

**REGISTERED NUMBER: 04363163 (England and Wales)**

Report of the Directors and

Financial Statements

for the Year Ended 31st March 2008

for

Capacitas Ltd

Capacitas Ltd

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for the Year Ended 31st March 2008

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Capacitas Ltd

Company Information  
for the Year Ended 31st March 2008

<b>DIRECTORS:</b>	A L Bolton D G Quilton M Mohammed
<b>SECRETARY:</b>	A L Bolton
<b>REGISTERED OFFICE:</b>	Prince Consort House 109-111 Farringdon Road London EC1R 3BW
<b>REGISTERED NUMBER:</b>	04363163 (England and Wales)
<b>ACCOUNTANTS:</b>	Jean Ingram Chartered Accountant 106a High Street Chesham Buckinghamshire HP5 1EB
<b>BANKERS:</b>	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 2008

The directors present their report with the financial statements of the company for the year ended 31st March 2008.

#### **PRINCIPAL ACTIVITY**

The company's principal activities consist of the supply of consultative services and managed services and classroom-based training to companies who provide or rely on Information and Communication Technology (ICT). The unique approach the company has to technology optimisation and its high calibre of staff 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, a major airline, telecommunications services suppliers, outsourcing consultancies and media companies. Currently 20% of the FTSE-100 companies are customers of Capacitas.

#### **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 again pleased to report steady growth of revenue in the sixth year of operations. During the period the company further expanded its staff, customer base and service offerings. The business is divided into two main areas: the supply of consultancy and managed services and the supply of training services.

- The consultancy services business has proved successful and continued to grow (reporting period: circa £575,000 against £436,000 for previous period) warranting recruitment of additional professional services staff. There has been a strong revenue growth with continued increases in customers and contract value. Managed services are proving increasingly popular with our customers, with our easyJet relationship both continuing successfully and providing a useful business model for other managed services customers.

- The training services business continues to be a valuable product offering, although revenue has dropped in this period (circa £92,000 against £128,000 for previous period). In this period Capacitas has attracted many new customers, successfully launched an accreditation scheme and revised its training portfolio structure. Large UK Government departments have been a growth area in training customers this period. Capacitas continues to attract revenue from a number of non-UK businesses, indicating the unique product offerings that we deliver.

Total revenue has grown across this period by 19% due primarily to the continued demand for professional services from our growing customer base. Capacitas has won several new customers during the period, including EDF Energy, Scottish and Southern Energy, HBOS, ING and Prudential and has also extended its services within several existing customers. There is frequent repeat business from existing customers in addition to a steady and increasing stream of new business. Although profitability remains high (profit margin is 19% for the period, a decrease on the previous period) costs have risen due to the continued increase in permanent consultancy staff in London.

The Directors recognise the need to grow the business further to compete within such a dynamic market. We have continued to invest in staff training for all of our consultants, covering both professional qualifications (ITIL) and consultancy skills. Also we have continued to invest to provide continual improvement in both customer-facing and internal processes and systems. This internal investment is expected to increase in the next accounting period in line with integration of existing systems to support key processes and improve the quality of our services to our customers.

The directors expect that the present level of business activity will be sustained and that, despite increasingly challenging market conditions, revenue is expected to be stable in the foreseeable future.

Capacitas Ltd

Report of the Directors  
for the Year Ended 31st March 2008

Capacitas made £2,000 of total charitable donations in the period to the UNICEF South Asia Earthquake Children's Appeal Fund, Cancer Research, The British Heart Foundation, Amnesty International, Shelter and Oxfam. The company does not make political donations. Capacitas has paid over £250,000 to the Exchequer in various taxes in the period.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2007 to the date of this report.

A L Bolton  
D G Quilton  
M Mohammed

**CORPORATE GOVERNANCE**

The Board is responsible to shareholders for creating and delivering sustainable shareholder value through management of the company's business. As such the Board of Directors is committed to the highest standards of corporate and professional governance. The Board provides leadership of the company and, either directly or through delegated authority, delivers an independent judgement on all issues of strategy, performance, resources and standards of conduct. The Board defines the company's strategic aims and monitors this through regular reviews and other monitoring. Appointed Directors are expected to act in a way they consider most likely to promote the success of Capacitas for the benefit of the shareholders. In doing so the Directors must pay attention to many matters, including:

- their fiduciary duties to ensure the success of the business;
- the need to act fairly between shareholders;
- the need to promote business relationships with suppliers, customers and others;
- the interests of Capacitas employees;
- the need to maintain a reputation for high standards of business conduct;
- the impact of company operations on the environment; and
- the likely consequences of any decision in the long-term.

All Directors have access to the advice and services of the Company Secretary, firstly and then any additional appropriate external advice that may be required.

The Company aims to observe the highest standard of business practice as both buyer and seller of products and services. The Company's average number of days outstanding in respect of trade creditors in this period was 22 days.

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

Date: .....

Capacitas Ltd

Profit and Loss Account  
for the Year Ended 31st March 2008

	Notes	2008 £	2007 £
<b>TURNOVER</b>		667,083	564,189
Cost of sales		<u>132,532</u>	<u>33,155</u>
<b>GROSS PROFIT</b>		534,551	531,034
Administrative expenses		<u>412,740</u>	<u>360,261</u>
<b>OPERATING PROFIT</b>	2	121,811	170,773
Interest receivable and similar income		<u>2,783</u>	<u>1,131</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		124,594	171,904
Tax on profit on ordinary activities	3	<u>25,626</u>	<u>33,161</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>98,968</u>	<u>138,743</u>
<b>PROFIT FOR THE YEAR</b>		98,968	138,743
Retained profit brought forward		<u>88,972</u>	<u>50,279</u>
		187,940	189,022
Dividends	4	<u>(120,000)</u>	<u>(100,050)</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u><u>67,940</u></u>	<u><u>88,972</u></u>

The notes form part of these financial statements

Capacitas Ltd

Balance Sheet  
31st March 2008

	Notes	2008 £	£	2007 £	£
<b>FIXED ASSETS</b>					
Tangible assets	5		2,415		2,198
<b>CURRENT ASSETS</b>					
Debtors	6	123,705		162,500	
Cash at bank		46,481		25,704	
		<u>170,186</u>		<u>188,204</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	7	103,461		100,230	
		<u>103,461</u>		<u>100,230</u>	
<b>NET CURRENT ASSETS</b>			<u>66,725</u>		<u>87,974</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>69,140</u>		<u>90,172</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		1,200		1,200
Profit and loss account			67,940		88,972
			<u>69,140</u>		<u>90,172</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>69,140</u>		<u>90,172</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2008 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 - continued

31st March 2008

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 January 2007).

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....  
A L Bolton - Director

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31st March 2008

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 January 2007).

**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.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. **OPERATING PROFIT**

The operating profit is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	2,491	2,350
Pension costs	15,694	14,580
	<u>          </u>	<u>          </u>
Directors' emoluments and other benefits etc	43,620	45,040
	<u>          </u>	<u>          </u>

3. **TAXATION**

**Analysis of the tax charge**

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

	2008	2007
	£	£
Current tax:		
UK corporation tax	25,626	33,161
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	25,626	33,161
	<u>          </u>	<u>          </u>

Capacitas Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2008

4. **DIVIDENDS**

	2008 £	2007 £
ordinary shares shares of £1 each		
Interim	<u>120,000</u>	<u>100,050</u>

5. **TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>COST</b>	
At 1st April 2007	14,081
Additions	<u>2,708</u>
At 31st March 2008	<u>16,789</u>
<b>DEPRECIATION</b>	
At 1st April 2007	11,883
Charge for year	<u>2,491</u>
At 31st March 2008	<u>14,374</u>
<b>NET BOOK VALUE</b>	
At 31st March 2008	<u>2,415</u>
At 31st March 2007	<u>2,198</u>

6. **DEBTORS**

	2008 £	2007 £
Amounts falling due within one year:		
Trade debtors	108,745	157,780
Prepayments and accrued income	<u>4,960</u>	<u>4,720</u>
	<u>113,705</u>	<u>162,500</u>
Amounts falling due after more than one year:		
Other debtors	<u>10,000</u>	<u>-</u>
Aggregate amounts	<u>123,705</u>	<u>162,500</u>

Capacitas Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2008

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

	2008	2007
	£	£
Trade creditors	21,504	84
Tax	25,625	33,169
Social security and other taxes	13,193	12,881
VAT	27,460	40,552
Directors' current accounts	8,569	6,680
Accrued expenses	7,110	6,864
	<u>103,461</u>	<u>100,230</u>

8. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:			2008	2007
Number:	Class:	Nominal value:	£	£
1,200	ordinary shares	£1	<u>1,200</u>	<u>1,200</u>

Capacitas Ltd

Report of the Accountants to the Directors of  
Capacitas Ltd

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st March 2008 set out on pages four to nine and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

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

Date: .....

Capacitas Ltd

Trading and Profit and Loss Account  
for the Year Ended 31st March 2008

	2008		2007	
	£	£	£	£
<b>Sales</b>		667,083		564,189
<b>Cost of sales</b>				
Direct expenses		132,532		33,155
		<u>          </u>		<u>          </u>
<b>GROSS PROFIT</b>		534,551		531,034
<b>Other income</b>				
Deposit account interest	2,721		1,099	
Corporation Tax Supplement	62		32	
	<u>          </u>	2,783	<u>          </u>	1,131
		537,334		532,165
<b>Expenditure</b>				
Rent and rates	17,652		16,056	
Light and heat	834		420	
Directors' salaries	36,000		36,000	
Directors' social security	2,602		2,675	
Directors' pension contributions	7,620		9,040	
Salaries	209,157		206,146	
Social security	22,789		20,705	
Pensions	8,074		5,540	
Telephone	3,640		2,092	
Office and computer costs	4,361		2,422	
Advertising and promotion	34,465		3,230	
Travel, subsistence & motoring	35,895		38,274	
Licences and insurance	3,841		1,968	
Sundry expenses	6,726		3,691	
Staff training	8,758		3,458	
Accountancy	3,075		2,420	
Professional fees	-		355	
Entertainment	3,267		2,143	
	<u>          </u>	408,756	<u>          </u>	356,635
		128,578		175,530
<b>Finance costs</b>				
Bank charges		1,493		1,276
		<u>          </u>		<u>          </u>
Carried forward		127,085		174,254

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 2008

	2008		2007	
	£	£	£	£
Brought forward		127,085		174,254
<b>Depreciation</b>				
Computer equipment		2,491		2,350
<b>NET PROFIT</b>		<u>124,594</u>		<u>171,904</u>

This page does not form part of the statutory financial statements