

REGISTERED NUMBER: 04363163 (England and Wales)

Report of the Directors and
Financial Statements
for the Year Ended 31st March 2005
for
Capacitas Ltd

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for the Year Ended 31st March 2005

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Capacitas Ltd

Company Information
for the Year Ended 31st March 2005

DIRECTORS:

A L Bolton
D G Quilton
M Mohammed

SECRETARY:

A L Bolton

REGISTERED OFFICE:

Prince Consort House
109-111 Farringdon Road
London
EC1R 3BW

REGISTERED NUMBER:

04363163 (England and Wales)

ACCOUNTANTS:

Jean Ingram
Chartered Accountant
106a High Street
Chesham
Buckinghamshire
HP5 1EB

BANKERS:

National Westminster Bank plc
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

Capacitas Ltd

Report of the Directors for the Year Ended 31st March 2005

The directors present their report with the financial statements of the company for the year ended 31st March 2005.

PRINCIPAL ACTIVITY

The company's principal activities consist of the supply of consultative services, classroom-based training and software development to companies who provide or rely on Information and Communication Technology (ICT). The unique approach the company has to technology optimisation enables its customers to increase the benefits of their ICT investment while minimising capital and operating expenditure. The company has a broad range of customers including financial services providers, airlines, legal practices, telecommunications services suppliers, outsourcing consultancies and media organisations.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The Directors are pleased to report steady growth of revenue in the third year of operations. During the period the company expanded its staff and customer base. The business is divided into three main areas: the supply of consultancy services, the supply of training services and the development of innovative software.

- The consultancy services business has proved successful and continued to grow (reporting period: circa £197,000 against £159,000 for previous period) warranting recruitment of additional staff. It has been encouraging to observe strong revenue growth with increased customers and a recurring revenue contract with a major UK company signed in the period.

- The training services business has continued to be successful (period: circa £79,000 against £45,000 for previous period). This represents continued growth with Capacitas becoming a preferred supplier of capacity and performance training to more UK-based companies, as well as attracting revenue from a number of non-UK businesses.

- The software development business has continued with patents applied for in Europe and the United States of America. Further research and development work continues in this area.

Revenue has grown across this period by 24.4% due primarily to the growing customer base. Capacitas has won several important new customers during the period and has also extended its services within several existing customers; many blue-chip organisations now purchase consultancy and training services from the company. There is frequent repeat business from existing customers in addition to a steady and increasing stream of new business. Profitability remains high (profit margin before tax is 39.3% for the period, a 19.0% increase on the previous period) although costs have risen due to the increase in permanent consultancy staff in London. As such the Directors expect that the present level of business activity will be sustained and that strong revenue growth will be seen in the foreseeable future.

The company made £1,000 of charitable donations in the period, spread evenly between the NSPCC, Cancer Research, The British Heart Foundation, Amnesty International and Oxfam.

Capacitas Ltd

Report of the Directors
for the Year Ended 31st March 2005

DIRECTORS

The directors during the year under review were:

A L Bolton
D G Quilton
M Mohammed

The beneficial interests of the directors holding office on 31st March 2005 in the issued share capital of the company were as follows:

	31.3.05	1.4.04
ordinary shares £1 shares		
A L Bolton	400	400
D G Quilton	400	400
M Mohammed	400	400

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

A L Bolton - Director

16th January 2006

Capacitas Ltd

Profit and Loss Account
for the Year Ended 31st March 2005

		2005	2004
	Notes	£	£
TURNOVER		278,091	223,467
Cost of sales		33,435	32,373
GROSS PROFIT		244,656	191,094
Administrative expenses		135,978	98,511
OPERATING PROFIT	2	108,678	92,583
Interest receivable and similar income		1,563	321
		110,241	92,904
Interest payable and similar charges		1,016	769
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		109,225	92,135
Tax on profit on ordinary activities	3	21,372	17,416
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		87,853	74,719
Dividends	4	80,100	76,025
		7,753	(1,306)
Retained profit brought forward		72,371	73,677
RETAINED PROFIT CARRIED FORWARD		£80,124	£72,371

The notes form part of these financial statements

Capacitas Ltd

Balance Sheet
31st March 2005

		2005		2004	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		2,459		3,165
CURRENT ASSETS:					
Debtors	6	53,840		18,024	
Cash at bank		88,747		101,909	
		<u>142,587</u>		<u>119,933</u>	
CREDITORS: Amounts falling due within one year	7	63,722		49,527	
NET CURRENT ASSETS:			<u>78,865</u>		<u>70,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£81,324</u>		<u>£73,571</u>
CAPITAL AND RESERVES:					
Called up share capital	8		1,200		1,200
Profit and loss account			80,124		72,371
SHAREHOLDERS' FUNDS:			<u>£81,324</u>		<u>£73,571</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

Capacitas Ltd

Balance Sheet
31st March 2005

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

A L Bolton - Director

Approved by the Board on 16th January 2006

The notes form part of these financial statements

Capacitas Ltd

Notes to the Financial Statements
for the Year Ended 31st March 2005

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. **OPERATING PROFIT**

The operating profit is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	2,988	2,345
	<u>2,988</u>	<u>2,345</u>
Directors' emoluments and other benefits etc	36,000	36,000
	<u>36,000</u>	<u>36,000</u>

3. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	21,372	17,416
	<u>21,372</u>	<u>17,416</u>
Tax on profit on ordinary activities	21,372	17,416
	<u>21,372</u>	<u>17,416</u>

4. **DIVIDENDS**

	2005	2004
	£	£
Interim dividend	80,100	76,025
	<u>80,100</u>	<u>76,025</u>

Capacitas Ltd

Notes to the Financial Statements
for the Year Ended 31st March 2005

5. **TANGIBLE FIXED ASSETS**

	Computer equipment
	£
COST:	
At 1st April 2004	7,033
Additions	2,282
	<hr/>
At 31st March 2005	9,315
	<hr/>
DEPRECIATION:	
At 1st April 2004	3,868
Charge for year	2,988
	<hr/>
At 31st March 2005	6,856
	<hr/>
NET BOOK VALUE:	
At 31st March 2005	2,459
	<hr/> <hr/>
At 31st March 2004	3,165
	<hr/> <hr/>

6. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005	2004
	£	£
Trade debtors	50,119	14,978
Prepayments & accrued income	3,721	3,046
	<hr/>	<hr/>
	53,840	18,024
	<hr/> <hr/>	<hr/> <hr/>

7. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005	2004
	£	£
Bank loans and overdrafts	-	9,846
Trade creditors	5,454	1,182
Directors current accounts	9,807	5,011
H.M. Customs & Excise	17,202	10,663
Social security & other taxes	5,249	3,191
Taxation	21,373	17,386
Accrued expenses	4,637	2,248
	<hr/>	<hr/>
	63,722	49,527
	<hr/> <hr/>	<hr/> <hr/>

Capacitas Ltd

Notes to the Financial Statements
for the Year Ended 31st March 2005

8. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005 £	2004 £
1,200	ordinary shares	£1	<u>1,200</u>	<u>1,200</u>

Capacitas Ltd

Trading and Profit and Loss Account
for the Year Ended 31st March 2005

	2005		2004	
	£	£	£	£
Sales		278,091		223,467
Cost of sales:				
Direct expenses		33,435		32,373
GROSS PROFIT		244,656		191,094
Other income:				
Deposit account interest	1,558		321	
Corporation Tax Supplement	5		-	
	<u>1,563</u>		<u>321</u>	
		246,219		191,415
Expenditure:				
Directors' remuneration	36,000		36,000	
Social security	2,787		2,835	
Wages	34,365		4,633	
Social security	1,327		-	
Telephone	1,093		2,137	
Printing, postage & stationery	4,256		3,259	
Advertising	1,300		1,748	
Travel and subsistence	9,512		15,678	
Motor expenses	10,456		8,610	
Insurance	1,958		2,232	
Sundry expenses	1,837		1,006	
Accountancy	2,610		2,580	
Professional fees	556		2,342	
Entertainment	2,606		1,363	
Office facilities	2,710		1,710	
Rent and rates	19,182		9,831	
Light & heat	303		196	
	<u>132,858</u>		<u>96,160</u>	
		113,361		95,255
Finance costs:				
Loan	1,016		769	
Bank charges	132		6	
	<u>1,148</u>		<u>775</u>	
Carried forward		112,213		94,480

This page does not form part of the statutory financial statements

Capacitas Ltd

Trading and Profit and Loss Account
for the Year Ended 31st March 2005

	2005		2004	
	£	£	£	£
Brought forward		112,213		94,480
Depreciation:				
Computer equipment		2,988		2,345
NET PROFIT		<u>£109,225</u>		<u>£92,135</u>

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