

CIVIC COMPUTING LIMITED
Registered number: SC221925

Directors' Report and Financial Statements

For the year ended 31 August 2003



CIVIC COMPUTING LIMITED

Company information

Directors	Dr G Jones G Tosh G Rouchotas
Secretary	G Tosh
Company number	SC221925
Registered office	12 South Charlotte Street Edinburgh EH2 4AW
Accountants	Scott-Moncrieff Chartered Accountants 17 Melville Street Edinburgh EH3 7PH
Bankers	Bank of Scotland 600 Gorgie Road Edinburgh EH11 3PX
Solicitors	Murray Beith Murray WS 39 Castle Street Edinburgh EH2 3BH

CIVIC COMPUTING LIMITED

Directors' report For the year ended 31 August 2003

The directors present their report and the financial statements for the year ended 31 August 2003.

Principal activities

The principal activity of the company in the period under review was a product led development company. The company activities include licensing of content control, strategic web consultancy, on line marketing and development of creatively designed sites, content managed websites and hosting of business critical websites.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of 1p each	
	<u>31/8/03</u>	<u>1/9/02</u>
Dr G Jones	1,995	1,995
G Tosh	1,620	1,620
G Rouchotas	1,420	1,420

Political and charitable contributions

The directors made a donation in the year to a local charity of £10,000.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 10/6/2004 and signed on its behalf by:



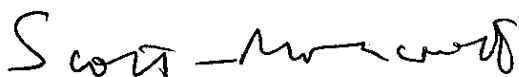
G Tosh
Director

CIVIC COMPUTING LIMITED

**Accountants' report to the directors on the
unaudited financial statements of Civic Computing Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 August 2003 set out on pages 3 to 9 and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records of the company and from information and explanations supplied to us.



Scott-Moncrieff

Chartered Accountants

17 Melville Street

Edinburgh

EH3 7PH

Date: _____

9.5 June 2004

CIVIC COMPUTING LIMITED

**Profit and loss account
For the year ended 31 August 2003**

	Note	Year 31 August 2003 £	Period 31 August 2002 £
Turnover	1	561,399	510,051
Cost of sales		(226,772)	(193,300)
Gross profit		334,627	316,751
Administrative expenses		(317,647)	(225,697)
Other operating income	2	-	5,500
Operating profit	3	16,980	96,554
Interest receivable		1,737	1,286
Interest payable		(229)	(500)
Profit on ordinary activities before taxation		18,488	97,340
Tax on profit on ordinary activities	5	735	(14,689)
Profit on ordinary activities after taxation		19,223	82,651
Dividends		-	(10,000)
Retained profit for the financial year	12	19,223	72,651

The notes on pages 5 to 9 form part of these financial statements.

CIVIC COMPUTING LIMITED

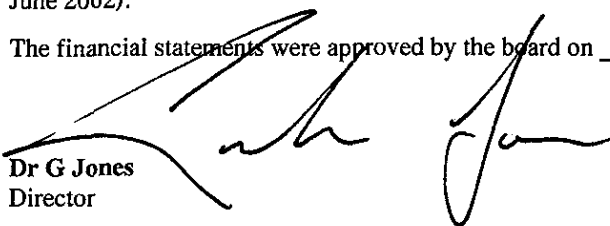
Balance sheet As at 31 August 2003

	Note	£	31 August 2003 £	£	31 August 2002 £	£
Fixed assets						
Tangible fixed assets	6			11,288		14,413
Current assets						
Stocks			7,742		-	
Debtors	7		140,735		92,141	
Cash at bank			32,919		76,914	
			<u>181,396</u>		<u>169,055</u>	
Creditors: amounts falling due within one year	8		<u>(68,598)</u>		<u>(79,319)</u>	
Net current assets				112,798		89,736
Total assets less current liabilities				<u>124,086</u>		<u>104,149</u>
Creditors: amounts falling due after more than one year	9			(1,449)		-
Provisions for liabilities and charges						
Deferred taxation	10			(1,721)		(2,456)
Net assets				<u>120,916</u>		<u>101,693</u>
Capital and reserves						
Called up share capital	11			100		100
Share premium account				28,942		28,942
Profit and loss account	12			91,874		72,651
Shareholders' funds				<u>120,916</u>		<u>101,693</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2003 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 10/06/2004 and signed on its behalf by:


Dr G Jones
Director

The notes on pages 5 to 9 form part of these financial statements.

CIVIC COMPUTING LIMITED

Notes to the financial statements For the year ended 31 August 2003

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and equipment	-	25% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	50% straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Other operating income

	Year 31 August 2003 £	Period 31 August 2002 £
Government grants received	-	5,500

CIVIC COMPUTING LIMITED

**Notes to the financial statements
For the year ended 31 August 2003**

3. Operating profit

The operating profit is stated after charging:

	Year 31 August 2003 £	Period 31 August 2002 £
Depreciation of tangible fixed assets:		
- owned by the company	19,901	13,492
- held under finance leases	3,626	-
Pension costs	7,140	1,605
	<u> </u>	<u> </u>

4. Directors' remuneration

	Year 31 August 2003 £	Period 31 August 2002 £
Aggregate emoluments	126,014	88,925
	<u> </u>	<u> </u>

5. Taxation

	Year 31 August 2003 £	Period 31 August 2002 £
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax on profits of the year	-	12,233
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(735)	2,456
	<u> </u>	<u> </u>
Total deferred tax (see note 10)	(735)	2,456
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	(735)	14,689
	<u> </u>	<u> </u>

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK.

There were no factors that may affect future tax charges.

CIVIC COMPUTING LIMITED

**Notes to the financial statements
For the year ended 31 August 2003**

6. Tangible fixed assets

	Plant and machinery	Furniture, fittings and equipment	Total
	£	£	£
Cost			
At 1 September 2002	600	27,305	27,905
Additions	663	19,739	20,402
At 31 August 2003	<u>1,263</u>	<u>47,044</u>	<u>48,307</u>
Depreciation			
At 1 September 2002	150	13,342	13,492
Charge for the year	316	23,211	23,527
At 31 August 2003	<u>466</u>	<u>36,553</u>	<u>37,019</u>
Net book value			
At 31 August 2003	<u>797</u>	<u>10,491</u>	<u>11,288</u>
At 31 August 2002	<u>450</u>	<u>13,963</u>	<u>14,413</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2003 £	2002 £
Furniture, fittings and equipment	<u>3,626</u>	<u>-</u>

7. Debtors

	2003 £	2002 £
Due within one year		
Trade debtors	138,405	87,489
Other debtors	2,330	4,652
	<u>140,735</u>	<u>92,141</u>

**8. Creditors:
amounts falling due within one year**

	2003 £	2002 £
Bank loans and overdrafts	1,443	-
Net obligations under finance leases and hire purchase contracts	6,074	-
Trade creditors	9,095	14,195
Corporation tax	-	12,233
Social security and other taxes	41,560	32,473
Other creditors	10,426	20,418
	<u>68,598</u>	<u>79,319</u>

CIVIC COMPUTING LIMITED

Notes to the financial statements For the year ended 31 August 2003

9. Creditors: amounts falling due after more than one year

	2003 £	2002 £
Net obligations under finance leases and hire purchase contracts	1,449	-

10. Deferred taxation

	2003 £	2002 £
At 1 September 2002	2,456	-
(Released during)/charge for the year	(735)	2,456
At 31 August 2003	1,721	2,456

The provision for deferred taxation is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	1,721	2,456
Tax losses brought forward	-	-
Advance corporation tax	-	-
	1,721	2,456

11. Share capital

	2003 £	2002 £
Authorised		
11,500 Ordinary shares of 1p each	115	115
Allotted, called up and fully paid		
10,000 Ordinary shares of 1p each	100	100

12. Reserves

	£
Profit and loss account	
At 1 September 2002	72,651
Profit retained for the year	19,223
At 31 August 2003	91,874

13. Pension commitments

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,140 (2002 £1,605).

CIVIC COMPUTING LIMITED

**Notes to the financial statements
For the year ended 31 August 2003**

14. Operating lease commitments

At 31 August 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003	2002
	£	£
Expiry date:		
Within 1 year	28,440	11,750