

**RTI SYSTEMS LIMITED**

**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche**  
Leda House  
Station Road  
Cambridge CB1 2RN

26/06/01  
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**REPORT AND FINANCIAL STATEMENTS 2000**

| <b>CONTENTS</b>                                 | <b>Page</b> |
|---|-------------|
| <b>Officers and professional advisers</b>       | <b>1</b>    |
| <b>Directors' report</b>                        | <b>2</b>    |
| <b>Statement of directors' responsibilities</b> | <b>3</b>    |
| <b>Auditors' report</b>                         | <b>4</b>    |
| <b>Profit and loss account</b>                  | <b>5</b>    |
| <b>Balance sheet</b>                            | <b>6</b>    |
| <b>Notes to the accounts</b>                    | <b>7</b>    |

**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J J M Boillot  
W G Ferre  
J J Jarjanette

**SECRETARY**

Jane Secretarial Services Limited

**REGISTERED OFFICE**

142 Buckingham Palace Road  
London  
SW1W 9TR

**BANKERS**

NatWest Bank Plc  
Temple Bar Branch  
PO Box 10720  
217 Strand  
London WC2R 1AL

**SOLICITORS**

Lee & Pembertons  
142 Buckingham Palace Road  
London SW1W 9TR

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Leda House  
Station Road  
Cambridge CB1 2RN

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### **ACTIVITIES**

The principal activities of the company are toll collection systems design, installation and maintenance.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors are satisfied with the results for the year and expect a similar level of activity in the forthcoming year.

### **DIVIDENDS**

The directors do not recommend the payment of a dividend (1999: £nil).

### **DIRECTORS AND THEIR INTERESTS**

The directors who served throughout the year are shown below:

J J M Boillot

W G Ferre

J J Jarjanette

No director had any beneficial interest in the shares of the company or the parent company which is required to be disclosed under Schedule 7 of the Companies Act 1985.

### **AUDITORS**

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

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

  
Director

10 August 2001

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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;
- 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.



## AUDITORS' REPORT TO THE MEMBERS OF RTI SYSTEMS LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of 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 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

10 August 2001

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2000**

|  | Note | 2000<br>£ | 1999<br>£ |
|--|------|-----------|-----------|
| <b>TURNOVER</b>  | 2    | 452,686   | 582,497   |
| Cost of sales  |      | (236,090) | (378,184) |
| Gross profit   |      | 216,596   | 204,313   |
| Administration expenses                                  |      | (221,405) | (490,037) |
| Other operating income                                   |      | 10,253    | 297,759   |
| <b>OPERATING PROFIT</b>                                  | 3    | 5,444     | 12,035    |
| Interest receivable and similar income                   | 5    | 2,539     | 2,613     |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |      | 7,983     | 14,648    |
| Tax on profit on ordinary activities                     | 6    | 7,725     | (18,528)  |
| <b>RETAINED PROFIT (LOSS) FOR THE<br/>FINANCIAL YEAR</b> |      | 15,708    | (3,880)   |
| Retained loss brought forward                            |      | (53,625)  | (49,745)  |
| Retained loss carried forward                            |      | (37,917)  | (53,625)  |

All activities derive from continuing operations.

There are no recognised gains or losses for the current financial year and the preceding financial year other than as shown in the profit and loss account.

**BALANCE SHEET**  
**31 December 2000**

|   | Note | 2000<br>£ | 1999<br>£ |
|---|------|-----------|-----------|
| <b>FIXED ASSETS</b>                                       |      |           |           |
| Tangible assets   | 7    | 17,481    | 25,836    |
| <b>CURRENT ASSETS</b>                                     |      |           |           |
| Stocks  | 8    | 110,593   | 100,383   |
| Debtors   | 9    | 156,197   | 223,065   |
| Cash at bank and in hand                                  |      | 131,450   | 157,287   |
|   |      | 398,240   | 480,735   |
| <b>CREDITORS: amounts falling due<br/>within one year</b> | 10   | 323,638   | 430,196   |
| <b>NET CURRENT ASSETS</b>                                 |      | 74,602    | 50,539    |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b>          |      | 92,083    | 76,375    |
| <b>CAPITAL AND RESERVES</b>                               |      |           |           |
| Called up share capital                                   | 12   | 130,000   | 130,000   |
| Profit and loss account                                   |      | (37,917)  | (53,625)  |
| <b>EQUITY SHAREHOLDERS' FUNDS</b>                         |      | 92,083    | 76,375    |

These financial statements were approved by the Board of Directors on 10 August 2001.

Signed on behalf of the Board of Directors

Director *3.11*

**Jérôme BOILLOT**  
DIRECTEUR ADMINISTRATIF ET FINANCIER



**NOTES TO THE ACCOUNTS****Year ended 31 December 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents the value of goods and services sold stated net of value added tax.

**Cash flow statement**

The company is exempt from preparing a cash flow statement as it is a wholly owned subsidiary.

**Tangible fixed assets**

Depreciation is provided to write off the cost less estimated residual value of all fixed assets on a straight line basis over their expected useful lives:

|                                   |                          |
|-----------------------------------|--------------------------|
| Office furniture and equipment    | - between 5 and 10 years |
| Plant and machinery and computers | - between 3 and 5 years  |
| Fixtures and fittings             | - 5 years                |

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

**Leases**

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

**Pension costs**

The company operates a money purchase pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held independently of the company by insurance companies.

NOTES TO THE ACCOUNTS  
Year ended 31 December 2000

## 2. TURNOVER

|                                   | 2000<br>£      | 1999<br>£      |
|-----------------------------------|----------------|----------------|
| Geographical analysis of turnover |                |                |
| United Kingdom                    | 341,607        | 569,079        |
| Rest of Europe                    | 114,079        | 13,418         |
|                                   | <u>452,686</u> | <u>582,497</u> |

Turnover is derived entirely from the company's principal activity.

## 3. OPERATING PROFIT

|   | 2000<br>£    | 1999<br>£    |
|---|--------------|--------------|
| Operating profit is after charging:     |              |              |
| Depreciation of tangible fixed assets   | 8,652        | 12,400       |
| Loss on disposal of fixed assets        | -            | 6,749        |
| Rentals under operating leases - other  | 28,621       | 61,309       |
| Auditors' remuneration - audit services | 8,000        | 8,000        |
|   | <u>8,000</u> | <u>8,000</u> |

## 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

## Directors' remuneration

None of the directors received any remuneration for the year under review in respect of services to the company (1999: £nil).

|   | 2000<br>No. | 1999<br>No. |
|---|-------------|-------------|
| Average number of persons employed in the year: |             |             |
| Maintenance                                     | 3           | 5           |
| Administration                                  | 1           | 1           |
|   | <u>4</u>    | <u>6</u>    |
|   | £           | £           |

## Staff costs incurred during the year in respect of these employees were:

|                       |                |                |
|-----------------------|----------------|----------------|
| Wages and salaries    | 109,522        | 257,812        |
| Social security costs | 14,473         | 20,314         |
| Other pension costs   | 5,961          | 14,776         |
|                       | <u>129,956</u> | <u>292,902</u> |

NOTES TO THE ACCOUNTS  
Year ended 31 December 2000

## 5. INTEREST RECEIVABLE AND SIMILAR INCOME

|                          | 2000<br>£ | 1999<br>£ |
|--------------------------|-----------|-----------|
| Bank interest receivable | 2,539     | 2,613     |

## 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

|                                      | 2000<br>£      | 1998<br>£     |
|--------------------------------------|----------------|---------------|
| Corporation tax recoverable          | (7,010)        | -             |
| UK corporation tax at 30%            | -              | 18,528        |
| Adjustment in respect of prior years | (715)          | -             |
|                                      | <u>(7,725)</u> | <u>18,528</u> |

A tax credit arises for the year due to losses carried back.

## 7. TANGIBLE FIXED ASSETS

|                       | Office<br>furniture<br>and<br>equipment<br>£ | Plant and<br>machinery<br>and<br>computers<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£     |
|-----------------------|--|---|-------------------------------|----------------|
| <b>Cost</b>           |  |   |                               |                |
| At 1 January 2000     | 25,384                                       | 114,181   | 5,055                         | 144,620        |
| Additions             | -  | 297   | -                             | 297            |
| At 31 December 2000   | <u>25,384</u>                                | <u>114,478</u>                                  | <u>5,055</u>                  | <u>144,917</u> |
| <b>Depreciation</b>   |  |   |                               |                |
| At 1 January 2000     | 19,801                                       | 94,348  | 4,635                         | 118,784        |
| Charge for the year   | 2,023  | 6,384   | 245                           | 8,652          |
| At 31 December 2000   | <u>21,824</u>                                | <u>100,732</u>                                  | <u>4,880</u>                  | <u>127,436</u> |
| <b>Net book value</b> |  |   |                               |                |
| At 31 December 2000   | <u>3,560</u>                                 | <u>13,746</u>                                   | <u>175</u>                    | <u>17,481</u>  |
| At 31 December 1999   | <u>5,583</u>                                 | <u>19,833</u>                                   | <u>420</u>                    | <u>25,836</u>  |

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000****8. STOCKS**

|                               | 2000<br>£ | 1999<br>£ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 110,593   | 100,383   |

**9. DEBTORS**

|                                    | 2000<br>£ | 1999<br>£ |
|------------------------------------|-----------|-----------|
| Trade debtors                      | 119,490   | 198,140   |
| Amounts owed by group undertakings | -         | 2,067     |
| Other debtors                      | 9,836     | 9,836     |
| Corporation tax recoverable        | 15,813    | -         |
| Prepayments and accrued income     | 11,058    | 13,022    |
|                                    | 156,197   | 223,065   |

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2000<br>£ | 1999<br>£ |
|------------------------------------|-----------|-----------|
| Bank overdraft                     | 6,975     | 33,777    |
| Trade creditors                    | 8,130     | 3,527     |
| Amounts owed to group undertakings | 61,544    | 88,746    |
| Corporation tax                    | -         | 14,480    |
| Other taxation and social security | 6,187     | 51,151    |
| Accruals and deferred income       | 240,802   | 238,515   |
|                                    | 323,638   | 430,196   |

**11. PROVISIONS FOR LIABILITIES AND CHARGES****Deferred tax**

The amount of deferred tax provided and unprovided at the year end is as follows:

|   | Provided  |           | Unprovided |           |
|---|-----------|-----------|------------|-----------|
|   | 2000<br>£ | 1999<br>£ | 2000<br>£  | 1999<br>£ |
| Capital allowances in advance of depreciation | -         | -         | (2,947)    | (3,082)   |
| Other short term timing differences           | -         | -         | (2,898)    | (12,889)  |
|   | -         | -         | (5,845)    | (15,971)  |

NOTES TO THE ACCOUNTS  
Year ended 31 December 2000

## 12. CALLED UP SHARE CAPITAL

|   | 2000<br>£ | 1999<br>£ |
|---|-----------|-----------|
| Authorised, allotted, called up and fully paid:<br>130,000 ordinary shares of £1 each | 130,000   | 130,000   |

## 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|  | 2000<br>£ | 1999<br>£ |
|--|-----------|-----------|
| Profit (loss) attributable to members of the company | 15,708    | (3,880)   |
| Opening shareholders' funds                          | 76,375    | 80,255    |
| Closing shareholders' funds                          | 92,083    | 76,375    |

## 14. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments contracted for (1999:£nil).

## 15. OPERATING LEASE COMMITMENTS

At 31 December 2000 the company was committed to making the following payments during the next year in respect of operating leases:

|                          | 2000                       |            | 1999                       |            |
|--------------------------|----------------------------|------------|----------------------------|------------|
|                          | Land and<br>buildings<br>£ | Other<br>£ | Land and<br>buildings<br>£ | Other<br>£ |
| Leases which expire:     |                            |            |                            |            |
| Within one year          | 3,850                      | 11,883     | -                          | 9,425      |
| Within two to five years | -                          | 3,737      | 15,400                     | 9,897      |
|                          | 3,850                      | 15,620     | 15,400                     | 19,322     |

## 16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is CS Communications and Systems Group SA, a company incorporated in France. Copies of the consolidated accounts of the ultimate parent undertaking are available from 29 Rue Galilée, 75116, Paris, France.

Under the provisions of Financial Reporting Standard No. 8, the company is not required to disclose transactions with fellow group undertakings as it is a wholly owned subsidiary and the consolidated accounts of the parent company in which the company's results are included are available to the public.