

Company Registration No 239726 (England and Wales)

CAPITA TRUST COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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CAPITA TRUST COMPANY LIMITED

COMPANY INFORMATION

Directors	J J Eadie S P Martin C A Benford J G Vickers S E Lawrence D R Baker (Appointed 3 January 2007)
Secretary	Capita Company Secretarial Services Limited
Company number	239726
Registered office	The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Herbert Smith Exchange House Primrose Street London EC2A 2HS

CAPITA TRUST COMPANY LIMITED

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CAPITA TRUST COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The company is a wholly owned subsidiary of The Capita Group Plc and operates within the group's Financial Services division

The principal activity of the company continued to be that of corporate trustees and the provision of trust and administration services. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 5, the company's turnover has increased by 6% over the prior year and operating profit has decreased by 11% over the same period.

The balance sheet on page 6 of the financial statements shows that the company's financial position at the year end. Net assets have increased by 10% to £11,139,673. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 9 and 10 to the financial statements.

Key performance indicators used by The Capita Group Plc are operating margins, free cash flow, capital expenditure and return on capital employed. The Capita Group Plc and its subsidiaries manages its operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Financial Services divisions of The Capita Group Plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £nil (2006: £2,500,000). A final dividend was paid amounting to £nil (2006: £1,000,000).

Directors

The following directors have held office during the year or currently hold office:

J J Eadie

S P Martin

C A Benford

J G Vickers

S E Lawrence

D R Baker

(Appointed 3 January 2007)

CAPITA TRUST COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Environment

The Capita Group Plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in note 19 to the financial statements.

Auditors

In accordance with section 487(2) of the Companies Act 2006, the auditors, Ernst & Young LLP, will be deemed to be reappointed and therefore continue in office.

CAPITA TRUST COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' responsibilities

The directors are responsible for preparing the annual report and 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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she might reasonably be expected to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Qualifying 3rd party indemnity provisions

The Capita Group Plc has granted an indemnity to one or more of its directors and directors of associated companies, against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



J G Vickers

Director

30 April 2008

CAPITA TRUST COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAPITA TRUST COMPANY LIMITED

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 20. 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 the directors and auditors

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

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 directors' report 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

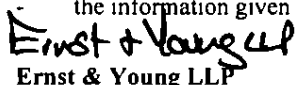
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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

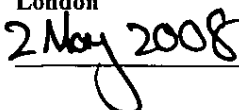
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 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 directors' report is consistent with the financial statements.


Ernst & Young LLP

Registered Auditor

London


2 May 2008

CAPITA TRUST COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	5,734,136	5 385,901
Administrative expenses		(4,518,035)	(4,024,875)
Other operating expense		(1,566)	(819)
Operating profit	3	1,214,535	1,360,207
Other interest receivable and similar income	4	250,386	221,803
Profit on ordinary activities before taxation		1,464,921	1,582,010
Tax on profit on ordinary activities	5	(479,511)	(358,107)
Profit for the year	15	985,410	1,223,903

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CAPITA TRUST COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	2006 £
Fixed assets			
Intangible assets	7	93,667	113,995
Tangible assets	8	232,561	123,098
		<u>326,228</u>	<u>237,093</u>
Current assets			
Debtors	9	3,145,227	9,133,382
Cash at bank and in hand		13,030,046	6,453,256
		<u>16,175,273</u>	<u>15,586,638</u>
Creditors' amounts falling due within one year	10	(2,850,350)	(3,157,990)
Net current assets		<u>13,324,923</u>	<u>12,428,648</u>
Total assets less current liabilities		<u>13,651,151</u>	<u>12,665,741</u>
Creditors' amounts falling due after more than one year	11	(2,500,000)	(2,500,000)
		<u>11,151,151</u>	<u>10,165,741</u>
Capital and reserves			
Called up share capital	14	8,975,001	8,975,001
Share premium account	15	999,999	999,999
Profit and loss account	15	1,176,151	190,741
Shareholders' funds	16	<u>11,151,151</u>	<u>10,165,741</u>

Approved by the Board and authorised for issue on 30 April 2008



J G Vickers
Director

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, The Capita Group Plc, has prepared a group cashflow statement in accordance with FRS1 (revised)

1.2 Changes in accounting policies

The company has adopted the following new Financial Reporting Standards issued by the UK Accounting Standards Board. Adoption of these standards did not have any effect on the financial position of the company

Amendment to FRS 26 (IAS 39) Financial Instruments: Measurement, Recognition and Derecognition - This amendment has the aim of keeping the text of the UK Standard in line with that of the International Standard IAS 39 and is effective for accounting periods beginning on or after 1 January 2007

FRS 29 (IFRS 7) Financial Instruments: Disclosures - This standard requires disclosures that enable users of the financial statements to evaluate the significance of the company's financial instruments and the nature and extent of risks arising from those financial instruments. As FRS 29 is a disclosure standard, there is no impact of that change in accounting policy on the company's financial position. The company has taken advantage of the exemption allowed by paragraph 2D (a) of FRS 29 not to make these disclosures in its own financial statements as the publicly available consolidated financial statements of The Capita Group Plc include the required disclosures for the group

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with accounting standards applicable in the United Kingdom

1.4 Turnover

Turnover comprises fee and commission income and is accounted for on the basis of the income invoiced

1.5 Goodwill

Goodwill is amortised through the profit and loss account over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Over the shorter of the lease term and expected useful life
Computer equipment	3 years

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2007**

1 Accounting policies

(continued)

1.8 Pensions

The company maintains a number of contracted-out money purchase schemes and contributions are charged to the profit and loss account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The company remits monthly pension contributions to Capita Business Services Limited, a subsidiary undertaking of the Company, which pays the Group liability centrally. Any unpaid contributions at the year end have been accrued in the accounts of that company.

The company also makes contributions to multi-employer defined benefit schemes operated by the Group. However, the company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent basis. Consequently, in accordance with FRS 17, the company accounts for contributions to the schemes as if they were defined contribution schemes.

1.9 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However no provision is made where, on the basis of all available evidence at the balance sheet date, it is more or less likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold,

- Deferred taxation assets are recognised only to the extent that the directors consider that it is 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 taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Related party transactions

The company has not prepared related party transactions disclosure on the basis that The Capita Group Plc owns at least 90% of the voting rights of the company and the consolidated financial statements of The Capita Group Plc are publicly available.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2007**

1 Accounting policies

(continued)

1.12 Share based payments

The company participates in various share option and sharesave schemes operated by The Capita Group Plc, the ultimate parent undertaking. Details of these schemes are contained in the group's Annual Report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with The Capita Group Plc, the ultimate parent undertaking.

In accordance with FRS 20, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter-company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

3	Operating profit	2007	2006
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	20,328	20,328
	Depreciation of tangible assets	65,913	12,116
	Loss on foreign exchange transactions	1,566	819
	Operating lease rentals		
	- Plant and machinery	-	1,601
	- Other assets	175,007	102,525
		<u> </u>	<u> </u>

Audit fees are borne by the ultimate parent undertaking, The Capita Group Plc. The audit fee for the current period was £2,000 (2006: £2,000). The company has taken advantage of the exemption provided by the Companies (Disclosure of Auditor Remuneration) Regulations 2005 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 1985.

4	Investment income	2007	2006
		£	£
	Bank interest	250,386	221,803
		<u> </u>	<u> </u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

5	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	403,847	410,105
	Adjustment for prior years	73,140	(74,073)
	Current tax charge	<u>476,987</u>	<u>336,032</u>
	Deferred tax		
	Deferred tax charge current year	45,506	18,231
	Adjustment to deferred tax in respect of the previous period	(42,982)	3,844
		<u>2,524</u>	<u>22,075</u>
		<u>479,511</u>	<u>358,107</u>
	Factors affecting the current tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,464,921</u>	<u>1,582,010</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>439,476</u>	<u>474,603</u>
	Effects of		
	Non taxable income	-	(48,723)
	Expenses not deductible for tax purposes	4,172	-
	Capital allowances in excess of depreciation	(5,010)	(11,161)
	Adjustments to previous periods	73,140	(74,073)
	Other timing differences	(37,207)	(6,999)
	Other - FRS 20 Share-based payment	2,416	2,385
		<u>37,511</u>	<u>(138,571)</u>
	Current tax charge	<u>476,987</u>	<u>336,032</u>

The UK corporation tax rate decreases from 30% to 28% on 1 April 2008. The deferred tax balance has been adjusted in the current year to reflect this change resulting in a charge to the profit and loss account of £3,290 included in the current year deferred tax charge.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

6	Dividends	2007 £	2006 £
	Interim paid	-	2,500,000
	Final paid	-	1,000,000
		<u>-</u>	<u>3,500,000</u>
		<u>-</u>	<u>3,500,000</u>
7	Intangible fixed assets		
			Goodwill £
	Cost		
	At 1 January 2007 & at 31 December 2007		<u>163,237</u>
	Amortisation		
	At 1 January 2007		49,242
	Charge for the year		20,328
			<u>69,570</u>
	At 31 December 2007		<u>69,570</u>
	Net book value		
	At 31 December 2007		<u>93,667</u>
	At 31 December 2006		<u>113,995</u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

8 Tangible fixed assets

	Land and buildings Leasehold	Computer equipment	Total
	£	£	£
Cost			
At 1 January 2007	-	193,330	193,330
Reclassification	53,489	(53,489)	-
Additions	131,181	44,195	175,376
Disposals	-	(60,842)	(60,842)
	<u>184,670</u>	<u>123,194</u>	<u>307,864</u>
Depreciation			
At 1 January 2007	-	70,232	70,232
Reclassification	891	(891)	-
Disposals	-	(60,842)	(60,842)
Charge for the year	33,713	32,200	65,913
	<u>34,604</u>	<u>40,699</u>	<u>75 303</u>
Net book value			
At 31 December 2007	<u>150,066</u>	<u>82,495</u>	<u>232,561</u>
At 31 December 2006	<u>-</u>	<u>123,098</u>	<u>123,098</u>

9 Debtors

	2007	2006
	£	£
Trade debtors	717,786	712,133
Amounts owed by parent and fellow subsidiary undertakings	166,718	6,319,268
Other debtors	705,511	1,136,628
Prepayments and accrued income	1,509,162	916,778
Deferred tax asset (see note 12)	46,050	48,575
	<u>3,145,227</u>	<u>9,133,382</u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

10 Creditors' amounts falling due within one year	2007 £	2006 £
Trade creditors	230,543	402,743
Amounts owed to parent and fellow subsidiary undertakings	210,918	130,337
Corporation tax	405,389	338,507
Other taxes and social security costs	174,135	388,031
Other creditors	29,486	107,271
Accruals and deferred income	1,799,879	1,791,101
	<u>2,850,350</u>	<u>3,157,990</u>

11 Creditors' amounts falling due after more than one year	2007 £	2006 £
Amounts owed to parent and subsidiary undertaking	<u>2,500,000</u>	<u>2,500,000</u>

£2,500,000 relates to an interest free sub-ordinated loan with The Capita Group Plc, agreed on 20 June 2006. This loan is repayable at the option of the lender on or after 30 June 2008.

12 Deferred tax

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2007 £	
Balance at 1 January 2007	(48,575)	
Profit and loss account	<u>2,525</u>	
Balance at 31 December 2007	<u>(46,050)</u>	
	2007 £	2006 £
Decelerated capital allowances	(5,450)	(7,468)
Other timing differences	<u>(40,600)</u>	<u>(41,107)</u>
	<u>(46,050)</u>	<u>(48,575)</u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

13 Pension costs

The company offers both defined benefit and defined contribution pension schemes

Contributions in respect of the defined contribution schemes payable by the company during the year amounted to £22,980 (2006 £65,456)

The company is a member of The Capita Pension and Life Assurance Scheme (Capita scheme), a defined benefit scheme. The pension costs for the defined benefit scheme are determined with the advice of an independent qualified actuary on the basis of triennial valuations using the projected unit credit method. The independent qualified scheme actuaries carried out the latest full valuation of the Capita scheme as at 6 April 2005 and the valuation was updated to 31 December 2007. Surpluses or deficits on the pension scheme arising from the actuarial valuation are spread over the average service lives of the members on a straight-line basis.

The pension charge for the defined benefit scheme for the year was £101,360 (2006 £152,965). The current agreed employer contribution rate equates to an average of 16.4% including employee contributions made as part of a salary sacrifice scheme.

The major assumptions for the valuation at 31 December 2007 were as follows: expected rates of return on scheme assets: (i) equities/hedged funds/absolute returns - 7.6% (2006 - 7.6%), (ii) bonds - 5.2% (2006 - 4.9%), (iii) property - 7.6% (2006 - 7.6%), (iv) cash/other - 5.5% (2006 - 5.0%), rate of price inflation - 3.2% (2006 - 2.9%), rate of salary increase - 4.2% (2006 - 3.9%), rate of increase for pensions in payment - 3.2% (2006 - 2.9%), discount rate - 5.9% (2006 - 5.2%). The scheme assets at fair value at 31 December 2007 were: (i) equities/hedged funds/absolute returns - £248.9m (2006 - £234.6m), (ii) bonds - £56.1m (2006 - £64.3m), (iii) property - £17.5m (2006 - £12.9m), (iv) insurance contracts - £3.5m (2006 - £3.2m), (v) cash/other - £24.5m (2006 - £6.4m), totalling £350.5m (2006 - £321.4m). The value of scheme liabilities was £330.2m (2006 - £328.8m) indicating that The Capita scheme had a surplus of £20.3m (2006 - deficit of £7.4m).

The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent basis. In accordance with FRS 17, the company therefore accounts for contributions to the scheme as if it were a defined contribution scheme. The full disclosure under FRS17/(IAS19) is available in the consolidated accounts of The Capita Group Plc.

14 Share capital	2007 £	2006 £
Authorised		
10,000,000 Ordinary shares of £1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	8,975,001	8,975,001

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

15 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2007	999,999	190,741
Profit for the year	-	985,410
	<u>999,999</u>	<u>1,176,151</u>
Balance at 31 December 2007	999,999	1,176,151

16 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	985,410	1,223,903
Dividends	-	(3,500,000)
	<u>985,410</u>	<u>(2,276,097)</u>
Contribution in respect of share based payment charge	8,053	7,943
Settlement of share based payment charge by intercompany	(8,053)	(7,943)
Proceeds from issue of shares	-	1,000,000
	<u>985,410</u>	<u>(1,276,097)</u>
Net addition to/(depletion in) shareholders' funds	10,165,741	11,441,838
Opening shareholders' funds	10,165,741	11,441,838
	<u>11,151,151</u>	<u>10,165,741</u>
Closing shareholders' funds	11,151,151	10,165,741

17 Financial commitments

The company was committed to making the following payments under non-cancellable operating leases in the next year

	Land and buildings	
	2007	2006
	£	£
Operating leases which expire		
Between two and five years	168,500	-
In over five years	-	168,500
	<u>168,500</u>	<u>168,500</u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

18 Directors' emoluments	2007 £	2006 £
Emoluments	534,284	410,492
Pension contributions	56,648	26,324
	<u>590,932</u>	<u>436,816</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006- 2)

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2006- 3)

The number of directors who exercised share options during the year was 0 (2006- 2)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments (including benefits in kind)	185,031	182,645
Accrued pension at the end of the year	<u>19,360</u>	<u>13,800</u>

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Sales	1	1
Operations	36	30
Administration	5	5
	<u>42</u>	<u>36</u>

Employment costs

	2007 £	2006 £
Wages and salaries	1,946,230	1,514,520
Social security costs	206,637	143,976
Other pension costs	124,341	218,421
Share based payments	8,053	7,943
	<u>2,285,261</u>	<u>1,884,860</u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2007***

20 Control

The company is a wholly owned subsidiary undertaking of The Capita Group Plc a company incorporated in England & Wales. The financial statements of The Capita Group Plc are available from the registered office at 61-71 Victoria Street, London SW1H 0XA.