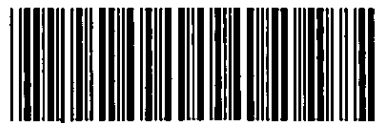


**APPLIED SYSTEMS ENGINEERING
(GROUP) LIMITED**

**Report and Financial Statements
31 March 2007**

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APPLIED SYSTEMS ENGINEERING (GROUP) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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APPLIED SYSTEMS ENGINEERING (GROUP) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

A D McNeil

SECRETARY

A D Mottram

REGISTERED OFFICE

Langley Gate
Swindon Road
Kington Langley
Chippenham
Wiltshire
SN15 5SE

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Liverpool

APPLIED SYSTEMS ENGINEERING (GROUP) LIMITED

DIRECTOR'S REPORT

The director presents his annual report on the affairs of the company together with the financial statements and audit report for the year ended 31 March 2007. The director's report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act 1985.

PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The company is dormant and has not traded during the year, making neither a profit nor a loss. As a result no profit and loss account or statement of total recognised gains or losses has been presented.

There are no immediate plans for the company to trade in the forthcoming year and it is likely that the company will remain dormant.

DIVIDENDS

The director does not recommend the payment of any dividend (2006 £nil) as there are no distributable reserves.

DIRECTOR AND HIS INTERESTS

The director who served during the year and his beneficial interests in the ordinary shares of the company are as follows:

	Ordinary shares of £1 each	
	31 March 2007	31 March 2006
A D McNeil	6	6

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

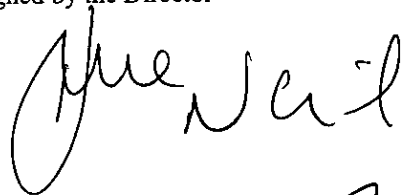
- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware,
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information, and
- this information is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

Approved and signed by the Director

A D McNeil

Director


19.12.2007

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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 and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPLIED SYSTEMS ENGINEERING (GROUP) LIMITED

We have audited the financial statements of Applied Systems Engineering (Group) Limited for the year ended 31 March 2007 which comprise the balance sheet, and the related notes 1 to 8. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Liverpool

19 December 2007

APPLIED SYSTEMS ENGINEERING (GROUP) LIMITED

BALANCE SHEET

31 March 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Investments	4	6,727	6,727
CURRENT ASSETS			
Cash		10	10
CREDITORS, amounts falling due within one year	5	<u>(6,727)</u>	<u>(6,727)</u>
NET CURRENT LIABILITIES		<u>(6,717)</u>	<u>(6,717)</u>
NET ASSETS		<u>10</u>	<u>10</u>
CAPITAL AND RESERVES			
Called up share capital	6	<u>10</u>	<u>10</u>

These financial statements were approved by the Director on

A D McNeil

Director

19.12.2007

APPLIED SYSTEMS ENGINEERING (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2007

1. ACCOUNTING POLICIES

The principal accounting policies are shown below. They have all been applied consistently in the current and previous financial year.

Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards.

Investments

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

2. PROFIT AND LOSS ACCOUNT

The company has had no accounting transactions and made neither a profit nor a loss in the accounting year. Accordingly no profit and loss account is presented. There have been no other recognised gains and losses nor movements in shareholders' funds in any year.

3. DIRECTOR AND EMPLOYEES

The director received no remuneration during the year (2006 £nil).

The company did not have any employees, other than the director, throughout the year (2006 same).

4. INVESTMENTS HELD AS FIXED ASSETS

Share in associated undertakings

	£
Cost	
At 1 April 2006 and 31 March 2007	6,727

Additional information on associated undertakings:

Associated Undertaking	Class of Capital	Portion held
Quicksilver Limited	Ordinary £0.01p	34.7%
Applied Card Technologies Limited	Ordinary £0.001	4%

The companies are registered and operate in England and Wales and their principal activity is software consultancy.

In the opinion of the director the aggregate value of the shares is not less than they are stated in these accounts.

Since the year end the investment in Quicksilver Limited, which was held as a nominee for Applied Systems Engineering (UK) Limited has been disposed of.

5. CREDITORS: amounts falling due within one year

	2007 £	2006 £
Amounts due to associated undertaking (see note 7)	6,714	6,714
Director's current account (see note 7)	13	13
	<u>6,727</u>	<u>6,727</u>

APPLIED SYSTEMS ENGINEERING (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2007

6. CALLED UP SHARE CAPITAL

The share capital of the company consists of the following

	2007	2006
	£	£
Authorised		
Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted and fully paid.		
Ordinary shares of £1 each	10	10
	<u> </u>	<u> </u>

7. RELATED PARTY TRANSACTIONS

The Company is related to Applied Systems Engineering (UK) Limited, a company under common ownership and control. Included in the creditors is £6,714 (2006 £6,714) due to Applied Systems Engineering (UK) Limited, in respect of an interest free loan to purchase the shares in Quicksilva Limited and Applied Card Technologies Limited.

At 31 March 2007, £13 (2006 £13) was due to Duncan McNeil in respect of an interest free loan to purchase the shares acquired in Applied Card Technologies Limited.

8. ULTIMATE CONTROLLING PARTY

By virtue of his beneficial shareholding (as disclosed in the Director's Report) Mr A D McNeil is the ultimate controlling party of the company.