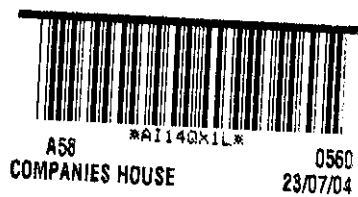


Compass Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2003



Company Registration No. 01714804

Compass Limited

DIRECTORS AND OFFICERS

DIRECTORS

J Stembridge
D Toop
O S Soderblom

SECRETARY

D Toop

COMPANY NUMBER

01714804 (England and Wales)

REGISTERED OFFICE

Compass House
60 Priestly Road
Guildford
Surrey
Great Britain
GU2 5YU

AUDITORS

Baker Tilly
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

BUSINESS ADDRESS

Compass House
60 Priestly Road
Guildford
Surrey
Great Britain
GU2 5YU

Compass Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Compass Limited for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a consultancy and software house.

REVIEW OF THE BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect growth in the foreseeable future.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £64,468 .

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 January 2003:

J Stembridge
D Toop
O S Soderblom

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

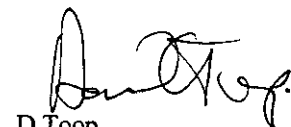
	<i>Ordinary shares of £ 1 each</i>	
	31.12.03	1.1.03
J Stembridge	1	1
D Toop	-	-
O S Soderblom	-	-

Mr J Stembridge holds 1 ordinary share as a nominee of Compass Holding B.V.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board



D Toop
Director

28 June 2004

Compass Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 AUDITOR'S REPORT TO THE MEMBERS OF COMPASS LIMITED

We have audited the financial statements on pages 5 to 16 .

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 auditor's 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 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 the other information in the Annual 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 within the financial statements. Our responsibilities do not extend to any other information.


Basis of opinion

We conducted our audit in accordance with 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

22 July 2004

Compass Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2003

		2003	2002
	<i>Notes</i>	£	As restated £
TURNOVER	1	2,900,937	3,465,847
Cost of sales		1,640,012	2,312,852
Gross profit		1,260,925	1,152,995
Other operating income		(227,600)	(178,261)
Other operating expenses		1,400,370	1,246,554
OPERATING PROFIT		88,155	84,702
Investment income	2	2,634	1,396
		90,789	86,098
Interest payable	3	5,321	4,685
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	85,468	81,413
Taxation	6	21,000	27,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	64,468	54,413

The operating profit for the year arises from the company's continuing operations.

Compass Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2003

	2003	2002
	£	As restated £
Profit for the financial year	64,468	54,413
Total recognised gains and losses relating to the year	64,468	54,413
Prior year adjustment	(78,000)	(51,000)
Total gains and losses recognised since last financial statements	(13,532)	3,413

Compass Limited

BALANCE SHEET

31 December 2003

	Notes	2003 £	2002 As restated £
FIXED ASSETS			
Tangible assets	7	33,304	45,836
CURRENT ASSETS			
Debtors	8	1,141,191	2,457,020
Cash at bank and in hand		262	65,787
		1,141,453	2,522,807
CREDITORS: Amounts falling due within one year	9	665,012	2,037,333
NET CURRENT ASSETS		476,441	485,474
TOTAL ASSETS LESS CURRENT LIABILITIES		509,745	531,310
CREDITORS: Amounts falling due after more than one year	10	-	(86,033)
		509,745	445,277
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account	12	508,745	444,277
SHAREHOLDERS' FUNDS	13	509,745	445,277


Approved by the board on 28 June 2004

J Stembridge



Director

D Toop



Director

Compass Limited

CASH FLOW STATEMENT

for the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 As restated £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	21,279	8,861
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,634	1,396
Interest paid		(5,321)	(4,685)
Net cash outflow for returns on investments and servicing of finance		(2,687)	(3,289)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(3,895)	(2,058)
Receipts from sales of tangible assets		1	-
Net cash outflow for capital expenditure		(3,894)	(2,058)
Net cash inflow before management of liquid resources and financing		14,698	3,514
FINANCING			
Repayment of other long term loans		(86,033)	-
Net cash outflow from financing		(86,033)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		(71,335)	3,514

Compass Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Plant and machinery	33 1/3 % straight line
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% reducing balance

DEFERRED TAXATION

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 tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

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

LEASED ASSETS

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

Pension contributions are charged to the profit and loss accounts as incurred. These contributions are invested separately from the company's assets.

FOREIGN CURRENCY TRANSLATION

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

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of services provided to customers.

GROUP RELIEF

During the year, the group revised its policy regarding the recognition of group relief. Previously no payment has been made to recognise the effect of group relief in either the recipient or donor. This has lead to a prior year adjustment of £78,000 (2002 £51,000) to the corporation tax charge and intercompany creditors.

Compass Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

1. TURNOVER

The contributions of the company to turnover, which are in respect of continuing activities, are set out below:

By geographical market:

	Turnover	
	2003 £	2002 £
North America	508,196	792,551
Australasia	72,974	98,927
Europe	1,433,262	1,355,132
United Kingdom	693,813	1,037,292
Scandinavia	192,692	181,945
	<u>2,900,937</u>	<u>3,465,847</u>

2. INVESTMENT INCOME

	2003 £	2002 £
Bank interest	1,242	1,396
Other interest	1,392	-
	<u>2,634</u>	<u>1,396</u>

3. INTEREST PAYABLE

	2003 £	2002 £
On bank loans and overdrafts	-	4,685
On overdue tax	45	-
Other interest	5,276	-
	<u>5,321</u>	<u>4,685</u>

Compass Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2003

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2003 £	2002 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	15,900	33,554
Loss on disposals	526	-
Operating lease rentals:		
Plant and machinery	33,841	29,935
Land and buildings	348,875	363,594
Loss on foreign exchange transactions	3,124	710
Auditors' remuneration	9,500	9,200

5. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2003 No.	2002 No.
Administration	4	3
Consultants	19	27
	<u>23</u>	<u>30</u>
	£	£
Staff costs for the above persons:		
Wages and salaries	1,530,164	1,719,001
Social security costs	133,219	157,423
Other pension costs	44,653	59,497
	<u>1,708,036</u>	<u>1,935,921</u>

DIRECTORS' REMUNERATION

	2003 £	2002 £
Emoluments for qualifying services	164,927	178,558
Company pension contributions to money purchase schemes	20,921	-
	<u>185,848</u>	<u>178,558</u>

Compass Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2003

6. TAXATION	2003	2002
	£	As restated £
Domestic current year tax		
Payment in respect of group relief	21,000	27,000
	<u>21,000</u>	<u>27,000</u>
Current tax charge	<u>21,000</u>	<u>27,000</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	85,468	81,413
	<u>85,468</u>	<u>81,413</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002: 30.00 %)	25,640	24,424
	<u>25,640</u>	<u>24,424</u>
Effects of:		
Non deductible expenses	-	3,535
Capital allowances in excess of depreciation	(3,225)	509
Payment in respect of group relief	21,000	27,000
Group losses utilised	(22,415)	(28,468)
	<u>(4,640)</u>	<u>2,576</u>
Current tax charge	<u>21,000</u>	<u>27,000</u>

During the year, the group revised its policy regarding the recognition of group relief. Previously no payment has been made to recognise the effect of group relief in either the recipient or donor. This has lead to a prior year adjustment of £78,000 (2002 £51,000).

Compass Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2003

7. TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i>	<i>Fixtures, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 January 2003	73,103	168,281	10,024	251,408
Additions	1,677	2,218	-	3,895
Disposals	(52,160)	-	(10,024)	(62,184)
31 December 2003	22,620	170,499	-	193,119
Depreciation				
1 January 2003	64,782	131,383	9,407	205,572
Charge in the year	7,986	7,824	90	15,900
Disposals	(52,160)	-	(9,497)	(61,657)
31 December 2003	20,608	139,207	-	159,815
Net book value				
31 December 2003	2,012	31,292	-	33,304
31 December 2002	8,321	36,898	617	45,836

8. DEBTORS

	2003	2002
	£	£
Due within one year:		
Trade debtors	-	230
Amounts owed by group undertakings	971,215	2,214,758
Other debtors	16,990	823
Prepayments and accrued income	152,986	241,209
	1,141,191	2,457,020

9. CREDITORS: Amounts falling due within one year

	2003	2002
	£	As restated £
Bank overdraft	5,810	-
Trade creditors	142,362	283,040
Amounts owed to group undertakings	154,605	1,235,165
Taxes and social security costs	41,048	75,007
Other creditors	-	100,838
Accruals and deferred income	321,187	343,283
	665,012	2,037,333

Compass Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2003

10. CREDITORS: Amounts falling due in more than one year	2003 £	2002 £
Loan from group undertakings	-	86,033
Loans		
Wholly repayable within five years	-	86,033
	-	86,033
Loan maturity analysis:		
In more than two years but not more than five years	-	86,033
11. SHARE CAPITAL	2003 £	2002 £
Authorised:		
100,000 Ordinary shares of £ 1 each	100,000	100,000
Allotted, issued and fully paid:		
1,000 Ordinary shares of £ 1 each	1,000	1,000
12. STATEMENT OF MOVEMENT ON RESERVES		
		<i>Profit and loss account</i> £
1 January 2003		522,277
Prior year adjustment		(78,000)
1 January 2003 as restated		444,277
Retained profit for the year		64,468
31 December 2003		508,745
13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003 £	2002 £
Profit for the financial year	64,468	54,413
Opening shareholders' funds	445,277	390,864
Closing shareholders' funds	509,745	445,277

Compass Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2003

14. CASH FLOWS		2003	2002		
		£	£		
a.	Reconciliation of operating profit to net cash inflow from operating activities				
	Operating profit	88,155	84,702		
	Depreciation of tangible assets	15,900	33,554		
	Loss on disposal of tangible assets	526	-		
	Decrease/(increase) in debtors	1,315,829	(580,518)		
	(Decrease)/increase in creditors within one year	(1,378,131)	498,123		
	Group relief	(21,000)	(27,000)		
	Net cash inflow from operating activities	<u>21,279</u>	<u>8,861</u>		
b.	Analysis of net debt	1 January 2003	Cash flow	Other non-cash changes	31 December 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	65,787	(65,525)	-	262
	Bank overdrafts	-	(5,810)	-	(5,810)
		<u>65,787</u>	<u>(71,335)</u>	<u>-</u>	<u>(5,548)</u>
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due after one year	(86,033)	86,033	-	-
	Net debt	<u>(20,246)</u>	<u>14,698</u>	<u>-</u>	<u>(5,548)</u>
c.	Reconciliation of net cash flow to movement in net debt		2003	2002	
			£	£	
	(Decrease)/increase in cash in the year		(71,335)	3,514	
	Cash outflow from decrease in debt		86,033	-	
	Movement in net debt in the year		<u>14,698</u>	<u>3,514</u>	
	Opening net debt		(20,246)	(23,760)	
	Closing net debt		<u>(5,548)</u>	<u>(20,246)</u>	

Compass Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2003

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Land and buildings expiring in the second to fifth year	348,875	348,875
Plant and machinery expiring in the first year	17,980	-
expiring in the second to fifth year	3,470	25,187
	<u>370,325</u>	<u>374,062</u>

16. PENSION COSTS

DEFINED CONTRIBUTION

As at 31 December 2003 £8,564 of pension costs are included in accruals.

	2003 £	2002 £
Contributions payable by the company for the year	<u>44,653</u>	<u>59,497</u>

17. RELATED PARTY TRANSACTIONS

The directors regard Compass Holding BV, a company incorporated in the Netherlands, as this company's parent but are not aware of the existence or identity of any ultimate controlling party. Details of transactions with other group companies are given below:

Sales to group companies £2,775,630 (2002: £3,332,759).

Purchases from group companies £98,981 (2002: £190,953).

Royalties received from group companies £49,092 (2002: £52,923).

Trademark fees received from group companies £92,831 (2002: £76,339).

Trademark fees paid to group companies £58,019 (2002: £47,484).

During 2001 and 2002 Trademark fees payable and receivable from certain group companies have been waived.

Rent and service charges received from group companies £227,301 (2002: £148,675).