ANDERSEN

# Intuita Limited
# (formerly Anite b2b Limited)

Annual report and accounts
for the year ended 30 April 2001

Registered number: 3698167

# Directors' report

For the year ended 30 April 2001

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 April 2001.

**Directors' responsibilities**

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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 business review**

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

On 25 May 2001 the entire issued share capital of the company was acquired by Intuita Holdings Limited. On 31 May 2001 the company changed its name to Intuita Limited.

**Results and dividends**

The audited accounts for the year ended 30 April 2001 are set out on pages 4 to 12. The profit for the year after taxation was £444,000 (2000 – £260,000).

The directors recommend a final dividend of 35.3 pence per ordinary share (2000 – Nil pence).

**Directors and their interests**

The directors who served during the year were as follows:

| | |
|---|---|
| S.A. Hunt | (resigned 25 May 2001) |
| K.B. Byrne | |
| N. Wenman | (appointed 25 May 2001) |
| R. Beaton | (appointed 25 May 2001) |
| J.E. Hawkins | (appointed 8 March 2000, resigned 25 May 2001) |

S.A. Hunt is a director of Anite Group plc and accordingly his interests in the share capital and share options thereof are contained in the directors' report of that company.

K.B. Byrne held 45,000 share options of 10 pence ordinary shares of Anite Group plc at 30 April 2001 (2000 - 45,000). These options are exercisable between September 1995 and February 2003 at a subscription price of between 39 pence and 60 pence per share, provided that certain profit targets are met. The expiry dates are between September 2002 and February 2010.

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 (2000 – £Nil).

**Auditors**

The company has passed an ordinary resolution appointing Arthur Andersen as auditors and by an elective resolution has and will continue to dispense with the requirement for auditors to be appointed at each annual general meeting. Arthur Andersen will therefore remain as auditors of the company until the election ceases to be inforce.

100 Longwater Avenue
Green Park
Reading
RG2 6GP

By order of the Board,

K.B. Byrne

Director

11 January 2002

ANDERSEN

**To the Shareholders of Intuita Limited (formerly Anite b2b Limited):**

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 April 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

**Arthur Andersen**
**Chartered Accountants and Registered Auditors**

Bank House
9 Charlotte Street
Manchester
M1 4EU

11 January 2002

# Profit and loss account

For the year ended 30 April 2001

| | Notes | 2001<br>£'000 | 2000<br>£'000 |
|---|---|---|---|
| **Turnover** | 2 | 4,089 | 2,739 |
| Cost of sales | | (2,274) | (1,567) |
| **Gross profit** | | 1,815 | 1,172 |
| Distribution costs | | (328) | (213) |
| Administrative expenses | | (899) | (580) |
| **Operating profit** | | 588 | 379 |
| Interest receivable | | 54 | 31 |
| **Profit on ordinary activities before taxation** | 3 | 642 | 410 |
| Tax on profit on ordinary activities | 6 | (198) | (150) |
| **Profit on ordinary activities after taxation** | | 444 | 260 |
| Dividends | 7 | (353) | - |
| **Retained profit for the year** | 14 | 91 | 260 |

All activities arose from continuing operations.

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

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

# Balance sheet

30 April 2001

| | Notes | 2001<br>£'000 | 2000<br>£'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets – goodwill | 8 | 190 | 215 |
| Tangible assets | 9 | 142 | 110 |
| | | 332 | 325 |
| **Current assets** | | | |
| Stocks | 10 | 121 | 437 |
| Debtors | 11 | 2,610 | 580 |
| Cash at bank and in hand | | 983 | 1,796 |
| | | 3,714 | 2,813 |
| **Creditors:** Amounts falling due within one year | 12 | (2,709) | (1,892) |
| **Net current assets** | | 1,005 | 921 |
| **Net assets** | | 1,337 | 1,246 |
| **Capital and reserves** | | | |
| Called-up share capital | 13 | 1,000 | 1,000 |
| Profit and loss account | 14 | 337 | 246 |
| **Equity shareholder's funds** | 15 | 1,337 | 1,246 |

**Signed on behalf of the Board**

K.B. Byrne

Director

11 January 2002

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

## 1 Accounting policies

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

*a) Basis of preparation*

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

*b) 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, which is ten years. Provision is made for any impairment.

*c) Tangible fixed assets and depreciation*

Fixed assets are stated at cost and are depreciated over their estimated useful lives having regard to their residual values. Provision is made for any impairment. The principal depreciation rates are:

| | |
|---|---|
| Plant, equipment, fixtures and fittings | 5% to 331/3% per annum on a straight line basis |
| Motor vehicles | 25% per annum on a straight line basis |

*d) 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.

*e) Revenue recognition*

The company's turnover is broken down into a number of elements. The revenue recognition policies followed are set out below:

Revenue generated from time and material contracts is recognised in line with then the work is performed.

Revenue from sale of software relates mainly to perpetual licences, which provide the customer with the right to use the company's products. Where the additional services are not essential to the functionality of the software then revenue is recognised 50% on delivery and 50% on acceptance when the following conditions are met:

- persuasive evidence is available that a legally binding arrangement exists;
- the vendor's fee is fixed or determinable; and
- collection is probable.

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

**1 Accounting policies (continued)**

*f) Taxation*

UK corporation 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 provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

*g) 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.

*h) Pension costs*

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account when they are payable.

*i) Cash flow statement*

Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not produced a cash flow statement on the grounds that its ultimate parent company, Anite Group plc, has produced group accounts including a consolidated cash flow statement.

*j) Government grants*

Income from government grants is matched against relevant project expenditure.

*k) Foreign currencies*

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

**2 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:

| | 2001 | 2000 |
|---|---|---|
| | £'000 | £'000 |
| UK | 3,642 | 2,396 |
| Rest of Europe | 447 | 343 |
| | 4,089 | 2,739 |

### 3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

| | 2001<br>£'000 | 2000<br>£'000 |
|---|---|---|
| Depreciation and amounts written off tangible fixed assets | 65 | 63 |
| Operating lease rentals | | |
| - plant and machinery | 76 | 41 |
| - other | 60 | 60 |
| Amortisation of goodwill | 25 | 24 |
| Auditors' remuneration | | |
| - audit services | 10 | 5 |

### 4 Staff costs

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

| | 2001<br>Number | 2000<br>Number |
|---|---|---|
| Technical | 26 | 26 |
| Administration and selling | 10 | 11 |
| | 36 | 37 |

| | 2001<br>£'000 | 2000<br>£'000 |
|---|---|---|
| Their aggregate remuneration comprised: | | |
| Wages and salaries | 1,544 | 1,152 |
| Social security costs | 150 | 114 |
| Other pension costs | 45 | 42 |
| | 1,739 | 1,308 |

### 5 Directors' remuneration

*Remuneration*

The remuneration of the directors was as follows:

| | 2001<br>£'000 | 2000<br>£'000 |
|---|---|---|
| Emoluments | 154 | 128 |
| Company contributions to money purchase pension schemes | 7 | 3 |
| | 161 | 131 |

## 5 Directors' remuneration (continued)

*Pensions*

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

| | 2001 Number | 2000 Number |
|---|---|---|
| Money purchase schemes | 1 | 1 |

## 6 Tax on profit on ordinary activities

The tax charge comprises:

| | 2001 £'000 | 2000 £'000 |
|---|---|---|
| UK corporation tax | 198 | 150 |

## 7 Dividends

| | 2001 £'000 | 2000 £'000 |
|---|---|---|
| Proposed dividend of 35.3 pence (2000 - Nil pence) per ordinary share | 353 | - |

## 8 Intangible fixed assets - goodwill

| | £'000 |
|---|---|
| **Cost** | |
| At 1 May 2000 and 30 April 2001 | 243 |
| **Amortisation** | |
| At 1 May 2000 | 28 |
| Charge for the year | 25 |
| At 30 April 2001 | 53 |
| **Net book value** | |
| At 30 April 2001 | 190 |
| At 30 April 2000 | 215 |

### 9 Tangible fixed assets

| | Plant, equipment, fixtures and fittings and motor vehicles £'000 |
|---|---|
| **Cost** | |
| At 1 May 2000 | 450 |
| Additions | 97 |
| At 30 April 2001 | 547 |
| **Depreciation** | |
| At 1 May 2000 | 340 |
| Charge for the year | 65 |
| At 30 April 2001 | 405 |
| **Net book value** | |
| At 30 April 2001 | 142 |
| At 30 April 2000 | 110 |

### 10 Stocks

| | 2001 £'000 | 2000 £'000 |
|---|---|---|
| Work in progress | 121 | 437 |

### 11 Debtors

Amounts falling due within one year:

| | 2001 £'000 | 2000 £'000 |
|---|---|---|
| Trade debtors | 1,523 | 483 |
| Amounts owed by group undertakings | 1,035 | 59 |
| Prepayments and accrued income | 52 | 38 |
| | 2,610 | 580 |

### 12 Creditors: Amounts falling due within one year

| | 2001 £'000 | 2000 £'000 |
|---|---|---|
| Payments received on account | 659 | 893 |
| Trade creditors | 507 | 121 |
| Amounts owed to group undertakings | 17 | 5 |
| Corporation tax | 152 | 150 |
| Other taxes and social security | 196 | 111 |
| Accruals and deferred income | 825 | 612 |
| Proposed dividend | 353 | - |
| | 2,709 | 1,892 |

### 13 Called-up share capital

| | 2001 £ | 2000 £ |
|---|---|---|
| *Authorised* | | |
| 1,001,000 ordinary shares of £1 each | 1,001,000 | 1,001,000 |
| *Allotted, called-up and fully paid* | | |
| 1,000,002 ordinary shares of £1 each | 1,000,002 | 1,000,002 |

### 14 Profit and loss account

| | £'000 |
|---|---|
| At 1 May 2000 | 246 |
| Retained profit for the year | 91 |
| At 30 April 2001 | 337 |

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

| | 2001 £'000 | 2000 £'000 |
|---|---|---|
| Profit for the financial year | 444 | 260 |
| Dividend proposed | (353) | - |
| Net addition to shareholder's funds | 91 | 260 |
| Opening shareholder's funds | 1,246 | 986 |
| Closing shareholder's funds | 1,337 | 1,246 |

**16 Financial commitments**

There were no outstanding capital commitments at the end of the financial year (2000 - £Nil).

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

| | 2001 | | 2000 | |
|---|---|---|---|---|
| | Land and buildings £'000 | Other £'000 | Land and buildings £'000 | Other £'000 |
| Expiry date | | | | |
| - within one year | 10 | 11 | - | 7 |
| - between two and five years | - | 48 | 10 | 37 |
| | 10 | 59 | 10 | 44 |

**17 Ultimate controlling party**

The directors regard Anite Group plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party at the year end.

Anite Group plc is the parent company of the smallest and largest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from Anite Group plc, 100 Longwater Avenue, Greenpark, Reading RG2 6GP.

As a subsidiary undertaking of Anite Group plc, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Anite Group plc.

**18 Post balance sheet event**

On 25 May 2001 the entire issued share capital of the company was acquired by Intuita Holdings Limited. The directors now regard Intuita Holdings Limited as the ultimate controlling party.