

**Appian Technologies (UK) Limited**

**Directors' Report and Financial Statements**

**Year Ended 30 September 2006**

WEDNESDAY



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COMPANIES HOUSE

**Registered Number: 3530023**

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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors**

Appian Technology plc

**Bankers**

Lloyds TSB plc  
45 High Street  
Maidenhead  
Berkshire  
SL6 1JS

**Secretary and Registered Office**

D Hearn  
Appian House  
Unit 4  
Wessex Road  
Bourne End  
Buckinghamshire  
SL8 5DT

**Solicitors**

TLT Solicitors  
One Redcliffe Street  
Bristol  
BS99 7JZ

**Registered Number:** 3530023

**Auditors**

Grant Thornton UK LLP  
1 Westminster Way  
OXFORD  
OX2 0PZ

## DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 30 September 2006.

### Statement of directors responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity 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 group and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for the preparation of the directors' report and other information in the annual report.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Principal activities and review of the business

The company is in the business of providing high technology solutions for modern traffic management, parking guidance and carpark management problems.

### Result for the year

The loss after tax for the year amounted to £1,993 (year ended 30 September 2005: £15). The directors do not recommend the payment of any dividend.

### Subsequent events

There have been no material events since the balance sheet date.

### Going Concern

During the year the company incurred a loss of £1,993 and at the balance sheet date the company had net liabilities of £204,071. The company is dependent on the ongoing financial support of its ultimate parent undertaking, Appian Technology plc, to enable it to meet its liabilities as they fall due. The ultimate parent undertaking has indicated its intention to provide this support for the foreseeable future and accordingly, the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

### Health and safety

It is the policy of the company to ensure the health and welfare of its employees by maintaining a safe place and system of work. This policy, which is set out in the safety statement required by the Safety, Health and Welfare at Work Act, 1989 is in place.

### Financial risk management objectives and policies

The company uses various financial instruments these include cash, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to minimal financial risks.

**DIRECTORS' REPORT - continued**

**Directors**

The names of the persons who were directors at any time during the year ended 30 September 2006 are set out below. Except where indicated, they served for the entire period.

Appian Technology plc

**Directors' shareholdings**

100% of share capital of the Company is owned by Appian Technology plc.

**Auditors**

Grant Thornton UK LLP were appointed auditors during the year to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



D Hearn  
Company Secretary

7/3/07

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
APPIAN TECHNOLOGY (UK) LIMITED**

We have audited the financial statements of Appian Technologies (UK) Limited for the year ended 30 September 2006 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 10. 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 auditor's 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 auditor**

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 and the information given in the Directors' Report is consistent with the financial statements. We also 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of 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.

### **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 30 September 2006 and of its loss 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 Directors' Report is consistent with the financial statements for the year ended 30 September 2006.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
OXFORD  
9 March 2007

## **ACCOUNTING POLICIES**

The significant accounting policies adopted by the company are as follows:

### **Basis of accounting**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

In preparing the financial statements for the current year, the group has adopted the presentation requirements of FRS 25 'Financial Instruments: Disclosure and Presentation'. FRS 25 requires financial instruments to be presented with regard to their substance. Therefore shares, which previously were always presented as part of shareholders' funds regardless of the substance of the instrument, may now be presented as a liability when in substance that share is equivalent to a liability. As a result of this change in recognition criteria, there is no longer a requirement to disclose the apportionment of shareholders' funds between equity and non-equity.

### **Going concern**

During the year the company incurred a loss of £1,993 and at the balance sheet date the company had net liabilities of £204,071. The company is dependent on the ongoing financial support of its ultimate parent undertaking, Appian Technology plc, to enable it to meet its liabilities as they fall due. The ultimate parent undertaking has indicated its intention to provide this support for the foreseeable future and accordingly, the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

### **Revenue recognition**

For both hardware and software maintenance contracts, income is credited to the profit and loss account over the period to which it relates. Costs associated with these contracts are expensed as incurred.

Engineering services, not the subject of an ongoing maintenance contract, such as repair, training and consultancy, are recognised when the services are performed.

Revenue and profit generated from fixed-price contracts whilst the contract is in progress, is recognised having regard to the proportion of the total contract which has been completed at the balance sheet date. Provision is made in full for any expected losses on uncompleted contracts.

### **Leases**

Where tangible assets are financed by leasing agreements which give rights approximating to ownership ("finance leases") they are treated as if they had been purchased outright at the present values of the minimum lease payments and the corresponding leasing liabilities are shown in the balance sheet as finance leases.

Depreciation on leased assets is calculated on a straight-line basis over the estimated useful lives of the individual assets. Interest arising on finance leases is charged to the profit and loss account in proportion to the amounts outstanding under the leases.

### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling pounds at the exchange rates ruling at the balance sheet date and revenues, costs and non monetary assets at the exchange rates ruling at the dates of the transactions, except that where a transaction is covered by a forward exchange contract, the contracted exchange rate is used. Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the profit and loss account.

Monetary assets are money held and amounts to be received in money; all other assets are non monetary assets.

### **Research and development expenditure**

Research and development expenditure not recoverable under research contracts is written off in the year in which it is incurred.

### **Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is possible that a liability will crystallise in the future.



**PROFIT AND LOSS ACCOUNT**  
**Year Ended 30 September 2006**

	Notes	2006 £	2005 £
Turnover	2	45,025	20,685
Cost of sales		<u>(40,523)</u>	<u>(18,616)</u>
<b>Gross profit</b>		<b>4,502</b>	<b>2,069</b>
Administration expenses		(4)	(93)
Other operating expenses		<u>(6,506)</u>	<u>(2,000)</u>
<b>Operating loss</b>	3	<b>(2,008)</b>	<b>(24)</b>
Interest receivable		<u>15</u>	<u>9</u>
Loss on ordinary activities before taxation		<b>(1,993)</b>	<b>(15)</b>
Taxation	4	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>	8	<b><u>(1,993)</u></b>	<b><u>(15)</u></b>

The accompanying accounting policies and notes form an integral part of these accounts.

**BALANCE SHEET**

30 September 2006

	Notes	2006 £	2005 £
<b>Current assets</b>			
Debtors	5	9,981	280,541
Cash at bank and in hand		<u>1,000</u>	<u>1,000</u>
		10,981	281,541
<b>Creditors - Amounts falling due within one year</b>	6	<u>(215,052)</u>	<u>(483,619)</u>
<b>Net current liabilities</b>		<u>(204,071)</u>	<u>(202,078)</u>
<b>Total assets less current liabilities</b>		<u>(204,071)</u>	<u>(202,078)</u>
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account		<u>(204,073)</u>	<u>(202,080)</u>
<b>Shareholders' deficit</b>	8	<u>(204,071)</u>	<u>(202,078)</u>

These financial statements were approved by the directors on 7 March 2007 and are signed on their behalf by:

D Hearn

P Ryan

The accompanying accounting policies and notes form an integral part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

**1 Ultimate parent company**

The ultimate parent undertaking is Appian Technology plc which is incorporated in the United Kingdom. Group Financial statements are prepared for Appian Technology plc and can be obtained from its premises at Appian House, Unit 4, Wessex Road, Bourne End, Buckinghamshire. Appian Technologies (UK) Limited participates in group trading, financing and management arrangements.

**2 Turnover**

Turnover is 100% attributable to geographical markets in the United Kingdom.

<b>3 Loss on ordinary activities before taxation</b>	<b>2006</b>	2005
	<b>£</b>	£

Loss on ordinary activities before taxation has been arrived at after charging:

Auditors remuneration	<b>2,000</b>	2,000
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There were no employees during the year (2005: nil)

<b>4 Taxation</b>	<b>2006</b>	2005
	<b>£</b>	£

**(a) Analysis of charge in period:**

Tax credit arising on R & D expenditure.

<b>(b) Factors affecting tax credit for period</b>	<b>2006</b>	2005
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Profit/(loss) on ordinary activities before tax	<b>(1,993)</b>	(15)
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Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	<b>(598)</b>	(5)
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Expenses not deductible for tax purposes	-	(9)
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Capital allowances for period in excess of depreciation	-	(73)
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Tax losses carried forward	<b>598</b>	87
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The company has carried forward tax losses of £144,000 (2005: £142,000). The company has not recognised any deferred tax asset in respect of these losses or accelerated capital allowances due to there being insufficient certainty regarding their recovery.

NOTES TO THE FINANCIAL STATEMENTS -continued

5 Debtors	2006 £	2005 £
Amounts due from group company	3,510	276,141
Trade debtors	2,075	-
Prepayments	4,396	4,400
	<u>9,981</u>	<u>280,541</u>

6 Creditors - amounts falling due within one year	2006 £	2005 £
Bank overdraft	30	30
Trade creditors	-	389
Amounts due to fellow subsidiary	215,022	483,200
	<u>215,052</u>	<u>483,619</u>

7 Share capital	Authorised £	Allotted, called up and fully paid £
At 30 September 2006 and 2005, ordinary shares of £1 each	<u>100</u>	<u>2</u>

8 Reconciliation of movement in shareholder deficit	Share Capital £	Profit and loss account £	Total £
At 30 September 2005	2	(202,080)	(202,078)
Loss for the year	-	(1,993)	(1,993)
At 30 September 2006	<u>2</u>	<u>(204,073)</u>	<u>(204,071)</u>

9 Guarantees

Appian Technology Plc entered into committed facilities with Lloyds TSB Commercial Finance Limited on 16 December 2004. This facility is secured by fixed and floating charges over all the property assets and undertakings of Appian Technology Plc. There are cross guarantees between all Appian Technology Plc subsidiaries except for Genesis (UK) Limited.

10 Related party transactions

The company has availed of the exemptions in Financial Reporting Standard No 8 - "Related Party Disclosures" of disclosing transactions with entities within Appian Technology plc group, whose group financial statements are publicly available.