

COMPANY NUMBER: 4707857

REGISTRARS COPY

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005



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PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
COMPANY INFORMATION

| | |
|---------------------------|---|
| DIRECTORS: | S Moxham M Langford J Chaplin |
| SECRETARY: | M Langford |
| AUDITORS: | Horwath Clark Whitehill LLP Kennet House 80 Kings Road Reading Berkshire RG1 3BL |
| BANKERS: | Royal Bank of Scotland Plc Blackfriars Branch 36/37 New Bridge Street London EC4V 6BJ |
| SOLICITORS: | Shakespeares Somerset House Temple Street Birmingham B2 5DJ |
| REGISTERED OFFICE: | Somerset House Temple Street Birmingham B2 5DJ |

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

REVIEW OF THE BUSINESS

The principal activity of the company is the development of a bespoke hardware & software information technology system for the Pirtek Franchise network.

RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the year, are shown in the attached financial statements.

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:-

S Moxham

M Langford (appointed 23rd September 2004)

J Chaplin (appointed 23rd September 2004)

No right to subscribe for shares or debentures in the company were granted to, or exercised by, the directors in the year.

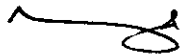
The company is a wholly owned subsidiary of Pirtek (Europe) Limited and the interests of group directors are disclosed in the accounts of the parent company.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Horwath Clark Whitehill LLP as auditors to the company will be put to the Annual General Meeting.

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 1st July 2005
and signed on its behalf by:



M Langford
Secretary

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company at the end of the year and 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 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 assume 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities. The directors are responsible for ensuring the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED

We have audited the financial statement of Pirtek Information Technology Solutions Limited for the year ended 31 March 2005 which comprise Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinion 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

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.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PIRTEK INFORMATION TECHNOLOGY SOLUTIONS
LIMITED (CONTINUED)**

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 the information in the financial statements.

UNQUALIFIED OPINION

In our opinion the financial statements give a true and fair view of the state of the company as at 31 March 2005 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

W. Clark Whitehill

HORWATH CLARK WHITEHILL LLP
Chartered Accountants and
Registered Auditors

Reading

1 July 2005

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

| | Notes | 2005 £ | 2004 £ |
|--|-------|------------------|------------|
| TURNOVER | 2 | 150,000 | - |
| Cost of sales | | <u>-</u> | <u>-</u> |
| GROSS PROFIT | | 150,000 | - |
| Administration expenses | 3 | <u>(150,340)</u> | <u>-</u> |
| OPERATING LOSS | | (340) | - |
| Interest payable | | <u>-</u> | <u>-</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (340) | - |
| Taxation | | - | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | | (340) | - |
| Dividends | | <u>-</u> | <u>-</u> |
| RETAINED LOSS FOR THE FINANCIAL YEAR | | <u>£ (340)</u> | <u>£ -</u> |

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are continuing.

The notes on pages 7 to 10 form part of these financial statements

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
BALANCE SHEET
31 MARCH 2005

| | | 2005 | 2004 |
|--|---|--------------------|------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible fixed assets | 4 | 854,386 | 350,637 |
| CURRENT ASSETS | | | |
| Debtors | 5 | 544,286 | 1 |
| Cash at Bank | | <u>117,460</u> | <u>-</u> |
| | | 661,746 | 1 |
| CREDITORS: Amounts falling due within one year | 6 | <u>(1,384,694)</u> | <u>(350,637)</u> |
| NET CURRENT LIABILITIES | | <u>(722,948)</u> | <u>(350,636)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 131,438 | 1 |
| CREDITORS: Amounts falling due after more than one year | 7 | <u>(131,777)</u> | <u>-</u> |
| NET (LIABILITIES)/ASSETS | | £ <u>(339)</u> | £ <u>1</u> |
| CAPITAL AND RESERVES | | | |
| Called up equity share capital | 8 | 1 | 1 |
| Profit and loss account | | <u>(340)</u> | <u>-</u> |
| SHAREHOLDERS' (DEFICIT)/FUNDS | | £ <u>(339)</u> | £ <u>1</u> |

The financial statements are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small entities.

Approved by the Board on 1st July 2005
and signed on its behalf by:

J Chaplin
Director

The notes on pages 8 to 10 form part of these financial statements

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002).

b) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

c) Depreciation

No depreciation is charged on assets under construction.

d) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, and is stated net of value added tax.

The turnover and profit before tax are attributable to the one principal activity of the company.

3. OPERATING LOSS

The operating loss is stated after charging:-

| | 2005 £ | 2004 £ |
|--------------|------------------|------------|
| Depreciation | <u>£ 150,000</u> | <u>£ -</u> |

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2005

4. TANGIBLE FIXED ASSETS

| | IT System £ |
|------------------------|------------------|
| COST: | |
| At 1 April 2004 | 350,637 |
| Additions | 653,749 |
| Disposals | <u>-</u> |
| At 31 March 2005 | <u>1,004,386</u> |
| DEPRECIATION | |
| At 1 April 2004 | - |
| Charge for the year | 150,000 |
| Disposals | <u>-</u> |
| At 31 March 2005 | <u>150,000</u> |
| NET BOOK VALUE: | |
| At 31 March 2005 | <u>£ 854,386</u> |
| At 31 March 2004 | <u>£ 350,637</u> |

5. DEBTORS

| | 2005 £ | 2004 £ |
|------------------------------------|------------------|------------|
| Trade debtors | 176,250 | - |
| Other debtors | 131,865 | 1 |
| Amount due from parent undertaking | <u>236,171</u> | <u>-</u> |
| | <u>£ 544,286</u> | <u>£ 1</u> |

6. CREDITORS: Amounts falling due within one year

| | 2005 £ | 2004 £ |
|----------------------------------|--------------------|------------------|
| Obligations under finance leases | 204,694 | - |
| Amounts due to group undertaking | <u>1,180,000</u> | <u>350,637</u> |
| | <u>£ 1,384,694</u> | <u>£ 350,637</u> |

7. CREDITORS: Amounts falling due after more than one year

| | 2005 £ | 2004 £ |
|----------------------------------|------------------|------------|
| Obligations under finance leases | <u>£ 131,777</u> | <u>£ -</u> |

PIRTEK INFORMATION TECHNOLOGY SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2005

8. SHARE CAPITAL

| | 2005 £ | 2004 £ |
|--|----------------|----------------|
| Authorised: | | |
| 1,000 ordinary shares of £1 each | <u>£ 1,000</u> | <u>£ 1,000</u> |
| Allotted, called up and fully paid: | | |
| Ordinary share capital | <u>£ 1</u> | <u>£ 1</u> |

9. RELATED PARTIES

The company has taken advantage of the exemption under FRS8 from disclosing transactions with group entities.

All transactions with related parties were on normal commercial terms.

10. ULTIMATE PARENT COMPANY

The parent undertaking of the company is Pirtek Europe Limited, a company incorporated in the United Kingdom. Copies of the group accounts, which include the company, are available from its registered office: 36 Acton Park Estate, The Vale, Acton, London, W3 7QE.