

**ATRIUM MS INTERNATIONAL
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

29 FEBRUARY 2004



ATRIUM MS INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

For the year ended 29 February 2004

Company registration number: 4531641

Registered office: Suite 22
Challenge House
Sherwood Drive
BLETCHLEY
Milton Keynes
MK3 6DP

Directors: C J Harrison
H Harrison

Secretary: H Harrison

Bankers: National Westminster Bank plc
501 Silbury Boulevard
Saxon Gate East
MILTON KEYNES
MK9 3ER

Solicitors: EMW Law
Seckloe House
101 North 13th Street
MILTON KEYNES
MK9 3NY

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Grant Thornton House
Kettering Parkway
KETTERING
Northants
NN15 6XR

ATRIUM MS INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

For the year ended 29 February 2004

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ATRIUM MS INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 29 February 2004.

Principal activities

The company's principal activity during the year was the provision of management and consultancy services.

Business review

The directors consider both the result for the year and future prospects to be satisfactory.

There was a profit for the year after taxation amounting to £30,779 (2003: loss of £13,399). The directors do not recommend the payment of a dividend and the profit has therefore been retained.

Post balance sheet events

Details of post balance sheet events are given in note 15 of the financial statements.

Directors

The present membership of the Board is set out below. Both directors served on the Board throughout the year.

Neither director had a direct interest in the shares of the company at 28 February 2003 and 29 February 2004.

The interests of the directors in the shares of the parent company, Atrium MS Limited, as at 1 March 2003 and 29 February 2004 were as follows:

	Ordinary shares of £1 each	
	2004	2003
C J Harrison	111	111
H Harrison	-	-

Directors' responsibilities for the financial statements

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 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

ATRIUM MS INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements (continued)

- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985. On 1 July 2004, the Grant Thornton partnership will convert to a limited liability partnership called Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors intend to consent to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

BY ORDER OF THE BOARD



C J Harrison
Director

25 June 2004

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

ATRIUM MS INTERNATIONAL LIMITED

We have audited the financial statements of Atrium MS International Limited for the year ended 29 February 2004 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 15. 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 the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom 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 to you 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. 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 other information.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ATRIUM MS INTERNATIONAL LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
KETTERING**

30 June 2004

ATRIUM MS INTERNATIONAL LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

The company has taken advantage of the exemption in s228 of the Companies Act 1985 and has not prepared group accounts on the basis that it is a wholly owned subsidiary of Atrium MS Limited. The financial statements present Atrium MS International Limited as an individual undertaking. The results of the company and its subsidiary undertaking have been consolidated in the financial statements of Atrium MS Limited drawn up to 29 February 2004.

TURNOVER

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts.

INVESTMENTS

Investments are included at cost less amounts written off.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

ATRIUM MS INTERNATIONAL LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 29 February 2004

	Note	Year ended 29 February 2004 £	6 months ended 28 February 2003 £
Management and consultancy fees		227,000	-
Other operating charges	2	186,221	13,399
Operating profit/(loss)		40,779	(13,399)
Profit/(loss) on ordinary activities before taxation		40,779	(13,399)
Tax on profit/(loss) on ordinary activities	4	10,000	-
Profit/(loss) transferred to/from reserves	9	30,779	(13,399)

There were no recognised gains or losses other than the profit/(loss) for the financial year.


The accompanying accounting policies and notes form an integral part of these financial statements.

ATRIUM MS INTERNATIONAL LIMITED

BALANCE SHEET AT 29 FEBRUARY 2004

	Note	£	2004 £	£	2003 £
Fixed assets					
Investments	5		8,065		8,065
Current assets					
Debtors	6	18,500		52,344	
Cash at bank and in hand		<u>3,915</u>		<u>447</u>	
		22,415		52,791	
Creditors: amounts falling due within one year	7	<u>13,000</u>		<u>74,155</u>	
Net current assets/(liabilities)			<u>9,415</u>		<u>(21,364)</u>
Total assets less current liabilities			<u>17,480</u>		<u>(13,299)</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		<u>17,380</u>		<u>(13,399)</u>
Shareholders' funds	10		<u>17,480</u>		<u>(13,299)</u>

The financial statements were approved by the Board of Directors on 25 June 2004


C J Harrison
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

ATRIUM MS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 February 2004

1 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit/(loss) on ordinary activities before taxation is attributable to the principal activity of acting as an intermediate holding company.

The profit/(loss) on ordinary activities is stated after:

	Year ended 29 February 2004 £	6 months ended 28 February 2003 £
Auditors' remuneration	<u>1,750</u>	<u>1,750</u>

2 OTHER OPERATING CHARGES

	Year ended 29 February 2004 £	6 months ended 28 February 2003 £
Administrative expenses	<u>99,221</u>	<u>13,399</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	Year ended 29 February 2004 £	6 months ended 28 February 2003 £
Wages and salaries	76,812	-
Social security costs	<u>9,468</u>	<u>-</u>
	<u>86,280</u>	<u>-</u>

The average number of employees for the year was 1 (2003: nil).

There was no directors' remuneration in the year (2003: £nil).

ATRIUM MS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 February 2004

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained as follows:

	Year ended 29 February 2004 £	6 months ended 28 February 2003 £
Profit/(loss) on ordinary activities before tax	40,779	(13,399)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	12,234	(4,020)
Effect of:		
Expenses not deductible for tax purposes	395	4,020
Marginal relief	(2,629)	-
Current tax charge for the period	10,000	-

5 TANGIBLE FIXED ASSET INVESTMENTS

	Investment in subsidiary undertakings £
Cost	
At 1 March 2003	8,065
Net book amount at 29 February 2004	8,065

At 29 February 2004, the company held 20% or more of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Proportion held	Nature of business
MS Hungaria Kft	Hungary	Ordinary	100%	Retail maintenance and support

6 DEBTORS

	2004 £	2004 £
Amounts owed by group undertakings	18,500	52,344

ATRIUM MS INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 29 February 2004

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2004 £
Other creditors	3,000	-
Amounts owed to group undertakings	-	74,155
Corporation tax	10,000	-
	<u>13,000</u>	<u>74,155</u>

8 SHARE CAPITAL

	2004 £	2004 £
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

9 PROFIT AND LOSS ACCOUNT

	£
At 1 March 2003	(13,399)
Profit for the year	<u>30,779</u>
At 29 February 2004	<u>17,380</u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit/(loss) for the financial year	30,779	(13,399)
Shareholders' funds at 28 February 2003	<u>(13,299)</u>	<u>100</u>
Shareholders' funds 29 February 2004	<u>17,480</u>	<u>(13,299)</u>

11 CAPITAL COMMITMENTS

The company had no capital commitments at 29 February 2004 or 28 February 2003.

ATRIUM MS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 February 2004

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 29 February 2004 or 28 February 2003.

13 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Atrium MS Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Atrium MS Limited.

14 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling related party of this company is its parent company, Atrium MS Limited.

Copies of the group financial statements can be obtained from Companies House.

15 POST BALANCE SHEET EVENTS

Since the year end the company has agreed arrangements for the sale of its investment in MS Hungaria kft, whereby the new owners will take on all the contractual obligations of the company and the costs incurred by Atrium MS International Limited up to the date of sale.