

REGISTERED NUMBER 3687127  
(England and Wales)

COMPANIES HOUSE FILING COPY

IDENTA LIMITED

REPORT AND ACCOUNTS

PERIOD ENDED 31ST OCTOBER 2002



SMITH, HODGE & BAXTER

Chartered Accountants

# COMPANIES HOUSE FILING COPY

## IDENTA LIMITED

### DIRECTOR

M J Lonergan

### SECRETARY

M J Lonergan

### REGISTERED OFFICE

Rowan House  
Medlicott Close  
Oakley Hay Industrial Estate  
Corby  
Northants  
NN18 9NF

### REGISTERED NUMBER

3687127 England and Wales

### REPORT AND ACCOUNTS 31ST OCTOBER 2002

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The following page does not form part of the statutory accounts

10	Detailed trading and profit and loss account.
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### PARENT UNDERTAKING

Independent Digital Networks Limited

### ULTIMATE PARENT UNDERTAKING

IDN Telecom plc

**IDENTA LIMITED**

**REPORT OF THE DIRECTOR**

The director presents his report with the accounts of the company for the period ended 31st October 2002.

**PRINCIPAL ACTIVITY**

The company is principally engaged in independent switchless reseller services.

**BUSINESS REVIEW AND FUTURE DEVELOPMENT**

The telecommunications marketplace remains very competitive. During the period to October 2002 the group revenues increased to £10.2 million, an annualised growth of 112%. Group losses for the same period amounted to £2.1 million, higher than expected, but reflecting the difficulties within the sector. Since the period end the group has been trading profitably at Earnings Before Interest, Amortisation, Depreciation and Tax level. The group continues to migrate to the position of a flexible "Virtual Service Provider", with low headcount levels, high service standards and a comprehensive product offering.

**DIRECTORS**

The directors in office in the period and their beneficial interests in the issued share capital of the company were as follows:

	<u>31st October 2002</u>	<u>1st July 2001/</u> <u>On Appointment</u>
	<u>'A' Ordinary</u>	<u>'A' Ordinary</u>
M J Wilmott (resigned 11.11.2002)	-	-
S Bannister (appointed 10.05.2002 resigned 12.11.2002)	-	-
M J Lonergan (appointed 20.9.2002)	-	-

The directors' interests in the fellow subsidiaries, parent and ultimate parent undertaking are shown in those companies' accounts.

At 31st October 2002 the directors had no interest in the issued share capital of the fellow subsidiaries or parent undertaking.

In accordance with the articles of association the directors are not required to retire by rotation.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial period 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;
- 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 to 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.

**COMPANIES HOUSE FILING COPY**

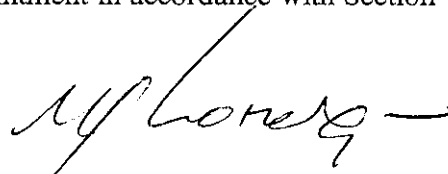
**IDENTA LIMITED**

**REPORT OF THE DIRECTOR**

**AUDITORS**

The auditors, Messrs Smith, Hodge & Baxter, will be proposed for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

Rowan House  
Medlicott Close  
Oakley Hay Industrial Estate  
Corby  
Northants  
NN18 9NF



By order of the Board

M J Lonergan

Secretary

10th March 2003

**INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF IDENTA LIMITED**

We have audited the accounts of Identa Limited for the period ended 31st October 2002 which are set out on pages 4 to 9. These accounts have been prepared under the historical cost convention and 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 auditor's 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 preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

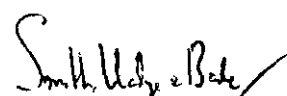
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 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 the company's affairs as at 31st October 2002 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Rowan House  
Medlicott Close  
Oakley Hay  
Corby  
NN18 9NF



SMITH, HODGE & BAXTER  
Chartered Accountants and  
Registered Auditors

10th March 2003

**IDENTA LIMITED**

**PROFIT AND LOSS ACCOUNT -PERIOD ENDED 31ST OCTOBER 2002**

	<u>Notes</u>	<u>Period from 1st July 2001 to 31st October 2002</u>	<u>Period from 1st April 2000 to 30th June 2001</u>
<b>TURNOVER</b>	2	8,649,523	2,291,757
Cost of sales		(6,752,494)	(2,158,860)
<b>GROSS PROFIT</b>		1,897,029	132,897
Administrative expenses		(1,659,150)	( 232,875)
<b>OPERATING PROFIT/(LOSS)</b>		237,879	( 99,978)
Interest receivable		-	218
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	237,879	( 99,760)
Taxation	4	-	132
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		£ 237,879	(£ 99,628)
<b>RETAINED PROFIT/(SUSTAINED LOSS) FOR THE FINANCIAL PERIOD</b>	5	£ 237,879	(£ 99,628)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial periods.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company made no recognised gains or losses in the above two financial periods other than the profit or loss for the period.

IDENTA LIMITEDBALANCE SHEET AS AT 31ST OCTOBER 2002

	<u>Notes</u>	<u>31st October 2002</u>	<u>30th June 2001</u>
<b>CURRENT ASSETS</b>			
Debtors	6	1,047,864	762,681
Cash at bank and in hand		-	127,662
		<u>1,047,864</u>	<u>890,343</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade and other creditors	7	781,583	882,710
Bank overdraft	8	20,769	-
		<u>802,352</u>	<u>882,710</u>
<b>NET CURRENT ASSETS</b>		<u>245,512</u>	<u>7,633</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 245,512</u>	<u>£ 7,633</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	88,333	88,333
Profit and loss account	5	157,179	( 80,700)
<b>SHAREHOLDERS' FUNDS (All equity)</b>	10	<u>£ 245,512</u>	<u>£ 7,633</u>

The accounts were approved by  
the Director on 10th March 2003

  
.....  
M J LONERGAN

**IDENTA LIMITED**

**NOTES TO THE ACCOUNTS - 31ST OCTOBER 2002**

**1. ACCOUNTING POLICIES**

a) Accounting convention

The accounts for the period ended 31st October 2002 have been prepared under the historical cost convention.

b) Turnover

Turnover represents commission received plus net sales of goods and services at invoiced value, excluding value added tax.

c) Operating leases

The cost of operating leases are charged to the profit and loss account as incurred.

d) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**2. TURNOVER**

The turnover is attributable to the company's principal activity wholly within the United Kingdom.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit on ordinary activities before taxation is stated after taking account of the following:

	<u>Period ended</u> <u>31st October 2002</u>	<u>Period ended</u> <u>30th June 2001</u>
	£	£
Staff costs (note 11)	-	60,076
Depreciation	-	603
Auditors' remuneration	-	650
	<u>          </u>	<u>          </u>

**4. TAXATION**

The charge/(credit) for taxation on the profit/(loss) on ordinary activities of the period was as follows:

	<u>Period ended</u> <u>31st October 2002</u>	<u>Period ended</u> <u>30th June 2001</u>
	£	£
Adjustments in respect of previous periods	-	(132)
	<u>          </u>	<u>          </u>

The company has no liability to taxation as a result of group loss relief.



**IDENTA LIMITED**

**NOTES TO THE ACCOUNTS - 31ST OCTOBER 2002**

**5. PROFIT AND LOSS ACCOUNT**

	<u>31st October 2002</u>	<u>30th June 2001</u>
At 1st July 2001	( 80,700)	18,928
Retained Profit/(Sustained loss) for the period	237,879	(99,628)
	<hr/>	<hr/>
At 31st October 2002	£ 157,179	(£ 80,700)
	<hr/>	<hr/>

**6. DEBTORS**

	<u>31st October 2002</u>	<u>30th June 2001</u>
Trade debtors	301,328	-
Other debtors	1,052	136,243
Prepayments and accrued income	745,484	626,438
	<hr/>	<hr/>
	£ 1,047,864	£ 762,681
	<hr/>	<hr/>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>31st October 2002</u>	<u>30th June 2001</u>
Amounts owing to group undertakings	236,285	716,045
Accruals and deferred income	545,486	166,342
Other creditors	2	323
	<hr/>	<hr/>
	£781,773	£ 882,710
	<hr/>	<hr/>

**8. BANK OVERDRAFT**

	<u>31st October 2002</u>	<u>30th June 2001</u>
Bank overdraft	£ 20,769	£ -
	<hr/>	<hr/>

All of the bank facilities are secured by fixed and floating charge and debenture. The group, in which the company is a member, has a cross guarantee arrangement in respect of any group member bank borrowings.

At 31st October 2002 the group's overdraft was £433,627 (30th June 2001: £21,287)

**IDENTA LIMITED**

**NOTES TO THE ACCOUNTS – 31ST OCTOBER 2002**

**9. CALLED UP SHARE CAPITAL**

	<b><u>31st October 2002</u></b>	<b><u>30th June 2001</u></b>
Authorised		
Ordinary shares of £1 each	161,667	161,667
'A' Ordinary shares of £1 each	71,666	71,666
'B' Ordinary shares of £1 each	16,667	16,667
	<hr/>	<hr/>
	£250,000	£250,000
	<hr/>	<hr/>
Issued and fully paid		
'A' Ordinary shares of £1 each	71,666	71,666
'B' Ordinary shares of £1 each	16,667	16,667
	<hr/>	<hr/>
	£ 88,333	£ 88,333
	<hr/>	<hr/>

**10. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS**

	<b><u>31st October 2002</u></b>	<b><u>30th June 2001</u></b>
Profit/(Loss) for the period	237,879	( 99,628)
Opening shareholders' funds at 1st July 2001	7,633	107,261
	<hr/>	<hr/>
Closing shareholders' funds at 31st October 2002	£245,512	£ 7,633
	<hr/>	<hr/>

**11. STAFF COSTS**

	<b><u>Period ended 31st October 2002</u></b>	<b><u>Period ended 30th June 2001</u></b>
Director's emoluments	-	25,000
Wages and salaries	-	29,677
Social Security costs	-	5,399
	<hr/>	<hr/>
	£ -	£ 60,076
	<hr/>	<hr/>

The above costs are recharged to the company by Independent Digital Networks Limited, a fellow subsidiary.

Director's emoluments are analysed as follows:

Salaries	£ -	£ 25,000
	<hr/>	<hr/>

**IDENTA LIMITED****NOTES TO THE ACCOUNTS - 31ST OCTOBER 2002****12. PARENT UNDERTAKING**

The company is a wholly owned subsidiary of Independent Digital Networks Limited, a company registered in England and Wales.

**13. ULTIMATE PARENT COMPANY/CONTROLLING PARTY**

The parent undertaking, Independent Digital Networks Limited, is a wholly owned subsidiary of IDN Telecom plc, a company registered in England and Wales.

**14. TRANSACTIONS WITH RELATED PARTIES AND DIRECTORS**

- a) Transactions between the company and other group companies are not disclosed on the basis that these transactions have been eliminated on consolidation in the group accounts of IDN Telecom plc, the ultimate parent company.
- b) At 31st October 2002 creditors include the following:

	<u>31st October 2002</u>	<u>30th June 2001</u>
	<u>£</u>	<u>£</u>
<b><u>Fellow group undertakings</u></b>		
<b><u>Loan</u></b>		
IDN Newcastle Limited	75,957	68,892
<b><u>Parent undertaking</u></b>		
Independent Digital Networks Limited	160,328	647,153

**15. GROUP ACCOUNTS**

Copies of IDN Telecom plc and subsidiary undertakings group accounts can be obtained from:

Unit 7  
The Courtyard  
Roman Way  
Coleshill  
B46 1HQ