

## **Intuita Limited**

Annual report and financial statements  
for the year ended 30 April 2003

Registered number: 3698167



## **Directors' report**

For the year ended 30 April 2003

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 30 April 2003.

### **Directors' responsibilities**

United Kingdom 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 of the profit or loss of the company for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal controls, 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 business review**

The principal activities of the company are the provision of consultancy, software and services to manufacturing and distribution industries and the builders' merchant market.

The directors expect the general level of activity to increase in the forthcoming year.

### **Results and dividends**

The audited financial statements for the year ended 30 April 2003 are set out on pages 5 to 17. The loss for the year after taxation was £87,000 (2002 - profit £292,000).

The directors do not recommend payment of a dividend (2002 - £nil).

## Directors' report (continued)

### Directors and their interests

The directors who served throughout the year were as follows:

K.B. Byrne  
N. Wenman  
R. Beaton

The directors who held office at 30 April 2003 had the following interests in the shares of the parent company, Intuita Holdings Limited.

Name of director	1p ordinary shares	
	30 April 2003	30 April 2002
K.B. Byrne	32,813	32,813
N. Wenman	21,874	21,874
R. Beaton	32,813	32,813

The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

### Charitable and political contributions

There were no charitable or political contributions in the year (2002 – £nil).

### Auditors

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. However, at present they remain the company's auditors and have signed the accounts in that capacity. The company consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

### Registered office

Churchgate House  
56 Oxford Street  
Manchester  
M1 6EU

By order of the Board,



K.B. Byrne  
Director

7 November 2003

**Independent auditors' report****To the shareholder of Intuita Limited:**

We have audited the financial statements of Intuita Limited for the year ended 30 April 2003 which comprise the profit and loss account, balance sheet, cash flow statement, statement of total recognised gains and losses, statement of accounting policies and the related notes numbered 1 to 19. 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 annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' report. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 with the company 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. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, 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 affairs of the company at 30 April 2003 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Manchester

*11 November 2003*

# Profit and loss account

For the year ended 30 April 2003

	Notes	2003 £'000	2002 £'000
<b>Turnover</b>	1	4,215	3,614
Cost of sales		(2,198)	(2,011)
<b>Gross profit</b>		2,017	1,603
Distribution costs		(381)	(393)
Administrative expenses		(1,354)	(866)
Exceptional administrative expenses	3	(168)	-
Total administrative expenses		(1,522)	(866)
<b>Operating profit</b>		114	344
Costs of closure of business	3	(248)	-
<b>(Loss)/profit on ordinary activities before interest</b>		(134)	344
Finance charges (net)	2	(8)	15
<b>(Loss)/profit on ordinary activities before taxation</b>	3	(142)	359
Tax credit/(charge) on (loss)/profit on ordinary activities	5	55	(67)
<b>(Loss)/profit on ordinary activities after taxation</b>		(87)	292
<b>Retained (loss)/profit for the year</b>	13	(87)	292

All activities arose from continuing operations.

There are no recognised gains or losses in either year other than the loss or profit for that year.

The accompanying notes are an integral part of this profit and loss account.

# Balance sheet

30 April 2003

	Notes	2003 £'000	2002 £'000
<b>Fixed assets</b>			
Intangible assets – goodwill	6	563	798
Tangible assets	7	229	283
		<u>792</u>	<u>1,081</u>
<b>Current assets</b>			
Stocks	8	2	-
Debtors	9	2,198	2,482
Cash at bank and in hand		600	433
		<u>2,800</u>	<u>2,915</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(2,032)</u>	<u>(2,349)</u>
<b>Net current assets</b>		<u>768</u>	<u>566</u>
<b>Net assets</b>		<u>1,560</u>	<u>1,647</u>
<b>Capital and reserves</b>			
Called-up share capital	12	1,000	1,000
Profit and loss account	13	560	647
<b>Equity shareholder's funds</b>	14	<u>1,560</u>	<u>1,647</u>

The financial statements on pages 5 to 17 were approved by the board of directors on 7 November 2003 and signed on its behalf by:

K.B. Byrne  
Director



The accompanying notes are an integral part of this balance sheet.

## Cash flow statement

For the year ended 30 April 2003

	Notes	2003 £'000	2002 £'000
<b>Net cash inflow from operating activities</b>	15a	705	64
Returns on investments and servicing of finance	15c	(8)	15
Taxation		(179)	(23)
Capital expenditure and financial investment	15c	(103)	(184)
Acquisitions and disposals	15c	(248)	(422)
<b>Increase/(decrease) in cash in the period</b>	15b	<u>167</u>	<u>(550)</u>

The accompanying notes are an integral part of this consolidated cash flow statement.

## Reconciliation of net cash flow to movement in net funds

For the year ended 30 April 2003

		Year Ended 30 April 2003 £'000	Year ended 30 April 2002 £'000
<b>Increase/(decrease) in cash</b>		<u>167</u>	<u>(550)</u>
Change in net funds resulting from cash flows and movements in net funds in year		167	(550)
<b>Net funds, start of year</b>	15b	<u>433</u>	<u>983</u>
<b>Net funds, end of year</b>	15b	<u>600</u>	<u>433</u>

## Statement of accounting policies

30 April 2003

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

### Basis of preparation

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

### Intangible fixed assets – goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life. The directors have determined that the goodwill arising on the acquisition of Unisys in the prior year should be written off over 3 years. The remaining goodwill is being written off over 10 years. Provision is made for any impairment.

### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write-off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful economic life, as follows:

Plant, equipment, fixtures and fittings	5% to 33½% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis

Residual value is calculated on prices prevailing at the date of acquisition.

### Revenue recognition

The company's turnover is broken down into a number of elements. The revenue recognition policies are as follows:

Revenue generated from time and material contracts is recognised when the work is performed.

Revenue relating to software licences which provide the customer with the right to use the company's products is recognised 50% on delivery and 50% on acceptance when the following conditions are met:

- additional services are not essential to the functionality of the software;
- persuasive evidence is available that a legally binding arrangement exists;
- the vendor's fee is fixed or determinable; and
- collection is probable.

Revenue arising from the sale of third party products is recognised in line with cost on delivery of the product with the remaining revenue taken upon customer acceptance.

Maintenance revenue is recognised on a straight-line basis over the life of the related agreement.

## Statement of accounting policies

30 April 2003

### Stocks and work in progress

Stocks and short term work in progress are stated at the lower of cost and net realisable value. Cost includes materials and, where relevant, direct labour and appropriate production overheads. Provision is made for any impairment.

### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

### Pension costs

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account when they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## Statement of accounting policies (continued)

### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

## Notes to the financial statements

30 April 2003

### 1 Turnover

Turnover represents the value of services provided on both completed and part-completed contracts and is derived from the company's principal activity.

Geographical analysis of turnover is as follows:

	2003 £'000	2002 £'000
UK	3,887	2,840
Rest of Europe	328	774
	<u>4,215</u>	<u>3,614</u>

### 2 Finance charges (net)

	2003 £'000	2002 £'000
Interest payable and similar charges	<u>13</u>	<u>-</u>
Interest receivable and similar income	<u>(5)</u>	<u>15</u>
Finance charges (net)	<u>(8)</u>	<u>15</u>

### 3 (Loss) profit on ordinary activities before taxation

(Loss) profit on ordinary activities before taxation is stated after charging:

	2003 £'000	2002 £'000
Depreciation and amounts written off tangible fixed assets	157	86
Operating lease rentals		
- plant and machinery	97	68
- other	192	110
Amortisation of goodwill	235	24
Auditors' remuneration		
- audit services	7	6
- non-audit services	12	-
Exceptional administrative expenses - write off loan	168	-
Closure costs of Pivital business	<u>248</u>	<u>-</u>

During the year the company made a loan to a fellow subsidiary of the group, Information (Chester) Limited. The company subsequently commenced liquidation proceedings and consequently the loan has been written off to its anticipated recoverable amount.

During the year management discontinued its Pivital division. The costs of £248,000 represent the associated closure costs.

## Notes to the financial statements (continued)

### 4 Staff costs and directors' remuneration

The average monthly number of employees (including executive directors) was:

	2003 Number	2002 Number
Technical	31	31
Administration and selling	12	12
	<u>43</u>	<u>43</u>

Their aggregate remuneration comprised:

	2003 £'000	2002 £'000
Wages and salaries	1,519	1,491
Social security costs	153	163
Other pension costs (see note 17)	63	59
	<u>1,735</u>	<u>1,713</u>

#### *Remuneration*

The remuneration of the directors was as follows:

	2003 £'000	2002 £'000
Emoluments	174	226
Company contributions to money purchase pension schemes	12	13
	<u>186</u>	<u>239</u>

#### *Pensions*

The number of directors who were members of pension schemes was as follows:

	2003 Number	2002 Number
Money purchase schemes	<u>1</u>	<u>1</u>

#### *Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director:

	2003 £'000	2002 £'000
Emoluments	134	189
Company contributions to money purchase pension schemes	12	13
	<u>146</u>	<u>202</u>

## Notes to the financial statements (continued)

### 5 Tax on (loss) profit on ordinary activities

The tax (credit) charge is based on the profit for the year and comprises:

	2003 £'000	2002 £'000
UK corporation tax	-	50
Adjustments in respect of prior years	(41)	-
<b>Total current tax</b>	<b>(41)</b>	<b>50</b>
Deferred taxation	(14)	17
<b>Total tax</b>	<b>(55)</b>	<b>67</b>

#### Analysis of (credit) charge in year

	2003 £'000	2002 £'000
(Loss)/profit on ordinary activities before tax	(142)	359
(Loss)/profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30%	(43)	108
Effects of:		
Expenses disallowable for tax purposes	21	9
Research and development tax relief	(33)	(50)
Excess of depreciation over capital allowances for the year	14	(17)
Losses to be carried back	41	-
Adjustments in respect of prior years	(41)	-
<b>Current tax charge for the year</b>	<b>(41)</b>	<b>50</b>

### 6 Intangible fixed assets - goodwill

	£'000
<b>Cost</b>	
At 1 May 2002	875
At 30 April 2003	875
<b>Amortisation</b>	
At 1 May 2002	77
Charge for the year	235
At 30 April 2003	312
<b>Net book value</b>	
At 30 April 2003	563
At 30 April 2002	798

# Notes to the financial statements (continued)

## 7 Tangible fixed assets

	Plant, equipment, fixtures and fittings and motor vehicles £'000
<b>Cost</b>	
At 1 May 2002	699
Additions	103
At 30 April 2003	802
<b>Depreciation</b>	
At 1 May 2002	416
Charge for the year	157
At 30 April 2003	573
<b>Net book value</b>	
At 30 April 2003	229
At 30 April 2002	283

## 8 Stocks

	2003 £'000	2002 £'000
Work in progress	2	-

## 9 Debtors

Amounts falling due within one year:

	2003 £'000	2002 £'000
Trade debtors	705	1,055
Amounts owed by group undertakings	1,371	1,349
Deferred taxation (see note 11)	15	1
Corporation tax	41	-
Prepayments and accrued income	66	77
	2,198	2,482

Included above are amounts owed by group undertakings of £1,371,000 (2002 - £1,349,000) due after more than one year.

# Notes to the financial statements (continued)

## 10 Creditors: Amounts falling due within one year

	2003 £'000	2002 £'000
Payments received on account	995	1,181
Trade creditors	253	208
UK corporation tax	-	179
Other taxation and social security	90	175
Accruals and deferred income	694	606
	<u>2,032</u>	<u>2,349</u>

## 11 Deferred taxation

A deferred taxation asset has been recognised as follows:

	£'000
At 1 May 2002	1
Credit for the year	14
	<u>15</u>
At 30 April 2003	

The deferred tax asset is included within debtors and is recognised as follows:

	2003 £'000	2002 £'000
Accelerated capital allowances	<u>15</u>	<u>1</u>

## 12 Called-up share capital

	2003 £	2002 £
<i>Authorised</i>		
1,001,000 ordinary shares of £1 each	<u>1,001,000</u>	<u>1,001,000</u>
<i>Allotted, called-up and fully-paid</i>		
1,000,002 ordinary shares of £1 each	<u>1,000,002</u>	<u>1,000,002</u>

## Notes to the financial statements (continued)

### 13 Reserves

	Profit and loss account £'000
At 1 May 2002	647
Retained loss for the year	(87)
At 30 April 2003	<u>560</u>

### 14 Reconciliation of movements in shareholder's funds

	2003 £'000	2002 £'000
(Loss)/profit for the financial year	<u>(87)</u>	<u>292</u>
Net addition to shareholder's funds	(87)	292
Opening shareholder's funds	<u>1,647</u>	<u>1,355</u>
Closing shareholder's funds	<u>1,560</u>	<u>1,647</u>

### 15 Cash flow information

#### a) Reconciliation of operating profit to net cash inflow from continuing operating activities

	2003 £'000	2002 £'000
Operating profit	114	344
Depreciation charges	157	86
Amortisation of goodwill	235	24
Increase in stocks	(2)	121
Decrease in debtors	339	129
Decrease in creditors	<u>(138)</u>	<u>(640)</u>
Net cash inflow from continuing operating activities	<u>705</u>	<u>64</u>

#### b) Analysis of net funds

	At 1 May 2002 £'000	Cash flow £'000	At 30 April 2003 £'000
Cash at bank and in hand	<u>433</u>	<u>167</u>	<u>600</u>
Total	<u>433</u>	<u>167</u>	<u>600</u>

## Notes to the financial statements (continued)

### 15 Cash flow information (continued)

#### c) Analysis of cash flows

	2003 £'000	2002 £'000
<b>Returns on investment and servicing of finance</b>		
Interest (paid)/received	(8)	15
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(103)	(184)
<b>Acquisitions and disposals</b>		
Purchase of business	-	(422)
Closure costs of business	(248)	-
	<u>(248)</u>	<u>(422)</u>

### 16 Financial commitments

There were no outstanding capital commitments at the end of the financial year (2002 - £nil).

Annual commitments under non-cancellable operating leases are as follows:

	2003		2002	
	Land and buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date				
- within one year	-	26	-	-
- between two and five years	-	44	-	70
- after five years	118	-	126	-
	<u>118</u>	<u>70</u>	<u>126</u>	<u>70</u>

### 17 Pension arrangement

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £63,000 (2002 - £59,000).

### 18 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related party disclosures" and has not disclosed transactions with group companies.

### 19 Ultimate controlling party

The directors regard Intuita Holdings Limited, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party at the year end. Consolidated accounts are not prepared.

Copies of the financial statements of Intuita Holdings Limited are available from Intuita Holdings Limited, Churchgate House, 56 Oxford Street, Manchester M1 6EU.