

REGISTERED NUMBER: 04363163 (England and Wales)

Report of the Directors and
Financial Statements
for the Year Ended 31 March 2011
for
Capacitas Ltd

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for the Year Ended 31 March 2011

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Capacitas Ltd

Company Information
for the Year Ended 31 March 2011

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 31 March 2011

The directors present their report with the financial statements of the company for the year ended 31 March 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the company's principal activities are 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.

REVIEW OF BUSINESS

The Directors are again pleased to report steady growth of revenue in the ninth 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 £902,000 against £652,000 for previous period - a 38.4% 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 70% of our consultancy services revenue. Our easyJet relationship continues to be successful and provides a useful example business model for other managed services customers.

- The training services business has been challenged by market circumstances, resulting in revenue reducing in this period (circa £26,000 against £149,000 for the previous record period - a reduction of 82.5%). The reason for this change is perceived to be the considerable reduction in staff amongst many of our customers. Although affecting training revenue this does provide an opportunity to assist customers via consulting and managed services. Capacitas has confidence in its training portfolio and has continued to develop its courses to attract new 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 globally unique range of training products that we deliver. In this period non-UK customers have attended our courses from Norway and Mexico.

Total revenue has grown across this period by 15.8%, due to the continued demand for professional services 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 (net profit margin is 24.5% for the period) costs have again risen due to the continued increase in permanent consultancy staff from 9 to 11, with this investment in additional staff continuing beyond this reporting period.

Over 63% of the Company's customers pay their debts within the average period of 48 days (which is an improvement over the previous period, the average then being 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 to provide continual improvement in both customer-facing and internal processes and systems. This frequently involves developing innovative technology internally or investment in market-leading solutions. We have also continued our investment in protection of our intellectual property.

Capacitas Ltd

Report of the Directors
for the Year Ended 31 March 2011

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 continue to grow in the foreseeable future.

Capacitas made £1,980 of charitable donations in the period to 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 £278,000 to the Exchequer in various taxes in the period an increase of over 30% compared to the previous period.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

A L Bolton

D G Quilton

M Mohammed

Report of the Directors
for the Year Ended 31 March 2011

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 and 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 22 days.

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

22 December 2011

Capacitas Ltd

Profit and Loss Account
for the Year Ended 31 March 2011

	Notes	2011 £	2010 £
TURNOVER		927,798	800,942
Cost of sales		<u>136,621</u>	<u>140,004</u>
GROSS PROFIT		791,177	660,938
Administrative expenses		<u>505,422</u>	<u>458,030</u>
OPERATING PROFIT	2	285,755	202,908
Interest receivable and similar income		<u>1,551</u>	<u>308</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		287,306	203,216
Tax on profit on ordinary activities	3	<u>59,532</u>	<u>42,961</u>
PROFIT FOR THE FINANCIAL YEAR		227,774	160,255
Retained profit brought forward		<u>141,383</u>	<u>77,128</u>
		369,157	237,383
Dividends	4	<u>(150,000)</u>	<u>(96,000)</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>219,157</u></u>	<u><u>141,383</u></u>

The notes form part of these financial statements

Capacitas Ltd

Balance Sheet
31 March 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	5	2,187	-
Tangible assets	6	9,010	4,141
		<u>11,197</u>	<u>4,141</u>
CURRENT ASSETS			
Debtors	7	171,815	185,535
Cash at bank		197,176	77,796
		<u>368,991</u>	<u>263,331</u>
CREDITORS			
Amounts falling due within one year	8	159,831	124,889
		<u>209,160</u>	<u>138,442</u>
NET CURRENT ASSETS		<u>209,160</u>	<u>138,442</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>220,357</u></u>	<u><u>142,583</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	1,200	1,200
Profit and loss account		219,157	141,383
		<u>220,357</u>	<u>142,583</u>
SHAREHOLDERS' FUNDS		<u><u>220,357</u></u>	<u><u>142,583</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2011.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2011 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

31 March 2011

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 22 December 2011 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 31 March 2011

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:

	2011	2010
	£	£
Depreciation - owned assets	4,833	2,702
Patents and licences amortisation	243	-
Pension costs	33,000	15,000
	<u> </u>	<u> </u>
Directors' remuneration and other benefits etc	57,000	46,200
	<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:

	2011	2010
	£	£
Current tax:		
UK corporation tax	59,532	42,961
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	59,532	42,961
	<u> </u>	<u> </u>

Capacitas Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2011

4. **DIVIDENDS**

	2011 £	2010 £
ordinary shares of £1 each		
Interim	<u>150,000</u>	<u>96,000</u>

5. **INTANGIBLE FIXED ASSETS**

	Other intangible assets £
COST	
Additions	<u>2,430</u>
At 31 March 2011	<u>2,430</u>
AMORTISATION	
Charge for year	<u>243</u>
At 31 March 2011	<u>243</u>
NET BOOK VALUE	
At 31 March 2011	<u><u>2,187</u></u>

6. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2010	4,271	19,784	24,055
Additions	-	9,702	9,702
At 31 March 2011	<u>4,271</u>	<u>29,486</u>	<u>33,757</u>
DEPRECIATION			
At 1 April 2010	1,868	18,046	19,914
Charge for year	600	4,233	4,833
At 31 March 2011	<u>2,468</u>	<u>22,279</u>	<u>24,747</u>
NET BOOK VALUE			
At 31 March 2011	<u><u>1,803</u></u>	<u><u>7,207</u></u>	<u><u>9,010</u></u>
At 31 March 2010	<u><u>2,403</u></u>	<u><u>1,738</u></u>	<u><u>4,141</u></u>

Capacitas Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2011

7. **DEBTORS**

	2011 £	2010 £
Amounts falling due within one year:		
Trade debtors	131,059	156,304
Prepayments and accrued income	20,756	9,231
	<u>151,815</u>	<u>165,535</u>
Amounts falling due after more than one year:		
Other debtors	<u>20,000</u>	<u>20,000</u>
Aggregate amounts	<u>171,815</u>	<u>185,535</u>

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

	2011 £	2010 £
Trade creditors	21,455	16,931
Tax	59,532	42,961
Social security and other taxes	20,765	12,341
VAT	49,105	43,502
Directors' current accounts	2,418	4,714
Accrued expenses	6,556	4,440
	<u>159,831</u>	<u>124,889</u>

9. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2011	2010
Number:	Class:	Nominal value:	£	£
1,200	ordinary	£1	<u>1,200</u>	<u>1,200</u>

Capacitas Ltd

Trading and Profit and Loss Account
for the Year Ended 31 March 2011

	2011		2010	
	£	£	£	£
Sales		927,798		800,942
Cost of sales				
Direct expenses		136,621		140,004
GROSS PROFIT		<u>791,177</u>		<u>660,938</u>
Other income				
Deposit account interest	1,536		244	
Corporation Tax Supplement	1		6	
Loan interest	14		58	
	<u>1,551</u>		<u>308</u>	
		<u>792,728</u>		<u>661,246</u>
Expenditure				
Rent and rates	40,050		40,220	
Light and heat	869		584	
Directors' salaries	36,000		36,000	
Directors' social security	2,413		2,413	
Directors' pension contributions	21,000		10,200	
Salaries	259,290		244,695	
Social security	28,148		24,847	
Pensions	12,000		4,800	
Telephone	7,566		6,580	
Office and computer costs	3,282		6,048	
Advertising and promotion	18,250		11,957	
Travel, subsistence & motoring	31,675		32,465	
Licences and insurance	5,382		3,953	
Sundry expenses	19,150		9,207	
Staff training	4,746		5,338	
Accountancy	3,185		3,500	
Professional fees	3,861		9,429	
Entertainment	1,499		1,442	
	<u>498,366</u>		<u>453,678</u>	
		<u>294,362</u>		<u>207,568</u>
Finance costs				
Bank charges		1,980		1,650
Carried forward		<u>292,382</u>		<u>205,918</u>

This page does not form part of the statutory financial statements

Capacitas Ltd

Trading and Profit and Loss Account
for the Year Ended 31 March 2011

	2011		2010	
	£	£	£	£
Brought forward		292,382		205,918
Depreciation				
Patents and licences	243		-	
Fixtures and fittings	600		801	
Computer equipment	4,233		1,901	
		<u>5,076</u>	<u>1,901</u>	<u>2,702</u>
NET PROFIT		<u>287,306</u>		<u>203,216</u>

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