

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008
FOR
CERTES INTERNATIONAL LIMITED**

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CERTES INTERNATIONAL LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10

CERTES INTERNATIONAL LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2008

DIRECTORS:

J Turner
R D King
S K J Churan

SECRETARY:

R D King

REGISTERED OFFICE:

3 The Courtyard
Roman Way
Coleshill
Birmingham
West Midlands
B46 1HQ

REGISTERED NUMBER:

02569904

AUDITORS:

Chapman Nash LLP
1c Tournament Court
Edgehill Drive
Warwick
Warwickshire
CV34 6LG

CERTES INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report with the financial statements of the company for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of software based computer solutions to European countries.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

During the year we reviewed the need for a separate subsidiary to carry out European work and the decision was made to wind down operations in this Company and for much of the work to be carried out by fellow subsidiary company Certes Computing Limited.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, those being turnover and gross margin. Due to the reasons above the company's turnover decreased by 61% over the year though the gross profit percentage increased slightly from 6.6% to 7%.

Operating costs decreased by £89,756 in the year due in the main to reduced management and site costs and the company has reported a small pre tax profit of £1,756.

The company will cease trading in the year to 31 March 2009.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2008.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2007 to the date of this report.

J Turner
R D King
S K J Churan

At the year end, J Turner, S K J Churan and R D King all held shares in the ultimate parent company, Certes Holdings Limited. Their interests in the shares of the company are as follows:

	Ordinary shares of £1 each	
	31.3.08	31.3.07
J Turner	2,000	2,000
S K J Churan	1,800	1,800
R D King	500	500

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company has applied the following policy in the last financial year relating to the payment of its creditors:

The company aims to pay its main suppliers, the contractors, within the terms of payment agreed prior to contracts becoming operational. For other suppliers, payment is made 30 days after the receipt of the invoice.

CERTES INTERNATIONAL LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

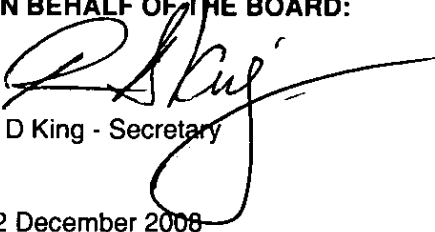
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



R D King - Secretary

12 December 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF CERTES INTERNATIONAL LIMITED

We have audited the financial statements of Certes International Limited for the year ended 31 March 2008 on pages six to thirteen. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 Report of the Directors 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 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.

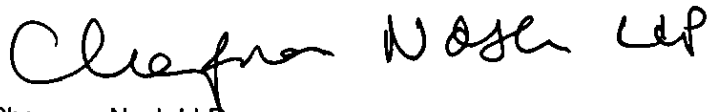
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CERTES INTERNATIONAL LIMITED**

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 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Chapman Nash LLP
1c Tournament Court
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Warwickshire
CV34 6LG

18 December 2008

CERTES INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008

	Notes	31.3.08 £	31.3.07 £
TURNOVER		1,326,873	3,400,385
Cost of sales		(1,234,265)	(3,174,539)
GROSS PROFIT		92,608	225,846
Administrative expenses		(79,803)	(169,559)
OPERATING PROFIT	3	12,805	56,287
Interest receivable and similar income		-	205
		12,805	56,492
Interest payable and similar charges	4	(11,049)	(19,569)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,756	36,923
Tax on profit on ordinary activities	5	(351)	(7,015)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,405	29,908
PROFIT FOR THE YEAR		1,405	29,908
Retained profit brought forward		363,862	333,954
RETAINED PROFIT CARRIED FORWARD		365,267	363,862

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

CERTES INTERNATIONAL LIMITED

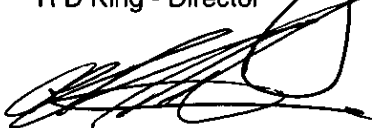
**BALANCE SHEET
31 MARCH 2008**

	Notes	31.3.08 £	31.3.07 £
CURRENT ASSETS			
Debtors	6	314,898	890,742
Cash at bank		53,722	12,958
		<u>368,620</u>	<u>903,700</u>
CREDITORS			
Amounts falling due within one year	7	(3,351)	(539,836)
NET CURRENT ASSETS		<u>365,269</u>	<u>363,864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>365,269</u>	<u>363,864</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		<u>365,267</u>	<u>363,862</u>
SHAREHOLDERS' FUNDS	14	<u>365,269</u>	<u>363,864</u>

The financial statements were approved by the Board of Directors on 12 December 2008 and were signed on its behalf by:



R D King - Director



S K J Churan - Director

CERTES INTERNATIONAL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	31.3.08 £	31.3.07 £
Net cash inflow from operating activities	1	84,471	44,238
Returns on investments and servicing of finance	2	(11,049)	(19,364)
Taxation		-	(16,004)
Increase in cash in the period		<u>73,422</u>	<u>8,870</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		<u>73,422</u>	<u>8,870</u>
Change in net debt resulting from cash flows		<u>73,422</u>	<u>8,870</u>
Movement in net debt in the period		<u>73,422</u>	<u>8,870</u>
Net debt at 1 April		<u>(19,700)</u>	<u>(28,570)</u>
Net funds/(debt) at 31 March		<u>53,722</u>	<u>(19,700)</u>

The notes form part of these financial statements

CERTES INTERNATIONAL LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.08 £	31.3.07 £
Operating profit	12,805	56,287
Decrease in debtors	575,844	160,101
Decrease in creditors	<u>(504,178)</u>	<u>(172,150)</u>
Net cash inflow from operating activities	<u><u>84,471</u></u>	<u><u>44,238</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.08 £	31.3.07 £
Returns on investments and servicing of finance		
Interest received	-	205
Interest paid	<u>(11,049)</u>	<u>(19,569)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(11,049)</u></u>	<u><u>(19,364)</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.07 £	Cash flow £	At 31.3.08 £
Net cash:			
Cash at bank	12,958	40,764	53,722
Bank overdraft	<u>(32,658)</u>	<u>32,658</u>	<u>-</u>
	<u>(19,700)</u>	<u>73,422</u>	<u>53,722</u>
Total	<u><u>(19,700)</u></u>	<u><u>73,422</u></u>	<u><u>53,722</u></u>

The notes form part of these financial statements

CERTES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. STAFF COSTS

	31.3.08	31.3.07
	£	£
Wages and salaries	<u>15,398</u>	<u>-</u>

The average monthly number of employees during the year was as follows:

	31.3.08	31.3.07
Sales staff	<u>1</u>	<u>-</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.08	31.3.07
	£	£
Auditors' remuneration	<u>3,000</u>	<u>3,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.08	31.3.07
	£	£
Factoring interest	<u>11,049</u>	<u>19,569</u>

CERTES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2008**

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.08	31.3.07
	£	£
Current tax:		
UK corporation tax	351	-
Group relief	-	7,015
	<u>351</u>	<u>7,015</u>
Tax on profit on ordinary activities	<u>351</u>	<u>7,015</u>

UK corporation tax has been charged at 20%

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.08	31.3.07
	£	£
Trade debtors	26,953	561,824
Other debtors	-	96,572
Invoice finance debtor	169,569	-
Amounts owed by group undertaking	95,700	232,346
VAT	22,676	-
	<u>314,898</u>	<u>890,742</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.08	31.3.07
	£	£
Bank loans and overdrafts (see note 8)	-	32,658
Corporation tax	351	-
VAT	-	7,802
Invoice finance creditor	-	370,220
Amounts owed to ultimate parent company	-	9,074
Accrued expenses	3,000	120,082
	<u>3,351</u>	<u>539,836</u>

8. LOANS

An analysis of the maturity of loans is given below:

	31.3.08	31.3.07
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	32,658
	<u>-</u>	<u>32,658</u>

CERTES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2008**

9. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.08 £	31.3.07 £
Bank overdraft	-	32,658
Invoice finance	-	370,220
	<u>-</u>	<u>402,878</u>

The bank overdraft is secured by an Unlimited Multilateral Guarantee dated 25 July 2003 given by Certes Computing Limited, Certes International Limited and Certes Holdings Limited. It is further secured by a debenture including a Fixed Charge over all present freehold and leasehold property; a First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a First Floating Charge over all assets and undertakings both present and future dated 6 August 2002.

The invoice finance company holds the title to all book debts, a fixed charge on all non-vesting book debts, a priority waiver, a fraud warranty from director R D King and also a Unlimited Multilateral Guarantee across the following companies: Certes Computing Limited, Certes International Limited and Certes Holdings Limited.

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.3.08 £	31.3.07 £
50,000	Ordinary	1	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.08 £	31.3.07 £
2	Ordinary	1	<u>2</u>	<u>2</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent company of the group was Certes Holdings Limited throughout the current and previous financial year.

12. CONTINGENT LIABILITIES

The Company is party to cross guarantees relating to the bank and invoice financing liabilities of its fellow subsidiary Certes Computing Limited. At the balance sheet date Certes Computing Limited had the following liabilities:

	31.3.08 £	31.3.07 £
Bank overdrafts and loans	129,103	351,400
Invoice finance creditor	2,708,887	1,880,692
	<u>2,837,990</u>	<u>2,232,092</u>

CERTES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2008**

13. RELATED PARTY DISCLOSURES

During the year, the company entered into the following transactions with its ultimate parent companies and other fellow subsidiary companies:

Related Party	Nature of Transactions	31.3.08 £	31.3.07 £
Certes Holdings Limited	Management charges	58,502	89,292
Certes Computing Limited	Management charges	-	73,702

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.08 £	31.3.07 £
Profit for the financial year	<u>1,405</u>	<u>29,908</u>
Net addition to shareholders' funds	1,405	29,908
Opening shareholders' funds	<u>363,864</u>	<u>333,956</u>
Closing shareholders' funds	<u>365,269</u>	<u>363,864</u>

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party throughout the financial period was R F Lindsey by virtue of his 55.4% holding of the parent company's ordinary share capital.