

COMPANY REGISTRATION NUMBER 2958430

**INDEPENDENT SPECIALIST TECHNOLOGY (UK)
LIMITED**

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2003**



Blueprint Audit Limited
Chartered Accountants Registered Auditor
Sumner House
St Thomas's Road
Chorley
PR7 1HP

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditors' report to the company	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Notes to the abbreviated accounts	7

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	R Curran M Cons J Buxton C Bryant
Company secretary	A Styan
Registered office	1 Kingmaker Court Warwick Technology Park Warwick CV34 6WG
Auditors	Blueprint Audit Limited Chartered Accountants Registered Auditor Sumner House St Thomas's Road Chorley PR7 1HP

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

Principal activities and business review

The principal activity of the company continued to be that of the development and support of software for financial services.

The directors plan to continue with the management policies which have led to the satisfactory result achieved in the year.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003 £	2002 £
Dividends paid on ordinary shares	<u>1,650,000</u>	<u>1,150,000</u>

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 31 December 2003	At 1 January 2003
R Curran	£1 Ordinary	2,983	2,983
M Cons	£1 Ordinary	2,983	2,983
J Buxton	£1 Ordinary	1,052	1,052
C Bryant	£1 Ordinary	<u>—</u>	<u>—</u>

K Budge resigned as a director on 4 December 2003.

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 7 to 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

Auditors

A resolution to re-appoint Blueprint Audit Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors

X 

R Curran

Director

Approved by the directors on X ^(DATE) 24/2/2004

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 12, together with the financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 12 are properly prepared in accordance with those provisions.

Blueprint Audit Limited

Blueprint Audit Limited
Registered Auditor
Sumner House
St. Thomas's Road
Chorley
Lancashire
PR7 1HP

Date: *5 March 2004*

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
Gross profit		6,847,215	5,878,577
Administrative expenses		(4,723,076)	(4,132,464)
Operating profit	2	2,124,139	1,746,113
Interest receivable	5	44,690	59,819
Profit on ordinary activities before taxation		2,168,829	1,805,932
Tax on profit on ordinary activities	6	(681,220)	(566,777)
Profit on ordinary activities after taxation		1,487,609	1,239,155
Dividends	7	(1,650,000)	(1,150,000)
Retained (loss)/profit for the financial year		(162,391)	89,155
Balance brought forward		612,440	523,285
Balance carried forward		<u>450,049</u>	<u>612,440</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 12 form part of these abbreviated accounts.

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED


ABBREVIATED BALANCE SHEET

31 DECEMBER 2003

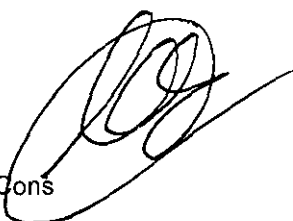
	Note	2003 £	2002 £
Fixed assets			
Tangible assets	8	161,991	103,134
Investments	9	138	138
		<u>162,129</u>	<u>103,272</u>
Current assets			
Debtors	10	347,665	215,694
Cash at bank		1,443,024	1,555,688
		<u>1,790,689</u>	<u>1,771,382</u>
Creditors: Amounts falling due within one year	11	<u>1,409,189</u>	<u>1,168,634</u>
Net current assets		<u>381,500</u>	<u>602,748</u>
Total assets less current liabilities		<u>543,629</u>	<u>706,020</u>
Capital and reserves			
Called-up equity share capital	13	10,159	10,159
Share premium account	14	63,421	63,421
Other reserves	14	20,000	20,000
Profit and loss account		<u>450,049</u>	<u>612,440</u>
Shareholders' funds	15	<u>543,629</u>	<u>706,020</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the ^(DATE) 24/2/2004 and are signed on their behalf by:

X 

R Curran

X 

M Cons

The notes on pages 7 to 12 form part of these abbreviated accounts.

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of value added tax, adjusted for any amounts included in deferred income. Income is recognised when the service has been supplied to the customer, any amounts invoiced where the service is to be provided in a future period are included in deferred income.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Short Leasehold Improvements	-	Over period of the lease
Fixtures & Fittings	-	33.33% straight line
Office Equipment	-	20% - 50% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Pension costs are recognised on a systematic basis over the period that the company benefits from the services of the employees who are members of the pension scheme.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

1. Accounting policies *(continued)*

Fixed asset investments

Investments are included at cost.

Group financial statements

The company and its subsidiaries form a medium sized group. The company has therefore taken advantage of the exemption given by Section 248 of the Companies Act 1985 not to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not as a group.

2. Operating profit

Operating profit is stated after charging:

	2003 £	2002 £
Depreciation of owned fixed assets	97,502	88,659
Auditors' remuneration - as auditors	5,700	5,400
Operating leases - hire of land and buildings	148,543	83,380
Operating leases - hire of motor vehicles	<u>199,290</u>	<u>217,555</u>

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2003 No	2002 No
Number of office and management staff	71	59
Number of directors	3	3
	<u>74</u>	<u>62</u>

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	2,502,201	2,068,567
Social security costs	269,016	207,906
Other pension costs	114,277	98,192
	<u>2,885,494</u>	<u>2,374,665</u>

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2003 £	2002 £
Emoluments receivable	422,305	386,718
Value of company pension contributions to money purchase schemes	26,000	24,180
	<u>448,305</u>	<u>410,898</u>

Emoluments of highest paid director:

	2003 £	2002 £
Total emoluments (excluding pension contributions):	169,572	152,359
Value of company pension contributions to money purchase schemes	10,000	9,360
	<u>179,572</u>	<u>161,719</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003 No	2002 No
Money purchase schemes	<u>3</u>	<u>3</u>

5. Interest receivable

	2003 £	2002 £
Bank interest receivable	<u>44,690</u>	<u>59,819</u>

6. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	681,220	558,928
Under provision in prior year	—	7,849
Total current tax	<u>681,220</u>	<u>566,777</u>

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

6. Tax on profit on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>2,168,829</u>	<u>1,805,932</u>
Profit on ordinary activities at the standard rate of tax	650,649	541,780
Permanently disallowable expenditure	25,021	11,734
Deferred taxation not provided on ACAs	5,550	5,414
Adjustments to the tax charge in respect of prior years	—	7,849
Total current tax (note 6(a))	<u>681,220</u>	<u>566,777</u>

7. Dividends

The following dividends have been paid in respect of the year:

	2003 £	2002 £
Dividends paid on ordinary £1 shares £165 per share (2002: £115)	<u>1,650,000</u>	<u>1,150,000</u>

8. Tangible fixed assets

	Short leasehold improvements £	Fixtures & fittings £	Equipment £	Total £
Cost				
At 1 January 2003	21,462	80,695	290,718	392,875
Additions	73,371	20,531	62,457	156,359
Disposals	(21,462)	(26,905)	—	(48,367)
At 31 December 2003	<u>73,371</u>	<u>74,321</u>	<u>353,175</u>	<u>500,867</u>
Depreciation				
At 1 January 2003	10,979	49,391	229,371	289,741
Charge for the year	14,137	22,326	61,039	97,502
On disposals	(21,462)	(26,905)	—	(48,367)
At 31 December 2003	<u>3,654</u>	<u>44,812</u>	<u>290,410</u>	<u>338,876</u>
Net book value				
At 31 December 2003	<u>69,717</u>	<u>29,509</u>	<u>62,765</u>	<u>161,991</u>
<i>At 31 December 2002</i>	<u>10,483</u>	<u>31,304</u>	<u>61,347</u>	<u>103,134</u>

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

9. Investments

	Total £
Cost	
At 1 January 2003 and 31 December 2003	138
Net book value	
At 31 December 2003	138
At 31 December 2002	138

The investments comprise a 100% holding in the £1 ordinary share capital of Ecompass Limited, Independent Specialist Technology (UK) EBT Trustee Limited and 1st Software Limited. All companies are dormant and registered in England and Wales.

10. Debtors

	2003 £	2002 £
Trade debtors	138,243	119,360
Prepayments and accrued income	209,422	96,334
	<u>347,665</u>	<u>215,694</u>

11. Creditors: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	228,499	132,226
Corporation tax	351,218	278,927
Other taxation and social security	287,371	268,926
Accruals and deferred income	542,101	488,555
	<u>1,409,189</u>	<u>1,168,634</u>

12. Commitments under operating leases

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	73,881	—	46,661
Within 2 to 5 years	—	54,278	97,016	42,579
After more than 5 years	197,815	—	—	—
	<u>197,815</u>	<u>128,159</u>	<u>97,016</u>	<u>89,240</u>

INDEPENDENT SPECIALIST TECHNOLOGY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

13. Share capital

Authorised share capital:

	2003 £	2002 £
10,000 Ordinary shares of £1 each	10,000	10,000
526,000 'A' Ordinary shares of £0.001 each	526	526
20,000 Preference shares of £1 each	20,000	20,000
	<u>30,526</u>	<u>30,526</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
'A' Ordinary shares of £0.001 each	158,950	159	158,950	159
	<u>168,950</u>	<u>10,159</u>	<u>168,950</u>	<u>10,159</u>

14. Reserves

	Share premium account £	Capital redemption reserve £
At 1 January 2003 & 31 December 2003	<u>63,421</u>	<u>20,000</u>

15. Reconciliation of movements in shareholders' funds

	2003		2002	
	£	£	£	£
Profit for the financial year		1,487,609		1,239,155
Dividends		(1,650,000)		(1,150,000)
		<u>(162,391)</u>		<u>89,155</u>
New equity share capital subscribed	—		159	
Premium on new share capital subscribed	—		<u>63,421</u>	
		—		63,580
Net (reduction)/addition to funds		(162,391)		152,735
Opening shareholders' equity funds		<u>706,020</u>		<u>553,285</u>
Closing shareholders' equity funds		<u>543,629</u>		<u>706,020</u>