

Company Registration No. 01252569

**MINERVA COMPUTER SYSTEMS LIMITED**

**Report and Financial Statements**

**31 May 2004**

**Deloitte & Touche LLP**  
**Bristol**



**MINERVA COMPUTER SYSTEMS LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2004**

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# **MINERVA COMPUTER SYSTEMS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

S C Black FCA  
S R Fowler  
G Iles

### **SECRETARY**

S C Black FCA

### **REGISTERED OFFICE**

Merchants House  
Wapping Wharf  
Bristol  
BS1 4RW

### **BANKERS**

National Westminster Bank plc  
32 Corn Street  
Bristol  
BS99 7UG

### **AUDITORS**

Deloitte & Touche LLP  
Bristol

# **MINERVA COMPUTER SYSTEMS LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 May 2004.

## **PRINCIPAL ACTIVITY**

The principal activity of the company during the year was that of providing computer systems and associated services to a wide range of businesses and organisations.

## **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The company was acquired by Alveston Holdings Limited on 30 September 2003. On 28 May 2004 the entire trade and assets were transferred to a sister company Systems Team Limited. The company was dormant with effect from 28 May 2004, and is expected to be so for the foreseeable future.

The results of the company for the year and the position at the end of it are set out in detail in the profit and loss account and balance sheet on pages 5 and 6 respectively.

## **DIVIDENDS**

The directors do not recommend payment of a dividend (2003: £nil).

## **DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year were as follows:

S C Black	(appointed 30 September 2003)
S R Fowler	
G Iles	(appointed 30 September 2003)
J P Leighfield CBE	(resigned 17 June 2003)
A L Lewis	(resigned 17 June 2003)
J J H Qualtrough	(resigned 30 September 2003)
U M Qualtrough	(appointed 29 September 2003, resigned 30 September 2003)
M R Whitlam CBE	(resigned 20 July 2003)


No director had any interest in the share capital of the company during the year, or of any other group company. The directors' interests in the shares of the ultimate parent company, Alveston Holdings Limited, were as follows:

	<b>£1 Ordinary shares</b>	
	<b>2004</b>	<b>2003</b>
S C Black	8,750	8,750
G Iles	16,250	16,250

## **AUDITORS**

Grant Thornton resigned on 30 June 2004 and Deloitte & Touche LLP were appointed to fill a casual vacancy. 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 on 2 July 2004  
and signed on behalf of the Board

S C Black  
Secretary 

## **MINERVA COMPUTER SYSTEMS LIMITED**

### **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; 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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 MINERVA COMPUTER SYSTEMS LIMITED

We have audited the financial statements of Minerva Computer Systems Limited for the year ended 31 May 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 16. 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 financial statements which are required to be prepared 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.

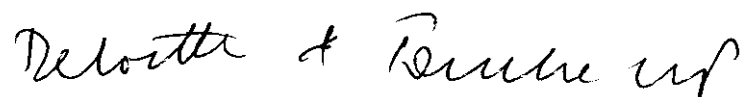
### Basis of audit opinion

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 as at 31 May 2004 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  
Bristol

6 July 2004

# MINERVA COMPUTER SYSTEMS LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 May 2004

	Note	2004 £	2003 £
<b>TURNOVER</b>		889,872	1,108,651
Cost of sales		(96,011)	(187,202)
<b>GROSS PROFIT</b>		793,861	921,449
Administrative expenses		(670,597)	(1,161,812)
Waiver of intercompany debt		64,847	-
<b>OPERATING PROFIT/(LOSS)</b>	2	188,111	(240,363)
Other interest receivable and similar income		454	1,680
Interest payable and similar charges	4	(5,838)	(9,676)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		182,727	(248,359)
Tax on profit on ordinary activities	5	-	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION, BEING RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	13	182,727	(248,359)

All results arose from discontinued operations.

There were no recognised gains or losses in either year other than the profit or loss for the year, and accordingly a statement of total recognised gains and losses is not presented.

# MINERVA COMPUTER SYSTEMS LIMITED

## BALANCE SHEET

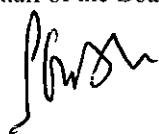
At 31 May 2004

	Note	2004		2003	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6	-	-	25,918	
Investments	7	-	-	50,200	
			-	76,118	
<b>CURRENT ASSETS</b>					
Debtors	8	-	167,081		
Cash at bank and in hand		-	65,235		
			232,316		
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	-	179,294		
<b>NET CURRENT ASSETS</b>			-	53,022	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			-	129,140	
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	-		(174,200)	
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	-		(15,400)	
<b>DEFERRED INCOME</b>			-	(122,267)	
<b>NET LIABILITIES</b>			-	(182,727)	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12	113,500		113,500	
Share premium account	13	86,750		86,750	
Revaluation reserve	13	10,250		10,250	
Profit and loss account	13	(210,500)		(393,227)	
<b>SHAREHOLDERS' DEFICIT</b>			-	(182,727)	
Attributable to equity shareholders		(50,000)		(232,727)	
Attributable to non-equity shareholders		50,000		50,000	
			-	(182,727)	

These financial statements were approved by the Board of Directors on 2 July 2004.

Signed on behalf of the Board of Directors

S C Black  
Director





**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

**1. ACCOUNTING POLICIES**

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

**Basis of accounting**

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

**Turnover**

Turnover represents the value of work done during the year plus the invoiced value of sales in respect of maintenance and support contracts net of VAT. All turnover is derived from the United Kingdom and from its principal activity.

**Cost of sales**

Cost of sales represents the cost of hardware, software and maintenance in respect of sales recognised in the year with an adjustment for deferred income in respect of services invoiced in advance of performance. All staff costs are treated as an overhead with no allocation to cost of sales.

**Tangible fixed assets**

Depreciation is not provided on freehold land. On other assets it is provided on cost or revalued amounts in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Fixtures and fittings	10% to 33 <sup>1</sup> / <sub>3</sub> % per annum
Motor vehicles	25% per annum
Computer equipment	15% per annum

**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 substantively 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 group'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 period 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.

# MINERVA COMPUTER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 1. ACCOUNTING POLICIES (continued)

#### Investments

Investments held as fixed assets are stated at cost less provision for impairment. Those held as current assets are stated at the lower of cost and net realisable value.

#### Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due.

#### Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

#### Research and development

Research and development expenditure is charged to the profit and loss account as incurred.

#### Cash flow statement

The company qualifies as a small company under Sections 246 and 249 of the Companies Act 1985 and is therefore exempt from the requirements to prepare a cash flow statement in accordance with Financial Reporting Standards No. 1.

2. OPERATING PROFIT	2004 £	2003 £
Operating profit is stated after charging/(crediting):		
Rentals under operating leases - other operating leases	30,568	51,033
Depreciation	21,893	20,468
Auditors' remuneration for audit services	4,300	5,950
Profit on disposal of fixed assets	(3,759)	-

# MINERVA COMPUTER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2004 £	2003 £
<b>Directors' emoluments:</b>		
Salaries, bonuses and taxable benefits	67,842	170,818
Pension contributions	3,932	9,990
	<u>71,774</u>	<u>180,808</u>

All of the directors are members of a defined contribution pension scheme. Two of the directors are remunerated by the parent company, Alveston Holdings Limited. It is not practicable to allocate total remuneration between services to this company and other group companies.

<b>Employee costs during the year:</b>	£	£
Wages and salaries	420,744	700,751
Social security costs	45,745	70,231
Other pension costs	19,800	32,876
	<u>486,289</u>	<u>803,858</u>

<b>Average number of persons employed:</b>	No.	No.
Production	10	15
Sales and distribution	2	7
Administration	1	3
	<u>13</u>	<u>25</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Bank loans, overdrafts and other loans repayable within five years	292	303
Other loans	4,494	8,085
Finance charges - finance leases and hire purchase contracts	1,052	1,288
	<u>5,838</u>	<u>9,676</u>

# MINERVA COMPUTER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

There was no tax charge for the year or the prior year.

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2003: 19%). The actual tax charge for the current and prior year differs from the standard rate for the reasons set out in the following reconciliation:

	2004 £	2003 £
Profit/(loss) on ordinary activities before tax	<u>182,727</u>	<u>(248,359)</u>
	£	£
Tax on profit on ordinary activities at standard rate	54,818	(47,188)
Factors affecting the charge:		
Disallowable expenses	(18,539)	4,247
Capital allowances for period in excess of depreciation	(4,807)	14
Profit on disposal of fixed assets	(1,128)	-
(Utilisation)/generation of tax losses	<u>(30,343)</u>	<u>42,927</u>
<b>Tax on profit on ordinary activities</b>	<u>-</u>	<u>-</u>

# MINERVA COMPUTER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>				
At 1 June 2003	9,670	32,663	196,357	238,690
Additions	2,670	-	20,913	23,583
Disposals	(12,340)	(32,663)	(217,270)	(262,273)
At 31 May 2004	-	-	-	-
<b>Accumulated depreciation</b>				
At 31 May 2003	6,442	20,525	185,805	212,772
Provisions	1,942	8,422	11,529	21,893
Disposals	(8,384)	(28,947)	(197,334)	(234,665)
At 31 May 2004	-	-	-	-
<b>Net book value</b>				
At 31 May 2004	-	-	-	-
At 31 May 2003	3,228	12,138	10,552	25,918

The net book value of fixed assets includes an amount of £nil (2003: £12,060) in respect of assets held under finance leases and hire purchase contracts.

# MINERVA COMPUTER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 7. INVESTMENTS HELD AS FIXED ASSETS

	2004 £	2003 £
<b>Shares in subsidiary undertakings</b>		
<b>Cost</b>		
At beginning of year	50,200	50,200
<b>Provision for impairment</b>		
Provided in year	(50,200)	-
<b>Net book value</b>		
At end of year	-	50,200

The company owns 100% of the issued share capital of the following companies:

		Aggregate capital and reserves £
Minerva Group Limited	Dormant	50,000
Minerva Open Systems Limited	Dormant	100
Minerva Business Developments Limited	Dormant	100
Minerva Recruitment Services Limited	Dormant	(85,707)

In view of the non trading status of these subsidiaries, application has been made to the Registrar of Companies for these entities to be dissolved.

### 8. DEBTORS

	2004 £	2003 £
Trade debtors	-	120,555
Other debtors	-	325
Prepayments and accrued income	-	46,201
	-	167,081

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	-	71,870
Amounts due to group undertakings	-	-
Amounts due under finance leases and hire purchase agreements	-	7,163
Other taxation and social security	-	41,351
Other creditors and accruals	-	58,910
	-	179,294

# MINERVA COMPUTER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £	2003 £
Amounts due to group undertakings	-	50,200
Third party loan	-	124,000
	<u>-</u>	<u>174,200</u>

### 11. PROVISIONS FOR LIABILITIES AND CHARGES

Provision in respect of onerous rental contract:

	£
At 1 June 2003	15,400
(Credit)/charge for the year	(2,200)
Transferred to other group company	(13,200)
At 31 May 2004	<u>-</u>

### 12. SHARE CAPITAL

	2004 £	2003 £
<b>Authorised</b>		
146,500 Ordinary shares of £1 each	146,500	146,500
103,500 'A' Ordinary shares of £1 each	103,500	103,500
50,000 'B' Ordinary shares of £1 each	50,000	50,000
	<u>300,000</u>	<u>300,000</u>
	£	£
<b>Allotted and fully paid</b>		
63,500 'A' Ordinary shares of £1 each fully paid	63,500	63,500
50,000 'B' Ordinary shares of £1 each fully paid	50,000	50,000
	<u>113,500</u>	<u>113,500</u>

The 'A' ordinary shares are equity shares and have rights to all profits, assets and votes.

The 'B' ordinary shares are non-equity shares and have no rights attached to them.

# MINERVA COMPUTER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 13. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT AND STATEMENT OF MOVEMENTS ON RESERVES

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total 2004 £	Total 2003 £
At the beginning of the year	113,500	86,750	10,250	(393,227)	(182,727)	65,632
Retained profit For the year	-	-	-	182,727	182,727	(248,359)
<b>At the end of the year</b>	<u>113,500</u>	<u>86,750</u>	<u>10,250</u>	<u>(210,500)</u>	<u>-</u>	<u>(182,727)</u>

### 14. CONTINGENT LIABILITIES

The company has entered into a cross-guarantee relating to the bank borrowings of its parent company. The potential liability at the year end was £1,120,256 (2003: £920,736).

### 15. PENSION SCHEMES

The group operates a defined contribution pension scheme for all qualified employees. The assets of the scheme are held in separate trustee administered funds. Contributions made during the year amounted to £19,800 (2003: £22,886).

### 16. ULTIMATE PARENT COMPANY UNDERTAKING

The ultimate parent company and controlling party is Alveston Holdings Limited, which is registered in England and Wales. Due to the exemption afforded to small groups consolidated financial statements are not prepared for Alveston Holdings Limited.