

**Simmons Magee Limited (formerly
Simmons Magee plc)**

Report and Financial Statements

31 March 2005



SIMMONS MAGEE LIMITED (FORMERLY SIMMONS MAGEE PLC)

REPORT AND FINANCIAL STATEMENTS 2005

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Balance sheet	5
Notes to the financial statements	6

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir Peter Rigby
S P Rigby

SECRETARY

T J Monks

REGISTERED OFFICE

James House
Warwick Road
Birmingham
B11 2LE

BANKERS

Barclays Bank plc
15 Colmore Street
Birmingham
B3 2WN

HSBC Bank Plc
130 New Street
Birmingham
B2 4JU

SOLICITORS

Eversheds LLP
115 Colmore Row
Birmingham
B3 3AL

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Four Brindley Place
Birmingham
B1 2HZ

SIMMONS MAGEE LIMITED (FORMERLY SIMMONS MAGEE PLC)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company has been dormant, as defined in section 249AA of the Companies Act 1985, throughout the year.

The directors do not envisage that the company will trade in the foreseeable future.

On 14 September 2005, the company changed its name to Simmons Magee Limited and re-registered as a private limited company.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and subsequently were as follows:

Sir Peter Rigby
S P Rigby

Sir Peter Rigby and Mr S P Rigby are also directors of Specialist Computer Holdings plc, the ultimate parent company and their interests in the share capital of that company are disclosed in its financial statements.

No director has any interest in the share capital of the company requiring disclosure in accordance with Schedule 7 of the Companies Act 1985.

SUPPLIER PAYMENT POLICY

There were no trade creditors at 31 March 2004 nor at 31 March 2005.

AUDITORS

A resolution to reappoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

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



Sir Peter Rigby
Director

17 October 2005

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 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;
- 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 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

Simmons Magee Limited (Formerly Simmons Magee plc)

We have audited the financial statements of Simmons Magee Limited (formerly Simmons Magee plc) for the year ended 31 March 2005 which comprise the balance sheet and the related notes 1 to 10. 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 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 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

17 October 2005

SIMMONS MAGEE LIMITED (FORMERLY SIMMONS MAGEE PLC)

BALANCE SHEET
31 March 2005

	Note	2005 £'000	2004 £'000
CURRENT ASSETS			
Debtors	5	53	53
NET ASSETS		<u>53</u>	<u>53</u>
CAPITAL AND RESERVES			
Called-up share capital	6	53	53
SHAREHOLDERS' FUNDS, ALL EQUITY		<u>53</u>	<u>53</u>

The company was dormant within the meaning of section 249 of the Companies Act 1985 for the year ended 2005. Accordingly, no profit and loss account has been presented.

These financial statements on pages 5 to 7 were approved by the Board of Directors on 17 October 2005 and signed on its behalf by:



Sir Peter Rigby

Director

The accompanying notes are an integral part of this balance sheet.

SIMMONS MAGEE LIMITED (FORMERLY SIMMONS MAGEE PLC)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2005

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company did not trade during the year or the previous year and accordingly made neither a profit nor loss in either year.

Under the provision of Financial Reporting Standard Number 1, the company has not prepared a cash flow statement as the ultimate parent undertaking, Specialist Computer Holdings plc, has prepared publicly available consolidated financial statements which includes the financial statements of the company for the year ended 31 March 2005.

2. STAFF COSTS

The average monthly number of employees (including executive directors) during the year was 2 (2004 - 2). There were no staff costs charged during either year.

3. DIRECTORS' REMUNERATION

There were no directors' emoluments charged during the year (2004 - £Nil).

The emoluments of Sir Peter Rigby and Mr S P Rigby are paid by another group company. It is not practicable to determine the proportions of such emoluments which are attributable to the directors' services to the company. However, the total emoluments for these directors are taken into account in the disclosure of directors' emoluments in the financial statements of Specialist Computer Holdings plc, the ultimate parent company.

4. PROFIT AND LOSS ACCOUNT

Auditors' remuneration was £1,000 (2004 - £1,000) and is borne by another group undertaking.

Amounts payable to the auditors by the company in respect of non-audit services were £Nil (2004 - £Nil).

5. DEBTORS

	2005 £'000	2004 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	53	53
	53	53

6. CALLED-UP SHARE CAPITAL

	2005 £'000	2004 £'000
<i>Authorised, allotted, called-up and fully-paid</i>		
52,966 ordinary shares of £1 each	53	53
	53	53

NOTES TO THE FINANCIAL STATEMENTS (continued)
For year ended 31 March 2005

7. FINANCIAL COMMITMENTS

There were no financial commitments at either year end.

8. CONTINGENT LIABILITIES

There are cross guarantees on the overdrafts of certain undertakings in the group and certain bank loans. At 31 March 2005 the indebtedness of the UK group undertakings amounted to £12,604,000 (2004 - £42,794,000).

9. ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of Compel IP Limited, a company registered in England and Wales.

The results of Compel IP Limited are consolidated into those of the ultimate holding company, Specialist Computer Holdings plc, registered in England and Wales and whose principal place of business is at James House, Warwick Road, Birmingham, B11 2LE. The largest and smallest group of which the company is a member, and for which consolidated financial statements are drawn up, is that headed by Specialist Computer Holdings plc. Consolidated financial statements are available at that address.

As a subsidiary undertaking of Compel IP Limited, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 from disclosing transactions with other members of the group headed by Specialist Computer Holdings plc.

10. ULTIMATE CONTROLLING BODY

Sir Peter Rigby, a director of Specialist Computer Holdings plc, and members of his close family, control the company as a result of controlling directly 100% of the issued 'A' Ordinary share capital of Specialist Computer Holdings plc.