). Pension contributions of P MacLean, G Grown and N Roberts are disclosed in the accounts of Guardian iT plc.

## 6. STAFF COSTS

	8 month period ended 31.12.01 £'000	Year ended 30.04.01 £'000
Wages and salaries	1,483	2,201
Social security costs	169	266
Other pension costs	24	12
	-----	-----
	1,676	2,479
	-----	-----

The average weekly number of employees during the period was as follows:

	8 month period ended 31.12.01 No.	Year ended 30.04.01 No.
Administration	9	8
Sales	22	20
Engineering	30	25
	----	----
	61	53
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# NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

## 7. INTEREST PAYABLE AND SIMILAR CHARGES

	8 month period ended 31.12.01 £'000	Year ended 30.04.01 £'000
Finance charges payable under finance leases	5	4
	5	4

## 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	8 month period ended 31.12.01 £'000	Year ended 30.04.01 £'000
Based on the profit for the period:		
UK corporation tax charge - current period at 30% (30.04.01 30%)	319	464
Deferred tax - current period (credit) / charge	(7)	6
Prior year adjustment for under / (over) provision		
- current	-	(4)
- deferred	(11)	(4)
	301	462

## 9. TANGIBLE FIXED ASSETS

	Short leasehold improvements £'000	Plant & machinery £'000	Fixtures & fittings £'000	Computer equipment £'000	Total £'000
Cost:					
At 1 <sup>st</sup> May 2001	117	24	205	406	752
Additions	1	-	11	40	52
At 31 <sup>st</sup> December 2001	118	24	216	446	804
Depreciation:					
At 1 <sup>st</sup> May 2001	17	8	79	191	295
Provided during the period	8	2	25	58	93
At 31 <sup>st</sup> December 2001	25	10	104	249	388
Net book amount:					
At 31 <sup>st</sup> December 2001	93	14	112	197	416
At 30 <sup>th</sup> April 2001	100	16	126	215	457

## NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

### 9. TANGIBLE FIXED ASSETS (continued)

Included in computer equipment are assets purchased under finance leases of £25,323 (30.4.2001: £25,323) which are fully depreciated. Included in fixtures & fittings are assets purchased under finance leases of £37,653 (30.4.2001: £37,653) with accumulated depreciation of £14,642 (30.4.2001: £6,275) giving a net book amount of £23,011 (30.4.2001: £31,378).

### 10. FIXED ASSET INVESTMENTS

	31.12.01 £'000	30.04.01 £'000
Investment in subsidiary undertaking	-	7

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held
Kingswell AB	Sweden	Ordinary 100SEK	100%

The principal business activity of the subsidiary is the supply, integration and support of computer backup and archiving solutions. On 31<sup>st</sup> December 2001 the business was transferred to Guardian iT Sweden AB for nil consideration and the investment has been fully provided against as at 31<sup>st</sup> December 2001 resulting in a charge to the profit and loss account of £7,000.

### 11. STOCKS

	31.12.01 £'000	30.04.01 £'000
Finished goods and stock for resale	612	637

### 12. DEBTORS

	31.12.01 £'000	30.04.01 £'000
Trade debtors	2,855	2,152
Amounts owed by group undertakings	2,680	1,865
Other debtors	1	30
Prepayments and accrued income	416	345
	5,952	4,392

### 13. CREDITORS: amounts falling due within one year

	31.12.01 £'000	30.04.01 £'000
Trade creditors	1,425	773
Obligations under finance leases	13	13
Other taxes and social security costs	405	368
Corporation tax	783	464
Other loan (see note 14)	25	25
Accruals	133	228
Deferred income	1,960	1,723
	4,744	3,594

# NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

## 14. CREDITORS: amounts falling due after one year

	31.12.01 £'000	30.04.01 £'000
Deferred income	209	272
Obligations under finance leases	5	14
Other loan	21	37
	<u>235</u>	<u>323</u>

### Maturity of loan

	31.12.01 £'000	30.04.01 £'000
In one year or less	25	25
In more than one year, but not more than two years	21	25
In more than two years, but not more than five years	-	12
	<u>46</u>	<u>62</u>

## 15. OBLIGATIONS UNDER FINANCE LEASES

The maturity of these amounts is as follows:

	31.12.01 £'000	30.04.01 £'000
Amounts payable:		
within one year	14	14
within two to five years	7	17
	<u>21</u>	<u>31</u>
Less: finance charges allocated to future periods	(3)	(4)
	<u>18</u>	<u>27</u>
Finance leases are analysed as follows:		
Current obligations	13	13
Non-current obligations	5	14
	<u>18</u>	<u>27</u>

# NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

## 16. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

	£'000
At 30 <sup>th</sup> April 2001	19
Credited in the period	(7)
Over provision in respect of prior year	(11)
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At 31 <sup>st</sup> December 2001	1
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Deferred taxation provided and unprovided in the accounts is as follows:

	Provided 31.12.01 £'000	Unprovided 31.12.01 £'000	Provided 30.04.01 £'000	Unprovided 30.04.01 £'000
Capital allowances in advance of depreciation	1	-	19	-
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## 17. CALLED UP SHARE CAPITAL

	Authorised, allotted, called up and fully paid 31.12.01 £'000	Authorised, allotted, called up and fully paid 30.04.01 £'000
64,000 ordinary shares of £1 each	64	64
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## 18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £'000	Profit & loss account £'000	Total £'000
At 30 <sup>th</sup> April 2001	64	1,904	1,968
Profit for the period	-	682	682
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At 31 <sup>st</sup> December 2001	64	2,586	2,650
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## NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

### 19. PENSION COMMITMENTS

The company contributes to certain employee's personal pension policies. Contributions are charged to the profit and loss account as they become due and amounted to £24,340 (30.04.01: £12,463). No contributions due were outstanding at the year end.

### 20. FINANCIAL COMMITMENTS

At 31<sup>st</sup> December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	31.12.01	30.04.01	31.12.01	30.04.01
	£'000	£'000	£'000	£'000
Operating leases which expire:				
within one year	-	-	15	23
after five years	87	87	102	97
	<u>87</u>	<u>87</u>	<u>117</u>	<u>120</u>

### 21. CONTINGENT LIABILITIES

The company has a VAT bond in favour of HM Customs and Excise for an amount of £40,000 (30.04.01: £40,000).

### 22. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Guardian DR Limited.

The ultimate parent company and controlling party is Guardian iT plc. This is the smallest and largest group for which consolidated financial statements are prepared.

Copies of Guardian iT plc consolidated financial statements can be obtained from the Company Secretary at Benchmark House, St George's Business Centre, 203 Brooklands Road, Weybridge, Surrey, KT13 0RH.