

OC 306560

ATEC CONSULTING LLP
CONSOLIDATED REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

WEDNESDAY



AUOKBLIQ

A24

20/12/2006

437

COMPANIES HOUSE

ATEC CONSULTING LLP

I N D E X

Year ended 31 December 2005

	Page
General information	2
Members' report	3
Auditors' report	4
Consolidated profit and loss account	5
Consolidated statement of total recognised gains and losses	6
Consolidated balance sheet and partnership balance sheet	7
Consolidated cash flow statement	8
Accounting policies	9
Notes to the financial statements	11

ATEC CONSULTING LLP

GENERAL INFORMATION

Year ended 31 December 2005

Designated members	Hans-Martin Schneeberger Mahnaz Schneeberger
Registered office	Rotherwick House 3 Thomas More Street London EIW 1YX
Registered number	OC 306560
Auditors	Dixon Wilson (PO Box 900) Rotherwick House 3 Thomas More Street London EIW 1YX
Bankers	HSBC Bank Plc 91 High Road Willesden Green London NW10 2TA
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

ATEC CONSULTING LLP

M E M B E R S ' R E P O R T

Year ended 31 December 2005

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Activities

The principal activities of the LLP are consulting services in the field of linear guideway technology and buying, holding and selling real estate or intangible assets.

The principal activity of the group is the production and sale of linear guideway technology products.

Review of the business and future developments

The LLP was incorporated on 19 January 2004. Both the level of business and the year end financial position were satisfactory, and the members expect that the present level of activity will be sustained for the foreseeable future.

Designated members

The designated members during the year are as shown on page 2.

Capital and drawings

No member is obliged to make any further capital contributions. Drawings are paid at the members' discretion.

Results for the year and allocation to members

The profit for the year available for division among the members was £128,650 (Group - profit £6,072,918).

Statement of members' responsibilities

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that year. In preparing those financial statements, the members are required to:

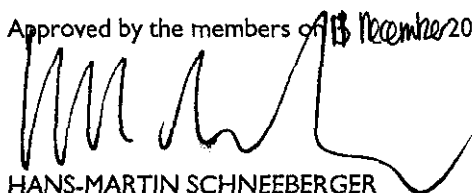
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.
- prepare the financial statements in accordance with applicable accounting standards.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Dixon Wilson as auditors in accordance with section 385 of the Companies Act 1985 as applicable under the Limited Liability Partnership Act 2000 will be proposed at the forthcoming annual general meeting.

Approved by the members of ~~15~~ 16 December 2006 and signed on their behalf by:-



HANS-MARTIN SCHNEEBERGER
Designated member

ATEC CONSULTING LLP

AUDITORS' REPORT

Year ended 31 December 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATEC CONSULTING LLP

We have audited the financial statements of ATEC Consulting LLP for the year ended 31 December 2005 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet and Partnership Balance Sheet, the Consolidated Cash Flow Statement, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the Limited Liability Partnership (LLP), as a body, in accordance with section 235 of the Companies Act 1985 as applicable under the Limited Liability Partnerships Act 2000. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As described in the Statement of Members' Responsibilities, the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards ("United Kingdom Generally Accepted Accounting Practice").

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the LLP has not kept proper accounting records, and if we have not received all the information and explanations we require for our audit.

We read the members' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the LLP, 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 as to whether 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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the LLP and of the group as at 31 December 2005 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable under the Limited Liability Partnerships Act 2000.



DIXON WILSON

Chartered Accountants and Registered Auditors

Rotherwick House

3 Thomas More Street

London E1W 1YX

19 December 2006

ATEC CONSULTING LLP**CONSOLIDATED PROFIT AND LOSS ACCOUNT****Year ended 31 December 2005**

	Note	2005 £	2004 £
Group			
Turnover	1	64,767,838	62,132,237
Cost of sales		(26,176,046)	(26,571,535)
Gross profit		38,591,792	35,560,702
Administrative expenses		(31,419,488)	(27,821,983)
Other operating income		2,226,466	186,905
Operating profit	2	9,398,770	7,925,624
Interest receivable		191,302	77,334
Interest payable	4	(1,277,107)	(1,581,877)
Profit on ordinary activities before taxation		8,312,965	6,421,081
Taxation	5	(1,782,835)	(1,080,960)
Profit on ordinary activities after taxation		6,530,130	5,340,121
Minority interests - equity interests		(457,212)	(484,930)
Profit for the financial year	13	6,072,918	4,855,191

All amounts relate to continuing operations unless otherwise stated.

ATEC CONSULTING LLP**CONSOLIDATED STATEMENT OF
TOTAL RECOGNISED GAINS AND LOSSES****Year ended 31 December 2005**

	2006	2005
	£	£
Profit for the financial year	6,072,918	4,855,191
Foreign exchange difference on reserves	218,660	-
Total recognised gains and losses relating to the year	<u>6,291,578</u>	<u>4,855,191</u>

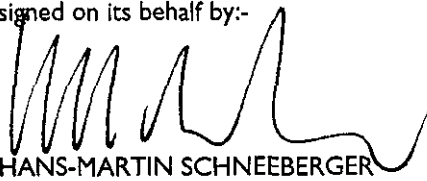
ATEC CONSULTING LLP

CONSOLIDATED BALANCE SHEET AND PARTNERSHIP BALANCE SHEET

At 31 December 2005

			2005		2004
	Note	Group £	LLP £	Group £	LLP £
Fixed assets					
Intangible assets	6	884	-	29,315	-
Tangible assets	7	21,488,996	-	23,061,561	-
Investments	8	66,173	4,567,433	26,567	4,501,260
		<u>21,556,053</u>	<u>4,567,433</u>	<u>23,117,443</u>	<u>4,501,260</u>
Current assets					
Stock	9	9,288,429	-	8,159,582	-
Debtors	10	13,396,562	432,241	12,742,375	609,738
Cash at bank		868,325	291,114	1,179,560	16,498
		<u>23,553,316</u>	<u>723,355</u>	<u>22,081,517</u>	<u>626,236</u>
Creditors: amounts falling due within one year	11	(21,376,040)	(788,635)	(24,009,447)	(419,678)
Net current (liabilities)/assets		<u>2,177,276</u>	<u>(65,280)</u>	<u>(1,927,930)</u>	<u>206,558</u>
Total assets less current liabilities		<u>23,733,329</u>	<u>4,502,153</u>	<u>21,189,513</u>	<u>4,707,818</u>
Loans and other debts due to members	13	198,640	198,640	(7,025)	(7,025)
Creditors: amounts falling due after more than one year	12	(11,789,534)	-	(13,648,772)	-
Minority interests - equity interests		(1,565,671)	-	(1,299,410)	-
Net assets		<u>10,576,764</u>	<u>4,700,793</u>	<u>6,234,306</u>	<u>4,700,793</u>
Members' other interests					
Members' capital		4,700,793	4,700,793	4,700,793	4,700,793
Other reserves		9,004,907	-	4,662,449	-
Consolidation reserve		(3,128,936)	-	(3,128,936)	-
	13	<u>10,576,764</u>	<u>4,700,793</u>	<u>6,234,306</u>	<u>4,700,793</u>
Total members' interests					
Loans and other debts due to members	13	(198,640)	(198,640)	7,025	7,025
Members' other interests		<u>10,576,764</u>	<u>4,700,793</u>	<u>6,234,306</u>	<u>4,700,793</u>
		<u>10,378,124</u>	<u>4,502,153</u>	<u>6,241,331</u>	<u>4,707,818</u>

The financial statements on pages 5 to 19 were approved by the members of the LLP on 11 December 2006 and signed on its behalf by:-


HANS-MARTIN SCHNEEBERGER
Designated member

ATEC CONSULTING LLP
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2005

	Note	2005 £	2004 £
Net cash inflow from operating activities	14 (a)	10,555,358	8,838,116
Return on investments and servicing of finance			
Interest received		191,302	79,644
Interest paid		(1,277,107)	(1,581,877)
Dividends paid		(1,820,470)	-
Net cash outflow for returns on investments and servicing of finance		(2,906,275)	(1,502,233)
Taxation paid		(1,782,835)	(1,080,960)
Acquisitions and disposals			
Payments to acquire fixed assets		(2,354,372)	(1,370,007)
Receipts from sale of fixed assets		707,841	736,751
Payments to acquire investments		(66,173)	-
Receipts from sale of investments		26,567	-
Net cash outflow for acquisitions and disposals		(1,686,137)	(633,256)
Transactions with members and former members			
Payments to members		(336,609)	(187,020)
Contributions by members		2,294	1,303
Net cash outflow from transactions with members and former members		(334,315)	(185,717)
Financing			
Repayment of loans		(2,578,812)	(4,043,833)
Repayment of finance leases		(1,736,532)	(1,555,515)
Issue of loans		158,313	-
Net cash outflow from financing		(4,157,031)	(5,599,348)
Decrease in cash in the year	14 (c)	(311,235)	(163,398)

ATEC CONSULTING LLP

ACCOUNTING POLICIES

Year ended 31 December 2005

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice: Accounting by Limited Liability Partnerships.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Accounting period

The financial statements cover the year ended 31 December 2005. The comparative amounts cover the period 19 January 2004 to 31 December 2004.

Basis of consolidation

The group financial statements consolidate the financial statements of the LLP and its subsidiary undertakings on a merger accounting basis.

The profit and losses of the merged entities are consolidated from the date of creation of the LLP. The difference between the cost of acquisition of shares in subsidiaries and the book cost of the separable net assets acquired is shown in members' interests as a consolidation reserve.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions during the year are recorded at an average monthly rate. All exchange differences are taken to the profit and loss account.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Members' remuneration

A member's share in the profit or loss for the year is accounted for as an allocation of profits.

Turnover

Turnover is accounted for on the basis of work done in the year, computed at the appropriate rate.

Tangible fixed assets

Tangible fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided so as to write off the cost on a straight line basis over the asset's useful economic life:

Buildings	- 30-40 years
Plant and machinery	- 5-10 years
Computer equipment	- 3-5 years
Motor vehicles	- 5 years

Intangible fixed assets

In 2001 the group won the rights to work on the contracts for some of Syngran's mineral smelting clients. These are being amortised over 5 years.

ATEC CONSULTING LLP

ACCOUNTING POLICIES (continued)

Year ended 31 December 2005

Stocks

Stocks are valued at the lower of cost and net realisable value. The value of slow moving stocks is adjusted accordingly.

Work in progress is measured at the cost of direct materials and supplier invoices plus the value of production hours spent.

Assets under construction are measured at the cost of supplier invoices.

Research and development costs

Research and development costs are taken to the profit and loss account.

Deferred tax

Provision is made for deferred tax liabilities in respect of all timing differences arising from the different treatment of items for accounting and taxation purposes without discounting. Deferred tax assets in respect of such timing differences are recognised to the extent that they are regarded as being, more likely than not, recoverable in the short to medium term, and are not discounted.

Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the cost of the assets at the inception of the leases. The amounts by which lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rentals payable under operating leases are charged to the profit and loss account in equal annual amounts over the year of the lease.

ATEC CONSULTING LLP**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2005****1. Turnover****Group
2005
£****Group
2004
£**

The contributions of the various activities of the group to turnover are set out below:

By activity:

Elements (components and minirail)	16,029,230	14,677,066
Systems	14,163,723	16,634,539
Monorail	27,040,798	22,659,917
Mineral casting technology	2,790,533	2,948,991
Commercial products	4,725,804	5,058,586
Consultancy	17,750	153,138
	<u>64,767,838</u>	<u>62,132,237</u>

By geographical market:

Europe	41,292,034	41,036,286
North America	13,627,693	13,160,035
Asia	8,398,093	6,665,717
Rest of the world	1,450,018	1,270,199
	<u>64,767,838</u>	<u>62,132,237</u>

2. Operating profit

This is stated after charging/(crediting):

Auditors' remuneration - for audit services	115,149	106,789
Exchange (loss)/gain	(7,649)	17,294
Depreciation of tangible fixed assets (note 7)	3,244,878	3,075,131
Amortisation of intangible fixed assets (note 6)	26,934	26,254
Operating lease rentals	<u>479,954</u>	<u>371,203</u>

Remuneration paid to the LLP's auditors for non-audit services amounted to £5,050 (2004 - £5,730).

3. Staff costs

Employee costs during the year (including directors):

Wages and salaries	17,057,093	15,153,729
Social security costs	2,085,436	1,822,351
Other pension costs	660,544	550,657
	<u>19,803,073</u>	<u>17,526,737</u>

Average number of persons employed (including directors):

- Administration	164	164
- Production	250	250
	<u>414</u>	<u>414</u>

ATEC CONSULTING LLP**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2005**

3. Staff costs (continued)	Group 2005 £	Group 2004 £
Directors' remuneration:		
For management services	<u>79,477</u>	<u>75,432</u>
Company contributions to money purchase schemes in relation to directors' pensions	<u>4,292</u>	<u>4,073</u>
4. Interest payable		
Interest paid on finance leases	237,549	330,095
Interest paid on loans	<u>1,039,558</u>	<u>1,251,782</u>
	<u>1,277,107</u>	<u>1,581,877</u>
5. Tax on profit on ordinary activities		
Based on the profit for the year:		
UK corporation tax	-	-
Non-UK corporation tax	<u>1,036,632</u>	<u>312,387</u>
	<u>1,036,632</u>	<u>312,387</u>
Deferred taxation	<u>746,203</u>	<u>768,573</u>
	<u>1,782,835</u>	<u>1,080,960</u>
Factors affecting tax charge for year:		
Profit on ordinary activities before tax	<u>8,312,965</u>	<u>6,421,081</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	<u>2,193,890</u>	<u>1,926,324</u>
Effect of foreign tax rules	<u>(1,131,843)</u>	<u>(1,245,130)</u>
Profits not chargeable to corporation tax	<u>(25,415)</u>	<u>(368,807)</u>
	<u>1,036,632</u>	<u>312,387</u>

ATEC CONSULTING LLP**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2005**

6. Intangible fixed assets		Contracts £
Group		
Cost		
At 1 January 2005		756,687
Currency fluctuation		(26,554)
At 31 December 2005		<u>730,133</u>
Amortisation		
At 1 January 2005		727,372
Charge for year		26,934
Currency fluctuation		(25,057)
At 31 December 2005		<u>729,249</u>
Net book value		
At 31 December 2005		<u>884</u>
At 31 December 2004		<u>29,315</u>

7. Tangible fixed assets						
Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Under construction £	Total £
Cost						
At 1 January 2005	21,227,098	28,342,800	5,107,640	376,512	237,724	55,291,774
Additions	300,981	1,610,095	333,245	35,358	74,693	2,354,372
Disposals	(84,416)	(274,021)	(361,531)	(19,447)	(16,795)	(756,210)
Currency fluctuation	(611,876)	(787,333)	(80,237)	(3,490)	(8,784)	(1,491,720)
At 31 December 2005	<u>20,831,787</u>	<u>28,891,541</u>	<u>4,999,117</u>	<u>388,933</u>	<u>286,838</u>	<u>55,398,216</u>
Depreciation						
At 1 January 2005	7,963,540	19,291,408	4,633,107	342,158	-	32,230,213
Charge for year	608,884	2,342,370	257,418	36,206	-	3,244,878
Disposals	(84,334)	(271,547)	(360,738)	(17,662)	-	(734,281)
Currency fluctuation	(220,168)	(540,609)	(68,106)	(2,707)	-	(831,590)
At 31 December 2005	<u>8,267,922</u>	<u>20,821,622</u>	<u>4,461,681</u>	<u>357,995</u>	<u>-</u>	<u>33,909,220</u>
Net book value						
At 31 December 2005	<u>12,563,865</u>	<u>8,069,919</u>	<u>537,436</u>	<u>30,938</u>	<u>286,838</u>	<u>21,488,996</u>
At 31 December 2004	<u>13,263,559</u>	<u>9,051,392</u>	<u>474,533</u>	<u>34,353</u>	<u>237,724</u>	<u>23,061,561</u>

The net book value at 31 December 2005 of assets held under finance leases was £4,179,705 (2004 - £5,382,008) and the depreciation charge for the year thereon was £1,058,813 (2004 - £1,003,250).

ATEC CONSULTING LLP**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2005**

8. Fixed asset investments	2005	2004
	£	£
Group		
Other investments - unlisted	<u>66,173</u>	<u>26,567</u>

Other unlisted investments are carried at market value.

Movements during the year:

At 1 January 2005	26,567	26,567
Additions	66,173	-
Disposals	(26,567)	-
At 31 December 2005	<u>66,173</u>	<u>26,567</u>

LLP

Shares in group undertaking	4,501,260	4,501,260
Other investments - unlisted	66,173	-
	<u>4,567,433</u>	<u>4,501,260</u>

The above investment is unlisted.

Movements during the year:

At 1 January 2005	4,501,260	-
Additions	66,173	4,501,260
At 31 December 2005	<u>4,567,433</u>	<u>4,501,260</u>

£4,501,260 represents the cost of the LLP's merger with 100% of the share capital of ATEC Holding AG, a company registered in Switzerland.

ATEC CONSULTING LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

9. Stocks	2005		2004	
	Group £	LLP £	Group £	LLP £
Raw materials	845,929	-	652,254	-
Parts	2,736,675	-	2,896,665	-
Work in progress and assets under construction	4,699,461	-	4,144,375	-
Finished goods	1,006,364	-	466,288	-
	<u>9,288,429</u>	<u>-</u>	<u>8,159,582</u>	<u>-</u>

10. Debtors

Trade debtors	11,121,718	-	10,283,987	-
Loans to group undertakings	-	358,180	-	583,029
Other loans	133,941	-	292,254	-
Other debtors	1,652,969	12,185	1,085,863	5,663
Prepayments and accrued income	-	61,876	8,450	21,046
Deferred tax asset	487,934	-	1,071,821	-
	<u>13,396,562</u>	<u>432,241</u>	<u>12,742,375</u>	<u>609,738</u>

Accrued income of the LLP includes £61,876 (2004 - £12,596) due from group undertakings.

Other debtors of the LLP include £568 (2004 - £916) due from group undertakings.

The deferred tax asset arises due to tax losses in the German group company for years 1997 to 2003. The management believe these losses can be utilised in the future.

11. Creditors: amounts falling due within one year

	2005		2004	
	Group £	LLP £	Group £	LLP £
Obligations under finance leases	1,587,112	-	1,590,326	-
Trade creditors	4,729,610	13,700	5,827,226	-
Other creditors	2,111,612	407,820	1,167,094	23,359
Loans	11,302,415	-	13,575,059	-
Accruals and deferred income	1,645,291	367,115	1,849,742	396,319
	<u>21,376,040</u>	<u>788,635</u>	<u>24,009,447</u>	<u>419,678</u>

ATEC CONSULTING LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

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

	2005		2004	
	Group	LLP	Group	LLP
	£	£	£	£
Loans	7,259,790	-	7,565,958	-
Obligations under finance leases	2,080,350	-	3,813,668	-
Deferred tax liability	1,502,254	-	1,377,794	-
Other creditors	947,140	-	891,352	-
	<u>11,789,534</u>	<u>-</u>	<u>13,648,772</u>	<u>-</u>

	2005	2004
	Group	Group
	£	£
Obligations under finance leases:		
Amounts payable:		
Within two to five years	<u>2,080,350</u>	<u>3,813,668</u>
Deferred taxation provided in the financial statements is as follows:		
	<u>1,502,254</u>	<u>1,377,794</u>
Movement in the year:		
At 1 January 2005	<u>1,377,794</u>	<u>1,331,415</u>
Movement in the year	<u>124,460</u>	<u>46,379</u>
At 31 December 2005	<u>1,502,254</u>	<u>1,377,794</u>

Loans consist of various bank loans to the group's subsidiary companies. They have varying interest rates and maturity dates and are secured over the assets of each company.

ATEC CONSULTING LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

13. Members' interests - Group

	Members' capital £	Other reserves £	Consolidation reserve £	Total £	Loans and other debts due to/(from) members £	Total members' interests
Members' interests at 1 January 2005	4,700,793	4,662,449	(3,128,936)	6,234,306	7,025	6,241,331
Profit for the financial year	-	6,072,918	-	6,072,918	-	6,072,918
Members' interests after profit for the year	4,700,793	10,735,367	(3,128,936)	12,307,224	7,025	12,314,249
Allocated profits	-	(128,650)	-	(128,650)	128,650	-
Dividends paid	-	(1,820,470)	-	(1,820,470)	-	(1,820,470)
Currency reserve	-	218,660	-	218,660	-	218,660
Introduced by members	-	-	-	-	2,294	2,294
Drawings	-	-	-	-	(336,609)	(336,609)
Members' interests at 31 December 2005	4,700,793	9,004,907	(3,128,936)	10,576,764	(198,640)	10,378,124

Members' interests - LLP

Members' interests at 1 January 2005	4,700,793	-	-	4,700,793	7,025	4,707,818
Profit for the financial year available for division among members	-	128,650	-	128,650	-	128,650
Members' interests after profit for the year	4,700,793	128,650	-	4,829,443	7,025	4,836,468
Allocated profits	-	(128,650)	-	(128,650)	128,650	-
Introduced by members	-	-	-	-	2,294	2,294
Drawings	-	-	-	-	(336,609)	(336,609)
Members' interests at 31 December 2005	4,700,793	-	-	4,700,793	(198,640)	4,502,153

Loans and other debts due to members rank equally with debts due to ordinary creditors in a winding up.

ATEC CONSULTING LLP**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2005****14. Notes to the cash flow statement**

	Group 2005 £	Group 2004 £
(a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	9,398,770	7,925,624
Depreciation	3,244,878	3,075,131
Amortisation	26,934	26,254
Profit on disposal of fixed assets	(24,285)	(63,698)
Increase in debtors	(812,500)	(362,272)
Increase in creditors	(1,278,439)	(1,762,923)
Net cash inflow from operating activities	<u>10,555,358</u>	<u>8,838,116</u>
(b) Reconciliation of net cash flow to movement in net debt		
Increase in cash in year	4,004,109	5,656,542
Acquired in merger	-	(31,021,993)
Movement in net funds in year	<u>4,004,109</u>	<u>(25,365,451)</u>
Net debt at 1 January 2005 (note 15 (c))	(25,365,451)	-
Net debt at 31 December 2005 (note 15 (c))	<u>(21,361,342)</u>	<u>(25,365,451)</u>

(c) Analysis of changes in net debt

	At 1 January 2005 £	Cash flows £	At 31 December 2005 £
Cash at bank and in hand	1,179,560	(311,235)	868,325
Loans due within one year	(13,575,059)	2,272,644	(11,302,415)
Loans due after one year	(7,565,958)	306,168	(7,259,790)
Finance leases	(5,403,994)	1,736,532	(3,667,462)
	<u>(25,365,451)</u>	<u>4,004,109</u>	<u>21,361,342</u>

15. Profit of the LLP

As permitted by section 230 of the Companies Act 1985 (as modified for application to LLPs), the profit and loss account of the LLP is not presented as part of these financial statements. The LLP's profit for the year was £128,650 (2004 - £192,742).

16. Information in relation to members

The average number of members during the year was two (2004 - two).

ATEC CONSULTING LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

17. Related party transactions

During the year, the group carried out transactions with the following parties, who were considered to be related parties as defined in Financial Reporting Standard No 8:

Related party	Reason
(i) ATEC Investment Limited	Company controlled by Hans-Martin Schneeberger

Transactions

- (i) ATEC Investment Limited charged a consultancy fee of £367,116 which was still outstanding at the year-end. An additional £384,637 was outstanding at the year end, which was the amount transferred from ATEC LP to ATEC Investment Limited during the year.
-

18. Financial commitments

The group has commitments for annual payments under lease agreements for plant and machinery which will expire:

	£
Within one year	205,958
Within two to five years	231,592
	<hr/> 437,550

19. Contingent liability

A group company is involved in a pending legal case. A decision was in the first instance made in favour of the company, but the proceedings continue. The management are of the opinion that no material additional liabilities will arise from this case. For this reason, no provision has been made for this eventuality.

20. Control

The partnership is controlled by its members.
