

# Compass Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2002



Company Registration No. 01714804

# Compass Limited

## DIRECTORS AND OFFICERS

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### 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

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The directors present their report and financial statements of Compass Limited for the year ended 31 December 2002.

### PRINCIPAL ACTIVITIES

The principal activity of the company is that of computer ware 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 was £81,413 .

The directors do not recommend payment of an ordinary dividend.

### DIRECTORS

The following directors have held office since 1 January 2002:

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:

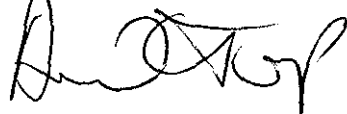
	<i>Ordinary shares of £ 1 each</i>	
	31.12.02	1.1.02
J Stembridge	1	1
D Toop	-	-
O S Soderblom	-	-

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

16.09.03

# Compass Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 AUDITORS' REPORT TO THE MEMBERS OF COMPASS LIMITED

We have audited the financial statements on pages 6 to 12 .

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.

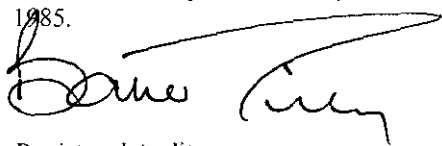
### Basis of opinion

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 2002 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

16.09.03

# Compass Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER	1	3,465,847	4,020,232
Cost of sales		2,312,852	2,948,028
Gross profit		1,152,995	1,072,204
Other operating income		(178,261)	(297,243)
Other operating expenses		1,246,554	1,198,418
OPERATING PROFIT		84,702	171,029
Investment income	2	1,396	1,579
		86,098	172,608
Interest payable	3	4,685	2,405
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	81,413	170,203
Taxation	6	-	(3,422)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	81,413	173,625

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

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# Compass Limited

## BALANCE SHEET

31 December 2002

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible assets	7	45,836	77,333
<b>CURRENT ASSETS</b>			
Debtors	8	2,457,020	1,876,502
Cash at bank and in hand		65,787	62,273
		2,522,807	1,938,775
CREDITORS: Amounts falling due within one year	9	1,959,333	1,488,211
NET CURRENT ASSETS		563,474	450,564
TOTAL ASSETS LESS CURRENT LIABILITIES		609,310	527,897
CREDITORS: Amounts falling due after more than one year	10	(86,033)	(86,033)
		523,277	441,864
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,000	1,000
Profit and loss account	12	522,277	440,864
SHAREHOLDERS' FUNDS	13	523,277	441,864

Approved by the board on 1003-09-16

J Stembridge

Director

D Toop

Director

# Compass Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

### 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.

### GOVERNMENT GRANTS

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### TURNOVER

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



# Compass Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

### 1. TURNOVER

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

By geographical market:

	Turnover	
	2002	2001
	£	£
North America	792,551	1,280,643
Australasia	98,927	94,311
Europe	1,355,132	1,192,342
United Kingdom	1,037,292	1,291,119
Scandinavia	181,945	161,817
	<u>3,465,847</u>	<u>4,020,232</u>

### 2. INVESTMENT INCOME

	2002	2001
	£	£
Bank interest	<u>1,396</u>	<u>1,579</u>

### 3. INTEREST PAYABLE

	2002	2001
	£	£
On bank loans and overdrafts	<u>4,685</u>	<u>2,405</u>

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002	2001
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	33,554	35,249
Operating lease rentals:		
Plant and machinery	29,935	21,469
Land and buildings	363,594	290,000
Loss on foreign exchange transactions	710	167
Auditors' remuneration	9,200	8,750
Government grants	-	(26,828)
	<u></u>	<u></u>

# Compass Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

### 5. EMPLOYEES

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

	2002 No.	2001 No.
Administration	3	3
Consultants	27	30
	<u>30</u>	<u>33</u>

Staff costs for the above persons:

	£	£
Wages and salaries	1,719,001	1,658,642
Social security costs	157,423	157,911
Other pension costs	59,497	57,456
	<u>1,935,921</u>	<u>1,874,009</u>

### DIRECTORS' REMUNERATION

	2002 £	2001 £
Emoluments for qualifying services	<u>178,558</u>	<u>177,090</u>

### 6. TAXATION

	2002 £	2001 £
Domestic current year tax		
Adjustment for prior years	-	(3,422)
Current tax charge	<u>-</u>	<u>(3,422)</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>81,413</u>	<u>170,203</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001: 30.00 %)	<u>24,424</u>	<u>51,061</u>
Effects of:		
Non deductible expenses	3,535	4,438
Capital allowances in excess of depreciation	509	(4,497)
Adjustments to previous periods	-	(3,422)
Group losses utilised	(28,468)	(51,002)
	<u>(24,424)</u>	<u>(54,483)</u>
Current tax charge	<u>-</u>	<u>(3,422)</u>

# Compass Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2002

### 7. TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i>	<i>Fixtures, fittings &amp; equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 January 2002	97,697	168,281	10,024	276,002
Additions	2,058	-	-	2,058
Disposals	(26,652)	-	-	(26,652)
31 December 2002	73,103	168,281	10,024	251,408
Depreciation				
1 January 2002	67,310	122,158	9,202	198,670
Charge in the year	24,124	9,225	205	33,554
Disposals	(26,652)	-	-	(26,652)
31 December 2002	64,782	131,383	9,407	205,572
Net book value				
31 December 2002	8,321	36,898	617	45,836
31 December 2001	30,387	46,124	822	77,333

### 8. DEBTORS

	2002	2001
	£	£
Due within one year:		
Trade debtors	230	-
Amounts owed by group undertakings	2,214,758	1,729,062
Other debtors	823	800
Prepayments and accrued income	241,209	146,640
	2,457,020	1,876,502

### 9. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	283,040	231,198
Amounts owed to group undertakings	1,157,165	912,513
Taxes and social security costs	75,007	70,336
Other creditors	100,838	-
Accruals and deferred income	343,283	274,164
	1,959,333	1,488,211

# Compass Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2002

10 . CREDITORS: Amounts falling due in more than one year	2002 £	2001 £
Loan from group undertakings	<u>86,033</u>	<u>86,033</u>
Loans		
Wholly repayable within five years	<u>86,033</u>	<u>86,033</u>
	<u>86,033</u>	<u>86,033</u>
Loan maturity analysis:		
In more than two years but not more than five years	<u>86,033</u>	<u>86,033</u>
11 . SHARE CAPITAL	2002 £	2001 £
Authorised:		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
12 . STATEMENT OF MOVEMENT ON RESERVES		
		<i>Profit and loss account £</i>
1 January 2002		440,864
Retained profit for the year		<u>81,413</u>
31 December 2002		<u>522,277</u>
13 . RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2002 £	2001 £
Profit for the financial year	81,413	173,625
Opening shareholders' funds	<u>441,864</u>	<u>268,239</u>
Closing shareholders' funds	<u>523,277</u>	<u>441,864</u>

# Compass Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2002

### 14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002 £	2001 £
Land and buildings expiring in the second to fifth year	348,875	-
expiring after five years	-	290,000
Plant and machinery expiring in the second to fifth year	25,187	25,500
	<u>374,062</u>	<u>315,500</u>

### 15. PENSION COSTS

#### DEFINED CONTRIBUTION

	2002 £	2001 £
Contributions payable by the company for the year	<u>59,497</u>	<u>57,456</u>

### 16. 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 £3,332,759 (2001: £3,667,165).

Purchases from group companies £190,953 (2001: £590,076).

Royalties received from group companies £52,923 (2001: £60,484).

Trademark fees received from group companies £76,339 (2001: £292,587).

Trademark fees paid to group companies £47,484 (2001: £182,867).