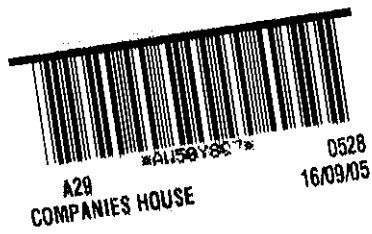


**ANITE SYSTEMS HOLDINGS LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**for the year ended  
30 April 2005**

**Company Number: 3698942**



# **ANITE SYSTEMS HOLDINGS LIMITED**

## **DIRECTORS**

C J Humphrey  
N A Bass  
S P Rowley

## **SECRETARY**

C J Coutts (appointed 05/11/2004)  
C J Humphrey (resigned 05/11/2004)

## **REGISTERED OFFICE**

353 Buckingham Avenue  
Slough  
Berkshire  
SL1 4PF

## **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

## **BANKERS**

Lloyds TSB Bank plc  
25 Gresham Street  
London  
EC2V 7HN

## **SOLICITORS**

Simmons & Simmons  
City Point  
One Ropemaker Street  
London  
EC2Y 9SS

**DIRECTORS' REPORT**  
**for the year ended 30 April 2005**

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 30 April 2005.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is that of a holding company.

**SHARE CAPITAL**

During the year the authorised and issued share capital remained unchanged. The beneficial ownership of the issued share capital was held by Anite Group plc.

**REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The company traded at a profit during the year under review. This Company will remain as a holding company and it will continue to receive intercompany interest and dividends in the foreseeable future.

**RESULTS AND DIVIDENDS**

The company made a profit after tax of £1,780,000 (2004: loss £15,172,000). The directors do not recommend the payment of a dividend during the year under review (2004: £ nil).

**DIRECTORS**

The directors who served throughout the year, were as follows:

C J Humphrey  
N A Bass  
S P Rowley

**DIRECTORS' INTERESTS**

None of the directors has any interests in the share capital of the company, or any other group companies except as disclosed below.

Mr Rowley and Mr Humphrey were directors of Anite Group plc, the ultimate parent company at 30 April 2005, and accordingly their interests in the share capital and share options thereof are contained in the Directors' Report of that company.

Mr Bass held 28,331 (2004: 28,331) ordinary shares with a nominal value of 10 pence each in Anite Group plc and the following share options at 30 April 2005.

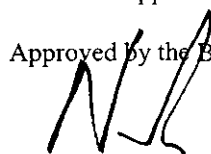
	At 01/05/2004	Granted	Lapsed	At 30/04/05	Date exercisable	Expiry date	Exercise Price
N Bass	730,850	-	(38,000)	692,850	03/02/2003-15/07/2013	01/04/2008- 15/07/2013	23p - 179p

Closing share price at 30 April 2005: 59 pence. Average share price to 30 April 2005: 54 pence.

**AUDITORS**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Deloitte & Touche LLP be re-appointed as auditors of the Company will be put to the Annual General Meeting.

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



N A Bass

Registered Office: 353 Buckingham Avenue, Slough, Berkshire, SL1 4PF

Date: 12 September 2005

We have audited the financial statements of Anite Systems Holdings Limited for the year ended 30 April 2005 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 20. 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.

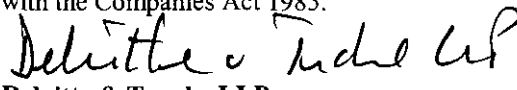
**Basis of audit opinion**

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 30 April 2005 and of its profit 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  
London

Date: 12 September 2005

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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; and
- \* 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 April 2005

	Notes	2005 £'000	2004 £'000
Turnover		-	922
Administrative expenses			
Severance and related costs		-	(50)
Other administrative		(3)	(100)
<b>Total administrative expenses</b>		<b>(3)</b>	<b>(150)</b>
<b>Operating (loss)/profit</b>		<b>(3)</b>	<b>772</b>
Profit on sale/termination of operations	5	-	1,166
<b>(Loss)/profit on ordinary activities before finance charges</b>		<b>(3)</b>	<b>1,938</b>
Income from shares in group undertakings	3	6,619	-
Interest receivable and similar income	6	694	1,448
Interest payable and similar charges	7	(5,302)	(2,983)
Amounts written off investments	4	(1,610)	(15,689)
<b>Profit/(loss) on ordinary activities before taxation</b>	2	<b>398</b>	<b>(15,286)</b>
Tax credit for the year	8	1,382	114
<b>Profit/(loss) on ordinary activities after taxation and for the financial year</b>		<b>1,780</b>	<b>(15,172)</b>

The operating profit in 2004 was derived from continuing operations.


There are no recognised gains or losses in either period other than the results reported above. Accordingly no statement of total recognised gains and losses is presented.

**BALANCE SHEET**  
**at 30 April 2005**

	Notes	2005 £'000	2004 £'000
<b>FIXED ASSETS</b>			
Investments	9	103,114	104,724
		<u>103,114</u>	<u>104,724</u>
<b>CURRENT ASSETS</b>			
Debtors	10	14,447	14,743
<b>CREDITORS</b> : amounts falling due within one year	12	(96,555)	(100,241)
<b>Net current liabilities</b>		<u>(82,108)</u>	<u>(85,498)</u>
<b>Net assets</b>		<u>21,006</u>	<u>19,226</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	52,206	52,206
Profit and loss account	14	(48,321)	(50,101)
Other reserves	14	17,121	17,121
<b>Equity shareholders' funds</b>	15	<u>21,006</u>	<u>19,226</u>

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

The financial statements on pages 4 to 12 were approved by the Board on 12 September 2005 and signed on its behalf by:



**N A Bass**  
Director

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 April 2005**

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**1. ACCOUNTING POLICIES****a) Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom laws and accounting standards. The accounting policies have been applied consistently in the current and preceding year. The company is exempt from the requirement of FRS1(revised) to present a cash flow statement because it is a wholly owned subsidiary of Anite Group plc which prepares consolidated accounts which are publicly available.

**b) Investments**

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

**c) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

**d) Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less or to receive tax, occurs with the following exceptions:

- provision is made for the gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets; and
- deferred tax assets are only recognised to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted by the balance sheet date.

**e) Exemption from consolidation**

The company has taken advantage of s228(2) of the Companies Act 1985 in not preparing group financial statements on the basis that it is itself a wholly owned subsidiary of Anite Group plc, a company incorporated in Great Britain. Accordingly these financial statements present information about the company as an individual undertaking and not as a group.



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 April 2005 (continued)**

<b>2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation: owned fixed assets	-	314
Operating lease rentals – leased buildings	-	18
Auditors' remuneration for audit services	3	(6)

**3. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	<b>2005 £'000</b>	<b>2004 £'000</b>
Interim dividends Group undertakings received during the year		
Anite Business Systems Limited	2,800	-
Anite Finance Limited	800	-
Anite Telecoms Holdings Limited	3,000	-
Anite Space Limited	19	-
	<b>6,619</b>	<b>-</b>

**4. AMOUNTS WRITTEN OFF INVESTMENTS**

	<b>2005 £'000</b>	<b>2004 £'000</b>
Amounts written off investments	<b>1,610</b>	<b>15,689</b>

In accordance with the company's accounting policy, the company regularly reviews the carrying value of its investments, as a result of these reviews, investment balances have been impaired by £1,610,000.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 April 2005 (continued)

**5. PROFIT ON SALE/TERMINATION OF OPERATIONS**

	2005 £'000	2004 £'000
Profit on sale of investment	-	1,166
	-	1,166

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2005 £'000	2004 £'000
Net exchange gain on foreign currency borrowings less deposits	-	299
On amounts due from other group companies	694	1,115
Other interest receivable	-	34
	694	1,448

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2005 £'000	2004 £'000
On bank overdrafts	30	9
On amounts due to other group companies	5,272	2,974
	5,302	2,983

**8. TAXATION**

	2005 £'000	2004 £'000
The taxation credit comprises:		
Current tax		
UK corporation tax	1,382	189
Adjustments in respect of prior years	167	-
Total current tax credit	1,549	189
Deferred tax		
Adjustments in respect of prior years	(167)	(75)
	1,382	114

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 April 2005 (continued)**

**8. TAXATION (continued)**

**Factors affecting the tax credit for the year**

The tax assessed on the Profit/(loss) on ordinary activities for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit/(loss) on ordinary activities before tax</b>	398	(15,286)
Tax (charge)/ credit on Profit/(loss) on ordinary activities at standard UK corporation tax rate at 30% ( 2004-30%)	(119)	4,586
Effects of:		
Disallowed expenses and non-taxable income	(483)	(4,472)
Group income	1,984	-
Adjustment in respect to previous years	166	-
Depreciation in excess of capital allowances	-	(39)
Short term timing differences	-	114
Unrelieved tax losses arising in the period	-	-
<b>Current tax credit for the year</b>	<b>1,548</b>	<b>189</b>

**9. INVESTMENTS**

The subsidiary companies at 30 April 2005, all of which operate within the United Kingdom and are incorporated in Great Britain and registered in England and Wales, were as follows:

<b>Cost</b>	<b>£'000</b>
At 1 May 2004	120,413
Additions	-
At 30 April 2005	120,413
<b>Provision for impairment</b>	
At 1 May 2004	(15,689)
Provision in the year	(1,610)
At 30 April 2005	(17,299)
<b>Net book value</b>	
At 30 April 2005	103,114
At 30 April 2004	104,724

<b>Company</b>	<b>Class of share</b>	<b>Principal activities</b>	<b>Holding of share capital %</b>
Anite Business Systems Limited	Ordinary	Software and Consultancy to the Travel industry	100
Anite Telecoms Holdings Limited	Ordinary	Holding company	100
Anite Public Sector Limited	Ordinary	Software and Consultancy to the Public sector	100
Anite Finance Limited	Ordinary	Consultancy Services	100

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 April 2005 (continued)

<b>10. DEBTORS</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by parent undertaking and fellow subsidiary undertakings	13,065	12,459
Corporation tax debtor recoverable from other group undertakings	1,382	2,117
Deferred tax asset (see note 11)	-	167
	<u>14,447</u>	<u>14,743</u>

**11. DEFERRED TAX ASSET**

The movement on the deferred tax asset is as follows:

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
At 1 May	167	242
Charged to profit and loss account	(167)	(75)
At 30 April	<u>-</u>	<u>167</u>

The deferred tax asset consists of:

Accelerated capital allowances	-	167
Other timing differences	-	-
	<u>-</u>	<u>167</u>

<b>12. CREDITORS: amounts falling due within one year</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdraft	2,554	-
Amounts owed to parent undertaking and fellow subsidiary undertakings	93,969	100,234
Accruals and deferred income	32	7
	<u>96,555</u>	<u>100,241</u>

The company is dependent on the continuing support of its parent company. The directors have received notification that the parent company will continue to support the company for one year from signing these financial statements.

**13. SHARE CAPITAL**

	<b>Ordinary shares of £1 each</b>	
	<b>Number</b>	<b>£'000</b>
<b>Authorised</b>		
At 1 May 2004 and 30 April 2005	<u>100,000,000</u>	<u>100,000</u>
<b>Allotted, issued and fully paid</b>		
At 1 May 2004 and 30 April 2005	<u>52,206,432</u>	<u>52,206</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 April 2005 (continued)

<b>14. RESERVES</b>	<b>Other Reserves £'000</b>	<b>Profit and Loss £'000</b>	<b>Total £'000</b>
At 1 May 2004	17,121	(50,101)	(32,980)
Profit for the year	-	1,780	1,780
At 30 April 2005	<b>17,121</b>	<b>(48,321)</b>	<b>(31,200)</b>

<b>15. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Profit/(loss) for the financial year	1,780	(15,172)
Opening equity shareholders' funds	19,226	34,398
Closing equity shareholders' funds	<b>21,006</b>	<b>19,226</b>

**16. EMPLOYEES****Number of Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2005 Number</b>	<b>2004 Number</b>
Management and administration	-	6
	-	6
<b>Employment costs</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	-	304
Social security costs	-	16
Other pension costs	-	10
	-	330

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 April 2005 (continued)

**17. DIRECTORS**

Staff costs include the following remuneration in respect of directors of the company:

	2005	2004
	£'000	£'000
Emoluments	-	178

The remuneration, included above, of the highest paid director was:

	2005	2004
	£'000	£'000
Emoluments	-	84

The number of directors for whom pension contributions were made was nil (2004: nil)

**18. CROSS GUARANTEES**

*The company is a party to an unlimited omnibus guarantee and setoff arrangement to secure the liability of the company and certain group companies with Lloyds TSB Bank plc. The total facility drawdown at 30 April 2005 was nil (2004:£nil).*

**19. RELATED PARTY TRANSACTIONS**

As a subsidiary undertaking of Anite Group plc, the company has taken advantage of the exemption in FRS8 'Related Party Disclosures' from disclosing transactions with other members of the group headed by Anite Group plc.

**20. ULTIMATE PARENT COMPANY AND CONTROLLING COMPANY**

The directors consider that Anite Group plc, a company incorporated in Great Britain and registered in England and Wales, is the controlling party, immediate parent and ultimate parent company. Anite Group plc is the parent company of the largest and smallest group of which Anite Systems Holdings Limited was a member and for which group financial statements are drawn up for the year ended 30 April 2005. Copies of the group's financial statements are available from 353 Buckingham Avenue, Slough, Berkshire, SL1 4PF.