



Atlantic Global Plc

Annual Report and Accounts

Year ended 31 December 2004

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Introducing Atlantic Global

“Atlantic Global’s mission: helping businesses to better understand their resource capability and deployment, thereby enabling improvement in operational efficiency and effectiveness.”

- *Atlantic Global develops innovative software applications that enable organisations to monitor, manage and model the fundamental pillars of their operational business - Resources, Time and Costs.*
- *The Atlantic Global brand is becoming more established along with an excellent growing reputation, confirmed by our expanding blue chip client list across all industry sectors. Our high quality software products are capable of being quickly installed and integrated, easily learned and flexible to configure in order to meet individual users’ requirements and in turn reducing risk to the end user.*
- *As our company has grown, so have our requirements for a greater skill level within our team. In addition to developing existing employees, we have also expanded our abilities by employing new people with different but complementary skills such as Sales and Marketing expertise. We are already seeing the benefits of this in terms of increased leads in both volume and quality coupled with our ability to professionally follow the leads to point of sale.*
- *It is our intention to remain at the technological forefront of our niche sector, abreast of new technology and creating a complementary range of products.*
- *We view our customers as partners. The better we understand their business and problems, the more successful our solutions will be. We have been able to create such partnerships with many prominent companies and we are determined that this will continue.*
- *To further enhance our sales success we are improving our strategic sales alliances to reach a wider network of potential customers. Strategic partners are also playing a part in expanding the Atlantic Global reach.*

Financial and Operational Highlights

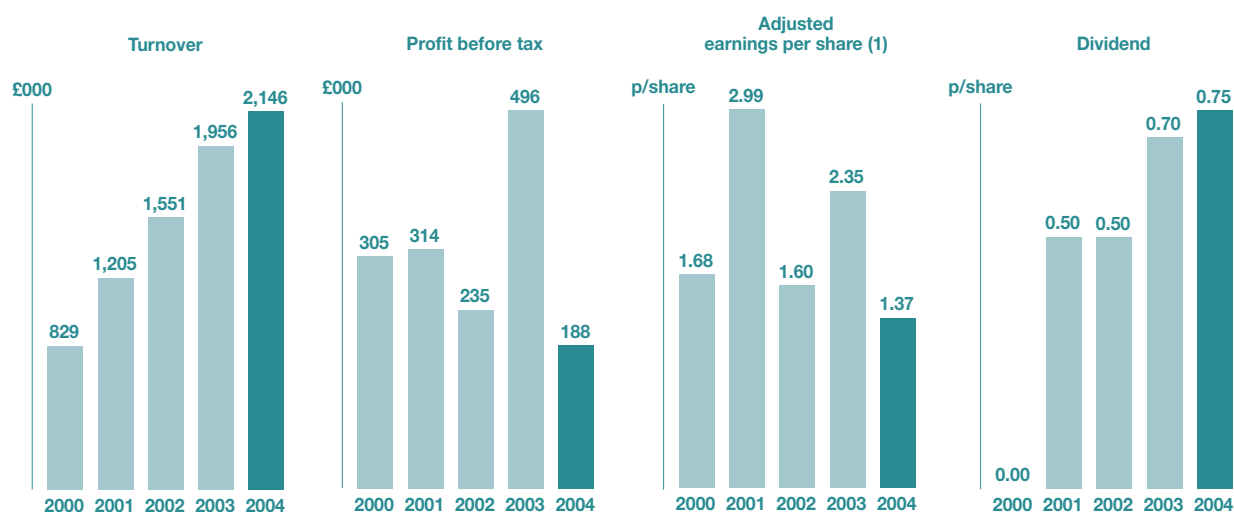
	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000	Change %
Turnover	2,146	1,956	9.7%
Operating profit before goodwill	293	611	(52.0%)
Profit before tax	188	496	(62.1%)
Adjusted earnings per share	1.37 pence	2.35 pence	(41.7%)
Dividend payable per share	0.75 pence	0.70 pence	7.1%
Free cash flow	(282)	513	(155.0%)
Net cash balance	1,896	2,296	(17.4%)

Operational — 2004

- *Enhanced Corporate Vision and Business Solutions software products released first quarter of 2004 - for Risk Management, Contractor Management and Business Information Tracking,*
- *Atlantic Global Plc and all products re-branded second half 2004,*
- *Significant expansion of the executive team, with new skills and experience being brought in to the organisation, particularly in Marketing and Sales,*
- *Doubling in Sales and Marketing expenditure to strengthen the brand awareness of Atlantic Global and our products among our potential customers and the IT industry at large.*

Progress since year-end on 31 December 2004

- *Continuing software enhancements to our current products planned during 2005,*
- *Implementation of second half 2005 sales proceeding well, including Man Group Plc, Xchanging Limited and Crown Agents,*
- *Sustained marketing campaign underway to support the sales process,*
- *The current sales pipeline and customer activity are at the highest and broadest levels in our company's history and show a step change from this time last year,*
- *The company head office has moved to larger offices, on the same business park. This is to accommodate all our new people and our growth plans for 2005 and beyond.*



(1) Earnings per share excluding goodwill amortisation

Note weighted average number of shares in issue: 2004 – 22.8 million; 2003 – 22.7 million; 2002 – 22.3 million; 2001 – 14.7 million

Chairman's Statement

Introduction

The results for the year show steady organic revenue growth for the Group, with an increase of 9.7% over last year. However, underlying this headline number, there has been a transformation in the Company's Sales and Marketing functions, in line with our stated strategy of investing heavily in these frontline areas.

A new Head of Marketing was appointed in June 2004, since when he has led a complete review of our marketing programmes. This is already extending awareness of Atlantic Global and the benefits of our software, both in prospective customers and in the IT community at large, including, for example, software analysts such as Gartner and Butler. The volume and quality of the sales leads generated by this marketing activity is also much improved, and a company-wide re-branding exercise has been completed.

In July 2004 a new Head of Sales was appointed. He has significantly strengthened our sales processes, and has built the sales team to "critical mass" for the first time in the company's history. Together with the consultancy team, we now have an infinitely better capability to handle the sales leads that we are receiving from our marketing campaigns.

During the year, Corporate Vision has become increasingly recognised as a market-leading product. Early implementations were completed speedily and successfully at, for instance, Barclays Bank and LogicaCMG. Later in the year, new well-known companies were added to the list of our Corporate Vision customers such as Man Group Plc and Xchanging. Everything is now in place to deliver a far higher volume of Corporate Vision deals in 2005. Sales of the Company's other products, now re-branded as Business Solutions, were equally satisfactory and this suite of products remains an essential part of our integrated product line.

The Group's sound financial performance, and the underlying strengthening of our operational capability, have been achieved against a background of a software industry only gradually and partially emerging from the worst few years in its relatively short life. It remains too early to judge if a sustained recovery is imminent in our particular part of the industry.

Results

The Group has achieved a creditable result during 2004 with operating profit before goodwill, of £293,000 (2003 £611,000), a decrease of 52%. This fall in profits is despite a growth of 9.7% in the turnover of the Group to £2,146,000 (2003: £1,956,000). The turnover growth has not flowed through to the operating profit level due to the substantial investments that we made, as previously mentioned, which involved investing time and money in our software products, Company brand and image and internal infrastructure. The total expenditure on the Sales and Marketing functions during 2004 was £1,009,000, which was more than double the £483,000 we spent in 2003.

Earnings per share, adjusted for goodwill, showed a decrease of 41.7% at 1.37pence (2003: 2.35pence).

The large amount of investment has inevitably caused a temporary cash outflow during 2004. The Group had net cash balances, at end December 2004, of £1,896,000 compared with £2,296,000 the year before, showing a decrease of £400,000, which also reflects the payments of the final dividend of £159,000 and taxation of £146,000 in relation to the financial year ended 31 December 2003. The Group remains in an excellent position of being financially secure, which will be maintained as we continue to generate cash from the growth in our profit levels.

Dividend

The Directors are proposing to increase the Group's final dividend by 7.1% to 0.75 pence (2003: 0.70 pence) per share for the year ended 31 December 2004. This demonstrates the Directors' confidence in the Group's future and in our continuing ability to generate profits and cash flow. The Directors will continue to pursue a progressive dividend policy, providing circumstances remain appropriate.

Board Changes

I am pleased to welcome Steve Allen, International Senior Vice President for Witness Systems Inc., who joined the Board as a Non-Executive Director in February 2005. Steve's wealth of experience in the international software industry will help the Board to evolve and successfully execute our growth strategy, through what I believe will be a demanding but exciting phase in Atlantic Global's development.

People

We recognise that the quality, skills and determination to succeed of the team at Atlantic Global is a vital ingredient in achieving continued corporate success. Credit for 2004's achievements is due to every member of the team, and I would take this opportunity, on behalf of my fellow shareholders and myself, to offer all of them our appreciation of their efforts.

During 2005, we plan to recruit additional people, and to continually strive to improve the overall quality of our workforce.

A significant proportion of our people have share options, and we will continue to use this mechanism to help ensure that they remain closely linked to the success of the Group.

Strategy for the future

The overall strategy of the Group remains unchanged and we expect the recent encouraging trends to continue. Inherent demand for our products is strong - more and more organisations are facing the need to improve the productivity and effectiveness of their workforce and the application of Atlantic Global's software products can demonstrably lead to quick and significant improvements in operational performance. This applies to all people intensive organisations, in both private and public sector, irrespective of whether their resourcing model is based on in-sourcing, outsourcing or (more usually) a combination of the two.

We have progressively enhanced our products, in the light of customer requirements and feedback, and will continue to do so in the future. Consequently, we are now very well positioned with the team and plans we have in place to achieve considerable growth.

With regard to overseas expansion, we remain cautious. However, we are in the process of appointing our first full-time representative in the United States, who will initially work closely with a medium-sized consultancy company, with whom we have established a partnership arrangement, aimed at opening up the North American market for our products and services.

Similarly, we will investigate, during 2005, whether certain other channels are appropriate for the sale and distribution of our products.

Acquisitions

The Board's current policy of concentrating purely on organic growth remains unchanged from previous years and therefore the Group is not involved in an active acquisition strategy. However, we would consider any exceptional acquisition opportunities that would improve shareholder value, providing they are compatible with our strategic objectives and are reasonably priced in accordance with their profitability and quality of earnings.

Current Trading

From our management accounts for January and February 2005, together with knowledge of March 2005 sales, I can confirm that the year has begun in line with expectations. Although it is too early to accurately predict what degree of success the Group will achieve during 2005 as a whole, it is encouraging to see that the current level of sales interest is at an all-time high, and is still increasing.

Annual General Meeting

We shall be holding our AGM on Thursday 28 April 2005 at 2.30pm in our Company Head Office in Cleckheaton, West Yorkshire, at Park House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW.

In addition to the usual formalities of the meeting we will, as in previous years, arrange time in which Shareholders will be offered the opportunity to understand a little more about our company and business. Following a number of presentations, there will be an opportunity for Shareholders to meet all the Directors and discuss the progress of the Group. I would extend the Board's invitation to all Shareholders in the hope that as many as possible attend.



David M Cox

Chairman

29 March 2005

Managing Director's Review

Introduction

Atlantic Global was established in 1993 and has consistently strived to meet a very simple objective - to make our clients more efficient and more competitive.

During 2004, we continued to enhance our product offering and, more critically, we have accelerated the development of the commercial arm of the business including the expansion of our professional Marketing and Sales operations. In conjunction, we continued to broaden our customer base, and return a satisfactory profit.

I am pleased with the progress we have achieved during 2004 and therefore feel confident that we have laid a solid foundation for growth during 2005 and beyond.

Product Development

Our research and development expenditure during 2004 continued to be directed away from chargeable development work into researching, developing and enhancing our range of product. This continues our fundamental strategy of investing in the company's intellectual property. Our product solution set consists of:

Corporate Vision

Corporate Vision gives real-time business planning capability with respect to managing organisations' workload costs, workload delivery and people skills pool.

Pfizer identified the original requirement for this product in 2001. Following a successful development partnership, we deployed the solution within their Clinical IT department where it was very well received and delivered immediate benefits.

We continued the development of this module with Norwich Union to ensure that it was not industry specific but flexible enough to address the requirements of completely different sectors.

Since launch in September 2003, it has been successfully deployed within LogicaCMG, Barclays Bank, The Metropolitan Police, Man Group Plc and Xchanging.

Atlantic Business Solutions

Atlantic Business Solutions refers to the remaining modules; Time and Expense Management, Business Information Tracking, Risk Management, Contractor Management and Task Based Planning.

These modules have been developed over the years by working closely with our development partners, including GlaxoSmithKline, Pfizer, Barclays Bank, LogicaCMG and Norwich Union.

Consequently, they have been developed to address the requirements of a diverse range of organisations and are of large 'enterprise strength' to cater with the volumes and sophistication required by large enterprises.

Building the Marketing Operation

Following positive feedback from our customers related to our product development, we initiated the refining of our commercial proposition. We appointed James Waller as our Head of Marketing in June 2004. James had previously worked in various marketing positions within IONA, WebGain, IXOS and IBM Global Services.

We recognised the need to re-brand the products to emphasise the "simplicity" attributes experienced by our customers when deploying and using our products.

We began to capture the positive feedback from our customers in the form of case studies that could be used to communicate the benefits of using our products to prospective clients and to industry analysts.

Relationships have been established with Gartner, the software analyst, who has written a white paper on "Business Visibility" and the Butler group, who are also well known analysts in our industry. Large organisations are referring more often to industry analysts for guidance when purchasing software and hence it is extremely important that the analysts know who we are and what we do.

Finally, we have embarked on a lead generation strategy, a vital foundation for any successful sales team. This consists of outsourced telemarketing, Electronic Direct Mail Campaigns and publication sponsorship. We have continued with internet search engine optimisation. Initial data analysis and feedback from our Head of Sales is encouraging.

Building the Sales Operation

Phil Alcock was appointed Head of Sales in July 2004. Phil had previously held senior sales positions at SAIC, Sema, DataPoint, AT&T and CSC. He identified the need to implement a new sales process to help us prioritise opportunities and progress them in a structured manner. This will result in a stronger and more predictable sales pipeline.

Phil quickly commenced the appointing of a team of experienced industry sales professionals. Our team now consists of eight sales professionals, a sufficient critical mass that should result in a broader more reliable sales pipeline. The majority of the team members were appointed towards the end of last year and at the beginning of this year.

We do anticipate a settling in period before they get fully functional within their roles.

We are further supported in this area by David Cox, our Non-Executive Chairman and Steve Allen, a recent appointment as Non-Executive Director. I am sure that they will make a valuable contribution to our sales results having had extensive experience building and running successful sales and marketing operations during very high profile established careers.

Customer profile

The Group's products continue to sell in a variety of industry sectors, with additional new sectors being penetrated. Within each sector, we will continue to target the market leaders.

Listed below are some of Atlantic's customers:

Pharmaceuticals	Computer & Telecoms	Financial & Consulting	Other
AstraZeneca Limited Aventis Pharma GlaxoSmithKline Plc GlaxoSmithKline US Pharma Pfizer Limited	Colt Telecommunications Plc Computacenter UK Limited EchoStar Int Corp Hitachi Europe Limited Hutchinson 3G UK Ltd Identex Intel Ireland Limited Interoute Limited Netstore Telewest Vicorp UK Limited Virgin Mobile Telecom Limited Xchanging Ltd	Allied Irish Bank Barclays Bank Plc Cattles Group Plc CNA Friends Provident HSBC Actuaries & Consultants Ltd LogicaCMG Man Group Plc Norwich Union Raft International Plc Serco Technology	British Car Auctions Crown Agents Genesis Oil & Gas Metropolitan Police Service Microgen MVM Consultant Limited NEC Technologies (UK) Ltd Parkside NHS Trust SA Partners Scott Tallon Walker Architects University of Huddersfield Vectra N Jones Ltd Waltham Forest Council

Managing Director's Review

continued

Our close working relationship with our customers continues and, as we are developing ourselves, we see our customers, old and new, responding to our improved abilities. We see no reason why this should not continue.

People

As mentioned in the Chairman's Statement, our team will always be our greatest asset and we are ensuring that their skills are continually expanded. The Directors continually acknowledge the contribution of our staff in achieving the Company's continued success and in particular I would applaud the spirit in which they have embraced change during this time of the Company's development.

Industry partners

The investment in our Group and product branding is increasing our profile within the industry. We are attracting attention from potential partners that should provide useful revenue opportunities.

North America

Many sales leads received on our website are from North America. We have investigated different ways of converting this interest into sales which has initially resulted in an alliance between BLC Consulting, a mid market consulting organisation based on the east coast of the United States.

We are currently in the process of recruiting our first employee in this market to work closely with BLC Consulting thereby commencing our involvement in this extremely important market opportunity.

Research and Development / future markets

We are continuing to invest substantial resources in Research and Development and we will maintain such levels required to keep ourselves at the cutting edge of our industry.

Outlook

We believe that we now have a very strong product offering backed by a strong commercial arm to our business. The future will present significant opportunities and with any fast growing company will also present significant challenges. I believe we now have a very experienced management team in place to take the company to the next level.

I am confident that we shall continue with our success during 2005 and into the future.



Eugene Blaine

Managing Director

29 March 2005

Alternative Investment Market and visibility

The Group was admitted to the Alternative Investment Market of the London Stock Exchange (AIM) on 4 June 2001 with a placing price of 25 pence per share.

This has continued to help to raise the Group's profile during 2004 and we are sure that this will continue during 2005.

Goodwill

As a consequence of our AIM flotation and as a direct result of using a holding company, (Atlantic Global Plc) to acquire Atlantic EC Limited, (which was the operating company prior to the flotation) ("Atlantic"), the accounting rules state that Atlantic has to capitalise goodwill in its consolidated financial statements. Under the current accounting convention, our goodwill is deemed to have a finite life, and so has to be written off in the Group's consolidated accounts. Therefore this goodwill will be written off over 20 years in line with the Directors' view of its useful economic life and the Group's policy. The amount chargeable during 2004 is £181,000. Had we listed Atlantic directly onto AIM, goodwill would not have been chargeable. Goodwill is therefore a statutory requirement and has no effect on our cashflow.

Support and maintenance income

The proportion of turnover that relates to support has increased from 25% in 2003 to 27% in 2004, with the overall support sales level increasing by 16.7%. Support income is usually invoiced one year in advance and therefore provides a greater level of confidence as to the overall sales that can be expected for up to a year ahead. In order to help achieve this objective and as part of a major re-branding exercise, we have been offering support contracts for up to three years duration thereby assisting in the continuous improvement to our quality of earnings. This has been successful, with most clients opting for the three-year option, a further testament to the quality of the software.

Cash balances and cash generation

The Group consolidated its financial stability with the AIM flotation and the raising of £1,500,000 (net of expenses) and, as at 31 December 2004, the Group had net cash of £1,896,000, notwithstanding the payment of £159,000 in dividends and £146,000 in taxation.

The cash balances are kept with Alliance and Leicester Commercial Bank Plc with the major proportion being kept on short-term deposit. The balance is swept into a high interest business account on a daily basis.

The Group has a low requirement for capital expenditure and the fact that we do not need stock, due to the nature of the business, the Group is normally cash generative. This is shown in our Cash Flow Statement, where we have specifically shown the amount of free cash flow, which represents the amount of cash generated and usable to the advantage of the shareholders either in the form of dividends or as an addition to the Group's Net Asset Value. Reflecting the high level of investment in building our Sales and Marketing department, free cash flow produced an outflow during 2004 of £281,000 and compares with a cash inflow of £513,000 for 2003.

The Directors believe this to be a temporary situation, and as 2004 debts are collected and sales generated in 2005, expect the coming year to be cash positive.

The Directors are proposing a dividend of 0.75 pence (2003: 0.70 pence) per share payable on 12 May 2005 to shareholders on the register of members on 22 April 2005.

Debtors

Due to larger amounts of both new sales and support being invoiced towards the end of 2004 the number of days that the level of debtors represents against sales on a count back basis, was 146 days (2003: 78 days).

Foreign exchange risk

The Group currently invoices most sales in sterling and has minimal exposure to foreign currency exchange fluctuations.



Rupert Hutton

Finance Director
29 March 2005

Directors' and Senior Managers' Biographies

Brief biographies of the Group's Directors are given below.

NON-EXECUTIVE DIRECTORS:

David Cox (59)

Chairman: David has more than 35 years experience of the IT industry, including over 25 years at IBM, much of it spent in Sales and Marketing to major corporate clients, latterly as a Director of IBM (UK) Limited. Subsequently he held senior positions at BT and Royal Insurance, where he was Director and General Manager of Royal UK Limited. David has also worked in a senior interim executive capacity for Prudential Corporation, United Utilities and Barclays Bank, with responsibilities in IT and business operations. He currently holds several non-executive positions and is a Director of Sirius Financial Solutions Plc, a quoted software company which is a leading provider of systems and services to the insurance industry. He is also Chairman of Fretwell Downing Informatics Limited, a software company specialising in library management systems and Xpert Communications Limited, a network and systems integration company.

Steve Allen (49)

Non-Executive Director: Steve has had more than 28 years' experience in computer networks, systems integration and performance optimisation software, in both the public and private sectors. He is currently employed by Atlanta-based Witness Systems Inc where, since 2003, he has been Senior Vice President, International Operations, successfully re-structuring that company's Asia-Pacific operations with the Europe, Middle East and Africa regions (EMEA) to create a single international territory, while maintaining revenues and contributing to a steady increase in market capitalisation, currently which is \$460m on the Nasdaq stock market. Previously, Steve spent eight years with BEA Systems Inc, a world leader in enterprise infrastructure software and headquartered in San Jose, California, which he joined as the first sales employee in Europe. He subsequently advanced to the role of Senior Vice President, EMEA, responsible for an e-commerce infrastructure business that he helped grow to \$300m of revenues in Europe, and over \$1bn turnover globally with a current Nasdaq market capitalisation of \$3.4bn. He performed a variety of roles

whilst at BEA as it grew, including overseeing the acquisition of Weblogic and its integration into the business, developing a telecommunications vertical market sales and services strategy and implementing a global channel software strategy with partners such as Peoplesoft, SAP, Baan and large international management consultancies. Before joining BEA in 1996, Steve held various software and applications positions, including CEO of Walker Interactive Systems International, Sales Manager for McCormack and Dodge and technical roles with ICL Dataskil, the European Space Agency, the Ministry of Defence and Eagle Star.

EXECUTIVE DIRECTORS:

Eugene Blaine (36)

Managing Director (and Founder): Prior to founding Atlantic EC Limited, Eugene joined Training International Limited in 1988 as an Analyst Programmer where he played a major role in the development of the Comic Relief computer system. In 1990 he joined Parachute Management Limited as a Senior Development Consultant where he developed the project management system responsible for the rollout of the NUBS2 computer system throughout the employment service. He joined Direct Project Management Limited in 1991 as General Manager. He has spearheaded the development of the Group since 1993 when he created its initial product Timesheet Expert for Windows. As Managing Director, he is involved in every aspect of its business, including driving the overall strategy, expanding its customer base and overseeing the development and implementation of its product range.

Lewis Howcroft (56) ACMA

Commercial Director: Lewis is a Chartered Management Accountant with extensive experience. Until he joined Atlantic in June 2000 he was the Financial Director of William Denby and Sons Limited, a textile dyeing and finishing processor with 150 staff, where he was employed for 18 years until his retirement from full-time employment. As part-time Commercial Director, he has overall responsibility for operational functions. Lewis has agreed to commit two days a week to the Group's business and is an Associate Member of the Chartered Institute of Management Accountants.

Rupert Hutton (38) FCCA MBA

Finance Director & Company Secretary: Rupert was appointed Finance Director during 2002, having worked with the Company since March 2001. Rupert is responsible for the Group's daily finances, administration and other support functions. Previously he was Group Financial Controller of the Milton Keynes and North Bucks Chamber of Commerce Training and Enterprise, a £10m turnover group of six private limited companies. Rupert's early career and formal accountancy training took place with Grant Thornton. He has a Masters in Business Administration and is a Fellow of the Association of Chartered Certified Accountants.

SENIOR MANAGERS BIOGRAPHIES

Brief biographies of the Company's Senior Managers Biographies are given below.

James Waller (31)

Head of Marketing: James was appointed as Head of Marketing on 1 June 2004. James has a 10-year track record of building marketing functions and capabilities for growth companies. His previous experience includes Director of Corporate Marketing for EMEA at IONA Technologies Plc, an enterprise integration software provider and prior to that as European Marketing Director at WebGain Inc, an Application Development tools company. He was also Northern European Marketing Director at IXOS Software AG, a content management software provider. He is responsible for increasing the awareness of Atlantic Global within the emerging marketplace for real-time business software solutions. His role encompasses brand development, marketing communications, direct marketing and investor, analysts and press relations.

Phil Alcock (48)

Head of Sales: Phil was appointed Head of Sales on the 1st July 2004. He has spent over 29 years in the IT industry and previously worked as Sales Director for Science Applications International Corporation (SAIC), a leading IT Services Business. Phil has held other senior sales and management roles at Sema Group, Datapoint, AT&T and CSC Computer Sciences. Phil has also had experience in developing alliances with key business partners from both the IT and Managing Consulting communities. His responsibilities at Atlantic Global include all aspects of sales activity, including the management of the existing sales team and the introduction of effective sales management and reporting processes.

Directors' Report

The Directors present their annual report and the audited accounts for the year ended 31 December 2004.

Principal activities

The Group's principal activity is the development and sale of computer software, its maintenance and related services.

Business review and future developments

The principal activities of the Company and its subsidiaries are as follows:

Atlantic Global Plc	Group holding company
Atlantic EC Limited	Development and sale of business management software
Atlantic Global Inc	Dormant
Actualdetail Limited	Dormant

A commentary on the Group's activities and of future developments is included in the Chairman's Statement and Managing Director's Review.

Dividends and Reserves

The Directors are proposing that a final dividend of 0.75 pence per ordinary share be paid for the year ended 31 December 2004 (2003: 0.70 pence).

Movements in reserves are set out in note 18 to the accounts.

Policy and practice on payment of creditors

Whilst the Group does not follow any code or standard on payment practice, its policy is to pay suppliers in accordance with agreed terms. At the end of the period there were 45 days supplies in trade creditors (2003: 9 days).

Research and Development

The Group researches new technologies, keeping abreast of new advances, and continues to develop its software to meet its customers ever expanding needs.

Directors and Directors' interests

The Directors who held office during the period were as follows:

AE Bradshaw	(resigned 8 September 2004)
EA Blaine	
SL Howcroft	
RG Hutton	
MH Allcock	(resigned 12 April 2004)
DM Cox	
P Gleghorn	(appointed 28 April 2004)

S Allen was appointed as a non executive director on 21 February 2005.

RG Hutton and EA Blaine, who retire by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-appointment. S Allen who has been appointed since the last AGM, retires in accordance with the Companies Articles of Association and being eligible, offers himself for appointment.

Directors and Directors' interests (continued)

According to the register of Director's interests, the Directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company:

	Class of share	Interest at 31 December 2004	Percentage of total issued share capital	Interest at 1 January 2004 or date of appointment
EA Blaine	Ordinary	11,550,267	50.44%	11,550,267
SL Howcroft	Ordinary	843,675	3.68%	791,351
RG Hutton	Ordinary	59,000	0.26%	59,000
DM Cox	Ordinary	40,000	0.17%	40,000
P Gleghorn	Ordinary	981,028	4.28%	981,028

According to the register of Directors' interests, no rights to subscribe for shares in Group companies were granted to any of the Directors or their immediate families, or exercised by them, during the financial period except as indicated below:

	At 1 January 2004 or date of appointment	Number of share options during the period		At 31 December 2004	Exercise price	Exercise dates	
		Granted	Exercised			From	To
EA Blaine	707,872	–	–	707,872	25p	23 March 2004	3 June 2008
	69,251	–	–	69,251	25p	23 March 2004	3 June 2005
SL Howcroft	206,464	–	–	206,464	25p	4 June 2004	3 June 2011
	20,270	–	–	20,270	27p	19 March 2005	18 March 2012
RG Hutton	120,000	–	–	120,000	25p	4 June 2004	3 June 2011
	20,000	–	–	20,000	25p	7 December 2004	6 December 2011
DM Cox	42,169	–	–	42,169	83p	6 November 2006	5 November 2013
	–	200,000**	–	200,000**	50p	31 March 2006	30 April 2007
	–	50,000**	–	50,000**	50p	31 March 2007	30 April 2008
P Gleghorn	389,328	–	–	389,328	25p	4 June 2004	3 June 2011
	38,108	–	–	38,108	27p	19 March 2005	18 March 2012

All share options listed are company share options that will need to be created on exercise, with the exception of the share options marked **. The option to purchase these shares has been granted by Eugene Blaine personally over shares that are currently in existence and owned by him.

Further details of total share options are analysed in note 17 to the accounts.

Directors' Report

continued

	Number of warrants during the period		
	At 1 January 2004	Exercised	At 31 December 2004
EA Blaine	858,100	–	858,100
SL Howcroft	52,324	(52,324)	–
P Gleghorn	73,252	–	73,252

The warrants have an exercise price of 28.75p and are exercisable from the first anniversary of admission to AIM until the fifth anniversary of the date of grant at a ratio of one ordinary share per one warrant. These warrants were granted at the time of the AIM flotation.

Further details of total warrants are analysed in note 17 to the accounts.

Major shareholdings

As at 14 March 2005 the Directors were aware of the following interests of over 3% of the issued ordinary share capital of the Company:

Shareholder	Number of shares	% of total issued share capital
EA Blaine	11,550,267	50.44
AIM Distribution Trust Plc	1,440,000	6.29
P Gleghorn	981,028	4.28
SL Howcroft	843,675	3.68
Leggmason Investors AIM VCT Plc	751,000	3.28

Political and charitable donations

During the year the Group made no political or charitable contributions.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

RG Hutton

Company Secretary

29 March 2005

Remuneration and Employee Report

The Remuneration Committee presents this report to shareholders on behalf of the Board. The disclosures in this report are made on a voluntary basis and therefore are not intended to comply with the Directors Remuneration Report Regulations 2002. Details of Directors remuneration in the year to 31 December 2004 are given in note 4 to the Accounts, and details of Directors shareholdings and share options are given in the Directors Report.

Membership of Remuneration Committee

David M Cox (Chairman)	Non-Executive
Steve Allen	Non-Executive
Eugene Blaine (Managing Director)	Executive

Remuneration policy

Executive Directors' remuneration packages consist of various components and may contain any or all of the following:

Basic salary	Pension contributions	Car allowance	Performance linked bonus
Share options	Life assurance	Private healthcare insurance	

Scope and objectives

Our ability to attract, retain and motivate Directors, senior managers and staff of appropriate calibre and experience is essential to the success of the Group. The Remuneration Committee's primary responsibility is to ensure that the Group policy supports this objective whilst avoiding unnecessary cost.

Company bonus scheme

The short-term reward for employees and Directors is in the form of a bonus scheme. Performance related elements of remuneration form a significant proportion of Executives' total remuneration packages and have been designed to align the executive interests with those of shareholders. The bonus scheme is based on total Group profitability, including stretch targets for the Group. Individual bonus schemes have been put in place where appropriate in which, to reach a maximum payment, would require exceptional achievement. Bonus payments are not pensionable.

Pension contributions

The Group operates a contributory money purchase pension scheme for the benefit of all employees. Basic salary only is pensionable. Pension contributions for most employees are available through salary sacrifice, which is matched up to a maximum Company contribution of 5%. Pension contributions on behalf of the Managing Director are 10% before any salary sacrifice.

Share options

Share options are a means by which the Group rewards and motivates employees and Directors in the medium to long term. If the Group achieves targets and the full bonus is paid this will increase the share price, which will lead to more long-term benefits for employees and shareholders alike. Executive Directors' share option details are given in the Directors' Report, and employee share options details are given in the share capital note 17 to the accounts. Share options can be awarded based on two criteria, merit or attracting new senior employees to the Company.

The more committed and focused employees are, the more successful the Group will be and the more reward the employees will receive, not just financially but also from a personal sense of achievement, job satisfaction, security, and the enjoyment of working together as a team.

Directors emoluments

The total amount paid to the Directors for their services in the year to 31 December 2004 was £220,000 (2003: £233,000).

Corporate Governance Statement

Introduction

The Directors believe that their principal function is to create ongoing wealth for the Group's investors and that this should be achieved within a policy of high standards of corporate governance, integrity and ethics. Under the AIM rules for companies, the Group is not required to comply with the Combined Code on Corporate Governance, published in July 2003. However, the Board has actioned procedures in order to comply with the Code, in so far as is practical and appropriate for a public company of this size and complexity.

This statement describes how the Directors have applied the principles of good corporate governance to the management of the Group during the year ended 31 December 2004.

The Board of Directors

The Code indicates that a board should have a minimum of one third of its members as Non-Executive Directors. During the period, the Board comprised a maximum of four Executive Directors and a minimum of one Non-Executive Director and a maximum of two Non-Executive Directors, (AE Bradshaw appointed to the Board at flotation on 4 June 2001, (resigned 8 September 2004) DM Cox appointed on 6 November 2003, S Allen appointed 21 February 2005) were not known to the Executive Directors prior to the commencement of the placing and are considered to be independent of management and free from any commercial relationship with the Group, thereby allowing them to exercise full independent judgement on any issue that may arise. They do not participate in the Group's bonus, pension or healthcare and life assurance schemes.

The biographies of the Non-Executive Directors, listed on page 10, detail a combination of industrial, financial and commercial knowledge and experience at a senior level ensures that they are able to make a strong and individual contribution on issues of strategy, performance, resources and standards of conduct which is vital to the success of the Group.

The roles of Chairman, which is Non-Executive, and that of the Managing Director are separate, ensuring a separate division of responsibility at the head of the Group.

All Directors are subject to election by shareholders at the first opportunity after their initial appointment to the Board and to re-election thereafter at intervals of not more than three years. Biographical information on all the Directors can be seen on pages 10 and 11, which will help shareholders to make a decision at the time of re-election.

On appointment, Directors are offered an opportunity to request information and training relevant to their legal and other duties as a director. They are also given written guidelines and rules setting out their responsibilities within an AIM listed public company. All Directors are able to take independent professional advice, if required, at the expense of the Company and they have access at all times to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Meetings of the Board of Directors

The Board has overall responsibility for the strategic direction and management of the Group, approval of acquisitions, the agreement to the annual budget or short or medium term forecasts, large items of capital expenditure and disposals and treasury policy.

The Board usually meets once each month, after all relevant information has been circulated on a timely basis, to discuss a formal scheduled agenda covering the key areas of the Group's affairs, including the monthly management accounts with a full analysis of comparisons including actual against budget and the previous year.

All members of the Board are expected to attend each Board Meeting and to arrange their schedules accordingly. With very few exceptions, usually due to an individual's holidays, full attendance was achieved throughout the year.

Feedback is provided to management to ensure that decisions made during the meetings are effected as quickly as possible on an operational level.

Audit Committee

The Audit Committee comprises both Non-Executives with DM Cox as Chairman and any or all Executive Directors can be invited to attend a meeting at the discretion of the Chairman. The minutes of every meeting are taken by the Chairman and circulated to all Directors. The Chairman also provides a verbal report of all meetings of the Committee to the next Board Meeting. Audit Committee Meetings take place not less than twice per annum with the auditors being present on at least one of those meetings, without any Executive Director being in attendance.

The responsibilities of the Committee are to:

- monitor the quality of internal control of all financial matters
- review the Company's Accounting Policies and ensure compliance with accounting standards
- review the Company's reporting and accounting procedures
- ensure that the financial performance of the Company is properly measured and reported on
- review the conduct of the audit and discuss the audit fees
- review reports from the Auditors relating to the Company's accounting and internal controls
- consider, on an ongoing basis, whether the Company requires an internal audit function
- review the Board's statement on internal control in the Company's Annual Report and
- to ensure the Company complies with the AIM Rules

Remuneration Committee

The Remuneration Committee comprises of both Non-Executives and the Managing Director with DM Cox as Chairman. Meetings take place not less than twice per annum.

No Director will attend a meeting when it is considering any terms or conditions relating to that Directors' own service.

The responsibilities of the Committee are:

- determine the terms and conditions of service of all Directors including remuneration and the granting of share options,
- seek professional advice, including comparison with similar businesses, in order to correctly fulfil its duties, as the Committee deems appropriate, and
- ensure the Company complies with the relevant sections of the AIM Rules.

Relationships with Shareholders

The Board remains fully committed to maintaining regular communication with the Shareholders. Our policy is fully explained in the Investor Relations section commencing on page 36.

Corporate Governance Statement

continued

Internal Control

The Board of Directors has overall responsibility for ensuring that the Group maintains a system of internal financial control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that assets are safeguarded and risk is identified as early as practicably possible. They are assisted by the Audit Committee in these matters. Such systems are designed to manage rather than completely eliminate risk and can only provide reasonable but not absolute assurance against misstatement or loss.

The Board regularly reviews the effectiveness of the systems, controls and reporting procedures and will continue to do so, making any changes required as a result of the reviews and the development of the Group.

There is a standard schedule of matters that are reserved for decision by the whole Board in order that it maintains effective, ongoing, control over the appropriate strategic, financial and compliance issues. Operational issues are the responsibility of the Executive Directors, each of whom has separate clearly defined functional areas allocated to them. They report, in the first instance, to the Managing Director on a daily basis, whilst continually communicating with each of the other Executive Directors on all aspects of the Group's progress. This tight management control is helped by Atlantic, currently, being a relatively small size of company. The Executive Directors are mindful of the effects that further growth will have on the size and complexity of the operational aspects of the company and are continually developing improved methods of monitoring and control. This development will continue. The main Board is fully informed as to operational progress at every monthly meeting

Consideration has been given as to whether there is a need to establish an internal audit department and the Directors have concluded that the current control mechanisms are sufficient for the size of the Group. This decision will be kept under review.

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 Group and of the profit, or loss, 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 and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the members of Atlantic Global Plc



KPMG Audit Plc

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Report of the Independent Auditors' to the Members of Atlantic Global Plc

We have audited the financial statements on pages 20 to 34 .

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 18, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Group is not disclosed.

We read the other information accompanying the Annual Report and consider whether it is consistent with those audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2004 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

29 March 2005
Chartered Accountants
Registered Auditor

Consolidated Profit and Loss Account

for the year ended 31 December 2004

	<i>Notes</i>	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Turnover	2	2,146	1,956
Cost of sales		(1,296)	(582)
Gross profit		850	1,374
Administration and establishment expenses		(738)	(944)
Operating profit before goodwill amortisation		293	611
Goodwill amortisation		(181)	(181)
Operating profit	3-5	112	430
Interest receivable	6	76	66
Profit on ordinary activities before taxation		188	496
Tax on profit on ordinary activities	7	(56)	(142)
Profit on ordinary activities after taxation		132	354
Dividends proposed	8	(172)	(159)
Retained (loss)/profit for the financial period	18	(40)	195
Adjusted earnings per share	9	1.37p	2.35p
Basic earnings per share	9	0.58p	1.56p
Diluted earnings per share	9	0.50p	1.35p

There are no recognised gains or losses during the current year other than the profit for the year.

The Group's results for both the current and preceding years derive from continuing operations.

Consolidated Balance Sheet

at 31 December 2004

	Notes	2004		2003	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	11		2,973		3,154
Tangible assets	13		37		49
			3,010		3,203
Current assets					
Debtors	14	1,449		772	
Cash at bank and in hand		1,896		2,296	
		3,345		3,068	
Creditors: amounts falling due within one year	15	(984)		(901)	
Net current assets			2,361		2,167
Net assets			5,371		5,370
Capital and reserves					
Called up share capital	17		1,145		1,137
Share premium account	18		1,578		1,545
Merger reserve	18		2,538		2,538
Profit and loss account	18		110		150
Equity shareholders' funds			5,371		5,370

These accounts were approved by the Board of Directors on 29 March 2005 and were signed on its behalf by:

EA Blaine
Managing Director

RG Hutton
Finance Director and Company Secretary

Company Balance Sheet

at 31 December 2004

	Notes	2004		2003	
		£000	£000	£000	£000
Fixed assets					
Investments	12		4,127		4,127
Current assets					
Debtors: amounts falling due after more than one year	14	1,391		1,318	
Creditors: amounts falling due within one year	15	(231)		(213)	
Net current assets			1,160		1,105
Net assets			5,287		5,232
Capital and reserves					
Called up share capital	17		1,145		1,137
Share premium account	18		1,578		1,545
Merger reserve	18		2,538		2,538
Profit and loss account	18		26		12
Equity shareholders' funds			5,287		5,232

These accounts were approved by the Board of Directors on 29 March 2005 and were signed on its behalf by:

EA Blaine
Managing Director

RG Hutton
Finance Director and Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 December 2004

<i>Notes</i>	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Net cash inflow from operating activities		
	293	611
	(181)	(181)
	112	430
	30	30
	181	181
	(677)	(392)
	160	319
	(194)	568
Cash Flow Statement		
	(194)	568
<i>22</i>	76	51
	(146)	(89)
<i>22</i>	(18)	(17)
<i>24</i>	(282)	513
	(159)	(114)
	(441)	399
<i>22</i>	-	(101)
<i>22</i>	41	-
	(400)	298
Reconciliation of net cash flow to movement in net funds		
<i>23</i>	(400)	298
	-	101
	(400)	399
	2,296	1,897
	1,896	2,296

Notes to the Accounts

forming part of the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's accounts.

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 31 December 2004. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated Profit and Loss Account from the date of acquisition or up to the date of disposal.

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own Profit and Loss Account.

Goodwill

Purchased goodwill represents the excess fair value attributed to investments in businesses or subsidiary undertakings over the fair value of the underlying net assets at the date of their acquisition.

The Directors are of the opinion that the goodwill on businesses capitalised has a long economic life, as it is an inseparable part of the value of the businesses acquired and is linked to the products and services that the businesses provide. Our in-house Research and Development team continuously improves the products, with all development expenditure written off as incurred. This, in the opinion of the Directors, maintains the economic life of the products and hence the goodwill.

The Directors do however recognise that it is prudent to amortise goodwill over a defined period and in the light of the above have decided to write off goodwill on a straight-line basis over 20 years.

The remaining useful economic life of capitalised goodwill will be reviewed annually for impairment and adjusted if required.

Revenue recognition

Revenue from the sale of software licences is recognised only when the software is installed. Revenue from chargeable services including consultancy, customisation and development is recognised as these services are delivered. Support revenue is recognised over the life of each support contract.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment	–	33.3% per annum
Office furniture	–	20% per annum
Leasehold improvements	–	33.3% per annum

1 Accounting policies (continued)

Post-retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Research and development expenditure

Expenditure on Research and Development is written off to the Profit and Loss Account in the period in which it is incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Cash and liquid resources

Cash, for the purpose of the Cash Flow Statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash) and investments in money market managed funds.

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Financial assets and liabilities

Changes in the value of financial instruments are disclosed in the notes to the accounts but are not reflected in the Profit and Loss Account or Balance Sheet.

Notes to the Accounts

continued

2 Analysis of turnover

Turnover, all of which arises from the Group's principal activity, can be analysed into its main components as follows:

	Year ended 31 December 2004		Year ended 31 December 2003	
	£000	%	£000	%
By geographical market				
UK	2,086	97%	1,858	95%
Europe	24	1%	82	4%
Rest of World	36	2%	16	1%
	2,146	100%	1,956	100%
	£000	%	£000	%
By segment				
Licence	969	45%	941	48%
Support	579	27%	496	25%
Services	598	28%	519	27%
	2,146	100%	1,956	100%

The turnover for the year is derived entirely from third parties.

3 Profit on ordinary activities before taxation

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration:		
Group:		
– audit	14	14
– fees paid to the auditor and its associates in respect of other services	5	5
Company		
– audit	4	4
Depreciation and other amounts written off tangible fixed assets:		
Owned	30	30
Goodwill amortisation	181	181
Research and Development expenditure	260	283
Rentals payable under operating leases	59	22

4 Remuneration of Directors

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Directors emoluments including Non Executive Director fees	208	223
Company contributions to money purchase pension scheme	12	10
	220	233

Retirement benefits are accruing to 2 (2003: 2) Directors under Money Purchase Schemes. In addition, contributions are made on behalf of 1 (2003: 1) Director into a personal pension scheme.

The aggregate of emoluments of the highest paid Director was £75,000 (2003: £61,000), and company pension contributions of £7,500 (2003: £5,000) were made to a personal pension scheme on his behalf.

Further information on Directors' remuneration can be found in the Remuneration and Employee Report on page 15.

5 Staff numbers and costs

The average number of persons employed by the Group (including Executive Directors) during the period, analysed by category, was as follows:

	Year ended 31 December 2004 No.	Year ended 31 December 2003 No.
Development	7	8
Sales and Marketing	10	6
Human Resources	1	1
Administration	5	5
	23	20

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Wages and salaries	938	689
Social security costs	105	76
Other pension costs	35	34
	1,078	799

These figures exclude the fees paid to the Group's two Non-Executive Directors.

Notes to the Accounts

continued

6 Interest receivable

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Bank interest	76	66

7 Taxation

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Current tax on income for the period	73	151
Adjustments in respect of prior periods	(17)	(9)
Total current tax	56	142

Factors affecting the tax charge for the current period

The current tax charge for the period is the same (2003: lower than) as the standard rate of corporation tax in the UK (2004: 30%, 2003: 30%). The differences are explained below.

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	188	496
Current tax at 30% (2003: 30%)	56	149
<i>Effects of:</i>		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	64	61
Research and Development relief	(26)	(33)
UK tax not at standard rate	(21)	(25)
Other differences	-	(1)
Adjustments in respect of prior years	(17)	(9)
Total current tax charge (see above)	56	142

No provision for deferred tax is required on the grounds of materiality.

8 Dividends

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
On ordinary shares of 5p		
Final proposed: 0.75p (2003: 0.70p)	172	159

9 Earnings per share

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Profit after tax	132	354
Adjustments		
Goodwill amortisation	181	181
Adjusted profits	313	535
	Number 000	Number 000
Weighted average number of shares in issue	22,804	22,747
Dilutive effect of share options	3,534	3,515
Fully diluted weighted average number of shares in issue	26,338	26,262
Basic earning per share (based on profit after tax)	0.58p	1.56p
Fully diluted earnings per share (based on profit after tax)	0.50p	1.35p
Adjusted earnings per share (based on adjusted profits)	1.37p	2.35p

The adjusted earnings per share has been calculated due to the material effect of goodwill charged in the financial statements.

10 Profit attributable to Atlantic Global Plc

Of the profit attributable to shareholders, £186,000 (2003: £170,000) is dealt with in the accounts of the parent company. The Company has taken advantage of the exemption, permitted by Section 230 of the Companies Act 1985, from presenting its own Profit and Loss Account.

11 Intangible fixed assets

	Goodwill £000
Group	
<i>Cost</i>	
At start and end of the year	3,620
<i>Amortisation</i>	
At start of year	466
Charged in year	181
At end of year	647
<i>Net book value</i>	
At 31 December 2004	2,973
At 31 December 2003	3,154

Goodwill is being amortised over 20 years. The basis for selecting this period is that the Directors believe the benefits to be derived from having acquired Atlantic EC Limited will continue for the indefinite future.

Notes to the Accounts

continued

12 Investments

Company	Shares in group undertakings £000
<i>Cost and net book value</i>	
At start and end of year	4,127

The Company's principal subsidiary undertakings, each of which are all wholly owned, are registered in England and Wales, and the United States as specified, are as follows:

Subsidiary Undertaking	Principal activity	Country of registration	Registered number
Atlantic EC Limited	Software development and sale	England and Wales	4157160
Actualdetail Limited	Dormant	England and Wales	2780307
Atlantic Global Inc	Dormant	USA	–

13 Tangible fixed assets

	Leasehold Improvements £000	Computer Equipment £000	Office Furniture £000	Total £000
Group				
<i>Cost</i>				
At beginning of year	3	94	28	125
Additions	–	10	8	18
At end of year	3	104	36	143
<i>Depreciation</i>				
At beginning of year	1	64	11	76
Charge for year	1	24	5	30
At end of year	2	88	16	106
<i>Net book value</i>				
At 31 December 2004	1	16	20	37
At 31 December 2003	2	30	17	49
Depreciation in 2003	1	24	5	30

14 Debtors

	Group		Company	
	2004 £000	2003 £000	2004 £000	2003 £000
Trade debtors	1,271	702	–	–
Amounts owed by Group undertakings	–	–	1,391	1,318
Prepayments and accrued income	178	70	–	–
	1,449	772	1,391	1,318

All the Group's debtor balances are due within one year.

The Company's debtor balance is due in more than one year.

15 Creditors: amounts falling due within one year

	Group		Company	
	2004 £000	2003 £000	2004 £000	2003 £000
Trade creditors	97	15	–	–
Corporation tax	74	164	59	54
Other tax and social security	199	159	–	–
Accruals and deferred income	442	404	–	–
Dividends proposed	172	159	172	159
	984	901	231	213

16 Financial assets and liabilities

The Group's activities are financed by cash at bank and short-term investments, which comprise cash placed on deposit.

The Group's treasury policy has as its principle objective the achievement of the maximum rate of return on cash balances whilst maintaining an acceptable level of risk. Other than mentioned above there are no financial instruments, derivatives or commodity contracts used.

Given that there are no borrowings within the Group it is considered that the interest rate risk is not significant.

The Group has minimal foreign currency risk.

For the purposes of the following disclosures, short-term debtors and creditors have been excluded, as permitted by FRS 13.

The Group's financial assets comprise cash at bank and short-term investments. At 31 December 2004 the average interest rate earned on the temporary closing balances was 4.72%. The fair values of the Company's debtors are not materially different from the amount at which they are recorded in the accounts.

Notes to the Accounts

continued

17 Called up share capital

	Nominal Value	Number	£000
Authorised			
At beginning and end of year	5p	75,000,000	3,750
<hr/>			
		Number	£000
Allotted, called up and fully paid			
At beginning of year		22,747,026	1,137
Exercise of warrants		52,324	3
Exercise of share options		100,000	5
At end of year		22,899,350	1,145

Warrants

The warrants listed below are outstanding from the total issued following the acquisition of Atlantic EC Limited on 29 May 2001.

Name		Number of warrants
AE Bradshaw	Former Director	1,243,200
EA Blaine	Director	858,100
P Gleghorn	Director	73,252
I Needs	Executive	52,324
P Mountford	Associate of AE Bradshaw	1,243,200
Total		3,470,076

The warrants have an exercise price of 28.75p and are exercisable from the first anniversary of admission to AIM on 4 June 2001 until the fifth anniversary of the date of grant at a ratio of one ordinary share per one warrant.

Share options

As at 31 December 2004 the following options had been granted and were still outstanding under the Company's Share Option Schemes.

	Date granted	No. of shares	Exercise price	Exercise dates	
				From	To
Director	4 June 2001	707,872	25.0p	24 March 2004	3 June 2008
Director	4 June 2001	595,792	25.0p	4 June 2004	3 June 2011
Director	4 June 2001	120,000	25.0p	4 June 2004	3 June 2011
Director	7 December 2001	20,000	25.0p	7 December 2004	6 December 2011
Director	19 March 2002	69,251	27.0p	24 March 2004	3 June 2008
Director	19 March 2002	58,378	27.0p	19 March 2005	18 March 2012
Director	6 November 2004	42,169	83.0p	6 November 2006	5 November 2013
Employee	4 June 2001	353,936	25.0p	4 June 2004	3 June 2011
Employee	4 June 2001	200,000	25.0p	4 June 2004	3 June 2011
Employee	31 October 2002	54,545	27.5p	31 October 2005	3 June 2012
Employee	5 September 2001	60,000	25.0p	5 September 2004	4 September 2011
Employee	7 December 2001	40,000	25.0p	7 December 2004	6 December 2011
Employee	19 March 2002	34,662	27.0p	19 March 2005	18 March 2012
Employee	31 October 2002	29,091	27.5p	31 October 2005	30 October 2012
Employee	28 March 2003	125,000	28.0p	28 March 2006	27 March 2013
Employee	3 June 2003	37,000	35.0p	3 June 2006	2 June 2013
Employee	27 August 2003	27,858	68.0p	27 August 2006	26 August 2013

17 Called up share capital (continued)

	Date granted	No. of shares	Exercise price (pence)	Exercise dates	
				From	To
Employee	19 December 2003	6,993	71.5p	19 December 2006	18 December 2013
Employee	2 June 2003	100,000	48.0p	2 June 2006	1 June 2013
Employee	8 October 2004	30,000	40.0p	8 October 2007	7 October 2014
AE Bradshaw	4 June 2001	207,200	25.0p	24 March 2004	3 June 2006
AE Bradshaw	19 March 2002	20,270	27.0p	24 March 2004	3 June 2006
P Mountford	4 June 2001	207,200	25.0p	24 March 2004	3 June 2006
P Mountford	19 March 2002	20,270	27.0p	24 March 2004	3 June 2006
Total		3,167,487			

AE Bradshaw and P Mountford, who are both Directors of Bradment Investments Limited, have interests in the Company as detailed above.

18 Share premium and reserves

	Share premium account £000	Group Merger reserve £000	Profit and loss account £000
Group			
At start of year	1,545	2,538	150
Retained loss for the year	–	–	(40)
New share capital subscribed	33	–	–
At end of year	1,578	2,538	110
	Share premium account £000	Company Merger reserve £000	Profit and loss account £000
Company			
At start of year	1,545	2,538	12
Retained profit for the year	–	–	14
New share capital subscribed	33	–	–
At end of year	1,578	2,538	26

19 Reconciliation of movements in shareholders' funds

	Group		Company	
	2004 £000	2003 £000	2004 £000	2003 £000
Profit for the financial year	132	354	186	170
Dividends	(172)	(159)	(172)	(159)
New share capital subscribed	41	–	41	–
Net addition to shareholders' funds	1	195	55	11
Opening shareholders' funds	5,370	5,175	5,232	5,221
Closing shareholders' funds	5,371	5,370	5,287	5,232

Notes to the Accounts

continued

20 Commitments

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

	2004 Land and buildings £000	2003 Land and buildings £000
Group		
Operating leases which expire:		
Within one to two years	–	–
In the second to fifth years inclusive	243	–
Over five years	–	38
	243	38

21 Pension scheme

The Group operates a defined contribution pension scheme as well as making contributions to the Personal Pension Schemes of certain employees. The pension cost charge for the year represents contributions payable by the Company amounting to £35,000 (2003: £34,000).

There were outstanding contributions to be paid over at year end of £3,000 (2003: £4,484).

22 Analysis of cash flows

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000
Returns on investment & servicing of finance		
Interest received	76	51
Capital expenditure & financial investment		
Purchase of tangible assets	(18)	(17)
Management of liquid resources		
Cash placed in/(withdrawn from) short term investments	–	(101)
Financing		
Issue of ordinary share capital	41	–

23 Analysis of net funds

	At beginning of year £000	Cash flow £000	At end of year £000
Cash in hand, at bank	395	(349)	46
Current asset investments	1,901	(51)	1,850
	2,296	(400)	1,896

24 Free cash flow

Free cash flow represents the amount of cash generated and useable to the advantage of the Company's shareholders either in the form of dividends or for acquisitions that will enhance the company's net worth.

25 Related party transactions

There have been no related party transactions during the year.

Five-Year Financial Summary

Year ending 31 December	2004		2003		2002		2001		2000	
	£000	%	£000	%	£000	%	£000	%	£000	%
Profit and Loss										
Turnover	2,146	100.0%	1,956	100.0%	1,551	100.0%	1,205	100.0%	829	100.0%
Gross profit	850	39.6%	1,374	70.2%	927	60.0%	855	71.0%	529	63.8%
Marketing and admin expenses	605	28.2%	(636)	32.5%	(415)	(26.7%)	(291)	(24.1%)	(235)	(28.3%)
Comparable operating profit	245	11.4%	738	37.7%	512	33.0%	564	46.9%	294	35.5%
Additional ongoing listing costs	133		(127)		(122)		(69)		–	
Goodwill and exceptional costs	(181)		(181)		(226)		(241)		–	
Interest receivable	76		66		71		60		11	
Profit before taxation	188		496		235		314		305	
Taxation	(56)		(142)		(104)		(115)		(59)	
Profit after taxation	132	100%	354	100.0%	131	100.0%	199	100.0%	246	100.0%
Dividends	(172)		(159)		(114)		(104)		–	
Retained (Loss)/Profit	(40)	(30.3%)	195	55.1%	17	13.0%	95	47.7%	246	100.0%
Cash flow										
Free Cash Flow before exceptional costs	(282)		513		124		517		354	
Net available cash	1,896		2,296		1,897		2,147		449	
Statistics										
Earnings per share – adjusted	1.37p		2.35p		1.60p		2.99p		1.68p	
Dividend per share	0.75p		0.70p		0.50p		0.50p		–	
Adjusted Dividend cover	1.83		3.36		3.20		5.98		–	
Research & development expenditure (£000)	260		283		283		185		82	
Number of Employees	23		20		17		14		12	
Market information										
Share price at year end	38p		84p		27.5p		27.8p		–	
Market capitalisation	8,702		19,108		6,255		5,750		–	

Investor Relations

Atlantic Global recognises the importance of a good communication flow between the Group and its Shareholders. The information given within this Annual Report and Accounts is seen as a prime source of this flow and we will continue to develop the content as the opportunity arises. Our website allows us to update the flow of information and the website address is given below, alongside the email address for the Company Secretary.

We believe that our Annual General Meeting offers an excellent opportunity for the Group to meet the Shareholders and we would hope that the presentations planned for the meeting and individual discussions between Shareholders and Directors / Senior Executives thereafter, will help all in attendance to gain a fuller understanding of the Group's business and culture. Further details are provided in the Notice to the Meeting below.

The Directors are also very happy to be contacted by our Shareholders at any time during the year and hope that this will assist in the ongoing relationships that each wishes to develop.

We have shown below further general information that may be of use.

1. Range of shareholdings

Size of holding	Number of shareholders		Number of shares	
	Number	%	Number	%
1 – 5,000	395	67.7	763,609	3.3
5,001 – 20,000	134	23.0	1,376,001	6.0
20,001 – 50,000	32	5.5	1,056,505	4.6
50,001 – 100,000	7	1.2	538,868	2.4
100,001 – 250,000	3	0.5	630,000	2.8
250,001 – 500,000	5	0.9	1,688,045	7.4
500,000 +	7	1.2	16,846,322	73.5
	583	100.0	22,899,350	100.0

2. Categories of shareholders

	Number of shareholders		Number of shares	
	Number	%	Number	%
Directors	5	0.9	13,473,970	58.8
Venture Capital Trusts	3	0.5	2,864,000	12.5
Individuals	556	95.3	4,733,951	20.7
Employees	3	0.5	691,329	3.0
Institutions	3	0.5	784,000	3.5
Companies	8	1.4	278,193	1.2
Pension Funds	5	0.9	73,907	0.3
	583	100.0	22,899,350	100.0

3. Registrar details and Shareholder Queries

All enquiries relating to individual shareholder matters should be made to the Registrar at:

Capita Registrars
Shareholder Services Department
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Tel: 0870 162 3100
Fax: 020 8639 2342
E-mail: ssd@capitaregistrars.com

The Registrars will help with queries regarding personal holdings including:

- Change of name or address
- Lost certificates
- Transfer of shares
- Bereavement

All correspondence should be marked "Atlantic Global Plc" and please quote the full name and address in which the shares are registered.

Shareholder information is also available at the Registrar's website: www.capitaregistrars.com

4. Shareholder enquiries

To Atlantic Global – Please contact Rupert Hutton, our Finance Director and Company Secretary:
Tel: – 01274 863300
E-mail: – rupert.hutton@atlantic-global.co.uk
Website address: – www.atlantic-global.co.uk

The website includes details about the Group's range of software for business solutions, further company news, and investor sections.

5. Dealing references

The ordinary shares of Atlantic Global Plc are listed on the Alternative Investment Market of the London Stock Exchange (AIM). Our dealing codes and reference numbers are as follows:

- TIDM code: ATL
- SEDOL number: 3041954
- ISIN number: GB0030419542

6. Market makers & normal market size

Atlantic Global Plc has three Market Makers who deal in our ordinary shares:

- Collins Stewart
- Winterflood Securities Limited
- KBC Peel Hunt Limited

The normal market size in which our ordinary shares are dealt is 1,000.

7. Investor Internet addresses

Shareholders may be interested in the further information regarding the Group shown on the following websites:

- The London Stock Exchange: www.londonstockexchange.com
- Hemscott Group Limited: www.hemscott.net

8. Share price listings

Atlantic Global Plc share price is listed in the following newspapers:

- The Times
- Financial Times
- The Daily Telegraph
- Yorkshire Post
- Evening Standard

9. Unsolicited mail

The Company is legally obliged to make details of its share register available to other organisations. Therefore, some Shareholders may receive unsolicited mail. Shareholders who wish to limit the receipt of such mail should contact:

The Mailing Preference Service

Freepost 22

London

W1E 7EZ

website address: www.mpsonline.org.uk/mpsr/

10. Copies of Atlantic Global Report and Accounts

Further copies of the interim and annual reports of the Company are available from:

- Mr R Hutton, Finance Director and Company Secretary, Atlantic Global Plc, Park House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW
- Website address: www.atlantic-global.co.uk
- Email: info@atlantic-global.co.uk

11. Financial calendar

Final Dividend – Ordinary shares quoted ex-dividend	20 April 2005
Record date	22 April 2005
Payment date	12 May 2005
Annual General Meeting:	28 April 2005
Announcement and issue of half-year results to 30 June 2005:	September 2005
Preliminary announcement for the annual results to 31 December 2005:	March 2006
Posting of the Annual Report and Accounts to 31 December 2005:	March 2006

Notice of Annual General Meeting

Notice is hereby given that the fourth Annual General Meeting of the Company will be held at the Company's registered office at, Park House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW on 28 April 2005 at 2.30 pm for the following purposes:

Ordinary Business

1. To receive and adopt the Company's accounts and the reports of the Directors and auditors for the period ended 31 December 2004.
2. To re-appoint Messrs KPMG Audit Plc as auditors of the Company and to authorise the Directors to fix their remuneration.
3. To receive Rupert Hutton's retirement as Director of the Company in accordance with Article 72 of the Company's articles of association and to re-elect him to the Board of Directors of the Company.
4. To receive Eugene Blaine's retirement as Director of the Company in accordance with Article 72 of the Company's articles of association and to re-elect him to the Board of Directors of the Company.
5. To receive Steve Allen's retirement as Director of the Company in accordance with Article 69B of the Company's articles of association and to elect him to the Board of Directors of the Company.

Special Business

6. To consider and if thought fit, to pass the following resolution as an ordinary resolution.

"That, on the recommendation of the Board of Directors, a final dividend of 0.75 pence per ordinary share be declared for the year ended 31 December 2004 payable on 12 May 2005 to shareholders on the register at the close of business on 22 April 2005."

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution

"That the Directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") (in substitution for any existing authority to allot relevant securities) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to a maximum nominal amount of £555,160, provided that such authority shall expire on 27 July 2006, or such earlier time as this authority shall next be revoked or varied by the Company in general meeting, but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired."

8. To consider and, if thought fit, pass the following resolution as a special resolution

"That subject to the passing of resolution 7 as set out in the notice of this meeting, the Directors be empowered pursuant to section 95 of the Companies Act 1985 (the "Act") (in substitution for any existing authority) to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the general authority conferred by resolution 7 as set out in the notice of this meeting for cash, as if section 89(1) of the Act did not apply to such allotment, provided that this power shall be limited to allotments of equity securities:

- (a) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

- (b) in connection with the exercise of existing warrants granted by the Company, up to 3,470,076 Ordinary Shares;
- (c) in connection with the Company's existing employee share schemes; and
- (d) otherwise than pursuant to sub-paragraphs (a), (b) and (c) above, up to an aggregate nominal amount of £57,250;

and such power shall expire on 27 July 2006 or such earlier time as this authority shall next be revoked or varied by the Company in general meeting, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired."

By order of the Board of Directors

R Hutton

Company Secretary

Dated this 29th day of March 2005

Notes

1. Any member of the Company entitled to attend, speak and vote at the above mentioned meeting may appoint a proxy to attend, speak and, on a poll, vote instead of that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he/she subsequently decide to do so.
2. To be valid the instrument appointing a proxy and any authority under which it is executed (or a copy of the same certified notari ally) must be deposited at the registered office of the Company not less than 48 hours before the time of the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's register at 6.00pm on 26 April 2005 in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. A copy of the balance sheet and every document required by law to be annexed to it, which are to be laid before the above mentioned meeting, are enclosed. The statutory registers are available for inspection during normal business hours without charge at Park House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW.
5. A copy of the Directors' service contracts referred to in section 318 of the Companies Act 1985 (as amended) will be available for inspection by any member at the registered office of the Company during normal business hours on each business day from the date of the notice convening the Annual General Meeting up to the close of the meeting.
6. Explanation of Special Business;

The Companies Act 1985 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 7 will be proposed as an Ordinary Resolution for the renewal of the Directors' general authority to issue relevant securities up to an aggregate nominal amount of £555,160, representing approximately one third of the current issued share capital of the Company plus the 3,470,076 Ordinary Shares currently subject to warrants granted by the Company. The Directors have no present intention of exercising this authority other than in connection with any exercise of the said existing warrants. The directors may also allot shares pursuant to the Company's existing employee share schemes.

The Companies Act 1985 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under section 95 of the Companies Act 1985. Resolution 8 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 89 of the Companies Act, authorises the issue of shares pursuant to the existing warrants and pursuant to the Company's existing employee share schemes and further authorises other allotments of up to a maximum aggregate nominal amount of £57,250 of shares, representing approximately 5 per cent of the current issued ordinary share capital of the Company. The Directors have no present intention of exercising this authority, other than to satisfy the warrants already granted and in operation of the Company's existing employee share schemes.

Directors and Advisers

Executive Directors

EA Blaine, *Managing Director*
R Hutton, FCCA, MBA, *Finance Director & Company Secretary*
SL Howcroft, ACMA, *Commercial Director*
P Gleghorn, *Technical Director*

Non-Executive Directors

DM Cox, *Chairman*
S Allen, *Non-Executive Director*

Composition of Board Committees

Audit Committee – DM Cox, *Chairman* and S Allen

Remuneration Committee – DM Cox, *Chairman*, S Allen and EA Blaine

Finance Director and Company Secretary – RG Hutton, FCCA, MBA

Auditors

KPMG Audit Plc
Quayside House
110 Quayside
Newcastle-upon-Tyne
NE1 3DX

Solicitors

Robert Muckle Solicitors
Norham House
12 New Bridge Road
Newcastle-upon-Tyne
NE1 8AS

Brokers and Nominated Advisers

Collins Stewart
9th Floor
88 Wood Street
London
EC2V 7QR

Registrars

Capita Registrars
Shareholder Services Dept
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Bankers

Barclays Bank Plc
PO Box 285
10 Market Street
Bradford
West Yorkshire
BD1 1XW

Financial Public Relations

Abchurch Communications Limited
100 Cannon Street
London
EC4N 6EU

Registered Office

Park House
Woodland Park
Bradford Road
Chain Bar
Cleckheaton
West Yorkshire
BD19 6BW

Tel: 01274 863300
Fax: 01274 865966
E-mail: info@atlantic-global.co.uk
Website: www.atlantic-global.co.uk

Registered in England and Wales: 4168028

Form of Proxy

For use at the Annual General Meeting of Atlantic Global Plc to be held on 28 April 2005 at 2.30pm at Park House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW, and at any adjourned meeting thereof.

I/We(note 1)

of
being (a) member(s) of the above named Company HEREBY APPOINT the Chairman of the Meeting

or(note 2)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28 April 2005 and, at any adjournment thereof.

Please indicate with an 'X' in the appropriate space below how you wish your vote to be cast. If no indication is given, and on any other resolutions proposed at the meeting, your Proxy will abstain or vote at his discretion.

RESOLUTIONS

Ordinary Business	For	Against
1. To receive and adopt the Company's accounts and the reports of the Directors and auditors for the year ended 31 December 2004.		
2. To re-appoint Messrs KPMG Audit Plc as auditors of the Company and to authorise the Directors to fix their remuneration.		
3. To receive RG Hutton's retirement as Director of the Company in accordance with Article 72 of the Company's articles of association and re-elect him to the Board of Directors of the Company.		
4. To receive EA Blaine's retirement as Director of the Company in accordance with Article 72 of the Company's articles of association and to re-elect him to the Board of Directors of the Company.		
5. To receive S Allen's retirement as Director of the Company in accordance with Article 69B of the Company's articles of association and to elect him to the Board of Directors of the Company.		

Special Business	For	Against
6. To declare a dividend of 0.75 pence per ordinary share.		
7. To authorise the Directors to allot relevant securities pursuant to S.80 Companies Act 1985.		
8. To authorise the Directors to allot equity securities pursuant to section 95 Companies Act 1985.		

Please sign here:Date:(note 3)

NOTES:

1. In the case of joint holders, the signature of any holder is sufficient but the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names are stated in the register in respect of the holding.
2. If you are a registered shareholder and you are unable to attend the Meeting, you may appoint a proxy to attend and, on a poll, to vote on your behalf. If it is desired to appoint as Proxy any person other than the Chairman of the Meeting, his/her name and address should be inserted in the blank space, reference to the Chairman deleted and the alteration initialled. The Proxy need not be a member of the Company, but must attend the Meeting in order to represent you.
3. In the case of an individual, this Form of Proxy must be signed by the appointer or by his attorney duly authorised in writing. In the case of a Corporation, this Form of Proxy must be completed under its common seal or under the hand of a duly authorised officer or Attorney.
4. To be valid, this Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney must be deposited with Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time fixed for holding the meeting. If you are a registered shareholder and you subsequently decide to attend the Meeting, you may do so.
5. Any alteration to this Form of Proxy must be initialled.
6. Mr Allen is a member of the Audit Committee, Messrs Allen and Blaine are members of the Remuneration Committee.

Second Fold

BUSINESS REPLY SERVICE
Licence No. MB122



CAPITA REGISTRARS
PROXY DEPARTMENT
PO BOX 25
BECKENHAM
KENT
BR3 4BR

First Fold

Third Fold



Contact

Tel: +44 (0)1274 863300

Fax: +44 (0)1274 865966

Email: info@atlantic-global.co.uk

Atlantic Global Plc

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