

Company Registration No. 3808599

Rialto Computer Services Limited

Report and Financial Statements

31 December 2004



Rialto Computer Services Limited

Report and financial statements 2004

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Rialto Computer Services Limited

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 is the provision of computer services.

Review of Business

Both the level of business and the year end financial position are satisfactory. Progress is continuing satisfactorily.

Results and dividends

The results for the year are set out in the profit and loss account on page 4. No dividends were paid or proposed during the year (5 months ended 31 December 2003: £nil).

Change in ultimate parent company

On 15 January 2004 the company's parent company was acquired by General London Constructors Limited, a member of the Fairview Holdings Limited group.

Directors and their interests

The directors who served during the year and to date are set out below:

P G Ayton	(resigned 14 January 2004)
J A Barham	(resigned 14 January 2004)
G A Malton	(appointed 14 January 2004)
S C Potter	

J A Barham's interest in the share capital of the parent company, Bayfordbury Holdings Limited ceased on 15 January 2004.

None of the other directors had any interests at any time during the year in the share capital of the company or in any other Group company after this date. G A Malton is also director of the ultimate parent company, Fairview Holdings Limited and his interest in the ultimate parent company is detailed in the group financial statements.

Auditors

Pursuant to section 386 of the Companies Act 1985 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually, therefore Deloitte & Touche LLP remain as auditors.

By order of the Board



D K Tipping

Secretary

25 JULY 2005

Registered office:

50 Lancaster Road

Enfield

Middlesex

EN2 0BY

Rialto Computer Services Limited

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that 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; 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 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 are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Rialto Computer Services Limited

We have audited the financial statements of Rialto Computer Services Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements.


Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 December 2004 and of its profit for the year ended 31 December 2004 and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
25 July 2005

Rialto Computer Services Limited

Profit and loss account

Year ended 31 December 2004

		Year ended 31 December 2004 £	5 months ended 31 December 2003 £
	Note		
Turnover	1	216,790	106,510
Administrative expenses		(205,795)	(80,970)
Operating profit	2	10,995	25,540
Interest payable and similar charges	4	(10,995)	(9,569)
Profit on ordinary activities before taxation		-	15,971
Tax credit on profit on ordinary activities	5	381	1,869
Profit after taxation for the financial year	12,13	381	17,840

All amounts derive from continuing operations. There are no recognised gains or losses or movements in shareholders' funds for the current year or preceding financial period other than as stated in the profit and loss account, accordingly no statement of total recognised gains and losses is presented.

Rialto Computer Services Limited

Balance sheet 31 December 2004

	Note	31 December 2004 £	31 December 2003 £
Fixed assets			
Tangible assets	6	267,180	368,459
Current assets			
Debtors	7	59,479	88,994
Creditors: amounts falling due within one year	8	(211,927)	(289,143)
Net current liabilities		(152,448)	(200,149)
Total assets less current liabilities		114,732	168,310
Creditors: amounts falling due after more than one year	9	(62,784)	(116,743)
Net assets		51,948	51,567
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	51,947	51,566
Equity shareholders' funds	13	51,948	51,567

These financial statements were approved by the Board of Directors on 25 JULY 2005.



Director

Rialto Computer Services Limited

Notes to the accounts

Year ended 31 December 2004

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies adopted by the directors are described below, which have been applied consistently throughout the current year and previous period.

Accounting convention

These financial statements are prepared under the historical cost convention.

Turnover

Turnover is the total amount of income receivable during the year from provision of computer services to fellow subsidiary companies and arises entirely within the United Kingdom.

Finance leases

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit on a straight line basis. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Fixed assets and depreciation

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

Computer equipment	5 years
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Deferred taxation

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Bank loans

Bank loans were advanced to fund capital expenditure and the repayment terms are similar to the company's finance leases. As such, the loans are treated in accordance with the company's policy for finance leases.

Rialto Computer Services Limited

Notes to the accounts

Year ended 31 December 2004

2. Operating profit

Auditors' remuneration has been borne by another group company in both the current year and the preceding period.

	Year ended 31 December 2004 £	5 months ended 31 December 2003 £
Operating profit is stated after charging:		
Depreciation:		
- in respect of owned assets	93,460	37,485
- in respect of leased assets	38,695	16,122
	<u>132,155</u>	<u>53,607</u>

3. Directors emoluments and employees

The company had no employees during the current year or preceding period, other than directors. None of the directors received any remuneration during the current year or preceding period.

4. Interest payable and similar charges

	Year ended 31 December 2004 £	5 months ended 31 December 2003 £
On finance leases	6,021	5,169
On other loans	4,974	4,400
	<u>10,995</u>	<u>9,569</u>

Rialto Computer Services Limited

Notes to the accounts

Year ended 31 December 2004

5. Taxation

	Year ended 31 December 2004 £	5 months ended 31 December 2003 £
United Kingdom corporation tax at 30% (5 months ended 31 December 2003: 30%)		
Current year/period tax charge	8,325	7,245
Adjustments in respect of prior years	(771)	-
	<u>7,554</u>	<u>7,245</u>
Deferred tax:		
Origination and reversal of timing differences	(7,935)	(2,454)
Adjustments in respect of prior years	-	(6,660)
	<u>(381)</u>	<u>(1,869)</u>

Reconciliation of current tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (5 months ended 31 December 2003: 30%). The tax charge for the current year differs from the standard rate for the reasons set out in the following reconciliation:

	Year ended 31 December 2004 £	5 months ended 31 December 2003 £
Profit on ordinary activities before taxation	<u>-</u>	<u>15,971</u>
Tax on profit on ordinary activities at 30% (5 months ended 31 December 2003: 30%)	-	4,791
Factors affecting charge:		
Depreciation in excess of capital allowances	8,325	2,454
Adjustments in respect of prior years	(771)	-
Current year tax charge	<u>7,554</u>	<u>7,245</u>

Rialto Computer Services Limited

Notes to the accounts Year ended 31 December 2004

6. Fixed assets

	Computer equipment £
Cost	
At 31 December 2003	856,314
Additions	30,876
	<hr/>
At 31 December 2004	887,190
Depreciation	
At 31 December 2003	487,855
Charge for the year	132,155
	<hr/>
At 31 December 2004	620,010
Net book value	
At 31 December 2004	<u>267,180</u>
At 31 December 2003	<u>368,459</u>

The net book value of tangible fixed assets includes an amount of £79,988 (5 months ended 31 December 2003: £118,690) in respect of assets held under finance leases.

7. Debtors: amounts falling due within one year

	31 December 2004 £	31 December 2003 £
Amounts owed by group undertakings	-	17,003
Deferred tax asset (see note 10)	13,809	5,874
Called up share capital not paid	-	1
Prepayments	45,670	66,116
	<hr/>	<hr/>
	<u>59,479</u>	<u>88,994</u>

Rialto Computer Services Limited

Notes to the accounts

Year ended 31 December 2004

8. Creditors: amounts falling due within one year

	31 December 2004 £	31 December 2003 £
Bank loans	25,522	71,183
Bank overdraft	-	8,433
Amounts owed to group undertakings	140,333	88,108
Corporation tax	8,325	49,919
Obligations under finance leases	37,747	70,500
Accruals and deferred income	-	1,000
	<u>211,927</u>	<u>289,143</u>

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

9. Creditors: amounts falling due after more than one year

	31 December 2004 £	31 December 2003 £
Bank loans	15,653	37,338
Obligations under finance leases	47,131	79,405
	<u>62,784</u>	<u>116,743</u>

Maturity of debt

Bank loans are repayable as follows:

	31 December 2004 £	31 December 2003 £
Within one year	25,522	71,183
Between one and two years	7,151	24,702
Between two and five years	8,502	12,636
	<u>41,175</u>	<u>108,521</u>

The bank loans are unsecured commercial loans advanced to fund capital expenditure.

Rialto Computer Services Limited

Notes to the accounts Year ended 31 December 2004

9. Creditors: amounts falling due after more than one year (continued)

Finance leases

The net finance lease obligations to which the company is committed are:

	31 December 2004	31 December 2003
	£	£
Within one year	37,747	70,500
Between one and two years	26,976	35,331
Between two and five years	20,155	44,074
	<u>84,878</u>	<u>149,905</u>

10. Deferred Taxation

	£	£
At 31 December 2003	(5,874)	3,240
Release to profit and loss account	(7,935)	(9,114)
	<u>(13,809)</u>	<u>(5,874)</u>
At 31 December 2004		

The company's asset for deferred tax consists of timing differences relating to the excess of depreciation over capital allowances.

There is no unprovided deferred tax.

11. Called up share capital

	31 December 2004	31 December 2003
	£	£
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and paid:		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

12. Profit and loss account

	£
At 1 January 2004	51,566
Profit for the year	<u>381</u>
At 31 December 2004	<u>51,947</u>

Rialto Computer Services Limited

Notes to the accounts

Year ended 31 December 2004

13. Reconciliation of movements in equity shareholders' fund

	£
Opening equity shareholders' funds	51,567
Profit for the year	381
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Closing equity shareholders' funds	51,948
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14. Guarantees

The company has given cross guarantees and charged its property and assets to secure bank loan facilities totalling £230 million available to other group companies.

15. Related party transactions

The company has taken advantage of the exception granted by paragraph 3 (c) of FRS 8 not to disclose related party transactions with greater than 90% owned companies within the group.

16. Ultimate parent company and ultimate controlling party

Until 15 January 2004 J A Barham was the ultimate controlling party through his control of the ultimate parent company, Bayfordbury Holdings Limited.

On 15 January 2004, Bayfordbury Holdings Limited was acquired by General London Constructors Limited, a subsidiary of Fairview Holdings Limited, a company incorporated in Great Britain, which became the ultimate parent company and the ultimate controlling party. The immediate parent company is Bayfordbury Holdings Limited, a company incorporated in Great Britain.

The largest and smallest group of undertakings for which group accounts to 31 December 2004 are drawn up and of which the company is a member is Fairview Holdings Limited. Copies of the group accounts may be obtained from 50 Lancaster Road, Enfield, Middlesex, EN2 0BY.