

Report of the Director and
Financial Statements
for the Year Ended 31 December 2007
for
Drole Computing Services Limited

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Drole Computing Services Limited

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for the Year Ended 31 December 2007

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Drole Computing Services Limited

Company Information
for the Year Ended 31 December 2007

DIRECTOR: C J Lester-Smith

SECRETARY: Seymour Macintyre Limited

REGISTERED OFFICE Holcombe House
London Road
Sunningdale
Berkshire
SL5 0EY

REGISTERED NUMBER 1865914 (England and Wales)

AUDITORS: Wright Vigar Limited
Registered Auditors
Chartered Accountants & Business Advisers
12 Exchange Street
Retford
Nottinghamshire
DN22 6BL

Drole Computing Services Limited

Report of the Director **for the Year Ended 31 December 2007**

The director presents his report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of computer consultancy services

REVIEW OF BUSINESS

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

COMPANY PERFORMANCE

TURNOVER

Turnover decreased by 5.16% in the year. The director considers that the current year to 31 December 2008 turnover levels will be maintained.

CASHFLOW

Bank deposits have increased during the year and they are expected to be maintained during the current year.

FUTURE DEVELOPMENTS

The Director is of the opinion that the current year to 31 December 2008 will show the turnover being maintained in line with 2007 and that the financial position of the Company will remain satisfactory.

RISKS AND UNCERTAINTIES

The Director of the Company regularly considers and reviews any risks and uncertainties that are either currently faced by the Company or will potentially be faced by the Company in the future. Measures are then taken and put in place to mitigate these risks and uncertainties.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2007.

DIRECTORS

C J Lester-Smith has held office during the whole of the period from 1 January 2007 to the date of this report.

Other changes in directors holding office are as follows:

Mrs V M Lester-Smith - resigned 18 January 2007.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company donated £1,000 to charity.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Drole Computing Services Limited

Report of the Director
for the Year Ended 31 December 2007

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is 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 he 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

AUDITORS

The auditors, Wright Vigar Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD.

A handwritten signature in black ink, appearing to read 'C. J. Lester-Smith', with a stylized flourish at the end.

C J Lester-Smith - Director

23 June 2008

Report of the Independent Auditors to the Shareholders of
Drole Computing Services Limited

We have audited the financial statements of Drole Computing Services Limited for the year ended 31 December 2007 on pages six to fourteen. 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 director and auditors

The director's 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 two.

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 Director 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 director's remuneration and other transactions is not disclosed.

We read the Report of the Director 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 director 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
Drole Computing Services 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 December 2007 and of its loss 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 Director is consistent with the financial statements

Wright Vigar Limited

Wright Vigar Limited
Registered Auditors
Chartered Accountants & Business Advisers
12 Exchange Street
Retford
Nottinghamshire
DN22 6BL

23 June 2008

Drole Computing Services Limited

Profit and Loss Account
for the Year Ended 31 December 2007

	Notes	2007 £	2006 £
TURNOVER	2	11,331,264	11,947,208
Cost of sales		<u>68,010</u>	<u>57,231</u>
GROSS PROFIT		11,263,254	11,889,977
Administrative expenses		<u>11,309,364</u>	<u>11,962,278</u>
		(46,110)	(72,301)
Other operating income		<u>14,694</u>	<u>3,042</u>
OPERATING LOSS	4	(31,416)	(69,259)
Interest receivable and similar income	5	<u>27,597</u>	<u>16,401</u>
		(3,819)	(52,858)
Interest payable and similar charges	6	<u>7,129</u>	<u>9</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,948)	(52,867)
Tax on loss on ordinary activities	7	<u>(2,731)</u>	<u>(8,491)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(8,217)</u>	<u>(44,376)</u>

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 losses for the current year or previous year

The notes form part of these financial statements

Drole Computing Services Limited

Balance Sheet
31 December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	8	15,810	14,747
CURRENT ASSETS			
Debtors	9	900,508	938,306
Cash at bank		771,068	701,147
		<u>1,671,576</u>	<u>1,639,453</u>
CREDITORS			
Amounts falling due within one year	10	<u>1,484,029</u>	<u>1,442,626</u>
NET CURRENT ASSETS		<u>187,547</u>	<u>196,827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>203,357</u>	<u>211,574</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>202,357</u>	<u>210,574</u>
SHAREHOLDERS' FUNDS	16	<u>203,357</u>	<u>211,574</u>

The financial statements were approved by the director on 23 June 2008 and were signed by



C J Lester-Smith - Director

The notes form part of these financial statements

Drole Computing Services Limited

Cash Flow Statement
for the Year Ended 31 December 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	91,136	65,202
Returns on investments and servicing of finance	2	20,468	16,392
Taxation		(22,413)	(1,390)
Capital expenditure	2	(19,270)	(11,192)
Increase in cash in the period		<u>69,921</u>	<u>69,012</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		<u>69,921</u>	<u>69,012</u>
Change in net funds resulting from cash flows		<u>69,921</u>	<u>69,012</u>
Movement in net funds in the period		<u>69,921</u>	<u>69,012</u>
Net funds at 1 January		<u>701,147</u>	<u>632,135</u>
Net funds at 31 December		<u>771,068</u>	<u>701,147</u>

The notes form part of these financial statements

Drole Computing Services Limited

Notes to the Cash Flow Statement
for the Year Ended 31 December 2007

1 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating loss	(31,416)	(69,259)
Depreciation charges	9,293	44,991
Loss on disposal of fixed assets	8,914	-
Decrease/(Increase) in debtors	39,526	(135,607)
Increase in creditors	64,819	225,077
	<u>91,136</u>	<u>65,202</u>
Net cash inflow from operating activities	<u><u>91,136</u></u>	<u><u>65,202</u></u>

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

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	27,597	16,401
Interest paid	(7,129)	(9)
	<u>20,468</u>	<u>16,392</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>20,468</u></u>	<u><u>16,392</u></u>
 Capital expenditure		
Purchase of tangible fixed assets	(19,270)	(11,192)
	<u>(19,270)</u>	<u>(11,192)</u>
Net cash outflow for capital expenditure	<u><u>(19,270)</u></u>	<u><u>(11,192)</u></u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 07	Cash flow	At
	£	£	31 12 07
			£
Net cash			
Cash at bank	701,147	69,921	771,068
	<u>701,147</u>	<u>69,921</u>	<u>771,068</u>
 Total	<u><u>701,147</u></u>	<u><u>69,921</u></u>	<u><u>771,068</u></u>

The notes form part of these financial statements

Drole Computing Services Limited

Notes to the Financial Statements
for the Year Ended 31 December 2007

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

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Computer equipment 33% straight line basis

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 or 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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can 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

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

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

2 TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company

An analysis of turnover by class of business is given below

	2007 £	2006 £
Sales	11,331,264	11,947,208
	<u>11,331,264</u>	<u>11,947,208</u>

Drole Computing Services Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

2 TURNOVER - continued

An analysis of turnover by geographical market is given below

	2007	2006
	£	£
UK	10,914,673	11,636,392
Europe	416,591	310,816
	<u>11,331,264</u>	<u>11,947,208</u>

3 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	9,096,217	9,670,412
Social security costs	1,027,109	1,103,430
Other pension costs	177,152	50,992
	<u>10,300,478</u>	<u>10,824,834</u>

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

	2007	2006
Consultants	<u>204</u>	<u>221</u>

Pension costs

The pension charge represents contributions due from the company and amounted to £177,152 (2007 - £50,992)

4 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation - owned assets	9,293	44,991
Loss on disposal of fixed assets	8,914	-
Auditors' remuneration	1,850	2,000
Foreign exchange differences	(12,361)	4,115
	<u>-</u>	<u>-</u>
Directors' emoluments	<u>-</u>	<u>-</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Deposit account interest	<u>27,597</u>	<u>16,401</u>

Drole Computing Services Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank interest	-	9
Other interest	7,129	-
	<u>7,129</u>	<u>9</u>

7 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows

	2007	2006
	£	£
Current tax		
UK corporation tax	-	(1,391)
Prior year over provision	(1,003)	-
Total current tax	(1,003)	(1,391)
Deferred tax	(1,728)	(7,100)
Tax on loss on ordinary activities	<u>(2,731)</u>	<u>(8,491)</u>

8 TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2007	25,632
Additions	19,270
Disposals	(22,154)
At 31 December 2007	<u>22,748</u>
DEPRECIATION	
At 1 January 2007	10,885
Charge for year	9,293
Eliminated on disposal	(13,240)
At 31 December 2007	<u>6,938</u>
NET BOOK VALUE	
At 31 December 2007	<u>15,810</u>
At 31 December 2006	<u>14,747</u>

Drole Computing Services Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

9 DEBTORS

	2007	2006
	£	£
Amounts falling due within one year		
Trade debtors	555,353	594,879
Amounts owed by group undertakings	34,607	34,607
Deferred tax asset	29,528	27,800
Prepayments and accrued income	1,020	1,020
	<u>620,508</u>	<u>658,306</u>
 Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>280,000</u>	<u>280,000</u>
 Aggregate amounts	<u>900,508</u>	<u>938,306</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	5,486	17,280
Tax	-	23,416
Social security and other taxes	800,563	669,224
Other creditors	675,067	727,837
Accruals and deferred income	2,913	4,869
	<u>1,484,029</u>	<u>1,442,626</u>

11 DEFERRED TAX

	£
Balance at 1 January 2007	(27,800)
Accelerated capital allowances	(1,728)
Balance at 31 December 2007	<u>(29,528)</u>

12 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007	2006
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted and issued Number	Class	Nominal value	2007	2006
			£	£
1,000	Share capital 1	£1	<u>1,000</u>	<u>1,000</u>

Drole Computing Services Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

13 RESERVES

	Profit and loss account £
At 1 January 2007	210,574
Deficit for the year	(8,217)
	<hr/>
At 31 December 2007	202,357
	<hr/>

14 ULTIMATE PARENT COMPANY

Delarue Charterhouse Group Holdings Limited is the parent and ultimate parent company owning 97.4% of the issued ordinary share capital of the company

The Director C J Lester-Smith beneficially holds 93.5% of the shares in the parent company. Copies of the consolidated accounts may be obtained from the address shown on the company information page

15 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption conferred by FRS 8 to subsidiary undertakings, 97.4% of whose voting rights are controlled within the group, not to disclose transactions with other group companies

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the financial year	(8,217)	(44,376)
	<hr/>	<hr/>
Net reduction of shareholders' funds	(8,217)	(44,376)
Opening shareholders' funds	211,574	255,950
	<hr/>	<hr/>
Closing shareholders' funds	203,357	211,574
	<hr/>	<hr/>