

Company Registration No. 2031145

Insight Logistics Limited

Report and Financial Statements

31 March 2005



REPORT AND FINANCIAL STATEMENTS 2005

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Insight Logistics Limited

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I F Lenagan
W A Steele
M D Wailing

SECRETARY

M D Wailing

REGISTERED OFFICE

Precedent Drive
Rooksley
Milton Keynes
MK13 8PP

BANKERS

HSBC plc
19 Midsummer Place
Milton Keynes
MK9 3GB

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

Insight Logistics Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be the sale of in-house developed standard computer software for labour management, plus associated annual use licenses, maintenance and application consultancy.

On 1 April 2002, the company transferred certain assets and liabilities at book value to its immediate parent undertaking, Workplace Systems plc. Workplace Systems plc now acts as an agent for the company.

The Directors are satisfied with the financial performance achieved in the year and believe that the trend will continue.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5.

RESEARCH AND DEVELOPMENT

The company continued to develop its major software products during the period. Continued development is predicted as the software is upgraded, and as new modules are created. All costs are written off as incurred.

DIRECTORS

The following directors have held office from 1 April 2004 to the date of this report unless otherwise stated.

I F Lenagan
W A Steele
M D Wailing

DIRECTORS INTERESTS

No directors held any interest in shares of the company during the year.

I F Lenagan's and M D Wailing's interests in the ultimate controlling company, Workplace Systems International plc, are disclosed in the financial statements of that company.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M D Wailing
Secretary

STATEMENT OF 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 as at the end of the financial year 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
- 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSIGHT LOGISTICS LIMITED

We have audited the financial statements of Insight Logistics Limited for the year ended 31 March 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

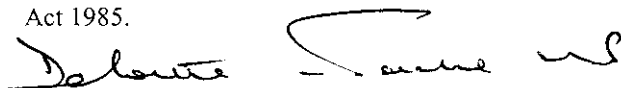
Basis of audit opinion

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 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 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

15 June 2005

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2005

	Note	2005 £'000	2004 £'000
TURNOVER	2	326	1,265
Cost of sales		(14)	(33)
Gross profit		312	1,232
Administrative expenses		(61)	(827)
OPERATING PROFIT	3	251	405
Interest payable and similar charges		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		251	405
Tax on profit on ordinary activities	7	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		251	405
Dividends Payable	4	(178)	-
RETAINED PROFIT FOR THE YEAR	12	73	405

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the profit and loss account.

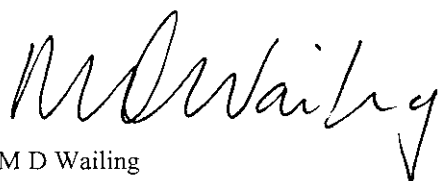
Insight Logistics Limited

BALANCE SHEET 31 March 2005

	Note	2005 £'000	2004 £'000
CREDITORS: amounts falling due within one year	8	-	(73)
NET CURRENT LIABILITIES		-	(73)
NET LIABILITIES		-	(73)
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	-	(73)
TOTAL EQUITY SHAREHOLDERS' DEFICIT	12	-	(73)

These financial statements were approved by the Board of Directors on 15 June 2005

Signed on behalf of the Board of Directors



M D Wailing

Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

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

Turnover

Turnover represents amounts in respect of software licence, consulting services and annual use/maintenance contracts, excluding value added tax, as set out below:

Software licence revenue

Software licence revenue is recognised when customer contractual obligations have been performed.

Income from consulting services

Consulting services and project management revenues are recognised monthly as incurred.

Income from annual use/maintenance contracts

Annual use/maintenance contracts are contracted for and paid annually in advance and are non-cancellable. Turnover is recognised on a straight line basis over the period of the contract. The residual income which has been received in advance is shown within creditors as deferred income.

Research and development

All research and development expenditure is written off to the profit and loss account in the period in which it is incurred.

Depreciation

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on an average cost basis. Where necessary, provision is made for obsolete, slow moving and defective stock.

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise 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. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

1. ACCOUNTING POLICIES (continued)

Leases

Hire purchase contracts

Assets held under hire purchase contracts are included at the fair value of the assets at the inception of the agreement. Depreciation is calculated to write off his amount on a straight line basis over the useful life of the assets.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

Operating leases

Rentals payable under operating leases are charged on a straight line basis over the terms of the lease.

Foreign currency

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:-

- i. Monetary assets and liabilities which are translated at the rate ruling at the balance sheet date other than those in ii. below; and
- ii. Transactions to be settled at a contracted rate and trading transactions covered by related or matching forward contracts which are translated at those contractual rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

Pension costs

Contributions payable to the company's pension scheme and individual personal pension plans are charged to the profit and loss account in the period to which they relate.

2. TURNOVER

The turnover, loss before taxation and net liabilities are attributable to the principal activity which is the supply of software systems and expertise in certain specialist vertical market places. The company operates wholly in the UK.

3. OPERATING PROFIT

	2005 £'000	2004 £'000
Operating profit is stated after charging:		
Research and Development costs	-	176

The audit fee for the current year has been paid by Workplace Systems plc.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

4. DIVIDENDS PAYABLE

	Per share	2005 £000	Per share	2004 £000
Final dividend	1533p	178	-	-

5. STAFF COSTS

	2005 £'000	2004 £'000
Wages and salaries	45	473
Social security costs	5	54
Pension contributions (see note 13)	-	11
	<u>50</u>	<u>538</u>

The average number of persons, including directors, employed by the company during the year/period was as follows:

	2005 Number	2004 Number
Sales	-	3
Development and operations	2	19
	<u>2</u>	<u>22</u>

6. DIRECTORS

	2005 £'000	2004 £'000
Emoluments:		
Emoluments for qualifying services	-	65
Total emoluments	<u>-</u>	<u>65</u>

No director (2004 – one) is accruing benefits under money purchase pension scheme.

I F Lenagan, M D Wailing and W A Steele are paid by Workplace Systems International plc. The remuneration in relation to Insight Logistics Limited has not been recharged in either the current year or the prior year as it is not possible to split his remuneration between the companies in the group.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

No tax charge arose in the year (2004: £nil)

	2005 £'000	2004 £'000
Factors affecting charge for the year		
Profit on ordinary activities before tax	251	405
Tax charge on ordinary activities at standard rate of 30% (2004 – 30%)	75	121
Capital allowances in excess of depreciation	(2)	(2)
Utilisation of tax losses	-	(22)
Group relief not paid for	(73)	(97)
	-	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Amounts owed to group companies	-	73
	-	73

9. DEFERRED TAXATION

	Provided		Not Provided	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Accelerated capital allowances	-	-	(4)	(6)
	-	-	(4)	(6)

A deferred tax asset has not been recognised in respect of timing differences relating to accelerated capital allowances as there is insufficient evidence that the asset will be recovered. The asset would be recovered if sufficient suitable trading profits arose in future periods.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

10. SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised		
400 ordinary shares of £1 each	-	-
Allotted, issued and fully paid		
116 ordinary shares of £1 each	-	-

11. STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	Profit and loss account £'000
At 1 April 2004	(73)
Retained profit for the period	73
At 31 March 2005	-

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2005 £'000	2004 £'000
Profit for the period	251	405
Dividends paid and proposed	(178)	-
Opening shareholders' deficit	(73)	(478)
Closing shareholders' deficit	-	(73)

13. PENSION COMMITMENTS

The company operates defined contribution pension schemes. The assets of the scheme are held separately from those in the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £nil (2004 - £11,000).

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by FRS 8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, not to disclose transactions with group entities.

15. ULTIMATE CONTROLLING PARTY

The immediate parent company is Insight Scientific Limited, a company registered in England and Wales.

The ultimate parent company and controlling party is Workplace Systems International plc a company registered in England and Wales.

The financial statements for Workplace Systems International plc can be obtained from Precedent Drive, Rooksley, Milton Keynes, MK13 8PP.