

Kingswell Data Management Limited
Directors' report and financial statements
for the year ended 31 December 2003

Registered number: 2686986



Kingswell Data Management Limited

Address

Cornwell Business Park
Salthouse Road
Brackmills
Northampton
NN4 7EX

Telephone : 01604 767636
Fax: 01604 767639
Web site: www.kingswell.co.uk

Directors

Michael K. Muratore
Michael. J. Ruane
Neal Roberts
Keith Tilley

Secretary

Anthony Schroeder

Registered office

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

Auditors

PricewaterhouseCoopers LLP
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

Kingswell Data Management Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements of Kingswell Data Management Limited for the year ended 31 December 2003.

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.

The principal activity of the company's subsidiaries is referred to in note 10 to the financial statements.

Review of the business and future developments

The company and its subsidiary, Kingswell AB, traded satisfactorily in 2003. The directors are optimistic about growth in 2004.

Results and dividends

The profit on ordinary activities after taxation for the year ended 31 December 2003 amounted to £78,000 (2002: loss £308,000). The directors do not recommend the payment of a dividend (2002: £nil).

Directors

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

Michael K. Muratore
Neal Roberts
Michael J. Ruane
Keith Tilley

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 2003 interested in shares 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 2003 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 2003 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.

Kingswell Data Management Limited

Directors' report for the year ended 31 December 2003

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 conversion of the company's auditors, PricewaterhouseCoopers, to a Limited Liability Partnership from 1 January 2003, PricewaterhouseCoopers resigned on 24 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP as auditors to fill the casual vacancy to hold office until the conclusion of the next general meeting at which accounts are laid before the company. In June 2002, the company had elected to dispense with the laying of accounts and reports before the company in general meeting and therefore PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors at the end of the period of 28 days beginning with the day on which copies of this report and the audited financial statements of the company for the year ended 31 December 2003 are sent to members or, if notice is given requiring the laying of the audited financial statements before the company in general meeting, the conclusion of that meeting unless either a resolution is passed under s.393 of the Companies Act 1985 to the effect that their appointment be brought to an end or the directors take advantage of the exemption conferred by s.249 A or s.249 AA of the Companies Act 1985.

By order of the Board



Anthony Schroeder
Company Secretary

22 Sept 2004

Kingswell Data Management Limited

Independent auditors' report to the members of Kingswell Data Management Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and 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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 director's 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 affairs of the company as at 31 December 2003 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Milton Keynes

22 Sept

2004

Kingswell Data Management Limited

Profit and loss account for the year ended 31 December 2003

	Notes	2003 £'000	2002 £'000
Turnover	2	9,569	9,352
Cost of sales		(6,639)	(6,369)
Gross profit		2,930	2,983
Distribution costs		(1,658)	(2,346)
Administrative expenses:			
- Exceptional item	3	-	(345)
- Other		(1,149)	(564)
Total administrative expenses		(1,149)	(909)
Operating profit/(loss)	4	123	(272)
Interest receivable and similar income	7	16	6
Interest payable and similar charges	7	(5)	(7)
Profit/(loss) on ordinary activities before taxation		134	(273)
Tax on profit/(loss) on ordinary activities	8	(56)	(35)
Profit/(loss) on ordinary activities after taxation and profit/(loss) for the financial year	18	78	(308)

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

All activities relate to continuing activities.

There are no differences between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

The notes on pages 7 to 16 form an integral part of these financial statements.

Kingswell Data Management Limited

Balance Sheet at 31 December 2003

	Notes	2003 £'000	2002 £'000
Fixed assets			
Tangible assets	9	263	329
Investments	10	-	-
		263	329
Current assets			
Stocks	11	433	438
Debtors	12	2,648	5,132
Cash at bank and in hand		1,933	350
		5,014	5,920
Creditors: Amounts falling due within one year	13	(2,739)	(3,818)
Net current assets		2,275	2,102
Total assets less current liabilities		2,538	2,431
Creditors: Amounts falling due after one year	14	(118)	(89)
Net assets		2,420	2,342
Capital and reserves			
Called up share capital	17	64	64
Profit and loss account	18	2,356	2,278
Equity shareholders' funds	18	2,420	2,342

The notes on pages 7 to 16 form an integral part of these financial statements.

The financial statements on pages 5 to 16 were approved by the Board on 22 Sept 2004 and were signed on its behalf by:



Neal Roberts
Director

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

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.

(2) Group accounts

The financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under s.228 of the Companies Act 1985 from the requirement to prepare and deliver consolidated financial statements as it and its subsidiary undertakings are included in the audited consolidated financial statements of Guardian iT (formerly Guardian iT Limited), a company registered in England and Wales, drawn up to 31 December 2003. Guardian iT (formerly Guardian iT Limited) is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2003.

Copies of the consolidated financial statements of Guardian iT (formerly Guardian iT Limited) 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 represents amounts receivable for goods and services net of VAT and trade discounts. Product sales are recognised upon receipt by the customer. Service revenue is recognised on a straight-line basis over the period of the contract. Amounts invoiced prior to the year end in respect of services to be provided in the following year are included in deferred income.

(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.

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

(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.

(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.

(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 is a wholly-owned subsidiary of SunGard Data Systems, Inc. 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 23.

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

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:

	2003 £'000	2002 £'000
United Kingdom	9,549	9,340
Rest of Europe	4	7
Other	16	5
	9,569	9,352

3 Exceptional item

	2003 £'000	2002 £'000
Impairment of fixed asset investment	-	345

During 2002 an impairment review of the carrying value of the investment in Kingswell AB was performed. This resulted in an impairment charge of £345,000 to align the carrying value of the investment with the directors' valuation at 31 December 2002.

4 Operating profit/(loss)

	2003 £'000	2002 £'000
Operating profit/(loss) is stated after charging:		
Auditors' remuneration - audit fees	30	18
Depreciation - owned assets	109	130
- assets held under finance	22	7
Hire of plant and machinery	8	2
Operating lease rentals - plant and machinery	146	152
- land and buildings	94	84

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

5 Directors' emoluments

	2003 £'000	2002 £'000
Emoluments (excluding pension contributions)	-	24

No pension contributions to directors' private pension schemes (2002: £800) were paid in respect of the directors (2002: one director).

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

Keith Tilley is 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 those other services. His emoluments are disclosed in the accounts of SunGard Availability Services (UK) Limited and SunGard Availability Services (DR) Limited.

Michael J. Ruane is 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.

Michael K. Muratore is paid by SunGard Recovery Services LP for his services to the SunGard Recovery Services group of companies, and his services as a director of the company were incidental to his services within the SunGard Recovery Services group. His emoluments are disclosed in the accounts of SunGard Recovery Services LP.

6 Employees

(a) Number of employees

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

	2003 Number	2002 Number
Administration	11	11
Sales	18	20
Engineering	29	30
	58	61

(b) Employment costs

	2003 £'000	2002 £'000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	2,026	2,078
Social security costs	228	220
Other pension costs (see note 19)	75	40
	2,329	2,338

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

7 Interest payable and receivable

	2003 £'000	2002 £'000
Bank interest receivable	16	6
Finance charges payable under finance leases	(5)	(7)

8 Tax on profit/(loss) on ordinary activities

	Notes	2003 £'000	2002 £'000
Current tax:			
UK corporation tax charge on profits/(loss) of the year		75	45
Deferred tax:			
Origination and reversal of timing differences		(19)	(10)
Total deferred tax	16	(19)	(10)
Tax on profit/(loss) on ordinary activities		56	35

The tax assessed for the period is higher (2002 : higher) than the standard rate of corporation tax in the UK 30% (2002 : 30%). The differences are explained below:

	2003 £'000	2002 £'000
Profit/(loss) on ordinary activities before tax	134	(273)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2002 : 30%)	40	(82)
Effects of:		
Expenses not deductible for tax purposes:		
- impairment of investment	-	104
- other	16	13
Increase in general provisions/other timing differences	3	-
Accelerated capital allowances	16	10
Current tax charge for the year	75	45

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

9 Tangible fixed assets

	Leasehold improvements £'000	Plant & machinery £'000	Fixtures & fittings £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2003	118	24	206	452	800
Additions	33	-	5	27	65
At 31 December 2003	151	24	211	479	865
Depreciation					
At 1 January 2003	37	12	129	293	471
Charge for the year	15	2	33	81	131
At 31 December 2003	52	14	162	374	602
Net book amount					
At 31 December 2003	99	10	49	105	263
At 1 January 2003	81	12	77	159	329

	2003 £'000	2002 £'000
Assets held under finance leases and capitalised in computer equipment		
Cost	80	80
Aggregate depreciation	(62)	(47)
Net book amount	18	33

	2003 £'000	2002 £'000
Assets held under finance leases and capitalised in fixtures and fittings		
Cost	38	38
Aggregate depreciation	(26)	(19)
Net book amount	12	19

10 Investments

	Notes	2003 £'000	2002 £'000
Investment in subsidiary undertakings			
At cost		352	352
Impairment provision		(352)	(352)
Net book amount		-	-

Movement in net book amount during the year:

At beginning of year		-	-
Capital contribution		-	345
Impairment	3	-	(345)
At end of year		-	-

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

10 Investments (continued)

The company owns the share capital of the following companies:

Name of undertaking	Country of incorporation or registration	Class of shares held	Proportion of nominal value of that class held
Kingswell AB	Sweden	Ordinary	100%
Kingswell Computer Company Limited	England	Ordinary	100%

The principal business activity of Kingswell AB is the supply, integration and support of computer backup and archiving solutions.

Kingswell Computer Company Limited is a dormant company. On 20 April 2004 Kingswell Computer Company Limited was dissolved.

11 Stocks

	2003 £'000	2002 £'000
Finished goods and stock for resale	433	438

12 Debtors

	Notes	2003 £'000	2002 £'000
Trade debtors		1,403	1,968
Amounts owed by group undertakings		759	2,391
Other debtors		1	16
Prepayments and accrued income		457	748
Deferred tax asset	16	28	9
		2,648	5,132

13 Creditors: Amounts falling due within one year

	Notes	2003 £'000	2002 £'000
Trade creditors		726	537
Obligations under finance leases	15	-	26
Other taxes and social security costs		194	236
Corporation tax		-	364
Accruals		530	260
Deferred income		1,289	2,395
		2,739	3,818

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

14 Creditors: Amounts falling due after one year

	Notes	2003 £'000	2002 £'000
Deferred income		118	87
Obligations under finance leases	15	-	2
		118	89

15 Obligations under finance leases

The maturity of these amounts is as follows:

	2003 £'000	2002 £'000
Amounts payable		
- within one year	-	30
- within two to five years	-	2
	-	32
Less finance charges allocated to future periods	-	(4)
	-	28

Finance leases are analysed as follows

Current obligations	-	26
Non-current obligations	-	2
	-	28

16 Deferred tax

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

	Notes	£'000
At 1 January 2003		9
Deferred tax credit in profit and loss account	8	19
At 31 December 2003	12	28

Deferred tax asset comprises:	2003 £'000	2002 £'000
Accelerated capital allowances	25	9
Other short term timing differences	3	-
	28	9

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

17 Called up share capital

	2003 £'000	2002 £'000
Authorised, allotted, called up and fully paid 64,000 ordinary shares of £1 each	64	64

18 Reconciliation of movement in shareholders' funds

	Share capital £'000	Profit & loss account £'000	Total £'000
At 1 January 2003	64	2,278	2,342
Profit for the year	-	78	78
At 31 December 2003	64	2,356	2,420

19 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 £75,000 (2002: £40,000). Contributions due of £9,000 were outstanding at the year end (2002 : £nil).

20 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Operating leases which expire:				
within one year	-	-	33	21
between two and five years	98	87	46	119
	98	87	79	140

21 Contingent liabilities

The company has a VAT bond in favour of HM Customs and Excise for an amount of £40,000 (2002: £40,000).

As part of its normal business activity, the company enters into contracts for the supply of goods and services. The company is in dispute with one of its customers regarding the company's performance under one of its contracts. However, at present no reliable estimate can be made as to the extent of the company's liability, if any.

Kingswell Data Management Limited

Notes to the financial statements at 31 December 2003

22 Capital commitments

The company had nil capital commitments outstanding at year end (2002: £nil).

23 Ultimate parent undertaking

The immediate parent undertaking is SunGard Availability Services (DR) Limited. The directors regard SunGard Data Systems, Inc., a body corporate incorporated in Delaware, USA, as the company's ultimate parent company and controlling party. SunGard Data Systems, Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2003. Guardian iT (formerly Guardian iT Limited) is the parent of the smallest group of undertakings to consolidate these financial statements at 31 December 2003. 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.