

**Integrated Transport Information Services
Limited**

Annual report and financial statements
for the year ended 31 March 2006

Registered number: 3258799



Directors' report

For the year ended 31 March 2006

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 March 2006.

Principal activity and business review

The principal activity of the company during the year was the provision of traffic information.

The company qualifies as small and has therefore taken the exemption afforded by the Companies Act from preparing an enhanced business review.

Details of the company's performance and financial position are given in the financial statements on pages 5 to 13.

The company continues to invest in research and development projects relating to its principal activity.

Future prospects

The directors consider that the company is well-placed to perform satisfactorily in the future.

Dividends

No dividend can be paid (2005 - £nil).

Directors and their interests

The directors who served the company during the year were as follows:

J. Burr

A.D. Forrest

S.A. Marks

The directors who held office at 31 March 2006 are also directors of the ultimate parent company, ITIS Holdings plc, and their interests in the share capital of ITIS Holdings plc are shown in the financial statements of that company.

The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

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 judgments 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

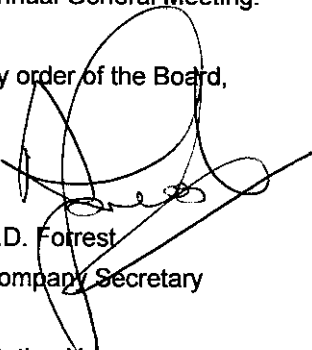
Charitable donations

During the year the company made charitable donations of £450 (2005- £nil).

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board,



A.D. Forrest
Company Secretary

Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP
17 July
2006

Independent auditors' report

To the members of Integrated Transport Information Services Limited

We have audited the financial statements of Integrated Transport Services Limited for the year ended 31 March 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework 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 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 other transactions 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 or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Independent auditors' report (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

2006

24 July 2006

Profit and loss account

For the year ended 31 March 2006

	Notes	2006 £	2005 £
Turnover	1	10,326,842	7,177,668
Cost of sales		(2,719,169)	(3,151,901)
Gross profit		7,607,673	4,025,767
Administrative expenses		(3,845,977)	(3,404,718)
Operating profit		3,761,696	621,049
Interest receivable and similar income		13,957	5,436
Profit on ordinary activities before taxation	2	3,775,653	626,485
Tax on profit on ordinary activities	4	-	119,592
Profit for the financial year	12	3,775,653	746,077

All activity has arisen from continuing operations.

The company has no recognised gains or losses in either year other than the profit for that year and accordingly a statement of total recognised gains and losses has not been prepared.

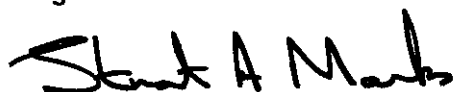
The accompanying notes are an integral part of this profit and loss account.

Balance sheet

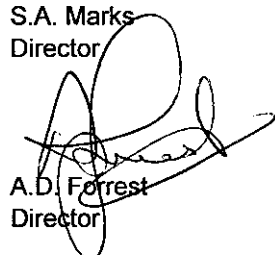
31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	5	421,816	266,994
Investments	6	2	2
		<u>421,818</u>	<u>266,996</u>
Current assets			
Debtors			
- due within one year	7	26,337,079	22,796,063
Cash at bank and in hand		79,195	602,381
		<u>26,416,274</u>	<u>23,398,444</u>
Creditors: Amounts falling due within one year	8	<u>(40,162,204)</u>	<u>(40,781,596)</u>
Net current liabilities		<u>(13,745,930)</u>	<u>(17,383,152)</u>
Total assets less current liabilities		<u>(13,324,112)</u>	<u>(17,116,156)</u>
Creditors: Amounts falling due after more than one year	9	(89,867)	-
Provision for liabilities and charges	10	<u>(54,459)</u>	<u>(127,935)</u>
Net liabilities		<u>(13,468,438)</u>	<u>(17,244,091)</u>
Capital and reserves			
Called-up share capital	11	200	200
Profit and loss account	12	<u>(13,468,638)</u>	<u>(17,244,291)</u>
Equity shareholder's deficit	13	<u>(13,468,438)</u>	<u>(17,244,091)</u>

Signed on behalf of the Board



S.A. Marks
Director



A.D. Forrest
Director

18 July 2006

The accompanying notes form an integral part of this balance sheet.

Notes to the financial statements

For the year ended 31 March 2006

1 Accounting policies

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

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of ITIS Holdings plc and has been consolidated in the financial statements of that company.

b) Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business. All turnover is derived in the United Kingdom from the company's principal activity. Where revenue is earned under contractual arrangements, this is recognised in line with contractual performance.

c) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office equipment	25% to 33% per annum
Fixtures and fittings	20% to 33% per annum
Computer equipment	33% per annum
Motor vehicles	33% per annum

Residual value is calculated on prices prevailing at the date of acquisition.

d) Investments

Fixed asset investments are stated at cost less any provision for impairment.

e) Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future lease obligations is recorded as a liability, while the interest element is charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account in equal annual amounts over the lease term, even if the payments are not made on such a basis.

Notes to the financial statements (continued)

1 Accounting policies (continued)

f) Research and development costs

Research and development costs are written off to the profit and loss account in the year in which they are incurred.

g) Taxation

UK corporation 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 company's taxable profits and its results as stated in the financial statements.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

h) Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with through the profit and loss account.

i) Pensions

The company is a member of the group pension scheme, which is a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2006 £	2005 £
Depreciation and amounts written off owned tangible fixed assets	178,839	160,358
Auditors' remuneration for audit services	17,000	7,000
Research and development	703,773	474,299
Rentals under operating leases:		
- plant and machinery	-	8,361
- other	114,760	114,770

Notes to the financial statements (continued)

3 Staff costs

The average number of employees (including executive directors) was:

	2006 Number	2005 Number
Operations	35	34
Administration	10	10
	<u>45</u>	<u>44</u>

Their aggregate remuneration comprised:

	2006 £	2005 £
Wages and salaries	1,958,161	1,829,594
Social security costs	221,070	193,087
Pension costs	65,575	59,522
	<u>2,244,806</u>	<u>2,082,203</u>

The remuneration of the directors was as follows:

	2006 £	2005 £
Emoluments	514,310	500,974
Money purchase contributions	30,492	29,585
	<u>544,802</u>	<u>530,559</u>

During the year the company contributed to the defined contribution group personal pension scheme for two directors (2005 – two directors).

The above amounts for remuneration include the following in respect of the highest paid director.

	2006 £	2005 £
Emoluments	<u>225,870</u>	<u>219,535</u>

4 Tax on profit on ordinary activities

The tax credit comprises:

	2006 £	2005 £
Current tax		
UK corporation tax	-	(119,592)
Total tax on profit on ordinary activities	<u>-</u>	<u>(119,592)</u>

Notes to the financial statements (continued)

4 Tax on profit on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2006 £	2005 £
Profit on ordinary activities before tax	3,775,653	626,485
Tax charge on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 – 30%)	1,132,696	187,946
Effects of:		
Expenses not deductible (income not taxable) for tax purposes	3,884	(109,945)
Depreciation in excess of capital allowances	54,391	48,108
Utilisation of tax losses	(1,186,783)	(127,715)
Research and development tax credit	-	(119,592)
Group relief	(3,588)	(1,031)
Marginal relief	(600)	2,637
Current tax credit for the year	-	(119,592)

A deferred tax asset amounting to £3,562,847 (2005 - £4,672,086) and relating to tax losses and other timing differences has not been recognised as, in the opinion of the directors, it cannot 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.

5 Tangible fixed assets

	Office Equipment £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At beginning of year	15,279	82,139	168,351	1,051,879	1,317,648
Additions	-	18,456	79,582	235,623	333,661
Disposals	-	-	-	(500,000)	(500,000)
At end of year	15,279	100,595	247,933	787,502	1,151,309
Depreciation					
At beginning of year	15,279	53,669	54,947	926,759	1,050,654
Charge for year	-	11,648	63,414	103,777	178,839
Disposals	-	-	-	(500,000)	(500,000)
At end of year	15,279	65,317	118,361	530,536	729,493
Net book value					
At end of year	-	35,278	129,572	256,966	421,816
At beginning of year	-	28,470	113,404	125,120	266,994

Notes to the financial statements (continued)

6 Investments

	2006 £	2005 £
Cost		
At beginning and end of year	<u>2</u>	<u>2</u>

The above investment represents the company's 100% shareholding in Invehicle Drive Information Systems Limited. The company is dormant.

7 Debtors

Amounts falling due within one year:

	2006 £	2005 £
Trade debtors	935,210	984,570
Other debtors	126,248	126,248
Amounts owed by group undertakings	23,193,627	20,296,793
Prepayments and accrued income	2,052,401	1,268,860
Corporation tax recoverable	29,593	119,592
	<u>26,337,079</u>	<u>22,796,063</u>

8 Creditors: Amounts falling due within one year

	2006 £	2005 £
Trade creditors	447,159	321,637
Other creditors	14,795	14,795
VAT	265,577	143,712
Amounts owed to group undertakings	38,199,060	39,030,524
Taxation and social security	61,084	56,076
Accruals and deferred income	1,174,529	1,214,852
	<u>40,162,204</u>	<u>40,781,596</u>

Notes to the financial statements (continued)

9 Creditors: Amounts falling due after more than one year

	2006 £	2005 £
Accruals and deferred income	89,867	-
	<u>89,867</u>	<u>-</u>

10 Provisions for liabilities and charges

	Onerous leases £
At beginning of year	127,935
Utilised in year	(73,476)
At end of year	<u>54,459</u>

11 Called-up share capital

	2006 £	2005 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully paid</i>		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

12 Reserves

	Profit and loss account £
At beginning of year	(17,244,291)
Retained profit for the financial year	3,775,653
At end of year	<u>(13,468,638)</u>

13 Reconciliation of movements in equity shareholder's deficit

	2006 £	2005 £
Profit for the financial year	3,775,653	746,077
Opening equity shareholder's deficit	(17,244,091)	(17,990,168)
Closing equity shareholder's deficit	<u>(13,468,438)</u>	<u>(17,244,091)</u>

Notes to the financial statements (continued)

14 Financial commitments

a) Capital commitments

At 31 March 2006 there were no capital commitments (2005 - £nil).

b) Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2006		2005	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date:				
- within one year	-	-	-	-
- between two to five years	-	-	59,248	-
- after five years	124,404	-	114,760	-
	<u>124,404</u>	<u>-</u>	<u>174,008</u>	<u>-</u>

15 Pension costs

The company is part of the ITIS Holdings plc group of companies, which operates a defined contribution group personal pension scheme for all employees and directors within the group. Details of the scheme are given in the financial statements of ITIS Holdings plc. The cost for the year was £65,575 (2005- £59,522).

16 Ultimate controlling party

The largest and smallest group in which the results of the company are consolidated is that headed by ITIS Holdings plc, the financial statements of which may be obtained from ITIS Holdings plc, Fifth Floor, Station House, Stamford New Road, Altrincham, Cheshire.

As a subsidiary undertaking of ITIS Holdings plc, the company has taken advantage of the exemption in FRS 8, 'Related Party Disclosures', from disclosing transactions with other members of the group headed by ITIS Holdings plc.

17 Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised 1996), the company has not prepared a cash flow statement because its parent undertaking, ITIS Holdings plc, which is incorporated in England and Wales, has prepared consolidated financial statements which include a consolidated cash flow statement.