

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007  
FOR  
CAPSCAN LTD**

THURSDAY



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**CAPSCAN LTD**

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**For The Year Ended 31 March 2007**

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**CAPSCAN LTD**

**COMPANY INFORMATION**  
**For The Year Ended 31 March 2007**

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**DIRECTORS**

A Lewin  
L J Gordon  
A Green  
T Hiles  
T Kyriacou  
D Mead

**SECRETARY**

A Lewin

**REGISTERED OFFICE**

Scandex Group Services  
Grand Union House  
20 Kentish Town Road  
London  
NW1 9NR

**REGISTERED NUMBER**

01183941 (England and Wales)

**AUDITORS:**

Crane & Partners  
Chartered Accountants & Registered Auditors  
Sussex House  
8-10 Homesdale Road  
Bromley  
Kent  
BR2 9LZ

## **CAPSCAN LTD**

### **REPORT OF THE DIRECTORS For The Year Ended 31 March 2007**

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The directors present their report with the financial statements of the company for the year ended 31 March 2007

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of software development, information dissemination, supply and management services

#### **DIRECTORS**

The directors during the year under review were

Mr A Lewin  
Mr LJ Gordon  
Mr A Green  
Mr T Hiles  
Mr T Kyniacou  
Mr D Mead

The beneficial interests of the directors have been disclosed in the group consolidated accounts of Scandex Limited, the ultimate parent company

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Crane & Partners, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**CAPSCAN LTD**

**REPORT OF THE DIRECTORS  
For The Year Ended 31 March 2007**

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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 handwritten signature in black ink, appearing to be 'A Lewin', written over the text 'ON BEHALF OF THE BOARD'.

A Lewin - Director

Date **23 JAN 08**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF CAPSCAN LTD**

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We have audited the financial statements of Capscan Ltd for the year ended 31 March 2007 on pages six to eleven. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
CAPSCAN LTD**

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**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

*Crane & Partners*

Crane & Partners  
Chartered Accountants & Registered Auditors  
Sussex House  
8-10 Homesdale Road  
Bromley  
Kent  
BR2 9LZ

Date *25 January 2008*

**CAPSCAN LTD**

**PROFIT AND LOSS ACCOUNT**  
For The Year Ended 31 March 2007

	Notes	2007		2006	
		£	£	£	£
<b>TURNOVER</b>			<b>5,519,436</b>		5,210,561
Cost of sales			<b>2,308,393</b>		2,388,908
<b>GROSS PROFIT</b>			<b>3,211,043</b>		2,821,653
Distribution costs		<b>1,146,924</b>		1,157,059	
Administrative expenses		<b>1,216,042</b>		1,090,084	
			<b>2,362,966</b>		2,247,143
			<b>848,077</b>		574,510
Other operating income			-		(900)
<b>OPERATING PROFIT</b>	2		<b>848,077</b>		573,610
Interest receivable and similar income			<b>191,757</b>		115,661
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>1,039,834</b>		689,271
Tax on profit on ordinary activities	3		<b>306,228</b>		202,003
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<b>733,606</b>		487,268

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements



## CAPSCAN LTD

BALANCE SHEET  
31 March 2007

		2007		2006	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		121,397		160,134
<b>CURRENT ASSETS</b>					
Debtors	5	3,959,877		2,942,899	
Cash at bank and in hand		4,733,522		4,890,980	
		8,693,399		7,833,879	
<b>CREDITORS</b>					
Amounts falling due within one year	6	3,382,841		3,295,664	
<b>NET CURRENT ASSETS</b>			5,310,558		4,538,215
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,431,955		4,698,349
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		100		100
Profit and loss account	8		5,431,855		4,698,249
<b>SHAREHOLDERS' FUNDS</b>	11		5,431,955		4,698,349

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors on 23 JAN 08 and were signed on its behalf by



A Lewin - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 March 2007**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

**Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

**Tangible fixed assets**

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

Plant and machinery etc - 20% 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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

**2 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2007 £	2006 £
Depreciation - owned assets	56,031	81,470
Profit on disposal of fixed assets	(1,408)	(4,407)
Auditors' remuneration	3,600	3,600
Foreign exchange differences	<u>46,889</u>	<u>(41,043)</u>
Directors' emoluments and other benefits etc	<u>363,921</u>	<u>328,577</u>

**3 TAXATION**

**Analysis of the tax charge**

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

	2007 £	2006 £
Current tax		
UK corporation tax	239,402	110,506
Prior year difference	-	48
Group relief payment/(receipt)	<u>66,826</u>	<u>91,449</u>
Tax on profit on ordinary activities	<u>306,228</u>	<u>202,003</u>

**CAPSCAN LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2007**

**4 TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
<b>COST</b>	
At 1 April 2006	332,762
Additions	47,990
Disposals	(159,975)
At 31 March 2007	<u>220,777</u>
<b>DEPRECIATION</b>	
At 1 April 2006	172,630
Charge for year	56,031
Eliminated on disposal	(129,281)
At 31 March 2007	<u>99,380</u>
<b>NET BOOK VALUE</b>	
At 31 March 2007	<u>121,397</u>
At 31 March 2006	<u>160,132</u>

**5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade debtors	1,356,310	1,279,511
Amounts owed by group undertakings	2,490,261	1,569,722
Other debtors	113,306	93,666
	<u>3,959,877</u>	<u>2,942,899</u>

**6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade creditors	233,825	273,606
Taxation and social security	662,046	550,585
Other creditors	2,486,970	2,471,473
	<u>3,382,841</u>	<u>3,295,664</u>

**7 CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid			2007	2006
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

## CAPSCAN LTD

### NOTES TO THE FINANCIAL STATEMENTS - continued For The Year Ended 31 March 2007

#### 8 RESERVES

	Profit and loss account £
At 1 April 2006	4,698,249
Profit for the year	733,606
At 31 March 2007	<u>5,431,855</u>

#### 9 ULTIMATE PARENT COMPANY

The ultimate parent company is Scandex Limited, a company registered in England and Wales

No investor acting individually has the ability to control the activities of the ultimate parent company. Therefore it is considered there is no ultimate controlling party as defined by Financial Reporting Standard No 8 "Related Party Transactions".

#### 10 RELATED PARTY DISCLOSURES

During the year Capscan Limited continued to act as Treasurer for the Scandex Group of companies. It settled expenses on their behalf and was reimbursed with funds to account for the payments made. This resulted in frequent transactions between the group companies.

As at result of this, during the year the company sold goods and services to the value of £nil (2006 £4,973) to the Scandex Limited group.

Also during the year Capscan Limited sold goods and services to the value of £6,735 (2006 £4,513) to Justis Publishing Limited and paid for royalties to the value of £66,682 (2006 £67,692) from Matchcode Systems Limited.

Capscan Limited also made payments on behalf of other group companies totalling £5,557,212 (2006 £4,659,021) and on behalf of Matchcode Systems Limited totalling £210 (2006 £16,767).

The company also advanced funds totalling £1,781,898 (2006 £1,030,652) to other group companies and received £4,500,844 (2006 £4,354,093) from Justis Publishing Limited.

The company also paid £66,826 (2006 £91,449) to fellow subsidiaries for the surrender of tax losses.

At 31 March 2007 the company was owed £2,490,261 (2006 £1,354,436) from Scandex Limited, the parent company.

Mr A Lewin is a shareholder and director of Scandex Limited and a director of Capscan Limited, Justis Publishing Limited and Matchcode Systems Limited.

**CAPSCAN LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2007**

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**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2007 £	2006 £
Profit for the financial year	733,606	487,268
<b>Net addition to shareholders' funds</b>	733,606	487,268
Opening shareholders' funds	4,698,349	4,211,081
<b>Closing shareholders' funds</b>	<u>5,431,955</u>	<u>4,698,349</u>