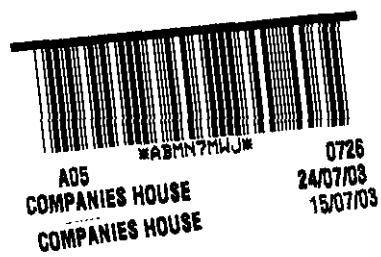


## **Integrated Transport Information Services Limited**

Annual report and financial statements  
for the year ended 31 March 2003

Registered number: 3258799



## **Directors' report**

For the year ended 31 March 2003

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 2003.

### **Principal activity and business review**

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

Details of the company's performance and financial position are given in the financial statements on pages 5 to 14.

*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 (2002 - £nil).

### **Directors and their interests**

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

J. Burr

A.D. Forrest (appointed 20 November 2002)

S.A. Marks

M.P. Simpkins (resigned 23 May 2002)

*The directors who held office at 31 March 2003 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 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Directors' report (continued)

### Statement of directors' responsibilities (continued)

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Charitable donations


During the year the company made charitable donations of £50 (2002 - £298).

### Auditors

On 31 July 2002 Arthur Andersen resigned as auditors of the company and the directors appointed Deloitte & Touche to fill the casual vacancy.

On 1 August 2003, Deloitte & Touche will transfer their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. However, at present they remain the company's auditors and have signed the financial statements in that capacity. It is the current intention of the directors to use the company's statutory power to give consent to the appointment of Deloitte & Touche being treated as extending to Deloitte & Touche LLP at the appropriate time. Accordingly, although the financial statements have been signed in the name of Deloitte & Touche, a resolution for the re-appointment of Deloitte & Touche LLP 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

7 July 2003

**Independent auditors' report****To the members of Integrated Transport Information Services Limited**

We have audited the financial statements of Integrated Transport Information Services Limited for the year ended 31 March 2003, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes numbered 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 the financial statements in accordance with applicable law and United Kingdom 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 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 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**

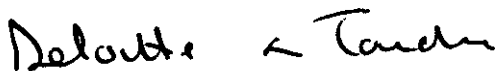
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 of the state of affairs of the company at 31 March 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Deloitte & Touche', is positioned above the printed name of the firm.

**Deloitte & Touche**

Chartered Accountants and Registered Auditors

Manchester

7 July 2003

# Profit and loss account

For the year ended 31 March 2003

	Notes	2003 £	2002 £
<b>Turnover</b>	1	1,998,269	147,536
Exceptional direct costs	3	(1,050,000)	-
Other cost of sales		(3,414,010)	(1,325,982)
<b>Gross loss</b>		(2,465,741)	(1,178,446)
Administrative expenses		(2,523,363)	(2,715,802)
<b>Operating loss</b>		(4,989,104)	(3,894,248)
Interest payable and similar charges	2	(2,893)	(7,121)
Interest receivable and similar income		1,501	8,967
<b>Loss on ordinary activities before taxation</b>	3	(4,990,496)	(3,892,402)
Tax on loss on ordinary activities	5	149,586	139,722
<b>Loss for the financial year</b>	12	(4,840,910)	(3,752,680)

All activity has arisen from continuing operations.

The company has no recognised gains or losses in either year other than the loss for that year.

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

# Balance sheet


31 March 2003

	Notes	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	6	622,681	246,700
Investments	7	2	12
		<u>622,683</u>	<u>246,712</u>
<b>Current assets</b>			
Debtors			
- due within one year	8	1,217,752	444,471
- due after more than one year	8	823,438	-
Cash at bank and in hand		116,068	134,110
		<u>2,157,258</u>	<u>578,581</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(16,396,311)</u>	<u>(10,824,191)</u>
<b>Net current liabilities</b>		<u>(14,239,053)</u>	<u>(10,245,610)</u>
<b>Total assets less current liabilities</b>		<u>(13,616,370)</u>	<u>(9,998,898)</u>
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(1,223,438)</u>	<u>-</u>
<b>Net liabilities</b>		<u>(14,839,808)</u>	<u>(9,998,898)</u>
<b>Capital and reserves</b>			
Called-up share capital	11	200	200
Profit and loss account	12	<u>(14,840,008)</u>	<u>(9,999,098)</u>
<b>Equity shareholder's deficit</b>	13	<u>(14,839,808)</u>	<u>(9,998,898)</u>

Signed on behalf of the Board



S.A. Marks  
Director

  
A.D. Forrest  
Director

7 July 2003

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

## Notes to the financial statements

31 March 2003

### 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 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.

#### 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

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.

#### 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.



## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 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 Interest payable and similar charges

	2003 £	2002 £
On finance leases	2,893	1,286
Other interest	-	5,835
	<u>2,893</u>	<u>7,121</u>

## Notes to the financial statements (continued)

### 3 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2003 £	2002 £
Depreciation and amounts written off owned tangible fixed assets	175,878	80,287
Amortisation of licences	-	32,805
Auditors' remuneration for audit services	8,000	5,000
Research and development	703,709	830,682
Loss on disposal of investments	10	-
Rentals under operating leases:		
- plant and machinery	37,699	47,982
- other	127,725	151,780

Exceptional direct costs in the year ended 31 March 2003 comprise £650,000 in respect of licence costs written off and £400,000 payable on renegotiation of a commission agreement.

### 4 Staff costs

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

	2003 Number	2002 Number
Operations	27	45
Sales and distribution	-	7
Administration	5	6
	32	58

Their aggregate remuneration comprised:

	2003 £	2002 £
Wages and salaries	1,230,054	1,549,747
Social security costs	150,556	152,562
Pension costs	38,427	41,212
	1,419,037	1,743,521

The remuneration of the directors was as follows:

	2003 £	2002 £
Emoluments	424,122	447,212
Money purchase contributions	22,186	26,886
	446,308	474,098

## Notes to the financial statements (continued)

### 4 Staff costs (continued)

During the year the company contributed to the defined contribution group personal pension scheme for three directors (2002 – two directors).

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

	2003 £	2002 £
Emoluments	<u>192,588</u>	<u>187,686</u>

### 5 Tax on loss on ordinary activities

The tax (credit) charge comprises:

	2003 £	2002 £
<b>Current tax</b>		
UK corporation tax	(159,955)	(139,722)
Adjustments in respect of prior years	<u>10,369</u>	<u>-</u>
<b>Total tax on loss on ordinary activities</b>	<u>(149,586)</u>	<u>(139,722)</u>

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

	2003 £	2002 £
<b>Loss on ordinary activities before tax</b>	<u>(4,990,496)</u>	<u>(3,892,402)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2002 – 30%)	(1,497,149)	(1,167,721)
Effects of:		
Expenses not deductible for tax purposes	8,627	6,760
Capital allowances in excess of depreciation	82,763	55,157
Increase in tax losses	1,285,759	1,066,054
Research and development tax credit	(39,955)	(99,972)
Adjustments in respect of previous periods	<u>10,369</u>	<u>-</u>
<b>Current tax credit for the year</b>	<u>(149,586)</u>	<u>(139,722)</u>

## Notes to the financial statements (continued)

### 6 Tangible fixed assets

	Office equipment £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At beginning of year	15,279	45,917	320,659	381,855
Additions	-	7,420	544,439	551,859
At end of year	15,279	53,337	865,098	933,714
<b>Depreciation</b>				
At beginning of year	15,258	15,408	104,489	135,155
Charge for year	21	10,613	165,244	175,878
At end of year	15,279	26,021	269,733	311,033
<b>Net book value</b>				
At end of year	-	27,316	595,365	622,681
At beginning of year	21	30,509	216,170	246,700

The net book value of assets held under finance leases was £482,149 (2002 - £71,438).

### 7 Investments

	2003 £	2002 £
<b>Cost</b>		
At beginning of year	12	12
Disposals	(10)	-
At end of year	2	12

### 8 Debtors

Amounts falling due within one year:

	2003 £	2002 £
Trade debtors	493,647	102,235
Other debtors	-	19,290
VAT	2,925	100,720
Prepayments and accrued income	571,594	222,226
Corporation tax recoverable	149,586	-
	1,217,752	444,471

## Notes to the financial statements (continued)

### 8 Debtors (continued)

Amounts falling due after more than one year:

	2003 £	2002 £
Prepayments and accrued income	823,438	-
	<u>823,438</u>	<u>-</u>

### 9 Creditors: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	397,637	339,632
Finance leases	109,162	50,230
Amounts owed to group undertakings	15,213,519	9,821,363
Taxation and social security	86,200	98,578
Accruals and deferred income	589,793	514,388
	<u>16,396,311</u>	<u>10,824,191</u>

### 10 Creditors: Amounts falling due after more than one year

	2003 £	2002 £
Accruals and deferred income	<u>1,223,438</u>	<u>-</u>

### 11 Called-up share capital

	2003 £	2002 £
<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	(9,999,098)
Loss for the financial year	<u>(4,840,910)</u>
At end of year	<u>(14,840,008)</u>

## Notes to the financial statements (continued)

### 13 Reconciliation of movements in equity shareholder's deficit

	2003 £	2002 £
Loss for the financial year	(4,840,910)	(3,752,680)
Opening equity shareholder's deficit	(9,998,898)	(6,246,218)
<b>Closing equity shareholder's deficit</b>	<b>(14,839,808)</b>	<b>(9,998,898)</b>

### 14 Financial commitments

#### a) Capital commitments

At 31 March 2003 there were no capital commitments (2002 - £nil).

#### b) Operating lease commitments

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

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date:				
- within one year	-	25,391	-	996
- between two to five years	-	1,970	-	43,266
- after five years	127,725	-	153,096	-
	<u>127,725</u>	<u>27,361</u>	<u>153,096</u>	<u>44,262</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 £38,427 (2002 - £41,212).

## Notes to the financial statements (continued)

### **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.

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.