

**LANDMARC SUPPORT SERVICES LIMITED**  
(formerly Kler Limited)

**Report and Financial Statements**

**For the period from 15 March 2002  
to 31 March 2003**



**REPORT AND FINANCIAL STATEMENTS 2003****CONTENTS**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P F Ford  
S S Maroli  
M J Thorne  
S Chapman

**SECRETARY**

W L Spencer

**REGISTERED OFFICE**

Interserve House  
19-23 Blackfriars Road  
London  
SE1 8NY

**SOLICITORS**

Osborne Clarke  
London

**AUDITORS**

Deloitte & Touche LLP  
Bristol

## DIRECTORS' REPORT

The directors present their first annual report and financial statements for the period from incorporation to 31 March 2003.

The company was incorporated on 15 March 2002. On 24 April 2002 the company changed its name to Landmarc Support Services Limited.

## PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company was dormant throughout the period from incorporation to 22 March 2003. On 22 March 2003 the company signed a contract with the Secretary of State for Defence for the provision of management services to the Army Training Estate for a period of ten years from 1 April 2003 and commenced trading.

## PROFIT AND LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review of the preceding accounting period.

## DIRECTORS AND THEIR INTERESTS

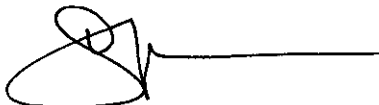
The current directors are shown on page 1. Other directors who served during the year were as follows:

P F Ford	(appointed 4 April 2002)
S S Maroli	(appointed 31 December 2002)
M J Thorne	(appointed 5 May 2003)
S Chapman	(appointed 31 October 2003)
J S Wickham	(appointed 2 July 2003, resigned 9 September 2003)
E B Fernstrom	(appointed 20 March 2003, resigned 2 July 2003)
S J Cannon	(appointed 20 March 2003, resigned 5 May 2003)
A Ringrose	(appointed 4 April 2002, resigned 31 December 2002)
S Laird	(appointed 5 June 2002, resigned 18 December 2002)
Brighton Director Ltd	(appointed 15 March 2002, resigned 4 April 2002)

## AUDITORS

During the period the directors appointed Deloitte & Touche LLP as the company's first auditors. A resolution to reappoint Deloitte & Touche LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



W L Spencer  
Secretary

**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 period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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

### LANDMARC SUPPORT SERVICES LIMITED

(formerly Kleer Limited)

We have audited the financial statements of Landmarc Support Services Limited for the period ended 31 March 2003, which comprise the balance sheet and the related notes 1 to 9. 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 the director and auditors

As described in the statement of director's responsibilities, the company's director is 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 director's 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 director's report for the above year 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 March 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

#### DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors  
Bristol

*16 January 2004*

**BALANCE SHEET**  
At 31 March 2003

	Notes	2003 £	2003 £
<b>FIXED ASSETS</b>			
Intangible assets	4		5,000,000
<b>CURRENT ASSETS</b>			
Debtors	5	797,400	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	6	(5,797,300)	
<b>NET CURRENT LIABILITIES</b>			(4,999,900)
<b>NET ASSETS</b>			100
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7		100
Profit and loss account			-
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			100

These financial statements were approved by the Board of Directors on 15<sup>TH</sup> JANUARY 2004

Signed on behalf of the Board of Directors



Director

**NOTES TO THE FINANCIAL STATEMENTS**  
Period ended 31 March 2003

**1. ACCOUNTING POLICIES**

The balance sheet is prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

**Accounting convention**

The balance sheet is prepared under the historical cost convention.

**Intangible fixed assets**

Goodwill arising on the acquisition of a company or a business is capitalised into the balance sheet and amortised over its useful economic life, as assessed by the directors. In the case of the purchase of the trade and assets from Army Training Establishments this has been assessed by the directors as being 10 years, commencing from 1 April 2003.

**2. OPERATING PROFIT**

For this period the auditors' remuneration is borne by the shareholders.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

During the period the company did not have any employees, other than the directors.

No emoluments were payable to the directors for their services to this company, during the period.

**4. INTANGIBLE FIXED ASSETS**

	<b>Purchased goodwill £</b>
<b>Cost and net book value</b>	
At incorporation	-
Additions	5,000,000
<b>At 31 March 2003</b>	<u>5,000,000</u>

**5. DEBTORS**

	<b>2003 £</b>
Prepayments	797,300
Amounts owed by associated undertakings	100
	<u>797,400</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
Period ended 31 March 2003

<b>6. CREDITORS</b>	<b>2003</b>
	<b>£</b>
Amounts owed to associated undertakings	797,300
Deferred consideration	5,000,000
	<hr/>
	5,797,300
	<hr/>
 <b>7. CALLED UP SHARE CAPITAL</b>	 <b>2003</b>
	<b>£</b>
<b>Authorised</b>	
499 'A' Ordinary shares of £1 each	499
499 'B' Ordinary shares of £1 each	499
2 'C' ordinary shares of £1 each	2
	<hr/>
	1,000
	<hr/>
	 <b>£</b>
<b>Issued, allotted and fully paid</b>	
48 'A' Ordinary shares of £1 each	49
48 'B' Ordinary shares of £1 each	49
2 'C' ordinary shares of £1 each	2
	<hr/>
	100
	<hr/>

During the period the following share transactions took place:

- On incorporation the company was established with authorised share capital of 1,000 ordinary shares of which one share was issued.
- On 20 March 2003 the unissued ordinary shares were converted into 499 'A' shares and 499 'B' shares and 2 'C' shares. The issued ordinary share was redesignated as an 'A' share.
- On 20 March 2003, 48 'A' shares, 49 'B' shares and 2 'C' shares were issued at par.

The 'A' and 'B' shares rank pari passu. From the date of issue until 27 October 2003 the 'C' shares carried no rights. Subsequent to this date the 'C' shares carry the right to attend general meetings and are entitled to vote on any matter relating to the company in their capacity as a holder of such shares.

**NOTES TO THE FINANCIAL STATEMENTS**

Period ended 31 March 2003

**8. RELATED PARTY TRANSACTIONS**

On signing the contract with the Secretary of State of Defence, the company became liable to the Interserve (Defence) Limited, one of the shareholders for costs of £797,300 incurred in negotiating the contract. This amount remains in creditors as at 31 March 2003.

**9. ACQUISITION**

As described in the directors' report the company purchased the assets and trade of the Army Training Establishments on 22 March 2003 and commenced trading on 1 April 2003.

The directors are not aware of the book value of the assets transferred to the company on the acquisition of the contract. Accordingly, no fair value has been attributed to these assets. The fair value of the purchase consideration of £5,000,000 therefore represents the goodwill arising on the acquisition of the contract. This amount is payable in two instalments; £10,000 payable in April 2003 and £4,990,000 in March 2004.

It is not practicable to disclose the results of the Army Training Establishments for the period prior to acquisition.