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**SERVICECARE SUPPORT SERVICES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2002**

**Company Number: 3024924**



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**SERVICECARE SUPPORT SERVICES LIMITED**

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**Company Information**

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|--------------------------|------------------------------------------------------------------------------------------|
| <b>Directors</b>         | J M Day<br>D Aspin<br>G Furness<br>S Cook<br>R Van Dalen (appointed 26.3.01)             |
| <b>Secretary</b>         | Mrs D Day & Mrs L Furness                                                                |
| <b>Company Number</b>    | 3024924                                                                                  |
| <b>Registered Office</b> | Orme Mill<br>Greenacres Road<br>Oldham<br>OL4 3NS                                        |
| <b>Auditor</b>           | Kay Johnson Gee<br>Griffin Court<br>201 Chapel Street<br>Salford<br>Manchester<br>M3 5EQ |

**SERVICECARE SUPPORT SERVICES LIMITED**

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# SERVICECARE SUPPORT SERVICES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and the financial statements for the year ended 31 March 2002.

### CHAIRMAN'S STATEMENT - 2001/2002

#### Introduction

I am pleased to report that 2001 - 2002 was an excellent year for Servicecare. During the year we completed the acquisition of Servicecare BV, a Dutch company in April 2001 and this has resulted in positive effect on the business, in both terms of growth and penetration of the manufacturing support marketplace.

#### Results

Servicecare achieved a pre-tax profit of £366,920 representing a substantial increase on last year's results (2001 - £249,353) with growth in turnover to £4.3m from our previous position of £4.0m.

The results are particularly satisfying given our growth in these new area, against a backdrop of stabilisation in the IT marketplace resulting from changes in the world economy.

#### Statement of directors' responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### Results and dividends

The profit for the year after taxation, amounted to £254,238 (2001 - £185,972) .

#### Principal activities and review of business

The company's principal activity continues to be that of the repair and support of computer peripheral equipment and also, the repair and service of electrical equipment

#### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

|                                 | <u>Redeemable shares of £1 each</u> |             | <u>A Ordinary shares of £1 each</u> |             |
|---------------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
|                                 | <u>2002</u>                         | <u>2001</u> | <u>2002</u>                         | <u>2001</u> |
| J M Day                         | 150                                 | 150         | 7,076                               | 7,076       |
| D Aspin                         | -                                   | -           | 1,312                               | 1,312       |
| G Furness                       | -                                   | -           | 4,100                               | 4,100       |
| S Cook                          | -                                   | -           | 1,412                               | 1,412       |
|                                 |                                     |             | <u>B Ordinary shares of £1 each</u> |             |
|                                 |                                     |             | <u>2002</u>                         | <u>2001</u> |
| R Van Dalen (appointed 26.3.01) | -                                   | -           | 1,143                               | -           |

#### Subsidiary

During the year the company acquired the share capital of N.G.P. Holland B.V. A company incorporated in

SERVICECARE SUPPORT SERVICES LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

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Holland. The principal activity of the subsidiary is the repair and support of computer peripheral equipment and also, the repair and service of electrical equipment. The company subsequently changed its name to Servicecare B.V. on 29 April 2002.

**Auditors**

The auditors, Kay Johnson Gee, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 26 April 2002 and signed on its behalf.



Mrs D Day & Mrs L Furness  
Secretary

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**AUDITORS' REPORT TO SERVICECARE SUPPORT SERVICES LIMITED**

**pursuant to section 247B of the Companies Act 1985**

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We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of SERVICECARE SUPPORT SERVICES LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2002.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

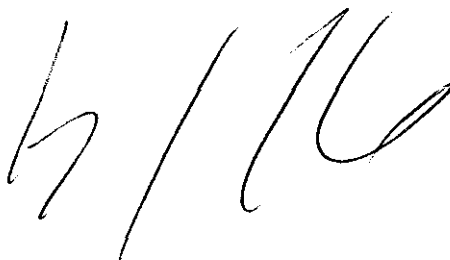
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages {T#-#} are properly prepared in accordance with that provision.

**Kay Johnson Gee**

Chartered Accountants  
and Registered Auditors  
Griffin Court  
201 Chapel Street  
Salford  
Manchester  
M3 5EQ



Date: 26 NOV 2002

**SERVICECARE SUPPORT SERVICES LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 March 2002

|                                                      | Note     | 2002<br>£          | 2001<br>£          |
|------------------------------------------------------|----------|--------------------|--------------------|
| <b>GROSS PROFIT</b>                                  |          | <b>1,688,799</b>   | <b>1,461,622</b>   |
| Selling and distribution costs                       |          | <b>(2,336)</b>     | <b>(2,704)</b>     |
| Administrative expenses                              |          | <b>(1,311,355)</b> | <b>(1,191,874)</b> |
| <b>OPERATING PROFIT</b>                              | <b>2</b> | <b>375,108</b>     | <b>267,044</b>     |
| Profit on disposal of tangible fixed assets          |          | <b>10,509</b>      | <b>-</b>           |
|                                                      |          | <b>385,617</b>     | <b>267,044</b>     |
| Interest receivable                                  | 5        | <b>541</b>         | <b>734</b>         |
| Interest payable                                     | 6        | <b>(19,238)</b>    | <b>(18,425)</b>    |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>366,920</b>     | <b>249,353</b>     |
| <b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>     | <b>7</b> | <b>(112,682)</b>   | <b>(63,381)</b>    |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |          | <b>254,238</b>     | <b>185,972</b>     |
| <b>RETAINED PROFIT FOR THE YEAR</b>                  |          | <b>254,238</b>     | <b>185,972</b>     |
| <b>RETAINED PROFIT BROUGHT FORWARD</b>               |          | <b>473,313</b>     | <b>287,341</b>     |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |          | <b>£ 727,551</b>   | <b>£ 473,313</b>   |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2002 or 2001 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

# SERVICECARE SUPPORT SERVICES LIMITED

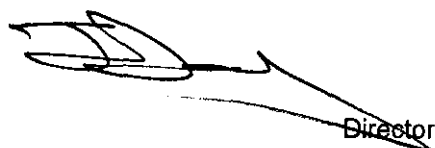
## BALANCE SHEET As at 31 March 2002

|                                                                | Note | £              | 2002<br>£          | £              | 2001<br>£          |
|----------------------------------------------------------------|------|----------------|--------------------|----------------|--------------------|
| <b>FIXED ASSETS</b>                                            |      |                |                    |                |                    |
| Intangible fixed assets                                        | 8    |                | 862,344            |                | 912,095            |
| Tangible fixed assets                                          | 9    |                | 102,038            |                | 117,037            |
| Investments                                                    | 10   |                | 472,655            |                | 15,432             |
|                                                                |      |                | <u>1,437,037</u>   |                | <u>1,044,564</u>   |
| <b>CURRENT ASSETS</b>                                          |      |                |                    |                |                    |
| Stocks                                                         | 11   | 55,008         |                    | 80,712         |                    |
| Debtors                                                        | 12   | 920,686        |                    | 635,583        |                    |
| Cash at bank and in hand                                       |      | 7,335          |                    | 376            |                    |
|                                                                |      | <u>983,029</u> |                    | <u>716,671</u> |                    |
| <b>CREDITORS: amounts falling due within one year</b>          | 13   | (860,989)      |                    | (709,106)      |                    |
| <b>NET CURRENT ASSETS</b>                                      |      |                | <u>122,040</u>     |                | <u>7,565</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                | <u>1,559,077</u>   |                | <u>1,052,129</u>   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 14   |                | (109,479)          |                | (8,816)            |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                  | 15   |                | (2,047)            |                | -                  |
| <b>NET ASSETS</b>                                              |      |                | <u>£ 1,447,551</u> |                | <u>£ 1,043,313</u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                |                    |                |                    |
| Called up share capital                                        | 16   |                | 15,243             |                | 14,100             |
| Share premium account                                          | 17   |                | 704,757            |                | 555,900            |
| Profit and loss account                                        |      |                | 727,551            |                | 473,313            |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 18   |                | <u>£ 1,447,551</u> |                | <u>£ 1,043,313</u> |

Shareholders' Funds include non-equity interests

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The financial statements were approved by the board on 26<sup>th</sup> Nov 2002 and signed on its behalf

  
Director

The notes on pages 8 to 16 form part of these financial statements.

**SERVICECARE SUPPORT SERVICES LIMITED**

**CASH FLOW STATEMENT**  
For the year ended 31 March 2002

|                                                                           | Note | £        | 2002<br>£        | £        | 2001<br>£        |
|---------------------------------------------------------------------------|------|----------|------------------|----------|------------------|
| <b>Net cash inflow from operating activities (Page 7)</b>                 |      |          | <b>447,248</b>   |          | <b>281,705</b>   |
| <b>Returns on investments and servicing of finance</b>                    | 19   |          | <b>(18,697)</b>  |          | <b>(17,691)</b>  |
| <b>Taxation</b>                                                           |      |          | <b>(72,023)</b>  |          | <b>(42,737)</b>  |
| <b>Capital expenditure and financial investment</b>                       | 19   |          | <b>(10,344)</b>  |          | <b>9,549</b>     |
| <b>Acquisitions and disposals</b>                                         | 19   |          | <b>(457,223)</b> |          | <b>(14,432)</b>  |
| <b>Cash (outflow)/inflow before use of liquid resources and financing</b> |      |          | <b>(111,039)</b> |          | <b>216,394</b>   |
| <b>Financing:</b>                                                         | 19   |          |                  |          |                  |
| Issue of shares                                                           |      | 150,000  |                  | -        |                  |
| Decrease in debt                                                          |      | (22,648) |                  | (23,255) |                  |
|                                                                           |      |          | <b>127,352</b>   |          | <b>(23,255)</b>  |
| <b>Increase in cash in the period</b>                                     |      |          | <b>£ 16,313</b>  |          | <b>£ 193,139</b> |

The notes on pages 8 to 16 form part of these financial statements.

**SERVICECARE SUPPORT SERVICES LIMITED**

**CASH FLOW STATEMENT INFORMATION**  
For the year ended 31 March 2002

|                                                                                            | Note | 2002<br>£         | 2001<br>£         |
|--------------------------------------------------------------------------------------------|------|-------------------|-------------------|
| <b>RECONCILIATION OF OPERATING PROFIT TO NET CASH<br/>INFLOW FROM OPERATING ACTIVITIES</b> |      |                   |                   |
| Operating profit                                                                           |      | 375,108           | 267,044           |
| Amortisation of intangible assets                                                          |      | 49,751            | 49,751            |
| Depreciation of tangible fixed assets                                                      |      | 51,202            | 75,550            |
| (Increase)/decrease in debtors                                                             |      | (285,103)         | 16,623            |
| Decrease/(increase) in stocks                                                              |      | 25,704            | (10,160)          |
| Increase/(decrease) in creditors                                                           |      | 230,586           | (117,103)         |
| <b>Net cash inflow from operating activities</b>                                           |      | <b>£ 447,248</b>  | <b>£ 281,705</b>  |
| <b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT<br/>IN NET DEBT</b>                         |      |                   |                   |
|                                                                                            | 20   |                   |                   |
| <b>Increase in cash in the period</b>                                                      |      | <b>16,313</b>     | <b>193,139</b>    |
| Cash inflow from increase<br>in debt and lease financing                                   |      | <b>22,648</b>     | <b>23,255</b>     |
| Change in net debt resulting from cash flows                                               |      | <b>38,961</b>     | <b>216,394</b>    |
| New finance leases                                                                         |      | <b>(15,350)</b>   | <b>-</b>          |
| <b>Movement in net debt in the period</b>                                                  |      | <b>23,611</b>     | <b>216,394</b>    |
| <b>Net debt at 1 April 2001</b>                                                            |      | <b>(35,111)</b>   | <b>(251,505)</b>  |
| <b>Net debt at 31 March 2002</b>                                                           |      | <b>£ (11,500)</b> | <b>£ (35,111)</b> |

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NOTES TO THE ABBREVIATED ACCOUNTS  
For the year ended 31 March 2002

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                     |   |     |                     |
|---------------------|---|-----|---------------------|
| Leasehold buildings | - | 50% | straight line basis |
| Motor vehicles      | - | 25% | straight line basis |
| Fixtures & fittings | - | 20% | straight line basis |

**1.4 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.5 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**1.6 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.7 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 March 2002**

**1.8 Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes. Deferred tax is only provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets.

**1.9 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.10 Goodwill**

Goodwill arising on the acquisition of Electrotec International Limited is being amortised on a straight line basis over 20 years in accordance with FRS10.

**2. OPERATING PROFIT**

The operating profit is stated after charging:

|                                                         | <b>2002</b>           | <b>2001</b>           |
|---------------------------------------------------------|-----------------------|-----------------------|
|                                                         | <b>£</b>              | <b>£</b>              |
| Amortisation of intangible assets                       | <b>49,751</b>         | <b>49,751</b>         |
| Depreciation of tangible fixed assets                   |                       |                       |
| - owned by the company                                  | <b>38,318</b>         | <b>51,428</b>         |
| - held under finance leases and hire purchase contracts | <b>12,884</b>         | <b>24,122</b>         |
| Audit fees                                              | <b>9,675</b>          | <b>6,925</b>          |
| Operating lease rentals                                 |                       |                       |
| - other                                                 | <b>227,122</b>        | <b>204,075</b>        |
|                                                         | <u><b>227,122</b></u> | <u><b>204,075</b></u> |

**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

|                       | <b>2002</b>               | <b>2001</b>               |
|-----------------------|---------------------------|---------------------------|
|                       | <b>£</b>                  | <b>£</b>                  |
| Wages and salaries    | <b>2,177,267</b>          | <b>2,062,821</b>          |
| Social security costs | <b>170,361</b>            | <b>162,010</b>            |
| Other pension costs   | <b>34,738</b>             | <b>26,408</b>             |
|                       | <u><b>£ 2,382,366</b></u> | <u><b>£ 2,251,239</b></u> |

The average monthly number of employees, including directors, during the year was as follows:

|                | <b>2002</b>       | <b>2001</b>       |
|----------------|-------------------|-------------------|
| Production     | <b>127</b>        | <b>144</b>        |
| Administration | <b>30</b>         | <b>20</b>         |
|                | <u><b>157</b></u> | <u><b>164</b></u> |

**SERVICECARE SUPPORT SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**4. DIRECTORS' REMUNERATION**

|                                                                                 | <b>2002</b>      | <b>2001</b>      |
|---------------------------------------------------------------------------------|------------------|------------------|
|                                                                                 | <b>£</b>         | <b>£</b>         |
| Aggregate emoluments                                                            | <b>303,950</b>   | 282,398          |
|                                                                                 | <u>£ 303,950</u> | <u>£ 282,398</u> |
| Included in the above are emoluments, excluding pension contributions, paid to: |                  |                  |
| The chairman                                                                    | <u>£ 119,011</u> | <u>£ 104,957</u> |
| Highest paid director                                                           | <u>£ 69,112</u>  | <u>£ 69,821</u>  |

**5. INTEREST RECEIVABLE**

|                           | <b>2002</b>  | <b>2001</b>  |
|---------------------------|--------------|--------------|
|                           | <b>£</b>     | <b>£</b>     |
| Other interest receivable | <u>£ 541</u> | <u>£ 734</u> |

**6. INTEREST PAYABLE**

|                                               | <b>2002</b>     | <b>2001</b>     |
|-----------------------------------------------|-----------------|-----------------|
|                                               | <b>£</b>        | <b>£</b>        |
| On bank loans and overdrafts                  | 16,683          | 13,863          |
| On finance leases and hire purchase contracts | 2,555           | 4,562           |
|                                               | <u>£ 19,238</u> | <u>£ 18,425</u> |

**7. TAXATION**

|                                        | <b>2002</b>      | <b>2001</b>     |
|----------------------------------------|------------------|-----------------|
|                                        | <b>£</b>         | <b>£</b>        |
| <b>Current year taxation</b>           |                  |                 |
| UK Corporation Tax at 30% (2001 - 20%) | 110,635          | 63,469          |
| Transfer to deferred taxation          | 2,047            | -               |
|                                        | <u>112,682</u>   | <u>63,469</u>   |
| <b>Prior years</b>                     |                  |                 |
| UK corporation tax                     | -                | (88)            |
|                                        | <u>£ 112,682</u> | <u>£ 63,381</u> |

**SERVICECARE SUPPORT SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**8. INTANGIBLE FIXED ASSETS**

|                       | <b>Goodwill</b>  | <b>Total</b>     |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| <b>Cost</b>           |                  |                  |
| At 1 April 2001       | <b>995,013</b>   | <b>995,013</b>   |
| At 31 March 2002      | <b>995,013</b>   | <b>995,013</b>   |
| <b>Amortisation</b>   |                  |                  |
| At 1 April 2001       | <b>82,918</b>    | <b>82,918</b>    |
| Charge for year       | <b>49,751</b>    | <b>49,751</b>    |
| At 31 March 2002      | <b>132,669</b>   | <b>132,669</b>   |
| <b>Net Book Value</b> |                  |                  |
| At 31 March 2002      | <b>£ 862,344</b> | <b>£ 862,344</b> |
| At 31 March 2001      | <b>£ 912,095</b> | <b>£ 912,095</b> |

**9. TANGIBLE FIXED ASSETS**

|                          | <b>Long Term<br/>Leasehold Land<br/>&amp; Buildings</b> | <b>Fixtures &amp;<br/>Equipment</b> | <b>Motor<br/>Vehicles</b> | <b>Total</b>     |
|--------------------------|---------------------------------------------------------|-------------------------------------|---------------------------|------------------|
|                          | <b>£</b>                                                | <b>£</b>                            | <b>£</b>                  | <b>£</b>         |
| <b>Cost or valuation</b> |                                                         |                                     |                           |                  |
| At 1 April 2001          | <b>29,056</b>                                           | <b>181,814</b>                      | <b>61,207</b>             | <b>272,077</b>   |
| Additions                | <b>-</b>                                                | <b>29,592</b>                       | <b>15,350</b>             | <b>44,942</b>    |
| Disposals                | <b>-</b>                                                | <b>-</b>                            | <b>(61,207)</b>           | <b>(61,207)</b>  |
| At 31 March 2002         | <b>29,056</b>                                           | <b>211,406</b>                      | <b>15,350</b>             | <b>255,812</b>   |
| <b>Depreciation</b>      |                                                         |                                     |                           |                  |
| At 1 April 2001          | <b>26,869</b>                                           | <b>88,268</b>                       | <b>39,903</b>             | <b>155,040</b>   |
| Charge for year          | <b>2,187</b>                                            | <b>36,131</b>                       | <b>12,884</b>             | <b>51,202</b>    |
| On disposals             | <b>-</b>                                                | <b>-</b>                            | <b>(52,468)</b>           | <b>(52,468)</b>  |
| At 31 March 2002         | <b>29,056</b>                                           | <b>124,399</b>                      | <b>319</b>                | <b>153,774</b>   |
| <b>Net Book Value</b>    |                                                         |                                     |                           |                  |
| At 31 March 2002         | <b>£ -</b>                                              | <b>£ 87,007</b>                     | <b>£ 15,031</b>           | <b>£ 102,038</b> |
| At 31 March 2001         | <b>£ 2,187</b>                                          | <b>£ 93,546</b>                     | <b>£ 21,304</b>           | <b>£ 117,037</b> |

Included above are assets held under finance leases or hire purchase contracts as follows:

|                      | <b>2002</b>     | <b>2001</b>     |
|----------------------|-----------------|-----------------|
|                      | <b>£</b>        | <b>£</b>        |
| Motor vehicles       | <b>15,031</b>   | <b>21,304</b>   |
| Fixtures & equipment | <b>3,766</b>    | <b>9,253</b>    |
|                      | <b>£ 18,797</b> | <b>£ 30,557</b> |

**SERVICECARE SUPPORT SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**10. FIXED ASSET INVESTMENTS**

|                       | Shares<br>in group<br>undertakings<br>£ | Total<br>£     |
|-----------------------|-----------------------------------------|----------------|
| <b>Cost</b>           |                                         |                |
| At 1 April 2001       | 15,432                                  | 15,432         |
| Additions             | 457,223                                 | 457,223        |
|                       | <u>472,655</u>                          | <u>472,655</u> |
| At 31 March 2002      |                                         |                |
|                       | <u>472,655</u>                          | <u>472,655</u> |
| <b>Net Book Value</b> |                                         |                |
| At 31 March 2002      | £ 472,655                               | £ 472,655      |
|                       | <u>472,655</u>                          | <u>472,655</u> |
| At 31 March 2001      | £ 15,432                                | £ 15,432       |
|                       | <u>15,432</u>                           | <u>15,432</u>  |

Investments include an investment in a subsidiary, Electrotec International Limited, comprising a holding of 100% of its issued ordinary capital. Following the acquisition of Electrotec International Limited in the year ended 31st March 2000, all of its assets and liabilities were transferred to Servicecare Support Services Limited for a consideration of £1,141,599. As at 31 March 2002 the aggregate of its capital and reserves was £1,000.

Investments include an investment in a subsidiary, Servicecare B.V. a company registered in Holland, comprising a holding of 100% of its issued ordinary capital.

During its latest financial period of 15 months to 31st March 2002 Servicecare B.V. made a profit after tax of £7,752 and at the end of that year the aggregate of its capital and reserves was £133,799.

**11. STOCKS**

|                  | 2002<br>£       | 2001<br>£       |
|------------------|-----------------|-----------------|
| Raw materials    | 34,167          | 72,837          |
| Work in progress | 20,841          | 7,875           |
|                  | <u>£ 55,008</u> | <u>£ 80,712</u> |

**12. DEBTORS**

|                                    | 2002<br>£        | 2001<br>£        |
|------------------------------------|------------------|------------------|
| <b>Due within one year</b>         |                  |                  |
| Trade debtors                      | 800,271          | 598,969          |
| Amounts owed by group undertakings | 87,132           | -                |
| Other debtors                      | 24,765           | 26,656           |
| Prepayments and accrued income     | 8,518            | 9,958            |
|                                    | <u>£ 920,686</u> | <u>£ 635,583</u> |

Included within other debtors due within one year is a loan of £NIL (2001 - £1,452) to the directors, a director. The maximum amount outstanding during the year was £1,492.

**SERVICECARE SUPPORT SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**13. CREDITORS:**

**Amounts falling due within one year**

|                                                                    | <b>2002</b>      | <b>2001</b>      |
|--------------------------------------------------------------------|------------------|------------------|
|                                                                    | <b>£</b>         | <b>£</b>         |
| Bank loans and overdrafts                                          | 4,275            | 13,629           |
| Net obligations under finance lease<br>and hire purchase contracts | 5,081            | 13,042           |
| Trade creditors                                                    | 225,812          | 214,472          |
| Amounts owed to group undertakings                                 | 1,000            | 1,000            |
| Corporation tax                                                    | 101,944          | 63,332           |
| Social security and other taxes                                    | 142,406          | 124,411          |
| Other creditors                                                    | 338,553          | 229,761          |
| Accruals and deferred income                                       | 41,918           | 49,459           |
|                                                                    | <u>£ 860,989</u> | <u>£ 709,106</u> |

The bank overdraft is secured by a fixed and floating charge over the company's assets dated 12 May 1995 and a debenture dated 3 August 1999. The hire purchase contracts are secured on the assets concerned.

Included within other creditors are amounts due to HSBC Invoice Finance (UK) Ltd of £192,447 (2001 £39,237) which are secured on the company's trade debtors.

**14. CREDITORS:**

**Amounts falling due after more than one year**

|                                                                    | <b>2002</b>      | <b>2001</b>    |
|--------------------------------------------------------------------|------------------|----------------|
|                                                                    | <b>£</b>         | <b>£</b>       |
| Net obligations under finance lease and<br>hire purchase contracts | 9,479            | 8,816          |
| Other creditors                                                    | 100,000          | -              |
|                                                                    | <u>£ 109,479</u> | <u>£ 8,816</u> |

Included within the above are amounts falling due as follows:

**In 1 - 2 years:**

|                                             |              |              |
|---------------------------------------------|--------------|--------------|
| Finance lease and hire purchase obligations | <u>9,479</u> | <u>8,816</u> |
|---------------------------------------------|--------------|--------------|

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

|                     | <b>2002</b>    | <b>2001</b> |
|---------------------|----------------|-------------|
|                     | <b>£</b>       | <b>£</b>    |
| <i>Deferred Tax</i> |                |             |
| At 1 April 2001     | -              | -           |
| Charge for the year | <u>£ 2,047</u> | <u>£ -</u>  |

**SERVICECARE SUPPORT SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**16. CALLED UP SHARE CAPITAL**

|                                                       | <b>2002</b>            | <b>2001</b>            |
|-------------------------------------------------------|------------------------|------------------------|
|                                                       | <b>£</b>               | <b>£</b>               |
| <b>Authorised</b>                                     |                        |                        |
| 13,900 A ordinary shares of £1 each                   | <b>13,900</b>          | <b>13,900</b>          |
| 200 Redeemable shares of £1 each                      | <b>200</b>             | <b>200</b>             |
| 1,143 B ordinary shares of £1 each                    | <b>1,143</b>           | <b>-</b>               |
|                                                       | <u><b>£ 15,243</b></u> | <u><b>£ 14,100</b></u> |
| <b>Authorised, allotted, called up and fully paid</b> |                        |                        |
| 13,900 A ordinary shares of £1 each                   | <b>13,900</b>          | <b>13,900</b>          |
| 200 Redeemable shares of £1 each                      | <b>200</b>             | <b>200</b>             |
| 1,143 B ordinary shares of £1 each                    | <b>1,143</b>           | <b>-</b>               |
|                                                       | <u><b>£ 15,243</b></u> | <u><b>£ 14,100</b></u> |

During the year 1143 B ordinary shares of £1.00 each were issued fully paid for cash at par.

The redeemable shares are non-voting shares.

During the year 1143 B Ordinary shares were issued in connection with the acquisition of Servicecare B.V.

**17. RESERVES**

|                                          | <b>£</b>                |
|------------------------------------------|-------------------------|
| <b>Share Premium Account</b>             |                         |
| At 1 April 2001                          | <b>555,900</b>          |
| Premium on shares issued during the year | <b>148,857</b>          |
|                                          | <u><b>£ 704,757</b></u> |

**18. SHAREHOLDERS' FUNDS**

|                                                           |                           |                           |
|-----------------------------------------------------------|---------------------------|---------------------------|
| <b>Reconciliation of movements on shareholders' funds</b> | <b>2002</b>               | <b>2001</b>               |
|                                                           | <b>£</b>                  | <b>£</b>                  |
| Profit for the year                                       | <b>254,238</b>            | <b>185,972</b>            |
| Shares issued during year                                 | <b>1,143</b>              | <b>-</b>                  |
| Share premium on shares issued                            | <b>148,857</b>            | <b>-</b>                  |
|                                                           | <u><b>404,238</b></u>     | <u><b>185,972</b></u>     |
| Opening shareholders' funds                               | <b>1,043,313</b>          | <b>857,341</b>            |
|                                                           | <u><b>£ 1,447,551</b></u> | <u><b>£ 1,043,313</b></u> |
| Closing shareholders' funds                               |                           |                           |

**SERVICECARE SUPPORT SERVICES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

|                                                                             |                           |                           |
|-----------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Analysis of shareholders' funds</b>                                      |                           |                           |
|                                                                             | <b>2002</b>               | <b>2001</b>               |
|                                                                             | <b>£</b>                  | <b>£</b>                  |
| Non-equity interests                                                        | <b>200</b>                | <b>200</b>                |
| Equity interests                                                            | <b>1,447,351</b>          | <b>1,043,113</b>          |
|                                                                             | <u><b>£ 1,447,551</b></u> | <u><b>£ 1,043,313</b></u> |
| <br><b>19. ANALYSIS OF CASH FLOWS FOR HEADINGS</b>                          |                           |                           |
| <b>NETTED IN THE CASH FLOW STATEMENT</b>                                    |                           |                           |
|                                                                             | <b>2002</b>               | <b>2001</b>               |
|                                                                             | <b>£</b>                  | <b>£</b>                  |
| <b>Returns on investments and servicing of finance</b>                      |                           |                           |
| Interest received                                                           | <b>541</b>                | <b>734</b>                |
| Interest paid                                                               | <b>(16,683)</b>           | <b>(13,863)</b>           |
| Interest element of finance lease rentals                                   | <b>(2,555)</b>            | <b>(4,562)</b>            |
|                                                                             | <u></u>                   | <u></u>                   |
| <b>Net cash outflow for returns on investments and servicing of finance</b> | <u><b>£ (18,697)</b></u>  | <u><b>£ (17,691)</b></u>  |
| <br><b>Capital expenditure and financial investment</b>                     |                           |                           |
| Purchase of tangible fixed assets                                           | <b>(29,592)</b>           | <b>(40,202)</b>           |
| Sale of intangible fixed assets                                             | <b>-</b>                  | <b>49,751</b>             |
| Sale of tangible fixed assets                                               | <b>19,248</b>             | <b>-</b>                  |
|                                                                             | <u></u>                   | <u></u>                   |
| <b>Net cash (outflow)/inflow for capital expenditure</b>                    | <u><b>£ (10,344)</b></u>  | <u><b>£ 9,549</b></u>     |
| <br><b>Acquisitions and disposals</b>                                       |                           |                           |
| Purchase of Servicecare BV subsidiary company                               | <b>(457,223)</b>          | <b>(14,432)</b>           |
|                                                                             | <u></u>                   | <u></u>                   |
| <b>Net cash outflow for acquisitions and disposals</b>                      | <u><b>£ (457,223)</b></u> | <u><b>£ (14,432)</b></u>  |
| <br><b>Financing</b>                                                        |                           |                           |
| Issue of ordinary shares                                                    | <b>150,000</b>            | <b>-</b>                  |
|                                                                             | <u></u>                   | <u></u>                   |
| Capital element of finance lease rentals                                    | <b>(22,648)</b>           | <b>(23,255)</b>           |
|                                                                             | <u></u>                   | <u></u>                   |
| <b>Net cash inflow/(outflow) from financing</b>                             | <u><b>£ 127,352</b></u>   | <u><b>£ (23,255)</b></u>  |

# SERVICECARE SUPPORT SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2002

### 20. ANALYSIS OF NET DEBT

|                          | At<br>1 Apr 2001<br>£ | Cash flow<br>£  | Other<br>changes<br>£ | At<br>31 Mar 2002<br>£ |
|--------------------------|-----------------------|-----------------|-----------------------|------------------------|
| <b>Net cash:</b>         |                       |                 |                       |                        |
| Cash at bank and in hand | 376                   | 6,959           |                       | 7,335                  |
| Bank overdrafts          | (13,629)              | 9,354           |                       | (4,275)                |
|                          | <u>(13,253)</u>       | <u>16,313</u>   |                       | <u>3,060</u>           |
| <b>Debt:</b>             |                       |                 |                       |                        |
| Finance leases           | (21,858)              | 22,648          | (15,350)              | (14,560)               |
| <b>Net debt</b>          | <u>£ (35,111)</u>     | <u>£ 38,961</u> | <u>£ (15,350)</u>     | <u>£ (11,500)</u>      |

### 21. OTHER COMMITMENTS

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

|                       | Land and buildings |           |           |           |
|-----------------------|--------------------|-----------|-----------|-----------|
|                       | 2002<br>£          | 2001<br>£ | 2002<br>£ | 2001<br>£ |
| <b>Expiry date:</b>   |                    |           |           |           |
| Between 2 and 5 years | 101,288            | 101,288   | -         | -         |
| In more than 5 years  | 100,500            | 100,500   | -         | -         |

### 22. PENSION COMMITMENTS

The company makes contributions to defined contribution pension arrangements to secure retirement benefits for employees. The assets of the scheme are held separately from those of the company. The total pension cost charge for the year was £34,738 (2001 - £26,408), with no outstanding or prepaid contributions at the year end.

### 23. RELATED PARTIES

During the year the company had the following transactions and balances with its subsidiary Servicecare B.V.:-

|                 | 2002<br>£ | 2001<br>£ |
|-----------------|-----------|-----------|
| Sales           | 104,193   | -         |
| Purchases       | 15,058    | -         |
| Year end debtor | 87,132    | -         |

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**SERVICECARE SUPPORT SERVICES LIMITED AND ITS  
SUBSIDIARIES**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2002**

**Company Number: 3024924**

**COMPANIES HOUSE  
13/12/02  
COMPANIES HOUSE**

**13/12/02  
13/12/02**

**SERVICECARE SUPPORT SERVICES LIMITED AND ITS SUBSIDIARIES**

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**Company Information**

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|                          |                                                                                          |
|--------------------------|------------------------------------------------------------------------------------------|
| <b>Directors</b>         | J M Day<br>D Aspin<br>G Furness<br>S Cook<br>R Van Dalen (appointed 26.3.01)             |
| <b>Secretary</b>         | Mrs D Day & Mrs L Furness                                                                |
| <b>Company Number</b>    | 3024924                                                                                  |
| <b>Registered Office</b> | Orme Mill<br>Greenacres Road<br>Oldham<br>OL4 3NS                                        |
| <b>Auditor</b>           | Kay Johnson Gee<br>Griffin Court<br>201 Chapel Street<br>Salford<br>Manchester<br>M3 5EQ |

**SERVICECARE SUPPORT SERVICES LIMITED AND ITS SUBSIDIARIES**

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| Auditors' Report                           | 3           |
| Abbreviated Profit and Loss Account        | 4           |
| Balance Sheet                              | 5           |
| Cash Flow Statement                        | 6 - 7       |
| Notes to the Abbreviated Accounts          | 8 - 16      |

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002**

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The directors present their report and the financial statements for the year ended 31 March 2002.

**Chairman's Statement**

**Introduction**

2001-02 proved to be an excellent year for ServiceCare, building on the solid growth of previous years whilst capitalising on the strategic repositioning as a comprehensive support company to manufacturers of both IT and Consumer products, in conjunction with the complimentary retail and multi vendor markets.

The UK has seen strong growth in consumer electronic service, driven by the widely reported increase in consumer electronic sales, in particular wide screen TV and DVD technologies with many companies reporting increases of up to 20% and DVD's being recorded as the fastest growing product in recent times.

This increasingly complex technology has led to an increased returns rate, this combined with many leading retailers reviewing their internal capabilities has led to greater outsourcing of these functions which saw ServiceCare being successful in partnering with leading retailers in providing this service.

Whilst the IT markets remain volatile in terms of new product sales, ServiceCare's Dutch company continues to look for European wide opportunities with its Far Eastern client base, who remain very cost conscious and we are able to provide a cost efficient alternative to the market leaders. ServiceCare have been successful in securing and extending a number of European deals which although did not significantly impact revenues in the year we remain optimistic of our ability to build these revenues in the future.

**Results**

ServiceCare achieved a pre tax profit of £417,000 in the year representing a 67% annual increase with a corresponding 36% increase in Turnover to £5.5m.

**Future Outlook**

Having achieved our strategic goal of repositioning ourselves and extending the business portfolio to include consumer electronic and Far Eastern OEM manufacturers we aim to continue the strong growth achieved in the UK on a broader scale by accessing larger volumes throughout Europe. Last years achievements saw significant inroads into these ambitions, in particular we will further enhance our European revenues by entering the consumer electronic service business to mirror the benefits seen in the UK.

**Statement of directors' responsibilities**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Results and dividends**

The consolidated profit for the year after taxation, amounted to £279,761 (2001 - £185,972) .

**Principal activities and review of business**

The groups principal activity continues to that of the repair and support of computer peripheral equipment and also, the repair and service of electrical equipment

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002**


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**Directors**

The directors who served during the year and their beneficial interests in the company's issued share capital were:

|                                 | <u>Redeemable shares of £1 each</u> |             | <u>A Ordinary shares of £1 each</u> |             |
|---------------------------------|-------------------------------------|-------------|-------------------------------------|-------------|
|                                 | <u>2002</u>                         | <u>2001</u> | <u>2002</u>                         | <u>2001</u> |
| J M Day                         | 150                                 | 150         | 7,076                               | 7,076       |
| D Aspin                         | -                                   | -           | 1,312                               | 1,312       |
| G Furness                       | -                                   | -           | 4,100                               | 4,100       |
| S Cook                          | -                                   | -           | 1,412                               | 1,412       |
|                                 |                                     |             |                                     |             |
|                                 |                                     |             | <u>B Ordinary shares of £1 each</u> |             |
|                                 |                                     |             | <u>2002</u>                         | <u>2001</u> |
| R Van Dalen (appointed 26.3.01) | -                                   | -           | 1,143                               | -           |

**Subsidiaries**

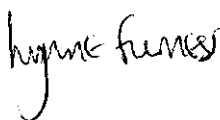
During the year the group acquired the share capital of N.G.P.. Holland B.V. A company incorporated in Holland. The principal activity of the trading subsidiary is the repair and support of computer peripheral equipment and also, the repair and service of electrical equipment. The company's name was changed to Servicecare B.V. on the 29 April 2002.

**Auditors**

The auditors, Kay Johnson Gee, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 26 Nov 2002 and signed on its behalf.

  
 Mrs D Day & Mrs L Furness  
 Secretary



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**AUDITORS' REPORT TO SERVICECARE SUPPORT SERVICES LIMITED**

**pursuant to section 247B of the Companies Act 1985**

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We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of SERVICECARE SUPPORT SERVICES LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2002.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.

**Kay Johnson Gee**

Chartered Accountants  
and Registered Auditors  
Griffin Court  
201 Chapel Street  
Salford  
Manchester  
M3 5EQ

Date: 26-11-02

**SERVICECARE SUPPORT SERVICES LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2002**

|                                                      | Note     | 2002<br>£        | 2001<br>£        |
|------------------------------------------------------|----------|------------------|------------------|
| <b>GROSS PROFIT</b>                                  |          | <b>2,703,494</b> | <b>1,461,622</b> |
| Selling and distribution costs                       |          | (2,336)          | (2,704)          |
| Administrative expenses                              |          | (2,263,088)      | (1,191,874)      |
| <b>OPERATING PROFIT</b>                              | <b>2</b> | <b>438,070</b>   | <b>267,044</b>   |
| Profit on disposal of tangible fixed assets          |          | 10,509           | -                |
|                                                      |          | <b>448,579</b>   | <b>267,044</b>   |
| Interest receivable                                  | 5        | 541              | 734              |
| Interest payable                                     | 6        | (31,926)         | (18,425)         |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>417,194</b>   | <b>249,353</b>   |
| <b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>     | <b>7</b> | <b>(137,433)</b> | <b>(63,381)</b>  |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |          | <b>279,761</b>   | <b>185,972</b>   |
| <b>RETAINED PROFIT FOR THE YEAR</b>                  |          | <b>279,761</b>   | <b>185,972</b>   |
| <b>RETAINED PROFIT BROUGHT FORWARD</b>               |          | <b>473,313</b>   | <b>287,341</b>   |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |          | <b>£ 753,074</b> | <b>£ 473,313</b> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2002 or 2001 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

**SERVICECARE SUPPORT SERVICES LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**  
As at 31 March 2002

|                                                                | Note | £                  | 2002<br>£          | £                | 2001<br>£          |
|----------------------------------------------------------------|------|--------------------|--------------------|------------------|--------------------|
| <b>FIXED ASSETS</b>                                            |      |                    |                    |                  |                    |
| Intangible fixed assets                                        | 8    |                    | 1,226,637          |                  | 912,095            |
| Tangible fixed assets                                          | 9    |                    | 135,807            |                  | 117,037            |
|                                                                |      |                    | <u>1,362,444</u>   |                  | <u>1,029,132</u>   |
| <b>CURRENT ASSETS</b>                                          |      |                    |                    |                  |                    |
| Stocks                                                         | 10   | 84,323             |                    | 80,712           |                    |
| Debtors                                                        | 11   | 1,186,177          |                    | 650,015          |                    |
| Cash at bank and in hand                                       |      | 56,619             |                    | 376              |                    |
|                                                                |      | <u>1,327,119</u>   |                    | <u>731,103</u>   |                    |
| <b>CREDITORS: amounts falling due within one year</b>          | 12   | <u>(1,086,857)</u> |                    | <u>(708,106)</u> |                    |
| <b>NET CURRENT ASSETS</b>                                      |      |                    | <u>240,262</u>     |                  | <u>22,997</u>      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                    | <u>1,602,706</u>   |                  | <u>1,052,129</u>   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 13   |                    | <u>(127,585)</u>   |                  | <u>(8,816)</u>     |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                  | 14   |                    | <u>(2,047)</u>     |                  | <u>-</u>           |
| <b>NET ASSETS</b>                                              |      |                    | <u>£ 1,473,074</u> |                  | <u>£ 1,043,313</u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                    |                    |                  |                    |
| Called up share capital                                        | 15   |                    | 15,243             |                  | 14,100             |
| Share premium account                                          | 16   |                    | 704,757            |                  | 555,900            |
| Profit and loss account                                        |      |                    | 753,074            |                  | 473,313            |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 17   |                    | <u>£ 1,473,074</u> |                  | <u>£ 1,043,313</u> |

Shareholders' Funds include non-equity interests

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The financial statements were approved by the board on 26 Nov 2002 and signed on its behalf

  
Director

The notes on pages 8 to 16 form part of these financial statements.

**SERVICECARE SUPPORT SERVICES LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31 March 2002

|                                                                               | Note | £        | 2002<br>£           | 2001<br>£ | £                    |
|-------------------------------------------------------------------------------|------|----------|---------------------|-----------|----------------------|
| <b>Net cash inflow from operating activities (Page 7)</b>                     |      |          | <b>603,914</b>      |           | <b>266,273</b>       |
| <b>Returns on investments and servicing of finance</b>                        | 18   |          | <b>(31,385)</b>     |           | <b>(17,691)</b>      |
| <b>Taxation</b>                                                               |      |          | <b>(73,897)</b>     |           | <b>(42,737)</b>      |
| <b>Capital expenditure and financial investment</b>                           | 18   |          | <b>(579,512)</b>    |           | <b>(40,202)</b>      |
| <br><b>Cash (outflow)/inflow before use of liquid resources and financing</b> |      |          | <br><b>(80,880)</b> |           | <br><b>165,643</b>   |
| <br><b>Financing:</b>                                                         | 18   |          |                     |           |                      |
| Issue of shares                                                               |      | 150,000  |                     | -         |                      |
| Decrease in debt                                                              |      | (18,782) |                     | (23,255)  |                      |
|                                                                               |      |          | <b>131,218</b>      |           | <b>(23,255)</b>      |
| <br><b>Increase in cash in the period</b>                                     |      |          | <br><b>£ 50,338</b> |           | <br><b>£ 142,388</b> |

The notes on pages 8 to 16 form part of these financial statements.

**SERVICECARE SUPPORT SERVICES LIMITED AND ITS SUBSIDIARIES**

**CASH FLOW STATEMENT INFORMATION**  
For the year ended 31 March 2002

|                                                                                        | Note | £ | 2002<br>£        | 2001<br>£ | £                 |
|----------------------------------------------------------------------------------------|------|---|------------------|-----------|-------------------|
| <b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |      |   |                  |           |                   |
| Operating profit                                                                       |      |   | 438,070          |           | 267,044           |
| Amortisation of intangible assets                                                      |      |   | 68,924           |           | 49,751            |
| Depreciation of tangible fixed assets                                                  |      |   | 225,200          |           | 75,550            |
| (Increase)/decrease in debtors                                                         |      |   | (536,162)        |           | 2,191             |
| Increase in stocks                                                                     |      |   | (3,611)          |           | (10,160)          |
| Increase/(decrease) in creditors                                                       |      |   | 411,493          |           | (118,103)         |
| <b>Net cash inflow from operating activities</b>                                       |      |   | <b>£ 603,914</b> |           | <b>£ 266,273</b>  |
| <b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>                         |      |   |                  |           |                   |
|                                                                                        | 19   |   |                  |           |                   |
| <b>Increase in cash in the period</b>                                                  |      |   | <b>50,338</b>    |           | <b>142,388</b>    |
| Cash inflow from increase in debt and lease financing                                  |      |   | 18,782           |           | 23,255            |
| Change in net debt resulting from cash flows                                           |      |   | 69,120           |           | 165,643           |
| New finance leases                                                                     |      |   | (37,415)         |           | -                 |
| <b>Movement in net debt in the period</b>                                              |      |   | <b>31,705</b>    |           | <b>165,643</b>    |
| <b>Net debt at 1 April 2001</b>                                                        |      |   | <b>(35,111)</b>  |           | <b>(200,754)</b>  |
| <b>Net debt at 31 March 2002</b>                                                       |      |   | <b>£ (3,406)</b> |           | <b>£ (35,111)</b> |

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the group's operations which are described in the Directors' Report and all of which are continuing.

**1.2 Basis consolidation**

The Group financial statements incorporate the financial statements of Servicecare Support Services Limited and all its subsidiaries for the year ended 31 March 2002.

**1.3 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the group, exclusive of Value Added Tax and trade discounts.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                     |   |     |                     |
|---------------------|---|-----|---------------------|
| Leasehold buildings | - | 50% | straight line basis |
| Motor vehicles      | - | 25% | straight line basis |
| Fixtures & fittings | - | 20% | straight line basis |

**1.5 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.6 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**1.7 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 March 2002**

**1.9 Deferred taxation**

Provision is made in full for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes.  
 Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets.

**1.10 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

**1.11 Goodwill**

Goodwill arising on the acquisition of Electrotec International Limited and Servicecare BV is being amortised on a straight line basis over 20 years in accordance with FRS10.

**2. OPERATING PROFIT**

The operating profit is stated after charging:

|                                                         | <b>2002</b>              | <b>2001</b>              |
|---------------------------------------------------------|--------------------------|--------------------------|
|                                                         | <b>£</b>                 | <b>£</b>                 |
| Amortisation of intangible assets                       | <b>68,924</b>            | <b>49,751</b>            |
| Depreciation of tangible fixed assets                   |                          |                          |
| - owned by the company                                  | <b>212,316</b>           | <b>51,428</b>            |
| - held under finance leases and hire purchase contracts | <b>12,884</b>            | <b>24,122</b>            |
| Audit fees                                              | <b>20,175</b>            | <b>6,925</b>             |
| Operating lease rentals                                 |                          |                          |
| - other                                                 | <b>308,988</b>           | <b>204,075</b>           |
| Foreign exchange differences                            | <b>3,464</b>             | <b>-</b>                 |
|                                                         | <u><b>          </b></u> | <u><b>          </b></u> |

**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

|                       | <b>2002</b>               | <b>2001</b>               |
|-----------------------|---------------------------|---------------------------|
|                       | <b>£</b>                  | <b>£</b>                  |
| Wages and salaries    | <b>2,835,363</b>          | <b>2,062,821</b>          |
| Social security costs | <b>170,361</b>            | <b>162,010</b>            |
| Other pension costs   | <b>47,369</b>             | <b>26,408</b>             |
|                       | <u><b>£ 3,053,093</b></u> | <u><b>£ 2,251,239</b></u> |

The average monthly number of employees, including directors, during the year was as follows:

|                | <b>2002</b>       | <b>2001</b>       |
|----------------|-------------------|-------------------|
| Production     | <b>167</b>        | <b>144</b>        |
| Administration | <b>37</b>         | <b>20</b>         |
|                | <u><b>204</b></u> | <u><b>164</b></u> |

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

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**4. DIRECTORS' REMUNERATION**

|                      | 2002<br>£        | 2001<br>£        |
|----------------------|------------------|------------------|
| Aggregate emoluments | 303,950          | 282,398          |
|                      | <u>£ 303,950</u> | <u>£ 282,398</u> |

Included in the above are emoluments, excluding pension contributions, paid to:

|                       |           |           |
|-----------------------|-----------|-----------|
| The chairman          | £ 119,011 | £ 104,957 |
| Highest paid director | £ 69,112  | £ 69,821  |

During the year retirement benefits were accruing to Nil directors (2001 - Nil) in respect of money purchase pension schemes.

**5. INTEREST RECEIVABLE**

|                           | 2002<br>£ | 2001<br>£ |
|---------------------------|-----------|-----------|
| Other interest receivable | £ 541     | £ 734     |

**6. INTEREST PAYABLE**

|                                               | 2002<br>£       | 2001<br>£       |
|-----------------------------------------------|-----------------|-----------------|
| On bank loans and overdrafts                  | 24,487          | 13,863          |
| On other loans                                | 3,575           | -               |
|                                               | <u>28,062</u>   | <u>13,863</u>   |
| On finance leases and hire purchase contracts | 3,864           | 4,562           |
|                                               | <u>£ 31,926</u> | <u>£ 18,425</u> |

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 March 2002**

**7. TAXATION**

|                                        | <b>2002</b>      | <b>2001</b>     |
|----------------------------------------|------------------|-----------------|
|                                        | <b>£</b>         | <b>£</b>        |
| <b>Current year taxation</b>           |                  |                 |
| UK Corporation Tax at 30% (2001 - 20%) | 110,636          | 63,469          |
| Transfer to deferred taxation          | 2,047            | -               |
|                                        | <u>112,683</u>   | <u>63,469</u>   |
| Overseas taxation                      | 24,750           | -               |
|                                        | <u>137,433</u>   | <u>63,469</u>   |
| <b>Prior years</b>                     |                  |                 |
| UK corporation tax                     | -                | (88)            |
|                                        | <u>£ 137,433</u> | <u>£ 63,381</u> |

**8. INTANGIBLE FIXED ASSETS**

|                       | <b>Goodwill</b>    | <b>Total</b>       |
|-----------------------|--------------------|--------------------|
|                       | <b>£</b>           | <b>£</b>           |
| <b>Cost</b>           |                    |                    |
| At 1 April 2001       | 995,013            | 995,013            |
| Additions             | 383,466            | 383,466            |
|                       | <u>1,378,479</u>   | <u>1,378,479</u>   |
| At 31 March 2002      |                    |                    |
| <b>Amortisation</b>   |                    |                    |
| At 1 April 2001       | 82,918             | 82,918             |
| Charge for year       | 68,924             | 68,924             |
|                       | <u>151,842</u>     | <u>151,842</u>     |
| At 31 March 2002      |                    |                    |
| <b>Net Book Value</b> |                    |                    |
| At 31 March 2002      | <u>£ 1,226,637</u> | <u>£ 1,226,637</u> |
| At 31 March 2001      | <u>£ 912,095</u>   | <u>£ 912,095</u>   |

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**9. TANGIBLE FIXED ASSETS**

|                          | Long Term<br>Leasehold Land<br>& Buildings<br>£ | Fixtures &<br>Equipment<br>£ | Motor<br>Vehicles<br>£ | Total<br>£ |
|--------------------------|-------------------------------------------------|------------------------------|------------------------|------------|
| <b>Cost or valuation</b> |                                                 |                              |                        |            |
| At 1 April 2001          | 29,056                                          | 181,814                      | 61,207                 | 272,077    |
| Additions                | -                                               | 207,519                      | 45,190                 | 252,709    |
| Disposals                | -                                               | -                            | (61,207)               | (61,207)   |
| At 31 March 2002         | 29,056                                          | 389,333                      | 45,190                 | 463,579    |
| <b>Depreciation</b>      |                                                 |                              |                        |            |
| At 1 April 2001          | 26,869                                          | 88,268                       | 39,903                 | 155,040    |
| Charge for year          | 2,187                                           | 193,343                      | 29,670                 | 225,200    |
| On disposals             | -                                               | -                            | (52,468)               | (52,468)   |
| At 31 March 2002         | 29,056                                          | 281,611                      | 17,105                 | 327,772    |
| <b>Net Book Value</b>    |                                                 |                              |                        |            |
| At 31 March 2002         | £ -                                             | £ 107,722                    | £ 28,085               | £ 135,807  |
| At 31 March 2001         | £ 2,187                                         | £ 93,546                     | £ 21,304               | £ 117,037  |

Included above are assets held under finance leases or hire purchase contracts as follows:

|                      | 2002<br>£ | 2001<br>£ |
|----------------------|-----------|-----------|
| Motor vehicles       | 15,026    | 21,304    |
| Fixtures & equipment | 3,766     | 9,253     |
|                      | £ 18,792  | £ 30,557  |

**10. STOCKS**

|                  | 2002<br>£ | 2001<br>£ |
|------------------|-----------|-----------|
| Raw materials    | 63,482    | 72,837    |
| Work in progress | 20,841    | 7,875     |
|                  | £ 84,323  | £ 80,712  |

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**11. DEBTORS**

|                                | 2002<br>£          | 2001<br>£        |
|--------------------------------|--------------------|------------------|
| <b>Due within one year</b>     |                    |                  |
| Trade debtors                  | 1,125,658          | 598,969          |
| Other debtors                  | 24,765             | 41,088           |
| Prepayments and accrued income | 35,754             | 9,958            |
|                                | <u>£ 1,186,177</u> | <u>£ 650,015</u> |

Included within other debtors due within one year is a loan of £NIL (2001 - £1,452) to the directors, a director. The maximum amount outstanding during the year was £1,452.

**12. CREDITORS:****Amounts falling due within one year**

|                                                                    | 2002<br>£          | 2001<br>£        |
|--------------------------------------------------------------------|--------------------|------------------|
| Bank loans and overdrafts                                          | 19,534             | 13,629           |
| Net obligations under finance lease<br>and hire purchase contracts | 12,906             | 13,042           |
| Trade creditors                                                    | 316,399            | 214,472          |
| Corporation tax                                                    | 124,821            | 63,332           |
| Social security and other taxes                                    | 142,406            | 124,411          |
| Other creditors                                                    | 338,553            | 229,761          |
| Accruals and deferred income                                       | 132,238            | 49,459           |
|                                                                    | <u>£ 1,086,857</u> | <u>£ 708,106</u> |

The bank overdraft is secured by a fixed and floating charge over the company's assets dated 12 May 1995 and a debenture dated 3 August 1999.

Included within other creditors are amounts due to HSBC invoice Finance (UK) Ltd of £192,447 (2001 £39,237) secured on the company's trade debtors.

Liabilities under hire purchase and finance lease contract are secured on the assets concerned.

**13. CREDITORS:****Amounts falling due after more than one year**

|                                                                    | 2002<br>£        | 2001<br>£      |
|--------------------------------------------------------------------|------------------|----------------|
| Bank loans and overdrafts                                          | 11,444           | -              |
| Net obligations under finance lease and<br>hire purchase contracts | 16,141           | 8,816          |
| Other creditors: - Deferred consideration                          | 100,000          | -              |
|                                                                    | <u>£ 127,585</u> | <u>£ 8,816</u> |

Included within the above are amounts falling due as follows:

**In 1 - 2 years:**

|                                             |        |       |
|---------------------------------------------|--------|-------|
| Loan instalments                            | 11,444 | -     |
| Finance lease and hire purchase obligations | 16,141 | 8,816 |

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

|                     | 2002<br>£      | 2001<br>£  |
|---------------------|----------------|------------|
| <i>Deferred Tax</i> |                |            |
| At 1 April 2001     | -              | -          |
| Charge for the year | £ 2,047        | £ -        |
|                     | <u>£ 2,047</u> | <u>£ -</u> |

**15. CALLED UP SHARE CAPITAL**

|                                                           | 2002<br>£       | 2001<br>£       |
|-----------------------------------------------------------|-----------------|-----------------|
| <b>Authorised</b>                                         |                 |                 |
| 13,100 A ordinary shares of £1 each                       | 13,900          | 13,900          |
| 200 redeemable preference shares of £1 each               | 200             | 200             |
| 1,143 B ordinary shares of £1 each                        | 1,143           | -               |
|                                                           | <u>£ 15,243</u> | <u>£ 14,100</u> |
| <br><b>Authorised, allotted, called up and fully paid</b> |                 |                 |
| 13,100 A ordinary shares of £1 each                       | 13,900          | 13,900          |
| 200 redeemable preference shares of £1 each               | 200             | 200             |
| 1,143 B ordinary shares of £1 each                        | 1,143           | -               |
|                                                           | <u>£ 15,243</u> | <u>£ 14,100</u> |

During the year 1143 B ordinary shares of £1.00 each were issued fully paid for cash at par.  
The redeemable shares are non-voting shares.

**16. RESERVES**

|                                          | £                |
|------------------------------------------|------------------|
| <b>Share Premium Account</b>             |                  |
| At 1 April 2001                          | 555,900          |
| Premium on shares issued during the year | 148,857          |
|                                          | <u>£ 704,757</u> |

**17. SHAREHOLDERS' FUNDS****Reconciliation of movements on shareholders' funds**

|                                | 2002<br>£          | 2001<br>£          |
|--------------------------------|--------------------|--------------------|
| Profit for the year            | 279,761            | 185,972            |
| Shares issued during year      | 1,143              | -                  |
| Share premium on shares issued | 148,857            | -                  |
|                                | <u>429,761</u>     | <u>185,972</u>     |
| Opening shareholders' funds    | 1,043,313          | 857,341            |
|                                | <u>£ 1,473,074</u> | <u>£ 1,043,313</u> |
| Closing shareholders' funds    |                    |                    |

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**Analysis of shareholders' funds**

|                      | 2002<br>£          | 2001<br>£          |
|----------------------|--------------------|--------------------|
| Non-equity interests | 200                | 200                |
| Equity interests     | 1,472,874          | 1,043,113          |
|                      | <u>£ 1,473,074</u> | <u>£ 1,043,313</u> |

**18. ANALYSIS OF CASH FLOWS FOR HEADINGS  
NETTED IN THE CASH FLOW STATEMENT**

|                                                                             | 2002<br>£         | 2001<br>£         |
|-----------------------------------------------------------------------------|-------------------|-------------------|
| <b>Returns on investments and servicing of finance</b>                      |                   |                   |
| Interest received                                                           | 541               | 734               |
| Interest paid                                                               | (28,062)          | (13,863)          |
| Interest element of finance lease rentals                                   | (3,864)           | (4,562)           |
| <b>Net cash outflow for returns on investments and servicing of finance</b> | <u>£ (31,385)</u> | <u>£ (17,691)</u> |

**18. ANALYSIS OF CASH FLOWS FOR HEADINGS  
NETTED IN THE CASH FLOW STATEMENT (Continued)**

**Capital expenditure and financial investment**

|                                                 |                    |                   |
|-------------------------------------------------|--------------------|-------------------|
| Purchase of intangible fixed assets             | (383,466)          | -                 |
| Purchase of tangible fixed assets               | (215,294)          | (40,202)          |
| Sale of tangible fixed assets                   | 19,248             | -                 |
| <b>Net cash outflow for capital expenditure</b> | <u>£ (579,512)</u> | <u>£ (40,202)</u> |

**Financing**

|                                                 |                  |                   |
|-------------------------------------------------|------------------|-------------------|
| Issue of ordinary shares                        | 150,000          | -                 |
| New loans                                       | 27,287           | -                 |
| Repayment of loans                              | (15,843)         | -                 |
| Capital element of finance lease rentals        | (30,226)         | (23,255)          |
| <b>Decrease in debt</b>                         | <u>(18,782)</u>  | <u>(23,255)</u>   |
| <b>Net cash inflow/(outflow) from financing</b> | <u>£ 131,218</u> | <u>£ (23,255)</u> |

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2002

**19. ANALYSIS OF NET DEBT**

|                          | At<br>1 Apr 2001<br>£ | Cash flow<br>£  | Other<br>changes<br>£ | At<br>31 Mar 2002<br>£ |
|--------------------------|-----------------------|-----------------|-----------------------|------------------------|
| <b>Net cash:</b>         |                       |                 |                       |                        |
| Cash at bank and in hand | 376                   | 56,243          |                       | 56,619                 |
| Bank overdrafts          | (13,629)              | (5,905)         |                       | (19,534)               |
|                          | <u>(13,253)</u>       | <u>50,338</u>   |                       | <u>37,085</u>          |
| <b>Debt:</b>             |                       |                 |                       |                        |
| Finance leases           | (21,858)              | 30,226          | (37,415)              | (29,047)               |
| Debt due after 1 year    | -                     | (11,444)        | -                     | (11,444)               |
|                          | <u>(21,858)</u>       | <u>18,782</u>   | <u>(37,415)</u>       | <u>(40,491)</u>        |
| <b>Net debt</b>          | <u>£ (35,111)</u>     | <u>£ 69,120</u> | <u>£ (37,415)</u>     | <u>£ (3,406)</u>       |

**20. OTHER COMMITMENTS**

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

|                       | <b>Land and buildings</b> |           | <b>Motor vehicles</b> |           |
|-----------------------|---------------------------|-----------|-----------------------|-----------|
|                       | 2002<br>£                 | 2001<br>£ | 2002<br>£             | 2001<br>£ |
| <b>Expiry date:</b>   |                           |           |                       |           |
| Between 2 and 5 years | 101,288                   | 101,288   | 8,571                 | -         |
| In more than 5 years  | 100,500                   | 100,500   | -                     | -         |

**21. PENSION COMMITMENTS**

The group makes contributions to defined contribution pension arrangements to secure retirement benefits for employees. The assets of the scheme are held separately from those of the group. The total pension cost charge for the year was £47,369 (2001 £26,408), with no outstanding or prepaid contributions at the year end.

**22. SUBSIDIARY COMPANIES**

The shares in group undertakings at 31 March 2002, represent 100% of the issued share capital of the following companies:

|                                  | <b>Nature of business</b>                   | <b>Place of incorporation</b> |
|----------------------------------|---------------------------------------------|-------------------------------|
| Electrotec International Limited | Dormant                                     | England and Wales             |
| Servicecare BV                   | Repair of computer and electrical equipment | Holland                       |