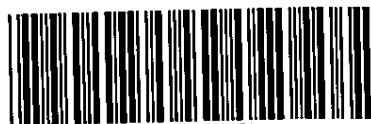


Company Registration No. 2018542 (England and Wales)

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

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CAPITA SYMONDS LIMITED

COMPANY INFORMATION

Directors	C Green A Murray C A Booy G Cowley J C B Goring T Jennings J H Southgate D J Spencer (Appointed 3 April 2007) M Norris (Appointed 16 June 2008) Capita Corporate Director Limited (Appointed 31 March 2008)
Secretary	Capita Company Secretarial Services Limited
Company number	2018542
Registered office	71 Victoria Street Westminster London SW1H 0XA
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 SYMONDS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 21

CAPITA SYMONDS 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 (indirectly held) of The Capita Group Plc and operates within the group's HR Solutions & Property Consultancy division

The principal activity of the company continued to be that of providing a comprehensive range of property-related consulting services, including architecture, building services, building surveying, civil, structural & geotech engineering, cost management and project management, with specialisms in numerous areas including telecommunications engineering, infrastructure design and transportation. 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.

On the 1 January 2007 the business, assets and liabilities of Capita Ruddle Wilkinson Limited were transferred to Capita Symonds Limited at a negative net book value of £571,323, for no gain or loss, and settled via intercompany.

As shown in the company's profit and loss account on page 5, the company's turnover has increased by 12% over the prior year and operating profit has increased from £6,498,299 to £14,356,224 over the same period.

The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net assets have increased from £31,201,995 to £73,310,743. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 11 and 13 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 manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the HR Solutions & Property Consultancy division 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.

No interim ordinary dividend was paid during the current year (2006 £11,900,000). The directors do not recommend payment of a final dividend (2006 £Nil).

CAPITA SYMONDS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors

The following directors have held office during the year

P R M Pindar	(Resigned 31 March 2008)
G M Hurst	(Resigned 31 March 2008)
C Green	
A Murray	
R M Marchant	(Resigned 18 July 2007)
C A Booy	
G Cowley	
J C B Goring	
W Dye	(Resigned 22 June 2007)
T Jennings	
P D Rowland	(Resigned 16 May 2008)
J H Southgate	
M Whitwell	(Resigned 16 June 2008)
D C Jacob	(Appointed 3 April 2007 and resigned 31 March 2008)
D J Spencer	(Appointed 3 April 2007)
P Gilbert	(Appointed 3 April 2007 and resigned 20 November 2007)
M Norris	(Appointed 16 June 2008)
Capita Corporate Director Limited	(Appointed 31 March 2008)

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 22 to the financial statements.

Employee involvement

The company is committed to involving all employees in the performance and development of the company. Employees are distributed with frequent newsletters and internal noticeboard statements. The company maintains a strong communications network and employees are encouraged to discuss with management matters of interest to the employee and subjects affecting day to day operations of the company.

Disabled persons

It is the company's policy to give full consideration to suitable applications for employment of disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue in their employment or to be retrained for other positions in the company.

Creditor payment policy

The company aims to pay suppliers in accordance with the suppliers' contracts' terms. The company had an average of 46 days' purchases (2006 - 44 days' purchases) outstanding in trade creditors.

CAPITA SYMONDS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

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

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 might reasonably be expected to take as a Director in order to make himself 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 the directors 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



T Jennings

Director

4 August 2008

CAPITA SYMONDS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAPITA SYMONDS LIMITED

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 24. 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

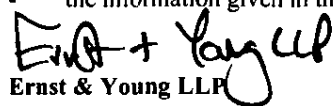
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

6 August 2008

CAPITA SYMONDS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	175,080,770	155,635,135
Cost of sales		(120,480,392)	(112,506,125)
Gross profit		54,600,378	43,129,010
Administrative expenses		(40,665,467)	(36,668,335)
Other operating income		421,313	37,624
Operating profit	3	14,356,224	6,498,299
Investment income	4	2,397,850	1,900,000
Other interest receivable and similar income	4	16,903	41,022
Interest payable and similar charges	5	(47,989)	(5,171)
Profit on ordinary activities before taxation		16,722,988	8,434,150
Tax on profit on ordinary activities	6	(4,614,240)	(2,143,789)
Profit on ordinary activities after taxation	19	12,108,748	6,290,361

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 SYMONDS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	2006 £
Fixed assets			
Intangible assets	8	4,669,554	5,000,494
Tangible assets	9	4,737,699	4,784,331
Investments	10	84,093,439	83,866,123
		<u>93,500,692</u>	<u>93,650,948</u>
Current assets			
Debtors amounts falling due within one year	11	64,688,382	64,528,439
Debtors amounts falling due after more than one year	11	347,453	114,491
Investments	12	12,900	12,900
Cash at bank and in hand		1,206,546	592,895
		<u>66,255,281</u>	<u>65,248,725</u>
Creditors, amounts falling due within one year	13	(53,996,798)	(125,546,715)
Net current assets/(liabilities)		<u>12,258,483</u>	<u>(60,297,990)</u>
Total assets less current liabilities		105,759,175	33,352,958
Creditors: amounts falling due after more than one year	14	(30,091,319)	-
Provisions for liabilities	15	(2,357,113)	(2,150,963)
		<u>73,310,743</u>	<u>31,201,995</u>
Capital and reserves			
Called up share capital	17	1,475,933	1,472,933
Share premium account	18	55,923,274	25,926,274
Profit and loss account	18	15,911,536	3,802,788
Shareholders' funds	19	<u>73,310,743</u>	<u>31,201,995</u>

Approved by the Board and authorised for issue on 4 August 2008



T Jennings
Director

CAPITA SYMONDS 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 applicable accounting standards, which have been applied consistently

1.4 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long-term contracts where turnover represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Turnover in respect of long-term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Turnover was earned in the United Kingdom and Europe

1.5 Goodwill

Goodwill is amortised through the profit and loss account over its useful economic life that is considered to be 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

Leasehold improvements	over the period of the lease
Computer equipment	3 - 5 years
Fixtures, fittings & equipment	4 - 5 years
Motor vehicles	3 - 5 years

CAPITA SYMONDS LIMITED

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

1 Accounting policies

(continued)

1.7 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.8 Investments

Fixed asset investments are stated at cost less provision for impairment.
Current asset investments are stated at the lower of cost and net realisable value.

1.9 Long term contracts

Profits are recognised on long-term contracts where the final outcome can be assessed with reasonable certainty. In calculating this, the percentage of completion method is used based on the proportion of costs incurred to the total estimated cost. Cost includes direct staff costs and outlays. Full provision is made for all known or anticipated losses on each contract immediately such losses are forecast.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.10 Pensions

The company maintains a number of contracted-out defined contribution 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 fellow subsidiary undertaking, 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.

CAPITA SYMONDS LIMITED

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

1 Accounting policies

(continued)

1.11 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 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,

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

- 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

1.12 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.

1.13 Group accounts

The accounts present information about the company as an individual undertaking and not about its group as the company has taken advantage of the exemption of Section 228 of the Companies Act 1985 not to prepare group accounts.

1.14 Related party transactions

Other than disclosed in note 24, the company has not prepared related party transaction disclosure on the basis that The Capita Group Plc owns at least 90% of the voting rights of the company. The consolidated financial statements of The Capita Group Plc are publicly available in accordance with FRS8.

1.15 Surplus properties

Following the adoption of FRS12 the company provides for its best estimate of future expenditure, net of sub-let income, associated with its surplus leasehold properties.

CAPITA SYMONDS LIMITED

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

1 Accounting policies

(continued)

1.16 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.

Geographical market

	Turnover	
	2007	2006
	£	£
United Kingdom	173,537,793	150,001,000
Overseas	1,542,977	5,634,135
	<u>175,080,770</u>	<u>155,635,135</u>

CAPITA SYMONDS 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	330,940	330,940
Depreciation of tangible assets	1,914,510	1,936,638
Loss on disposal of tangible assets	4,369	1,549
Operating lease rentals		
- Plant and machinery	2,013,464	1,532,231
- Other assets	4,833,908	3,627,488
and after crediting		
Profit on foreign exchange transactions	<u>(116,027)</u>	<u>(37,624)</u>

Audit fees are borne by the ultimate parent undertaking, The Capita Group Plc. The audit fee for the current period was £30,000 (2006 £25,000). 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 and interest income	2007	2006
	£	£
Income from shares in group undertakings	2,397,850	1,900,000
Bank interest	15,801	40,396
Interest on tax refunded	-	626
Other interest	1,102	-
	<u>2,414,753</u>	<u>1,941,022</u>

5 Interest payable	2007	2006
	£	£
On amounts payable to group companies	-	1,457
On bank loans and overdrafts	836	-
Lease finance charges	43,899	-
On overdue tax	293	18
Other interest	2,961	3,696
	<u>47,989</u>	<u>5,171</u>

CAPITA SYMONDS LIMITED

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

6	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	4,841,943	2,557,050
	Adjustment for prior years	(484,522)	(494,184)
	Current tax charge	<u>4,357,421</u>	<u>2,062,866</u>
	Deferred tax		
	Deferred tax credit	(18,366)	(183,012)
	Adjustment to deferred tax in respect of the previous period	275,185	263,935
		<u>256,819</u>	<u>80,923</u>
	Tax charge for the year	<u>4,614,240</u>	<u>2,143,789</u>
	Factors affecting the current tax charge for the year		
	Profit on ordinary activities before taxation	<u>16,722,988</u>	<u>8,434,150</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>5,016,896</u>	<u>2,530,245</u>
	Effects of		
	Non deductible expenses	(240,150)	413,793
	Dividends receivable	-	(570,000)
	Capital allowances in excess of depreciation	(54,803)	-
	Depreciation in excess of capital allowances	-	91,705
	Adjustments to previous periods	(484,522)	(494,184)
	Other timing differences	120,000	91,307
		<u>(659,475)</u>	<u>(467,379)</u>
	Current tax charge	<u>4,357,421</u>	<u>2,062,866</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 £46,832 included in the current year deferred tax charge.

7	Dividends	2007 £	2006 £
	Ordinary interim paid	<u>-</u>	<u>11,900,000</u>

CAPITA SYMONDS LIMITED

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

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2007 & at 31 December 2007	6,618,794
Amortisation	
At 1 January 2007	1,618,300
Charge for the year	330,940
At 31 December 2007	1,949,240
Net book value	
At 31 December 2007	4,669,554
At 31 December 2006	5,000,494

The intangible fixed assets represent goodwill which arose from the acquisition of the design and business services operation of Cumbria County Council in 2001, the acquisition of the assets and business of Percy Thomas in 2004, the acquisition of the assets and business of Norman and Dawbarn in 2005, and the acquisition of the assets and business of Church Lukas Limited in 2006

CAPITA SYMONDS LIMITED

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

9 Tangible fixed assets

	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2007	3,446,929	3,730,682	1,778,395	63,720	9,019,726
Transfer from group undertakings	-	68,106	193,327	-	261,433
Additions	238,071	1,246,701	216,256	-	1,701,028
Disposals	(75,971)	(2,071,070)	(307,119)	(63,720)	(2,517,880)
At 31 December 2007	3,609,029	2,974,419	1,880,859	-	8,464,307
Depreciation					
At 1 January 2007	902,231	2,533,791	761,355	38,018	4,235,395
Disposals	(58,307)	(2,056,142)	(264,128)	(44,720)	(2,423,297)
Charge for the year	511,086	975,112	421,610	6,702	1,914,510
At 31 December 2007	1,355,010	1,452,761	918,837	-	3,726,608
Net book value					
At 31 December 2007	2,254,019	1,521,658	962,022	-	4,737,699
At 31 December 2006	2,544,698	1,196,891	1,017,040	25,702	4,784,331

Included above are assets held under finance leases or hire purchase contracts as follows

	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£
Net book values			
At 31 December 2007	25,699	132,044	157,743
Depreciation charge for the year			
At 31 December 2007	46,353	57,337	103,690

CAPITA SYMONDS LIMITED

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

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2007	83,866,123
Additions	227,316
At 31 December 2007	<u>84,093,439</u>

Principal holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Urban Vision Partnership Limited	England	Ordinary	50 10
Capita Symonds (Structures) Limited	England	Ordinary	100 00
Capita Ruddle Wilkinson Limited	England	Ordinary	100 00
Woolf Limited (indirectly held)	England	Ordinary	100 00

The additional increase in investments relates to deferred consideration and professional fees in respect of the acquisition of Capita Ruddle Wilkinson Limited

11 Debtors	2007 £	2006 £
Trade debtors	34,234,627	32,682,357
Amounts recoverable on long term contracts	14,599,884	11,677,936
Amounts owed by parent and fellow subsidiary undertakings	14,330,254	18,607,986
Other debtors	120,760	184,895
Prepayments and accrued income	1,094,638	682,959
Deferred tax asset (see note 15)	655,672	806,797
	<u>65,035,835</u>	<u>64,642,930</u>

Amounts falling due after more than one year and included in the debtors above are

	2007 £	2006 £
Prepayments	<u>347,453</u>	<u>114,491</u>

CAPITA SYMONDS LIMITED

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

12	Current asset investments	2007	2006
		£	£
	Other unlisted investments	12,900	12,900
		<u> </u>	<u> </u>
13	Creditors' amounts falling due within one year	2007	2006
		£	£
	Bank loans and overdrafts	699,728	45,591,492
	Net obligations under finance leases	115,204	-
	Trade creditors	1,460,024	683,578
	Amounts owed to parent and fellow subsidiary undertakings	33,076,592	64,845,993
	Corporation tax	3,518,363	1,743,255
	Other taxes and social security costs	5,224,271	4,830,576
	Other creditors	743,309	1,010,116
	Accruals and deferred income	9,159,307	6,841,705
		<u> </u>	<u> </u>
		53,996,798	125,546,715
		<u> </u>	<u> </u>
14	Creditors: amounts falling due after more than one year	2007	2006
		£	£
	Net obligations under finance leases	91,319	-
	Amounts due to parent undertaking	30,000,000	-
		<u> </u>	<u> </u>
		30,091,319	-
		<u> </u>	<u> </u>
	Net obligations under finance leases		
	Repayable within one year	115,204	-
	Repayable between one and five years	91,319	-
		<u> </u>	<u> </u>
		206,523	-
	Included in liabilities falling due within one year	(115,204)	-
		<u> </u>	<u> </u>
		91,319	-
		<u> </u>	<u> </u>

The loan of £30,000,000 was received from Capita Business Services Limited. The loan is interest free and is repayable with a notice period of at least one year.

CAPITA SYMONDS LIMITED

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

15 Provisions for liabilities and charges

	Provisions £
Balance at 1 January 2007	2,150,963
Utilised	(193,850)
Additions	400,000
	<hr/>
Balance at 31 December 2007	2,357,113
	<hr/>

Provisions comprise Dilapidations provision £65,000, PI Excess provisions £2,292,113

The company is required to perform repairs on leased properties prior to the properties being vacated at the end of their lease term. Dilapidation provisions for such costs are made where a legal obligation is identified and the liability can be reasonably quantified. The provision is expected to be utilised within the next five years.

The PI Excess provision represents the PI excess on insurance claims plus the partial costs of certain specific claims. This provision is expected to be utilised within the next two years.

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2007 £	
Balance at 1 January 2007	(806,797)	
Transfer from subsidiary undertaking	(105,694)	
Profit and loss account	256,819	
	<hr/>	
Balance at 31 December 2007	(655,672)	
	<hr/>	
	2007	2006
	£	£
Decelerated capital allowances	(483,472)	(664,460)
Other timing differences	(172,200)	(142,337)
	<hr/>	<hr/>
	(655,672)	(806,797)
	<hr/>	<hr/>

CAPITA SYMONDS LIMITED

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

16 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 £3,210,574 (2006 £2,829,986)

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 £2,141,876 (2006 £1,862,626). 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 is available in the consolidated accounts of The Capita Group Plc.

17 Share capital	2007 £	2006 £
Authorised		
1,500,000 Ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid		
1,475,933 Ordinary shares of £1 each	<u>1,475,933</u>	<u>1,472,933</u>

On 9 October 2007 the company issued 3,000 Ordinary £1 shares to Capita Business Services Limited, for a total consideration of £30,000,000.

CAPITA SYMONDS LIMITED

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

18 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2007	25,926,274	3,802,788
Profit for the year	-	12,108,748
Premium on shares issued during the year	29,997,000	-
Balance at 31 December 2007	<u>55,923,274</u>	<u>15,911,536</u>

19 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	12,108,748	6,290,361
Dividends	-	(11,900,000)
	<u>12,108,748</u>	<u>(5,609,639)</u>
Contribution in respect of share based payment charge	447,537	441,417
Settlement of share based payment charge by intercompany	(447,537)	(441,417)
Proceeds from issue of shares	30,000,000	-
Net addition to/(depletion in) shareholders' funds	<u>42,108,748</u>	<u>(5,609,639)</u>
Opening shareholders' funds	31,201,995	36,811,634
Closing shareholders' funds	<u>73,310,743</u>	<u>31,201,995</u>

20 Financial commitments

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

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire				
Within one year	26,707	368,163	531,897	175,322
Between two and five years	1,152,218	1,744,610	1,138,782	1,478,207
In over five years	3,022,435	2,360,840	-	-
	<u>4,201,360</u>	<u>4,473,613</u>	<u>1,670,679</u>	<u>1,653,529</u>

The company has provided in the normal course of its business, performance bonds of £4,629,196 (2006 £20,000)

CAPITA SYMONDS LIMITED

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

21 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	1,551,035	1,062,688
Company pension contributions to money purchase schemes	66,694	42,964
	<u>1,617,729</u>	<u>1,105,652</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 5 (2006 - 5)

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2006 - 2)

The number of directors who exercised share options during the year was 9 (2006 - 9)

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

Emoluments for qualifying services	303,903	178,211
Company pension contributions to money purchase schemes	<u>16,567</u>	<u>-</u>

The highest paid director has exercised share options during the year

22 Employees

Number of employees

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

	2007 Number	2006 Number
Sales	29	29
Administration	77	79
Technical staff	2,449	2,378
	<u>2,555</u>	<u>2,486</u>

Employment costs	2007 £	2006 £
Wages and salaries	87,426,418	77,469,171
Social security costs	9,063,872	8,084,177
Other pension costs	5,352,450	4,709,633
Share based payments	447,537	441,417
	<u>102,290,277</u>	<u>90,704,398</u>

CAPITA SYMONDS LIMITED

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

23 Control

The company's immediate parent undertaking is Capita Business Services Limited, a company incorporated in England and Wales

The company's ultimate parent undertaking is The Capita Group Plc, a company incorporated in England and Wales. The accounts of The Capita Group Plc are available from the registered office at 71 Victoria Street, London SW1H 0XA

24 Related party transactions

During the year, the company sold goods and services to the value of £3,928,253 (2006 £925,492) in the normal course of business to Urban Vision Partnership Limited. In addition, the company purchased goods and services to the value of £838,271 (2006 £734,454) from Urban Vision Partnership Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due to Urban Vision Partnership Limited was £9,755 (2006 due from £77,310). The company owns 50.1% of the share capital of Urban Vision Partnership Limited.