

REGISTERED NUMBER: 04363163 (England and Wales)

Report of the Directors and
Financial Statements
for the Year Ended 31st March 2010
for
Capacitas Ltd

Capacitas Ltd

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for the Year Ended 31st March 2010

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Capacitas Ltd

Company Information
for the Year Ended 31st March 2010

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

Report of the Directors
for the Year Ended 31st March 2010

The directors present their report with the financial statements of the company for the year ended 31st March 2010.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of consultative 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 leading low-cost airline, telecommunication services suppliers, outsourcing consultancies and media companies. Currently 22% of the FTSE-100 companies are customers of Capacitas.

REVIEW OF BUSINESS

The Directors are again pleased to report steady growth of revenue in the eighth 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 £652,000 against £618,000 for previous period - a 5.5% growth). Revenue growth has continued in the current difficult market with increases in both customers and contract value. Managed services are proving increasingly popular with our customers, forming over 63% of our consultancy services revenue. Our easyJet relationship continues to be successful and provides a useful business model for other managed services customers.

- The training services business continues to be valuable, with revenue increasing in this period (circa £149,000 against £109,000 for the previous period - a 36.7% growth). In this period Capacitas has again attracted many new training customers and has provided many private on-site courses for its customers. Training acts as a useful introductory product for new customers to discover the expertise and professionalism of our staff and is a core part of our marketing business model. Capacitas also continues to attract revenue from a number of non-UK businesses, indicating the unique range of training products that we deliver. In this period non-UK customers have attended our courses from Belgium, Spain, the Netherlands, Nigeria and India.

Total revenue has grown across this period by 10.1%, due to the continued demand for professional services and training from our growing customer base. There is frequent repeat business from existing customers in addition to a steady and increasing stream of new business. Although profitability remains high (the net profit margin before tax is 25% for the period) costs have again risen due to the continued increase in permanent consultancy staff. Over 70% of the Company's customers pay their debts within the average period of 56 days.

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 consultancy and sales skills and professional qualifications (e.g. ITIL). We have continued to invest in order to provide continual improvement in both customer-facing and internal processes and systems.

The Directors expect that the present level of business activity will be sustained and that, despite the currently 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 2010

Capacitas made £1,400 of charitable donations in the period to the DEC Haiti Appeal as well as the usual beneficiaries of Cancer Research, The British Heart Foundation, Amnesty International, Shelter, NSPCC and OXFAM. The company does not make political donations. Capacitas has paid over £212,000 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 2009 to the date of this report.

A L Bolton
D G Quilton
M Mohammed

CORPORATE GOVERNANCE AND ETHICS

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 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 professional advice that may be required. With the enactment of the Companies Act 2006 and the Bribery Act 2010 the board is initiating programmes of training for its Directors and its staff in the relevant areas, enactment of new policies and procedures where necessary and will consider appropriate changes to its constitution. Capacitas has a public commitment to adhere to all relevant anti-bribery legislation in all the jurisdictions that the company operates in. Additionally the company has made a commitment to implement an anti-bribery programme. The board takes seriously the new statutory directors' duties as codified in the Companies Act 2006, which are:

- to act within the directors' powers;
- to promote the success of the company;
- to exercise independent judgement;
- to exercise reasonable care, skill and diligence;
- to avoid conflicts of interest;
- not to accept benefits from third parties;
- to declare interests in proposed transactions.

The Company aims to observe the highest standard of business practice as both a buyer and seller of products and services. The Company's average number of days outstanding in respect of trade creditors in this period was 24 days.

Capacitas Ltd

Report of the Directors
for the Year Ended 31st March 2010

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A L Bolton - Director

8th July 2010

Capacitas Ltd

Profit and Loss Account
for the Year Ended 31st March 2010

	Notes	2010 £	2009 £
TURNOVER		800,942	727,589
Cost of sales		<u>140,004</u>	<u>139,771</u>
GROSS PROFIT		660,938	587,818
Administrative expenses		<u>458,030</u>	<u>452,465</u>
OPERATING PROFIT	2	202,908	135,353
Interest receivable and similar income		<u>308</u>	<u>1,048</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		203,216	136,401
Tax on profit on ordinary activities	3	<u>42,961</u>	<u>29,173</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>160,255</u>	<u>107,228</u>
PROFIT FOR THE YEAR		160,255	107,228
Retained profit brought forward		<u>77,128</u>	<u>67,940</u>
		237,383	175,168
Dividends	4	<u>(96,000)</u>	<u>(98,040)</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>141,383</u></u>	<u><u>77,128</u></u>

The notes form part of these financial statements

Capacitas Ltd

Balance Sheet
31st March 2010

	Notes	2010 £	£	2009 £	£
FIXED ASSETS					
Tangible assets	5		4,141		4,623
CURRENT ASSETS					
Debtors	6	185,535		194,998	
Cash at bank		77,796		11,808	
		<u>263,331</u>		<u>206,806</u>	
CREDITORS					
Amounts falling due within one year	7	124,889		133,101	
		<u>124,889</u>		<u>133,101</u>	
NET CURRENT ASSETS			<u>138,442</u>		<u>73,705</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>142,583</u>		<u>78,328</u>
CAPITAL AND RESERVES					
Called up share capital	8		1,200		1,200
Profit and loss account			141,383		77,128
			<u>141,383</u>		<u>77,128</u>
SHAREHOLDERS' FUNDS			<u>142,583</u>		<u>78,328</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2010.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2010 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 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 Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Capacitas Ltd

Balance Sheet - continued
31st March 2010

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 8th July 2010 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 2010

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 April 2008).

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.

Fixtures and fittings	- 25% on reducing balance
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:

	2010	2009
	£	£
Depreciation - owned assets	2,702	2,838
Pension costs	15,000	15,020
	<u> </u>	<u> </u>
Directors' remuneration and other benefits etc	46,200	42,552
	<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:

	2010	2009
	£	£
Current tax:		
UK corporation tax	42,961	29,173
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	42,961	29,173
	<u> </u>	<u> </u>

Capacitas Ltd

Notes to the Financial Statements - continued
for the Year Ended 31st March 2010

4. **DIVIDENDS**

	2010 £	2009 £
ordinary shares of £1 each		
Interim	96,000	98,040

5. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st April 2009	4,271	17,564	21,835
Additions	-	2,220	2,220
At 31st March 2010	4,271	19,784	24,055
DEPRECIATION			
At 1st April 2009	1,067	16,145	17,212
Charge for year	801	1,901	2,702
At 31st March 2010	1,868	18,046	19,914
NET BOOK VALUE			
At 31st March 2010	2,403	1,738	4,141
At 31st March 2009	3,204	1,419	4,623

6. **DEBTORS**

	2010 £	2009 £
Amounts falling due within one year:		
Trade debtors	156,304	165,767
Prepayments and accrued income	9,231	9,231
	165,535	174,998
Amounts falling due after more than one year:		
Other debtors	20,000	20,000
Aggregate amounts	185,535	194,998

Capacitas Ltd

Notes to the Financial Statements - continued
for the Year Ended 31st March 2010

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

	2010	2009
	£	£
Trade creditors	16,931	29,524
Tax	42,961	29,173
Social security and other taxes	12,341	9,663
VAT	43,502	33,224
Directors' current accounts	4,714	8,444
Accrued expenses	4,440	23,073
	<u>124,889</u>	<u>133,101</u>

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2010	2009
Number:	Class:	Nominal value:	£	£
1,200	ordinary	£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 2010 set out on pages five to ten 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

8th July 2010

Capacitas Ltd

Trading and Profit and Loss Account
for the Year Ended 31st March 2010

	2010		2009	
	£	£	£	£
Sales		800,942		727,589
Cost of sales				
Direct expenses		140,004		139,771
GROSS PROFIT		660,938		587,818
Other income				
Deposit account interest	244		1,045	
Corporation Tax Supplement	6		3	
Loan interest	58		-	
		308		1,048
		661,246		588,866
Expenditure				
Rent and rates	40,220		30,125	
Light and heat	584		819	
Directors' salaries	36,000		36,000	
Directors' social security	2,413		2,521	
Directors' pension contributions	10,200		6,552	
Salaries	244,695		250,125	
Social security	24,847		27,444	
Pensions	4,800		8,468	
Telephone	6,580		5,423	
Office and computer costs	6,048		4,999	
Advertising and promotion	11,957		14,185	
Travel, subsistence & motoring	32,465		31,542	
Licences and insurance	3,953		3,940	
Sundry expenses	9,207		10,161	
Staff training	5,338		3,318	
Accountancy	3,500		2,970	
Professional fees	9,429		3,850	
Entertainment	1,442		5,430	
		453,678		447,872
		207,568		140,994
Finance costs				
Bank charges		1,650		1,755
Carried forward		205,918		139,239

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 2010

	2010		2009	
	£	£	£	£
Brought forward		205,918		139,239
Depreciation				
Fixtures and fittings	801		1,067	
Computer equipment	1,901		1,771	
	<u> </u>	2,702	<u> </u>	2,838
NET PROFIT		<u>203,216</u>		<u>136,401</u>

This page does not form part of the statutory financial statements