

**Appian Technologies (UK) Limited**

**Directors' Report and Financial Statements**

**Year Ended 30 September 2003**

**Registered No: 3530023**



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## DIRECTORS AND OTHER INFORMATION

### Board of Directors

Appian Technology plc

### Bankers

NatWestBank plc  
13 Market Place  
Reading  
Berks RG1 2EP

### Secretary and Registered Office

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

### Solicitors

TLT Solicitors  
One Redcliff Street  
Bristol  
BS99 7JZ

**Registered Number:** 3530023

### Auditors

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
George's Quay  
Dublin 2

## DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 30 September 2003.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial situation of the company and 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.

### 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.

### Books of account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Appian House, Unit 4, Wessex Road, Bourne End, Buckinghamshire.

### Staff

The company employed 1 person during the year. The Board wishes to record its appreciation for the efforts made by both the executive directors and the staff during the year under review.

### Result for the year

The profit after tax for the year amounted to Stg£15,719 (year ended 30 September 2002 loss after tax £47,980). 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 retained profit of Stg£15,719 and at the balance sheet date the company had net liabilities of Stg£312,089. 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 parent company 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.

### Directors

The names of the persons who were directors at any time during the year ended 30 September 2003 are set out below. Except where indicated, they served for the entire period.

P Ryan	(resigned 18 July 2003)
M Duffin	(resigned 18 July 2003)
Appian Technology plc	(appointed 18 July 2003)

## DIRECTORS' REPORT - continued

### Directors' shareholdings

The beneficial interests, including family interests, of the directors in office at 30 September 2003 in the share capital of the company and the company's ultimate parent Appian Technology plc at 30 September 2003 were:

	Ordinary shares	Options
	30 September 2003 Stg£0.01	30 September 2003 Stg£0.01
M Duffin	138,611	2,300,000
K Kelly	427,500	400,000
P Ryan	1,589,333	1,050,000
J Finan	551,167	400,000
F Newton	-	200,000
D Hearn	27,500	400,000

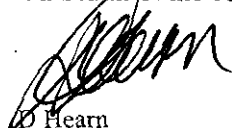
Pursuant to an agreement dated 2 December 2003, M Duffin resigned as a director effective 31 October 2003.

In addition, 6,697,000 shares in Appian Technology plc are owned by National Avionics Limited, in which, Messrs K Kelly and P Ryan are directors and have an interest.

### Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



D Hearn

16 February 2004

**PricewaterhouseCoopers**

P.O. Box 1283  
George's Quay  
Dublin 2  
Telephone +353 (0) 1 678 9999  
Facsimile +353 (0) 1 704 8600  
Internet [www.pwc.com/ie](http://www.pwc.com/ie)

**Independent auditors' report to the members of Appian Technologies (UK) Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom auditing standards generally issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance, with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you if in 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

**Basis of audit opinion**

We conducted our audit in accordance with auditing standards 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 of the state of the company's affairs at 30 September 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
Dublin  
16 February 2004

## ACCOUNTING POLICIES

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

### Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with accounting standards generally accepted in the UK. Accounting standards generally accepted in the UK in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants of England and Wales and issued by the Accounting Standards Board. The financial statements have been prepared in Sterling.

### Going concern

During the year the company incurred a profit of Stg£15,719 and at the balance sheet date the company had net liabilities of Stg£312,089. 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 parent company 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.

### Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Motor vehicles	3 years
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### 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.

**ACCOUNTING POLICIES - continued**

**Taxation**

Corporation tax is provided where applicable at current rates.

Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future and any amount not provided is disclosed as a contingent liability.

Timing differences are temporary differences between profits as computed for timing differences and profits as stated in the financial statements which arise because of certain items of income and expenditure are dealt with in different periods for taxation purposes.



**PROFIT AND LOSS ACCOUNT**  
Year Ended 30 September 2003

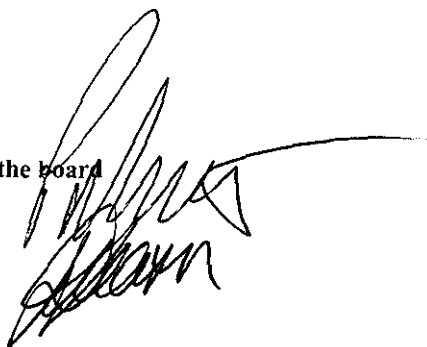
	Notes	2003 Stg£	2002 Stg£
Turnover		229,658	185,055
Cost of sales		<u>(170,247)</u>	<u>(130,835)</u>
<b>Gross profit</b>		59,411	54,220
Administration expenses		(10,601)	(28,293)
Other operating expenses		<u>(39,091)</u>	<u>(71,699)</u>
<b>Operating profit/(loss)</b>	2	9,719	(45,772)
Net interest payable and similar charges	3	<u>6,000</u>	<u>(2,208)</u>
Profit/(loss) on ordinary activities before taxation		15,719	(47,980)
Taxation	4	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>	9	<u>15,719</u>	<u>(47,980)</u>

Income and the profit before taxation arose solely from continuing operations. There were no other recognised gains or losses for the year.

On behalf of the board

P Ryan

D Hearn



**BALANCE SHEET**  
30 September 2003

	Notes	2003 Stg£	2002 Stg£
<b>Fixed assets</b>			
Tangible assets	5	<u>1,275</u>	<u>2,003</u>
<b>Current assets</b>			
Cash at bank and in hand		10,764	9,458
Debtors	6	<u>330,079</u>	<u>134,652</u>
		340,843	144,110
<b>Creditors - Amounts falling due within one year</b>	7	<u>(654,207)</u>	<u>(473,921)</u>
<b>Net current liabilities</b>		<u>(313,364)</u>	<u>(329,811)</u>
<b>Total assets less current liabilities</b>		<u>(312,089)</u>	<u>(327,808)</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account		<u>(312,091)</u>	<u>(327,810)</u>
<b>Equity shareholders' funds</b>	9	<u>(312,089)</u>	<u>(327,808)</u>

On behalf of the board

P Ryan

D Hearn

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Holding 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.

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.

2 Profit/(loss) on ordinary activities before taxation	2003 Stg£	2002 Stg£
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The profit/(loss) on ordinary activities before taxation has been arrived at after charging:

Staff costs		
- Wages and salaries	20,651	51,284
- Social welfare costs	2,102	5,104
- Pension costs	-	2,667
	<u>22,753</u>	<u>59,055</u>
Auditors remuneration	6,000	2,000
Directors remuneration	-	-
Depreciation	<u>728</u>	<u>182</u>

The average number of employees during the year was 1 (2002: 2).

3 Interest payable and similar charges	2003 Stg£	2002 Stg£
Other interest	5,882	-
Bank interest payable	(4)	(2,260)
Bank interest receivable	<u>122</u>	<u>52</u>
	<u>6,000</u>	<u>(2,208)</u>

### 4 Taxation

There is no taxation charge due to tax losses carried forward.

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 5 Tangible assets

Motor  
vehicles  
Stg£

## Cost

At 30 September 2002

12,359

Additions

-

At 30 September 2003

12,359

## Accumulated depreciation

At 30 September 2002

10,356

Charge for year

728

At 30 September 2003

11,084

## Net book amounts

At 30 September 2002

2,003

At 30 September 2003

1,275

## 6 Debtors

2003  
Stg£

2002  
Stg£

Amounts falling due within one year:

Amounts due from group company

298,792

83,516

Trade debtors

30,707

49,230

Prepayments

580

1,453

Other debtors

-

453

330,079

134,652

7 Creditors (amounts falling due within one year)

2003  
Stg£

2002  
Stg£

Bank overdraft

-

15

Trade creditors

4,898

30,340

Amounts due to fellow subsidiary

633,038

362,721

Creditors for taxation and social welfare

1,390

66,827

Accruals and deferred income

14,881

14,018

654,207

473,921

11

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Share capital	Authorised Stg£	Allotted and fully paid Stg£
At 30 September 2003 and 2002, ordinary shares of Stg£1 each	<u>100</u>	<u>2</u>

9 Reconciliation of movement in shareholder funds	Share Capital Stg£	Profit and loss account Stg£	Total Stg£
At 30 September 2002	2	(327,810)	(327,808)
Profit for the year	<u>-</u>	<u>15,719</u>	<u>15,719</u>
At 30 September 2003	<u>2</u>	<u>(312,091)</u>	<u>(312,089)</u>

10 Approval of the financial statements

The directors approved the financial statements on 16 February 2004.