

CIVIC COMPUTING LIMITED

Registered number: SC221925

Directors' Report and Financial Statements

For the year ended 31 August 2004



SCOTT-MONCRIEFF

CHARTERED ACCOUNTANTS

EDINBURGH AND GLASGOW

CIVIC COMPUTING LIMITED

Company Information

Directors

Dr G Jones
G Tosh
G Rouchotas

Secretary

G Tosh

Registered office

12 South Charlotte Street
Edinburgh
EH2 4AW

Registered number

SC221925

Accountants

Scott-Moncrieff
Chartered Accountants
17 Melville Street
Edinburgh
EH3 7PH

Solicitor

Murray Beith Murray WS
39 Castle Street
Edinburgh
EH2 3BH

Principal banker

Bank of Scotland
600 Gorgie Road
Edinburgh
EH11 3PX

CIVIC COMPUTING LIMITED

Financial Statements

For the year ended 31 August 2004

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CIVIC COMPUTING LIMITED

Report of the directors

The directors present their report and the financial statements for the year ended 31 August 2004.

Principal activity

The principal activity and core business of the company continues to be a product led development company. The company's 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.

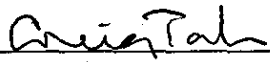
Directors' interests

The interests, as defined by the Companies Act 1985, of the directors in the share capital of the company at the beginning of the year and end of the year were:

	Ordinary Shares of 1p each	
	31 August 2004	1 September 2003
Dr G Jones	1,995	1,995
G Tosh	1,620	1,620
G Rouchotas	1,420	1,420

Small company exemptions

This report 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  and signed on its behalf by:
27/05/05

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 2004, 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 information and explanations supplied to us.

Scott-Moncrieff

Scott-Moncrieff
Chartered Accountants
17 Melville Street
Edinburgh
EH3 7PH

Date: 1/6/05

CIVIC COMPUTING LIMITED

Profit and Loss Account

For the year ended 31 August 2004

	Note	2004 £	2003 £
Turnover		1,042,585	561,399
Cost of sales		<u>(600,265)</u>	<u>(226,772)</u>
Gross profit		442,320	334,627
Administrative expenses		<u>(384,463)</u>	<u>(317,647)</u>
Operating profit	2	57,857	16,980
Investment income	3	6,502	1,737
Interest payable and similar charges		<u>(1,618)</u>	<u>(229)</u>
Profit on ordinary activities before taxation		62,741	18,488
Taxation	5	<u>(12,222)</u>	<u>735</u>
Profit on ordinary activities after taxation	13	<u><u>50,519</u></u>	<u><u>19,223</u></u>

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

CIVIC COMPUTING LIMITED

Balance Sheet

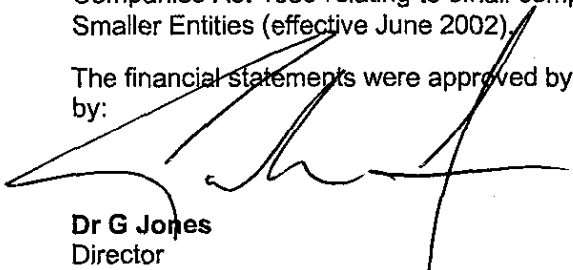
At 31 August 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	6	18,915	11,288
Current assets			
Stocks	7	1,725	7,742
Debtors	8	185,888	140,735
Cash at bank and in hand		182,902	32,919
		<u>370,515</u>	<u>181,396</u>
Creditors: amounts falling due within one year	9	<u>(225,954)</u>	<u>(68,598)</u>
Net current assets		144,561	112,798
Total asset less current liabilities		<u>163,476</u>	<u>124,086</u>
Creditors: amounts falling due after more than one year	10	(4,654)	(1,449)
Provisions for liabilities and charges			
Deferred taxation	11	(2,437)	(1,721)
Net assets		<u>156,385</u>	<u>120,916</u>
Capital and reserves			
Called up share capital	12	85	100
Share premium	13	28,942	28,942
Capital redemption reserve	13	15	-
Profit and loss account	13	127,343	91,874
Shareholders' funds		<u>156,385</u>	<u>120,916</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 2004 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 27th May 2005 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 2004

1 Accounting policies

Basis of accounting

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).

Cash Flow

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

Turnover

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

Tangible fixed assets

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

Finance leases

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 lease 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.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Deferred tax

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.

Pension costs

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.

CIVIC COMPUTING LIMITED

Notes to the Financial Statements

For the year ended 31 August 2004

2 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	27,614	23,527
Pension costs	8,250	7,140
	<u> </u>	<u> </u>

3 Investment income

	2004	2003
	£	£
Bank interest receivable	3,552	1,737
Grant income	2,950	-
	<u> </u>	<u> </u>
	<u>6,502</u>	<u>1,737</u>

4 Directors' emoluments

	2004	2003
	£	£
Directors' emoluments	167,033	126,014
	<u> </u>	<u> </u>

5 Tax on profit on ordinary activities

	2004	2003
	£	£
UK corporation tax - current year	11,506	-
Deferred taxation	716	(735)
	<u> </u>	<u> </u>
	<u>12,222</u>	<u>(735)</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 2004

6 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 September 2003	1,263	47,044	48,307
Additions	-	35,241	35,241
At 31 August 2004	1,263	82,285	83,548
Depreciation			
At 1 September 2003	466	36,553	37,019
Depreciation for the year	315	27,299	27,614
At 31 August 2004	781	63,852	64,633
Net book value			
At 31 August 2004	482	18,433	18,915
At 31 August 2003	797	10,491	11,288

Included within fixed assets are assets held under finance lease and hire purchase agreements with a net book value of £10,253 (2003: £3,626). Depreciation charged on these assets during the year was £13,879 (2003: £3,626).

7 Stocks

	2004 £	2003 £
Stocks	1,725	7,742

8 Debtors

	2004 £	2003 £
Trade debtors	182,086	138,405
Other debtors	3,802	2,330
	185,888	140,735

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	-	1,443
Trade creditors	12,579	9,095
Finance lease and hire purchase	10,468	6,074
Tax and social security	96,650	41,560
Other creditors	106,257	10,426
	225,954	68,598

CIVIC COMPUTING LIMITED

Notes to the Financial Statements

For the year ended 31 August 2004

10 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Finance lease and hire purchase	<u>4,654</u>	<u>1,449</u>

11 Deferred taxation

	2004 £	2003 £
At 31 August 2003	1,721	2,456
(Released during)/charge for the year	<u>716</u>	<u>(735)</u>
At 31 August 2004	<u>2,437</u>	<u>1,721</u>

The provision for deferred taxation is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	<u>2,437</u>	<u>1,721</u>

12 Share capital

	2004 £	2003 £
Authorised		
11,500 Ordinary Shares of 1p each	<u>115</u>	<u>115</u>
Allotted, called up and fully paid		
8,495 Ordinary Shares of 1p each	<u>85</u>	<u>100</u>

On 29 July 2004 the company purchased 1,505 of its own shares at a premium of £9.99 per share. The total consideration was £15,050.

13 Reserves

	Capital redemption £	Share premium £	Profit and loss account £	Total £
At 1 September 2003	-	28,942	91,874	120,816
Other movements	15	-	(15,050)	(15,035)
Retained for the year	-	-	<u>50,519</u>	<u>50,519</u>
At 31 August 2004	<u>15</u>	<u>28,942</u>	<u>127,343</u>	<u>156,300</u>

CIVIC COMPUTING LIMITED

Notes to the Financial Statements

For the year ended 31 August 2004

14 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 £8,250 (2003: £7,140).

The pension scheme is approved as a stakeholder scheme by the Inland Revenue.

15 Operating lease commitments

At 31 August 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Within one year	<u>38,760</u>	<u>28,440</u>