

GW 1264 Limited
(formerly Oakmore Holdings Limited)

**Directors' report and financial
statements**

Registered number 3240102
For the year ended 31 December 2004



Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the independent auditors to the members of GW 1264 Limited (formerly Oakmore Holdings Limited)	3
Profit and loss account	4
Balance sheet	5
Reconciliation of movements in shareholders' funds	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities

The principal activity of the company was that of a holding company. On 1 August 2003 the entire issued share capital of the company was acquired by Oakmore Holdings Ltd (formerly GW 1264 Limited). The principal activity of the company since that date has been that of an intermediate holding company.

Business review

The results for the year are as detailed on page 4.

On 7 October 2004, the company changed its name from Oakmore Holdings Limited to GW 1264 Limited.

Proposed dividends

A preference dividend of £9,700 (2003: £9,700) has been accrued at the year end and was paid on 6 April 2005. The directors do not propose an ordinary dividend (2003: £Nil).

Directors and directors' interests

The directors who held office during the year were as follows:

ST Upton
SP Samuel

Neither of the directors who held office during the year had any disclosable interest in the shares of the company. According to the register of directors' interests, no rights to subscribe for shares of the Company were granted to either of the directors or their immediate families, or exercised by them during the financial year.

The interests of the directors in the share capital of the ultimate parent undertaking are shown in the financial statements of that company.

According to the register of directors' interests, neither of the directors or their immediate families had interests in the shares of the subsidiary company.

By order of the board



SP Samuel
Director

26 The Avenue
Rubery
Birmingham
B45 9AL

11 August 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. 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 that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

2 Cornwall Street
Birmingham
B3 2DL

Report of the independent auditors to the members of GW 1264 Limited (formerly Oakmore Holdings Limited)

We have audited the financial statements on pages 4 to 11.

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 auditor's 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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 with the company 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

11 August 2005

Profit and loss account
for the year ended 31 December 2004

	<i>Note</i>	2004 £	2003 £
Turnover	<i>1</i>	1,200	22,575
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		1,200	22,575
Administrative expenses		(2,203)	(17,593)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	<i>4</i>	(1,003)	4,982
Tax on (loss)/profit on ordinary activities	<i>5</i>	1,911	(1,750)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		908	3,232
Dividends	<i>6</i>	(9,700)	(9,700)
		<hr/>	<hr/>
Retained loss for the year	<i>11</i>	(8,792)	(6,468)
		<hr/>	<hr/>

All amounts relate to continuing operations.

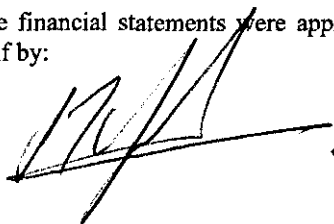
There were no recognised gains or losses in the year or the previous year other than those disclosed in the profit and loss account.

Movements in reserves are set out in note 11.

Balance sheet
as at 31 December 2004

	Note	2004	2003
		£	£
Fixed assets			
Investments	7	135,371	135,371
Current assets			
Debtors	8	84,200	81,599
Cash at bank and in hand		2,680	3,885
		<u>86,880</u>	<u>85,484</u>
Creditors: Amounts falling due within one year	9	<u>(36,276)</u>	<u>(26,088)</u>
Net current assets			
Due within one year		30,604	39,396
Debtors due after more than one year	8	20,000	20,000
		<u>50,604</u>	<u>59,396</u>
Net assets		<u>185,975</u>	<u>194,767</u>
Capital and reserves			
Called up share capital	10	146,851	146,851
Share premium account	11	31,000	31,000
Profit and loss account	11	8,124	16,916
		<u>185,975</u>	<u>194,767</u>
Shareholders' funds			
Equity		88,975	97,767
Non-equity		97,000	97,000
		<u>185,975</u>	<u>194,767</u>

These financial statements were approved by the board of directors on 11 August 2005 and were signed on its behalf by:



ST Upton
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2004

	2004 £	2003 £
Profit for the financial year	908	3,232
Dividends	(9,700)	(9,700)
	<hr/>	<hr/>
	(8,792)	(6,468)
 New share capital subscribed	 -	 9,900
	<hr/>	<hr/>
Net (reduction in)/addition to shareholders' funds	(8,792)	3,432
 Shareholders' funds at beginning of year	 194,767	 191,335
	<hr/>	<hr/>
Shareholders' funds at end of year	185,975	194,767
	<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

The company has not prepared consolidated financial statements as it is a wholly owned subsidiary of a UK registered parent company which prepares consolidated financial statements:

Related party transactions

As the company's voting rights are controlled within the group headed by Oakmore Holdings Limited (formerly GW 1264 Limited), a company incorporated in Great Britain, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has not, therefore, disclosed details of transactions or balances with entities that are part of the Oakmore Holdings Limited (formerly GW 1264 Limited) group or with investees of the group qualifying as related parties. The consolidated financial statements of Oakmore Holdings Limited (formerly GW 1264 Limited) are publicly available at the address given in note 12.

Cash flow exemption

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement, as 100% of the voting rights of the company's shares are controlled by Oakmore Holdings Limited. The consolidated financial statements of Oakmore Holdings Limited, which include the company, are publicly available.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of management services to group undertakings, and arose entirely in the United Kingdom.

Investments

Investments in subsidiary undertakings are stated at cost.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

2 Staff numbers and costs

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

	Number of employees	
	2004	2003
Administration	2	3

No remuneration was paid to any of these employees.

Notes (continued)

3 Remuneration of directors

During the year, no remuneration was paid to the directors of the company.

4 (Loss)/profit on ordinary activities before taxation

	2004 £	2003 £
<i>(Loss)/profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit services	1,000	1,000
Non-audit services	1,400	1,400
	<hr/>	<hr/>

5 Tax on (loss)/profit on ordinary activities

Analysis of (credit)/charge in year

	2004 £	2003 £
<i>UK corporation tax</i>		
Current tax on income for the year	(191)	1,800
Adjustments in respect of prior years	(1,720)	(50)
	<hr/>	<hr/>
Tax on (loss)/profit on ordinary activities	(1,911)	1,750
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax credit (2003: charge) for the year is higher (2003: higher) than the standard rate of corporation tax in the UK (30% (2003: 30%)). The differences are explained below:

	2004 £	2003 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(1,003)	4,982
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	(301)	1,495
<i>Effects of:</i>		
Other expenses not qualifying for tax purposes	110	-
Effect of differing tax rates	-	305
Adjustment to tax charge in respect of prior years	(1,720)	(50)
	<hr/>	<hr/>
Total current tax	(1,911)	1,750
	<hr/>	<hr/>

Notes (continued)

6 Dividends

A dividend has been declared in respect of the following:

	2004 £	2003 £
10% cumulative redeemable preference shares	9,700	9,700

7 Investments

Shares in group undertakings

Cost

At beginning and end of year	135,371
------------------------------	---------

The investment represents the company's 100% holding of all the issued share capital of the following company which is incorporated in Great Britain:

Subsidiary undertaking	Aggregate amount of capital and reserves at 31 December 2004 £	Retained profit for the year ended 31 December 2004 £	Principal activity
System Software Solutions Limited	194,327	28,943	Value added software re-seller and consultant

8 Debtors

	2004 £	2003 £
Amounts owed by subsidiary undertaking	83,132	81,599
Other debtors – corporation tax	1,068	-
	84,200	81,599
Debtors receivable after more than one year included above:		
Amounts owed by subsidiary undertaking	20,000	20,000

Notes (continued)

9 Creditors: Amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	24,064	11,826
Other creditors	362	2,162
Accruals and deferred income	2,150	2,400
Proposed dividend	9,700	9,700
	<u>36,276</u>	<u>26,088</u>
Other creditors include the following:		
Corporation tax	-	1,799
Other taxes and social security	362	363
	<u>362</u>	<u>2,162</u>

10 Called up share capital

	2004 £	2003 £
Authorised:		
Equity: 520,000 ordinary shares of 10p each	52,000	52,000
Non-Equity: 97,000 cumulative redeemable preference shares of £1 each	97,000	97,000
	<u>149,000</u>	<u>149,000</u>
Called up and fully paid:		
Equity: Ordinary shares of 10p each	49,851	49,851
Non-Equity: 97,000 cumulative redeemable preference shares of £1 each	97,000	97,000
	<u>146,851</u>	<u>146,851</u>

All the cumulative redeemable preference shares, which are non-voting, attract a dividend of 10% per annum. The 97,000 preference shares were redeemable at par on 1 December 2004. After the year end, the redemption date has been extended to 31 March 2007, or earlier at the option of the company.

Oakmore Holdings Limited (formerly GW 1264 Limited), which owns all of the preference shares, has confirmed that it has no intention of seeking redemption of the preference shares before 31 December 2005.

11 Reserves

	Share premium account £	Profit and loss account £
At beginning of year	31,000	16,916
Retained loss for the year	-	(8,792)
	<u>31,000</u>	<u>8,124</u>
At end of year	<u>31,000</u>	<u>8,124</u>

Notes *(continued)*

12 Ultimate parent company and controlling party

The company is a subsidiary undertaking of Oakmore Holdings Limited (formerly GW 1264 Limited), incorporated in Great Britain.

The largest group in which the results of the company are consolidated is that headed by Oakmore Holdings Limited (formerly GW 1264 Limited), incorporated in Great Britain. The consolidated financial statements of this company are available to the public and may be obtained from:

The Secretary
26 The Avenue
Rubery
Birmingham
B45 9AL

No other group financial statements include the results of the company.