

# **Capacitas**

## **Directors' report for the year ended 31 March 2003.**

### **PRINCIPAL ACTIVITIES**

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 voice and data telecommunications services suppliers, financial services providers, outsourcing consultancies and news organisations.

### **REVIEW OF BUSINESS DEVELOPMENTS**

The company was founded on 30<sup>th</sup> January 2002 as Capacitas Limited (company registration number 04363163). During the period the company issued 1,200 ordinary shares of £1 at par for cash.

The Directors are pleased with the strong start and significant revenue growth in the first year of operations. During the start-up period the company raised seed loans from the three founders and a consortium of lenders to develop the business and products. 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 (period: £184,020), although the market is still slow to recover in this area.
- The training services business has met with notable success (period: £13,980) leading to an expansion of the training products range.
- The software development business has been partially funded with a SMART award (period: £25,800) from the Department of Trade and Industry (DTI), enabling a proof-of-concept project to be completed in this period and a patent applied for the underlying technology.

Revenue continues to grow as the customer base expands, with many blue-chip organisations now purchasing consultancy and training services from the company. There is strong repeat business from existing customers in addition to a steady stream of new business. As such the Directors expect that the present level of business activity and growth will be sustained and that the company will continue to return profits for the foreseeable future.