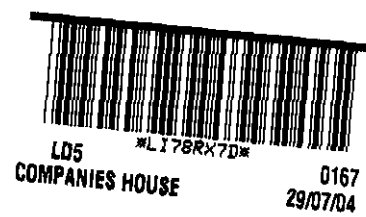


DIRECTORS' REPORT AND FINANCIAL STATEMENTS

TOUCH (GoE) PLC

31 DECEMBER 2003

Registered No. 2885607



TOUCH (GoE) PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2003

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TOUCH (GoE) PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The directors of the company who served during the period are listed below:

Vincent J Isaacs	
Paul M Ashley	Resigned 21 February 2003
Tamer Ozmen	Appointed 28 October 2003
Kevin M Beerling ACA	Resigned 29 October 2003
Andrew D Stimpson ACA	Resigned 2 April 2004

SECRETARY

Peter D Katz FCA ATII

REGISTERED OFFICE

Cardinal Tower
12 Farringdon Road
London EC1M 3NN

BANKERS

HSBC
London

Barclays Bank plc
London

SOLICITORS

Olswang
London

AUDITORS

Deloitte & Touche LLP
London

TOUCH (GoE) PLC

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 11 months ended 31 December 2003.

RESULTS AND DIVIDENDS

Consolidated financial statements have been prepared comprising the results of the company and its wholly owned subsidiary Touch (NW) Limited. The loss for the 11 months ended 31 December 2003 after taxation amounted to £850,000 (year ended 31 January 2003 – loss £1,599,000) and has been deducted from reserves.

The directors do not recommend any dividend on the ordinary shares in respect of the 11 months ended 31 December 2003 (year ended 31 January 2003 - £nil).

PRINCIPAL ACTIVITIES

The group's principal activity is the provision of marketing and web services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The year has shown a considerable improvement in the operating performance of the business, with a significant reduction in losses. The business continues to provide web based advertising products to the SME market and has increased the sales proportion of proprietary products. The Directors expect further improvements over the coming year.

DIRECTORS AND THEIR INTERESTS

Details of the directors' interests in the shares of Touch Group plc (formerly Ambient plc) are given in that company's financial statements. The directors do not hold any shares in the company or any other group company other than Touch Group plc

SUPPLIER PAYMENT POLICY

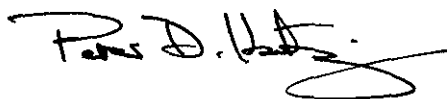
The company's policy is to settle terms of payment with suppliers when agreeing terms for each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 31 December 2003 were equivalent to 28 days (31 January 2003: 22 days) purchases based on an average daily amount invoiced by suppliers during the period.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

On 1 August 2003, Deloitte & Touche, the Group's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

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

A handwritten signature in black ink, appearing to read 'Peter D. Katz', with a stylized flourish at the end.

Peter D Katz
Secretary
28 July 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the company and group as at the end of the financial period and of the profit or loss of the group for that period.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In preparing the 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; and state whether applicable accounting standards have been followed.

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.

INDEPENDENT AUDITORS' REPORT

To the members of Touch (GoE) PLC:

We have audited the financial statements of Touch (GoE) PLC for the period ended 31 December 2003 which comprise the consolidated profit and loss account, balance sheets, combined statement of movements in equity shareholders' deficit and statement of movements on reserves, the statement of accounting policies and the related notes numbered 1 to 18. 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 and other members of the group is not disclosed.

We read the Directors' report and other information contained in the annual report for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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 affairs of the company and the group at 31 December 2003 and of the loss of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London
28 July 2004

TOUCH (GoE) PLC**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the 11 months ended 31 December 2003

		11months ended 31 December 2003	Year ended 31 January 2003
	Notes	£'000	£'000
TURNOVER	1	2,473	2,434
Cost of sales		(800)	(676)
GROSS PROFIT		<u>1,673</u>	<u>1,758</u>
Administrative expenses		(2,518)	(3,350)
OPERATING LOSS	2	<u>(845)</u>	<u>(1,592)</u>
Interest payable	5	(5)	(7)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(850)</u>	<u>(1,599)</u>
Tax on loss on ordinary activities	6	-	-
RETAINED LOSS AFTER TAXATION FOR THE FINANCIAL YEAR		<u>(850)</u>	<u>(1,599)</u>

The accompanying notes are an integral part of this consolidated profit and loss account.

All results derive from continuing operations.

There are no other gains or losses other than the loss for the period of £850,000 (year ended 31 January 2003 – loss £1,599,000).

TOUCH (GoE) PLC

CONSOLIDATED BALANCE SHEET

As at 31 December 2003

		31 December 2003	31 January 2003
	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets			
- goodwill	8	569	599
- other	8	74	30
		<u>643</u>	<u>629</u>
Tangible assets	9	136	223
Investments	10	20	20
		<u>799</u>	<u>872</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	135	113
Cash at bank and in hand		315	197
		<u>450</u>	<u>310</u>
CREDITORS: amounts falling due within one year	12	(2,896)	(1,979)
NET CURRENT LIABILITIES		<u>(2,446)</u>	<u>(1,669)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,647)	(797)
CREDITORS: amounts falling due after more than one year	13	(16)	(16)
NET LIABILITIES		<u>(1,663)</u>	<u>(813)</u>
CAPITAL AND RESERVES			
Called-up share capital	14	14,200	14,200
Share premium account		1,071	1,071
Profit and loss account		(16,934)	(16,084)
EQUITY SHAREHOLDERS' DEFICIT		<u>(1,663)</u>	<u>(813)</u>

The accompanying notes are an integral part of this consolidated balance sheet.

TOUCH (GoE) PLC

COMPANY BALANCE SHEET

As at 31 December 2003

		31 December 2003	31 January 2003
	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets			
- goodwill	8	88	92
- other	8	74	30
		<u>162</u>	<u>122</u>
Tangible assets	9	67	173
Investments	10	20	20
		<u>249</u>	<u>315</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	84	53
Debtors: amounts falling due after more than one year	11	602	553
Cash at bank and in hand		27	11
		<u>713</u>	<u>617</u>
CREDITORS: amounts falling due within one year	12	(2,115)	(1,496)
NET CURRENT LIABILITIES		<u>(1,402)</u>	<u>(879)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,153)	(564)
CREDITORS: amounts falling due after more than one year	13	(16)	(16)
NET LIABILITIES		<u>(1,169)</u>	<u>(580)</u>
CAPITAL AND RESERVES			
Called-up share capital	14	14,200	14,200
Share premium account		1,071	1,071
Profit and loss account		(16,440)	(15,851)
EQUITY SHAREHOLDERS' DEFICIT		<u>(1,169)</u>	<u>(580)</u>

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

Approved by the board on 28 July 2004 and signed on its behalf by

V Isaacs
Director

TOUCH (GoE) PLC

**COMBINED STATEMENT OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT
AND STATEMENT OF MOVEMENTS ON RESERVES**

For the 11 months ended 31 December 2003

GROUP

	Issued share capital £'000	Share premium account £'000	Profit and loss account £'000	11 months ended 31 December 2003 £'000	Year ended 31 January 2003 £'000
At beginning of year	14,200	1,071	(16,084)	(813)	786
Retained loss for the year	-	-	(850)	(850)	(1,599)
Issue of share capital	-	-	-	-	-
At end of year	<u>14,200</u>	<u>1,071</u>	<u>(16,934)</u>	<u>(1,663)</u>	<u>(813)</u>

COMPANY

	Issued share capital £'000	Share premium account £'000	Profit and Loss account £'000	11 months ended 31 December 2003 £'000	Year ended 31 January 2003 £'000
At beginning of year	14,200	1,071	(15,851)	(580)	934
Retained loss for the year	-	-	(589)	(589)	(1,514)
Issue of share capital	-	-	-	-	-
At end of year	<u>14,200</u>	<u>1,071</u>	<u>(16,440)</u>	<u>(1,169)</u>	<u>(580)</u>

TOUCH (GoE) PLC

STATEMENT OF ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

Basis of preparation

The company has taken advantage of the exemption under the Financial Reporting Standard No.1 (revised) 'Cash flow Statements' not to present a cash flow statement as it is a wholly owned subsidiary of an EC parent company, which publishes a consolidated cash flow statement.

Basis of consolidation

The financial statements consolidate the accounts of Touch (GoE) PLC and its subsidiary undertakings drawn up to 31 December each year. The results of businesses acquired are consolidated for the periods from which control passed. Acquisitions are accounted for under the acquisition method.

Intangible assets – goodwill

Goodwill, representing the excess of fair value of consideration given over the fair value of identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is a maximum of 20 years. Provision is made for any impairment.

Intangible assets – licences

The fair value of acquired licences are amortised over their estimated useful lives or twenty years, whichever is the shorter. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

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

Leasehold improvements	- lease term
Plant, vehicles and equipment	- 3 to 4 years

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid 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 tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not discounted.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors within or after one year. The assets are depreciated over the shorter of the lease term or their useful lives. The interest element of rental obligations is apportioned over the term of the lease.

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Operating lease rentals receivable

Rentals receivable from assets leased to customers under operating leases are credited to the profit and loss account when they become receivable.

NOTES TO THE FINANCIAL STATEMENTS

1 TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

All turnover is generated by one class of business and in one geographic area, the United Kingdom.

2 OPERATING LOSS

	11 months ended 31 December 2003 £'000	Year ended 31 January 2003 £'000
This is stated after charging:		
Auditors' remuneration – audit services	11	11
Amortisation of intangible assets	58	97
Depreciation of owned assets	119	151
Depreciation of assets held under finance leases and hire purchase contracts	24	54
Operating lease rentals paid - land and buildings	44	36
- other	-	5
Loss on disposal of tangible fixed assets	<u>1</u>	<u>-</u>

In addition, the auditors were paid non-audit fees of £9,000 (year ended 31 January 2003 - £4,000).

3 DIRECTORS' REMUNERATION

	11 months ended 31 December 2003 £'000	Year ended 31 January 2003 £'000
Directors' emoluments		
Remuneration	<u>26</u>	<u>93</u>

Kevin M Beerling, Vincent J Isaacs and Andrew D Stimpson were remunerated for services to the group as a whole and their emoluments are disclosed in the financial statements of Touch Group plc (formerly Ambient plc).

TOUCH (GoE) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 STAFF COSTS

	11 months ended 31 December 2003 £'000	Year ended 31 January 2003 £'000
Staff costs during the period (including directors)		
Wages and salaries	1,682	1,763
Social security costs	165	168
	<u>1,847</u>	<u>1,931</u>
Average number of persons employed (including directors)	Number	Number
Total	<u>79</u>	<u>88</u>

5 INTEREST PAYABLE

	11 months ended 31 December 2003 £'000	Year ended 31 January 2003 £'000
Finance charges payable under finance leases and hire purchase contracts	<u>5</u>	<u>7</u>

6 TAX ON LOSS ON ORDINARY ACTIVITIES

There is no current UK tax charge for the year (2003- £nil) due to losses made in the year. At the current tax rate of 30%, the accumulated tax losses give rise to a potential deferred tax asset of £4,694,000 (2002 - £4,418,000), which has not been recognised due to uncertainty as to when it may be recognised. The directors expect that the tax losses will be available to be utilised against future taxable profits when they arise.

	11 months ended 31 December 2003 £'000	Year ended 31 January 2003 £'000
Loss on ordinary activities before tax	<u>(850)</u>	<u>(1,599)</u>
Tax on ordinary activities at the standard rate	255	480
<i>Factors affecting the charge for the period:</i>		
Permanent differences	(17)	-
Capital allowances in excess of depreciation	38	-
Tax losses not utilised	<u>(276)</u>	<u>(480)</u>
Total actual amounts of current tax	<u>-</u>	<u>-</u>

7 LOSS ATTRIBUTABLE TO TOUCH (GoE) PLC

The loss for the 11 months ended 31 December 2003 dealt with in the financial statements of the parent company, Touch (GoE) plc was £589,000 (2003 - loss £1,514,000). As provided by Section 230 of the Companies Act 1985, no profit and loss account is presented in respect of the parent company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000	Licences £'000	Total £'000
Cost			
At 1 February 2003	658	155	813
Additions	-	72	72
At 31 December 2003	<u>658</u>	<u>227</u>	<u>885</u>
Amortisation			
At 1 February 2003	59	125	184
Provided during the year	30	28	58
At 31 December 2003	<u>89</u>	<u>153</u>	<u>242</u>
Net book value			
At 31 December 2003	<u>569</u>	<u>74</u>	<u>643</u>
At 31 January 2003	<u>599</u>	<u>30</u>	<u>629</u>

COMPANY	Goodwill £'000	Licences £'000	Total £'000
Cost			
At 1 February 2003	102	155	257
Additions	-	72	72
At 31 December 2003	<u>102</u>	<u>227</u>	<u>329</u>
Amortisation			
At 1 February 2003	10	125	135
Provided during the year	4	28	32
At 31 December 2003	<u>14</u>	<u>153</u>	<u>167</u>
Net book value			
At 31 December 2003	<u>88</u>	<u>74</u>	<u>162</u>
At 31 January 2003	<u>92</u>	<u>30</u>	<u>122</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 TANGIBLE FIXED ASSETS

GROUP	Leasehold improvements	Plant, vehicles and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 February 2003	33	1,281	1,314
Additions	-	57	57
Disposals	-	(9)	(9)
At 31 December 2003	<u>33</u>	<u>1,329</u>	<u>1,362</u>
Depreciation			
At 1 February 2003	13	1,078	1,091
Provided during the year	6	137	143
Disposals	-	(8)	(8)
At 31 December 2003	<u>19</u>	<u>1,207</u>	<u>1,226</u>
Net book value			
At 31 December 2003	<u>14</u>	<u>122</u>	<u>136</u>
At 31 January 2003	<u>20</u>	<u>203</u>	<u>223</u>

Leased assets included above:

Net book value			
At 31 December 2003	<u>-</u>	<u>13</u>	<u>13</u>
At 31 January 2003	<u>-</u>	<u>37</u>	<u>37</u>

COMPANY	Leasehold improvements	Plant, vehicles and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 February 2003	33	1,207	1,240
Additions	-	14	14
Disposals	-	(9)	(9)
At 31 December 2003	<u>33</u>	<u>1,212</u>	<u>1,245</u>
Depreciation			
At 1 February 2003	13	1,054	1,067
Provided during the year	6	113	119
Disposals	-	(8)	(8)
At 31 December 2003	<u>19</u>	<u>1,159</u>	<u>1,178</u>
Net book value			
At 31 December 2003	<u>14</u>	<u>53</u>	<u>67</u>
At 31 January 2003	<u>20</u>	<u>153</u>	<u>173</u>

Leased assets included above:

Net book value			
At 31 December 2003	<u>-</u>	<u>37</u>	<u>37</u>
At 31 January 2003	<u>-</u>	<u>51</u>	<u>51</u>

TOUCH (GoE) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 INVESTMENTS

Company and Group	Parent company shares £'000
At 31 December 2003 and 31 January 2003	<u>20</u>

The investment in parent company shares arises because The Guild of Excellence Employee Benefit Trustees Limited holds shares in Touch Group plc (formerly Ambient plc) for distribution to employees of Touch (GoE) PLC at the discretion of the Trustees.

None of the shares held by The Guild of Excellence Employee Benefit Trustees Limited at 31 December 2003 had been unconditionally offered to employees and so, in accordance with UITF Abstract 13, the assets and liabilities of the trust company relating to these shares have been included within the accounts of The Guild of Excellence Employee Benefit Trustees Limited.

The investment is held at historic cost. The market value of this investment was £4,000 at 31 December 2003 (31 January 2003 - £5,000).

	Investment in subsidiary undertakings £'000
Cost at 31 January 2003 and 31 December 2003	-
Provisions for impairment at 31 January 2003 and December 2003	-
Net Book Value	<u>-</u>

The subsidiaries of Touch (GoE) PLC, which are all incorporated in Great Britain and registered in England and Wales are as follows:

Name of company	% holding	Nature of business
Touch (NW) Limited	100%	Marketing and web services
The Guild of Excellence Employee Benefit Trustees Limited	100%	Non-trading
Touchjobs Limited	100%	Non-trading

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 DEBTORS: amounts falling due within one year

	Group		Company	
	31 December 2003 £'000	31 January 2003 £'000	31 December 2003 £'000	31 January 2003 £'000
Amounts falling due within one year				
Trade debtors	81	45	55	28
Amounts owed by group undertakings	-	1	-	1
VAT	2	3	2	3
Other debtors	6	25	1	-
Prepayments and accrued income	46	39	26	21
	<u>135</u>	<u>113</u>	<u>84</u>	<u>53</u>
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	602	553

12 CREDITORS: amounts falling due within one year

	Group		Company	
	31 December 2003 £'000	31 January 2003 £'000	31 December 2003 £'000	31 January 2003 £'000
Obligations under finance leases and hire purchase contracts	3	36	3	36
Trade creditors	264	118	8	27
Amounts owed to group undertakings	2,327	1,359	2,021	1,157
Other creditors	16	1	-	-
Taxes and social security	56	87	13	23
Accruals and deferred income	230	378	70	253
	<u>2,896</u>	<u>1,979</u>	<u>2,115</u>	<u>1,496</u>

The amounts owed to group undertakings are interest free, unsecured and have no fixed repayment term.

	Group		Company	
	31 December 2003 £'000	31 January 2003 £'000	31 December 2003 £'000	31 January 2003 £'000
Obligations under finance leases and hire purchase contracts falling due between				
- one to two years	-	4	-	4
- two to five years	16	12	16	12
	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 CALLED-UP SHARE CAPITAL

	31 December 2003 £'000	31 January 2003 £'000
<i>Authorised:</i>		
1,600,000,000 ordinary shares of 1p each	<u>16,000</u>	<u>16,000</u>
<i>Allotted, called up and fully paid</i>		
1,420,000,000 ordinary shares of 1p each	<u>14,200</u>	<u>14,200</u>

Options have been granted under the Touch (GoE) PLC unapproved share option scheme to subscribe for ordinary shares of the company as follows:

Date of grant	Number of shares under option		Exercise price	Exercise Period
	31 December 2003	31 January 2003		
1 March 2001	14,560,000	14,600,000	1p	note a
31 January 2002	<u>45,495,000</u>	<u>68,892,500</u>	1p	note a
	<u>60,055,000</u>	<u>83,492,500</u>		

note a - exercisable from the earlier of the third anniversary of the date of grant and the second anniversary of the earliest to occur of the date of a listing, sale or change of control and expire ten years from the date of grant.

15 OPERATING LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2003		31 January 2003	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
- within one year	-	6	-	1
- within two to five years	<u>53</u>	<u>13</u>	<u>13</u>	<u>36</u>
	<u>53</u>	<u>19</u>	<u>13</u>	<u>37</u>

16 PENSION SCHEME

No contributions were made during the period to the Guild of Excellence plc Directors Pension Scheme. This is a money purchase scheme with one eligible member, being Vincent J Isaacs.

17 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in Financial Reporting Standard Number 8 from disclosure in respect of intragroup related party transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The smallest and largest group in which the results of Touch (GoE) PLC are consolidated is that headed by Touch Group plc (formerly Ambient plc). The company's immediate and ultimate parent and controlling company is Touch Group plc (formerly Ambient plc), which is incorporated in Great Britain. The financial statements of Touch Group plc (formerly Ambient plc) can be obtained from that company's registered office, which is Cardinal Tower, 12 Farringdon Road, London EC1M 3NN.