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Consolidated financial statements for
the year ended 31 March 2009

Blue Chip Customer Engineering Limited

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COMPANIES HOUSE

BLUE CHIP CUSTOMER ENGINEERING LIMITED

COMPANY INFORMATION

DIRECTORS:

B MEREDITH
R BURKE
V HENRY
J NESBITT
A ROUNDING

SECRETARY:

A ROUNDING

COMPANY NUMBER:

02146732

REGISTERED OFFICE:

FRANKLIN COURT
PRIORY BUSINESS PARK
BEDFORD
BEDFORDSHIRE
MK44 3JZ

BANKERS:

BARCLAYS BANK PLC
CORPORATE BANKING CENTRE
PO BOX 421
PETERBOROUGH
PE1 1QP

SOLICITORS:

BORNEO LINNELLS
79-83 HARPUR STREET
BEDFORD
BEDFORDSHIRE
MK40 2SY

AUDITORS:

MAZARS LLP
THE ATRIUM
PARK STREET WEST
LUTON
BEDFORDSHIRE
LU1 3BE

BLUE CHIP CUSTOMER ENGINEERING LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2009.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPLE ACTIVITIES

The principle activities of the company and group, continues to be maintenance and support of IBM Midrange computer systems, managed services and hosting, disaster recovery and the sale and implementation of computer hardware.

Itheon Limited was bought on 31 October 2008. The company develops and sells computer software licences and maintenance agreements.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The group further strengthened its market position by continuing its strategy of customer driven service excellence. Due to the group consolidation and restructure in 2008 the group reported a 15 month period. The results to the year ended 31 March 2009 show a significant increase on the pro-rated comparative figures (straight line), in both revenue and profitability with turnover up 20.6% and operating profits up 196.7%.

During the year the company purchased the entire share capital of Itheon Limited. This was a strategic move to further extend our managed services offerings to our customer base. This move also enables the company to compete in new markets with new customers. The company is committed to developing this product in line with its existing software solutions. Combining the Itheon product with Netplexor, our own network monitoring and management tool, will give the company a unique position in the IT market place.

Blue Chip continues to be an employer of choice with staff numbers up 14% on the last period. The success of the group is a direct reflection on the service excellence provided by its committed staff. The management are committed to continuing with this drive whilst also ensuring that profitability is maintained in line with service excellence.

In the ensuing year the group is focused on developing a new data centre to further extend its hosting and managed services capabilities. This will see the group commit to significant capital expenditure, a commitment that has the full backing and support of the board, the bankers and its stakeholders.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

DIRECTORS' REPORT (continued)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS (continued)

The group takes its environmental responsibilities very seriously particularly on issues of recycling and the disposal of electrical equipment. The design and development of the new data centre has energy efficiency and green credentials at the forefront of all decisions. The group is conscious of the forthcoming government led Carbon Reduction Commitment and is working with advisors to maximise this opportunity.

We do not believe there to be any significant risks and uncertainties facing the business, other than those normally encountered within our industry.

The profits for the year are reported on page 7 and the group net assets on page 8. The directors consider sales growth and profitability as their key financial performance indicators.

FINANCIAL INSTRUMENTS

a. Treasury operations

The group utilises its positive cash position to full effect by offsetting the cash reserves against its borrowings.

b. Liquidity risk

The group has arranged its finances with its bankers to ensure that all cash reserves are immediately available when required to meet the needs of the business.

c. Interest rate risk

The group is not significantly exposed to interest rate risk as its cash balances offset its variable rate borrowings. All other borrowings are on fixed rate terms.

d. Foreign currency risk

The group makes some purchases from the US and the EU. The level of spend is not enough to expose the group to significant foreign currency risk.

e. Credit risk

The group operates a highly effective credit policy which minimises its credit risk. Levels of credit are monitored regularly to ensure that the exposure is low.

CREDITOR PAYMENT POLICY

The group continues to have good relations with its suppliers. Credit terms are agreed upon at the outset and adhered to at all times. The group believes that to facilitate its ongoing success, good relationships with our suppliers is crucial.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 7. The directors do not propose payment of an ordinary dividend.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS

The directors set out in the table below have held office during the whole of the year from 1 April 2008 to the date of this report unless otherwise stated.

B Meredith

R Burke

K Truscott (resigned 26 November 2008)

V Henry

J Nesbitt

On 12 June 2009, A Rounding was appointed a director of the company.

During the year, the company operated an Enterprise Management Incentive Share Option Scheme (EMI scheme) for certain eligible directors and employees. The directors stated below have the following interests in the scheme:

	At 1 April 2008	Number of options granted during the period	At 31 March 2009	Weighted average exercise price £	Date from which exercisable
V Henry	22,479	-	22,479	0.01	3 July 2007
J Nesbitt	11,239	-	11,239	0.01	3 July 2007
A Rounding	11,239	-	11,239	0.01	3 January 2012

The Register of Directors' interests contains the full details of each share option. K Truscott's interests are not disclosed following his resignation as a director on 26 November 2008.

EMPLOYEE BENEFIT TRUST

The group established an employee benefit trust ("EBT") in November 2008. The details of the EBT are included in note 25 of these financial statements.

CHARITABLE AND POLITICAL DONATIONS

There were charitable donations made during the year ended 31 March 2009 amounting to £10,549 (2008: £nil).

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information, and taken such other steps for that purpose, as were required by their duty as directors of the group to exercise due care, skill and diligence.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

A resolution to reappoint Mazars LLP as auditors to the group and to authorise the directors to fix their remuneration was proposed at the annual general meeting.

Approved by the Board on 31 July 2009
and signed on its behalf

A handwritten signature in black ink, consisting of a stylized 'M' followed by a large loop and a horizontal stroke.

Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BLUE CHIP CUSTOMER ENGINEERING LIMITED**

We have audited the financial statements of Blue Chip Customer Engineering Limited for the year ended 31 March 2009 which comprise of the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 transactions with the company and other members of the group 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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 and the group's affairs as at 31 March 2009 and of the group's 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.



MAZARS LLP
CHARTERED ACCOUNTANTS
and Registered Auditors
The Atrium
Park Street West
Luton
Bedfordshire LU1 3BE

Date: 31 July 2009

BLUE CHIP CUSTOMER ENGINEERING LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

		Year ended 31 March 2009 £	15 months ended 31 March 2008 £
	Notes		
TURNOVER	2	18,665,178	19,352,501
Cost of sales		<u>(4,012,643)</u>	<u>(4,756,060)</u>
GROSS PROFIT		14,652,535	14,596,441
Net operating expenses			
Administrative expenses		<u>(12,218,041)</u>	<u>(13,570,814)</u>
OPERATING PROFIT	3	2,434,494	1,025,627
Interest payable and similar charges	5	(35,436)	(135,150)
Interest receivable and similar income	6	7,293	1,572
Payments made to the group EBT	25	<u>(1,211,718)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,194,633	892,049
Taxation on profit on ordinary activities	7	<u>(777,129)</u>	<u>(323,720)</u>
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	<u><u>417,504</u></u>	<u><u>568,329</u></u>

The group's turnover and expenses all relate to continuing operations. The group has no recognised gains or losses other than the profit for the year.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2009

	Notes	Year ended 31 March 2009		Period ended 31 March 2008	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		3,517,570		37,902
Tangible assets	9		4,792,465		5,145,352
Investments	10		101,513		101,513
			<u>8,411,548</u>		<u>5,284,767</u>
CURRENT ASSETS					
Stocks	11	1,435,000		752,688	
Debtors	12	6,294,262		4,328,864	
Cash at bank and in hand		1,577,090		1,735,228	
		<u>9,306,352</u>		<u>6,816,780</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(10,695,275)		(9,505,852)	
NET CURRENT LIABILITIES			<u>(1,388,923)</u>		<u>(2,689,072)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,022,625		2,595,695
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14		(3,191,953)		(232,291)
PROVISION FOR LIABILITIES AND CHARGES	15		<u>(1,216,373)</u>		<u>(209,999)</u>
NET ASSETS			<u>2,614,299</u>		<u>2,153,405</u>
CAPITAL AND RESERVES					
Called up share capital	17		4,720		4,720
Capital redemption reserve	16		5,280		5,280
Profit and loss account	16		2,604,299		2,143,405
TOTAL SHAREHOLDERS' FUNDS	16		<u>2,614,299</u>		<u>2,153,405</u>

Approved by the Board on 31 July 2009
and signed on its behalf by



Director

BLUE CHIP CUSTOMER ENGINEERING LIMITED

COMPANY BALANCE SHEET

AT 31 MARCH 2009

	Notes	Year ended 31 March 2009		Period ended 31 March 2008	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		30,722		37,902
Tangible assets	9		4,779,155		5,145,352
Investments	10		3,437,957		135,857
			<u>8,247,834</u>		<u>5,319,111</u>
CURRENT ASSETS					
Stocks	11	1,435,000		752,688	
Debtors	12	6,014,681		4,486,354	
Cash at bank and in hand		1,296,130		1,735,228	
		<u>8,745,811</u>		<u>6,974,270</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(10,079,848)		(9,572,061)	
NET CURRENT LIABILITIES			<u>(1,334,037)</u>		<u>(2,597,791)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,913,797		2,721,320
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14		(3,053,898)		(232,291)
PROVISION FOR LIABILITIES AND CHARGES	15		<u>(1,240,500)</u>		<u>(209,999)</u>
			<u>2,619,399</u>		<u>2,279,030</u>
CAPITAL AND RESERVES					
Called up share capital	17		4,720		4,720
Capital redemption reserve	16		5,280		5,280
Profit and loss account	16		2,609,399		2,269,030
TOTAL SHAREHOLDERS' FUNDS	16		<u>2,619,399</u>		<u>2,279,030</u>

Approved by the Board on 31 July 2009
and signed on its behalf by



Director

BLUE CHIP CUSTOMER ENGINEERING LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	Year ended 31 March 2009		Period ended 31 March 2008	
		£	£	£	£
Cash inflow from operating activities					
Net cash inflow	20A		1,561,273		2,827,129
Returns on investments and servicing of finance					
Interest paid		(35,436)		(135,150)	
Interest received		7,293		1,572	
			(28,143)		(133,578)
Taxation					
Corporation tax			(385,880)		(241,451)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(467,168)		(1,123,225)	
Proceeds from sale of fixed assets		43,084		-	
Purchase of shares in group undertaking		-		(10,000)	
			(424,084)		(1,133,225)
Acquisitions and disposals					
Acquisition of new business		(2,200,000)		-	
Net cash acquired from purchase		40,000			
			(2,160,000)		-
Net cash (outflow)/inflow before financing	20B		(1,436,834)		1,318,875
Financing					
Increase/(decrease) in bank loan obligations			1,316,863		(804,239)
Decrease in finance lease capital obligations			(38,167)		(329,162)
			1,278,696		(1,133,401)
(Decrease)/increase in cash	20C		(158,138)		185,474

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared on a going concern basis and in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of preparation of group financial statements

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 March 2009 and its share of the results and post-acquisition reserves of associated undertakings.

The profits and losses of subsidiary and associated undertakings are consolidated from the date of acquisition to the date of disposal. When the company's shares are issued in respect of an acquisition, the share premium is computed on the basis of the market value of the shares at the date of acquisition. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is amortised through the profit and loss account in equal instalments over its estimated useful life.

b) Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

c) Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold property	4% straight line
Leasehold property and improvements	over 125 years
Computer equipment	25% straight line
Motor vehicles	25% straight line
Fixtures and fittings	20% straight line/20% reducing balance

d) Stocks

Stocks are valued at the lower of cost and directors best estimate of net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

e) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on the revaluation of fixed assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES (continued)

f) Intangible fixed assets

Intangible assets are amortised through the profit and loss account in equal instalments over the estimated useful life of the assets.

g) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

h) Foreign currency transactions

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

i) Research and development expenditure

Research and development expenditure is written off in the profit and loss account in the period in which it is incurred except development expenditure incurred on individual projects. Where the recoverability of this development expenditure can be foreseen with reasonable assurance it is capitalised and amortised in line with sales from the relevant projects

j) Pensions

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

k) Maintenance in advance

Maintenance in advance relates to income that has been deferred over the life of its maintenance contract. The value of the maintenance in advance for the year is effectively the income due to the company if no more contracts were sold after the period end. As each month of the contract continues sales are credited to the profit and loss account. Contracts can be cancelled in the last 90 days remaining on the contract, however they are non-refundable.

l) Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES (continued)

m) Share based payments

Equity settled transactions:

The cost of equity-settled transactions with Directors and 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 by an external valuer using an appropriate 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 conditioned 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 number of equity instruments that will ultimately vest or in the case of an instrument subject to market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new awards is designated as replacing a cancelled or settled award, the cost based on the original award continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if the difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation of settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

The company has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards so as to apply FRS 20 only to those equity-settled granted after 7 November 2002 that had not vested before 1 January 2006.

n) Employee benefit trust

The company operates an Employee Benefit Trust over which the company has de facto control. It therefore records the assets and liabilities and the results and cash flow of the trust as its own where appropriate. In the event of a winding up of the company, neither the shareholders nor the creditors would be entitled to the assets of the employee benefit trust.

The cost of benefits provided under the trust is recognised when the employees become entitled to the benefits. Assets which vest unconditionally in beneficiaries of the trust cease to be recognised as assets of the company. Any income or expenditure incurred by the trust is recognised in the company's financial statements.

BLUE CHIP CUSTOMER ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2009****2 TURNOVER**

The turnover for the year was derived from the company's principal activity.

The analysis of turnover by geographical area is as follows:

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Geographically		
United Kingdom	18,302,799	18,771,060
Other EC countries	333,917	397,256
Rest of the world	28,462	184,185
	<u>18,665,178</u>	<u>19,352,501</u>

3 OPERATING PROFIT

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Operating profit is stated after charging/(crediting):		
Loss/(profit) on foreign exchange transactions	47,496	(306)
Auditors' remuneration		
- audit	17,000	12,000
- taxation services	13,450	2,475
- company secretarial services	2,930	720
- assurance services	18,000	18,000
- implementation of EBT	35,000	-
Operating leases		
- land and buildings	41,860	39,901
- other lease rentals	236,249	216,029
Amortisation of intangible fixed assets (note 8)	100,824	10,857
Depreciation of tangible fixed assets (note 9)	798,379	786,174
(Profit)/loss on disposal of fixed assets	<u>(8,098)</u>	<u>16,417</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

4 DIRECTORS AND EMPLOYEES

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Staff costs including directors' emoluments		
Wages and salaries	7,105,149	7,344,788
Social security costs	808,258	869,695
Pension costs (note 22)	189,227	668,865
	<u>8,102,634</u>	<u>8,883,348</u>
	Number	Number
Average monthly number employed (including executive directors)	<u>145</u>	<u>127</u>

Employee Benefit Trust

Details of the assets held by the EBT are disclosed in the note 25. During the year ended 31 March 2009, the trustees of the EBT have irrevocably apportioned £1,211,718 to a sub trust for the potential benefit of the directors and senior management.

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Directors		
Emoluments (including benefits-in-kind)	391,547	467,268
Company contributions to money purchase pension schemes	16,625	472,112
	<u>408,172</u>	<u>939,380</u>
Highest paid director (included above)		
Emoluments (including benefits-in-kind)	233,333	332,445
Company contributions to a money purchase pension scheme	-	455,014
	<u>233,333</u>	<u>787,459</u>
	Number	Number
During the year the following number of directors accrued benefits under the defined contribution pension scheme:	<u>4</u>	<u>4</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

5	INTEREST PAYABLE AND SIMILAR CHARGES	Year ended	Period ended
		31 March	31 March
		2009	2008
		£	£
	Bank interest	35,436	135,150
		<u> </u>	<u> </u>
6	INTEREST RECEIVABLE AND SIMILAR INCOME	Year ended	Period ended
		31 March	31 March
		2009	2008
		£	£
	Bank interest	7,293	1,572
		<u> </u>	<u> </u>
7	TAXATION ON PROFIT ON ORDINARY ACTIVITIES	Year ended	Period ended
		31 March	31 March
		2009	2008
		£	£
	Current taxation		
	UK Corporation tax charge for the year/period	845,125	359,926
		<u> </u>	<u> </u>
		845,125	359,926
	Deferred tax		
	Deferred tax credit for the year/period (note 15)	(67,996)	(36,206)
		<u> </u>	<u> </u>
	Total current tax	777,129	323,720
		<u> </u>	<u> </u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2008: 30%). The actual tax charge for the current year and the previous period varies from the standard rate for the reasons set out in the following reconciliation.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Profit on ordinary activities before tax	1,194,633	892,049
Tax on profit on ordinary activities at standard rate	334,497	267,615
Factors affecting charge for the year/ period:		
Capital allowances in excess of depreciation	90,073	28,253
Expenses not deductible for tax purposes	424,844	48,055
Double tax relief	(2,771)	-
Effect of small companies' rate	(7,277)	(157)
Foreign subsidiary losses unutilised	16,806	7,303
Other timing differences	(11,047)	34,445
Effect of change in tax rates on deferred tax	-	(15,000)
Difference in tax rates – marginal relief	-	(10,588)
Total actual amount of current tax	845,125	359,926

8 INTANGIBLE FIXED ASSETS

Group	Goodwill £	Development Costs £	Total £
Cost			
At 1 April 2008	26,664	126,500	153,164
Acquired on acquisition of subsidiary	288,018	-	288,018
Additions	3,292,474	-	3,292,474
At 31 March 2009	3,607,156	126,500	3,733,656
Amortisation			
At 1 April 2008	11,332	103,930	115,262
Charge for the year	96,310	4,514	100,824
At 31 March 2009	107,762	108,444	216,086
Net book amount			
At 31 March 2009	3,499,514	18,056	3,517,570
At 31 March 2008	15,332	22,570	37,902

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

8 INTANGIBLE FIXED ASSETS (continued)

Company	Goodwill £	Development Costs £	Total £
Cost			
At 1 April 2008 and at 31 March 2009	26,664	126,500	153,164
Amortisation			
At 1 April 2008	11,332	103,930	115,262
Charge for the year	2,666	4,514	7,180
At 31 March 2009	13,998	108,444	122,442
Net book amount			
At 31 March 2009	12,666	18,056	30,722
At 31 March 2008	15,332	22,570	37,902

Development costs represent expenditure on individual projects which is carried forward where its future recoverability can be foreseen with reasonable assurance and is amortised in line with sales from the related projects. Goodwill is being amortised over periods ranging from 10 to 20 years. The directors believe this to be the useful economic life of the purchased goodwill.

9 TANGIBLE FIXED ASSETS

Group	Freehold property £	Leasehold property £	Leasehold improvements £	Motor vehicles £	Computer equipment £	Fixtures and Fittings £	Total £
Cost							
At 1 April 2008	150,000	3,125,000	713,920	260,366	2,145,037	611,563	7,005,886
Acquired on acquisition of subsidiary	-	-	-	-	-	13,310	13,310
Additions	-	-	53,739	52,795	233,835	126,799	467,168
Disposals	-	-	-	(77,274)	-	-	(77,274)
At 31 March 2009	150,000	3,125,000	767,659	235,887	2,378,872	751,672	7,409,090
Depreciation							
At 1 April 2008	25,500	89,475	101,178	145,087	1,145,799	353,495	1,860,534
Charge for the year	7,500	24,967	46,943	54,496	523,355	141,118	798,379
Disposals	-	-	-	(42,288)	-	-	(42,288)
At 31 March 2009	33,000	114,442	148,121	157,295	1,669,154	494,613	2,616,625
Net book amount							
At 31 March 2009	117,000	3,010,558	619,538	78,592	709,718	257,059	4,792,465
At 31 March 2008	124,500	3,035,525	612,742	115,279	999,238	258,068	5,145,352

Included in the above net book value are assets held under finance leases of £nil (2008: £38,166). Depreciation on these assets of £38,166 has been charged to the profit and loss account for the year (2008: £38,166).

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

9 TANGIBLE FIXED ASSETS (continued)

Company	Freehold property £	Leasehold property £	Leasehold improvements £	Motor vehicles £	Computer equipment	Fixtures and Fittings	Total
Cost							
At 1 April 2008	150,000	3,125,000	713,920	260,366	2,145,037	611,563	7,005,886
Additions	-	-	53,739	52,795	233,835	124,005	464,374
Disposals	-	-	-	(77,274)	-	-	(77,274)
At 31 March 2009	150,000	3,125,000	767,659	235,887	2,378,872	735,568	7,392,986
Depreciation							
At 1 April 2008	25,500	89,475	101,178	145,087	1,145,799	353,495	1,860,534
Charge for the period	7,500	24,967	46,943	54,496	523,355	138,324	795,585
Disposals	-	-	-	(42,288)	-	-	(42,288)
At 31 March 2009	33,000	114,442	148,121	157,295	1,669,154	491,819	2,613,831
Net book amount							
At 31 March 2009	117,000	3,010,558	619,538	78,592	709,718	243,749	4,779,155
At 31 March 2008	124,500	3,035,525	612,742	115,279	999,238	258,068	5,145,352

Included in the above net book value are assets held under finance leases of £nil (2008: £38,166). Depreciation on these assets of £38,166 has been charged to the profit and loss account for the year (2008: £38,166).

10 FIXED ASSET INVESTMENTS

Group	Investments £
Cost	
At 1 April 2008 and at 31 March 2009	101,513
Net book amount	
At 31 March 2009	101,513
At 31 March 2008	101,513

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

10 FIXED ASSET INVESTMENTS (continued)

Company	Investment in group undertakings £
Cost	
At 1 April 2008	135,857
Additions	3,302,100
	<hr/>
At 31 March 2009	3,437,957
	<hr/>
Net book amount	
At 31 March 2009	3,437,957
	<hr/>
At 31 March 2008	135,857
	<hr/>

Analysis of investments

The company's investments in group undertakings are as follows:

	Country of Incorporation	Holding	Value £
Blue Chip Global Solutions Ltd	England	100%	2
Blue Chip Parts Ltd	England	100%	29,200
Blue Chip Customer Engineering (Portugal) Lda	Portugal	29%	6,373
Asia 400 (Private) Ltd	Sri Lanka	49%	95,140
Blue Chip Customer Engineering Nordic AB	Sweden	100%	7,142
Itheon Ltd	England	100%	3,300,000
Blue Chip Customer Engineering Employee Benefit Trust	England	100%	100
			<hr/>
			3,437,957
			<hr/>

The aggregate share capital and reserves and the results of Blue Chip Customer Engineering (Portugal) Lda and Asia 400 (Private) Ltd are not consolidated into the group accounts as the company does not have direct control over these entities. The remaining investments have been consolidated into these financial statements.

* Blue Chip Customer Engineering Lanka (Private) Ltd	Sri Lanka	60%	22,222
+Blue Chip Services AB	Sweden	100%	19,231

+Blue Chip Customer Engineering Nordic AB owns the entire share capital of Blue Chip Services AB, therefore making this a group company at the balance sheet date. The company did not trade in the year. Goodwill arose on the purchase of Blue Chip Services AB as the customer base was transferred to Blue Chip Customer Engineering Nordic AB. The goodwill is being amortised over 10 years (note 8).

* This company is a subsidiary of Asia 400 (Private) Ltd.

At the date of signing, the audited aggregate share capital and reserves and results for the entities not consolidated in these financial statements were unavailable for the year ended 31 March 2009.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

11 STOCK

Group and Company	2009 £	2008 £
Stock	<u>1,435,000</u>	<u>752,688</u>

The stock figure of £1,435,000 (2008: £752,688) is representative of components and parts used in the performance of the group and company's principal activity.

12 DEBTORS

Group	2009 £	2008 £
Amounts falling due within one year		
Trade debtors	4,149,397	2,938,647
Amounts due from related parties (note 23)	142,554	207,335
Directors' current accounts (note 19)	922,620	469,651
Other debtors	232,716	155,794
Prepayments and accrued income	846,975	557,437
	<u>6,294,262</u>	<u>4,328,864</u>

DEBTORS

Company	2009 £	2008 £
Amounts falling due within one year		
Trade debtors	3,636,597	2,825,882
Amounts owed by group undertakings (note 23)	461,383	477,590
Directors' current accounts (note 19)	922,620	469,651
Other debtors	220,238	155,794
Prepayments and accrued income	773,843	557,437
	<u>6,014,681</u>	<u>4,486,354</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2009 £	2008 £
Bank overdraft and loans	549,412	2,000,000
Net obligations under finance lease and hire purchase contracts	9,541	38,167
Maintenance in advance	7,332,523	5,652,339
Amounts payable to related parties (note 23)	-	3,951
Trade creditors	944,747	663,573
Corporation tax	958,453	297,915
Other taxation and social security	739,418	644,131
Other creditors	54,656	133,876
Accruals and deferred income	106,525	71,900
	<u>10,695,275</u>	<u>9,505,852</u>

CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Company	2009 £	2008 £
Bank overdraft and loans	549,412	2,000,000
Net obligations under finance lease and hire purchase contracts	9,541	38,167
Maintenance in advance	6,762,879	5,652,339
Amounts payable to group undertakings (note 23)	21,831	3,951
Trade creditors	1,065,443	831,613
Corporation tax	877,180	196,083
Other taxation and social security	660,560	644,131
Other creditors	43,926	133,876
Accruals and deferred income	89,076	71,901
	<u>10,079,848</u>	<u>9,572,061</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group	2009 £	2008 £
Long term bank facility	2,000,000	-
Bank loans	767,451	-
Net obligations under finance lease and hire purchase contracts	-	9,541
Maintenance in advance	424,502	222,750
	<u>3,191,953</u>	<u>232,291</u>
Company	2009 £	2008 £
Long term bank facility	2,000,000	-
Bank loans	767,451	-
Net obligations under finance lease and hire purchase contracts	-	9,541
Maintenance in advance	286,447	222,750
	<u>3,053,898</u>	<u>232,291</u>
Analysis of loans – group and company		
Wholly repayable in less than five years	1,316,863	-
Included in current liabilities	(549,412)	-
	<u>767,451</u>	<u>-</u>
Loan maturity		
Due in one year	549,412	-
Between one and two years	549,412	-
Between two and five years	218,039	-
	<u>1,316,863</u>	<u>-</u>
Net obligations under finance lease and hire purchase contracts – group and company		
Repayable within one year	9,541	38,167
Repayable between one and five years	-	9,541
	<u>9,541</u>	<u>47,708</u>
Included in liabilities falling due within one year	(9,541)	(38,167)
	<u>-</u>	<u>9,541</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Maintenance in advance

Group	2009 £	2008 £
Income deferred due in less than one year	7,332,523	5,652,339
Income deferred between one and two years	269,649	163,111
Income deferred between two and five years	154,853	59,639
	<u>7,757,025</u>	<u>5,875,089</u>
Included in liabilities falling due within one year	(7,332,523)	(5,652,339)
	<u>424,502</u>	<u>222,750</u>
Company		
Income deferred due in less than one year	6,762,878	5,652,339
Income deferred between one and two years	192,599	163,111
Income deferred between two and five years	93,848	59,639
	<u>7,049,325</u>	<u>5,875,089</u>
Included in liabilities falling due within one year	(6,762,878)	(5,652,339)
	<u>286,447</u>	<u>222,750</u>

All bank loans (including finance loans), overdrafts and long term facilities are secured on a fixed charge on the group's properties and a floating charge on the other current and future assets of the company.

There is a cross guarantee and debenture between Blue Chip Customer Engineering Limited, Blue Chip Global Solutions Limited and Blue Chip Parts Limited.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

15 PROVISION FOR LIABILITIES AND CHARGES

Movement on provisions

Group	Deferred tax liability £	Deferred consideration £	Total £
At 1 April 2008	209,999	-	209,999
Acquired on acquisition of subsidiary	(25,630)	-	(25,630)
Profit and loss credit	(67,996)	-	(67,996)
Provision made in the year	-	1,100,000	1,100,000
At 31 March 2009	116,373	1,100,000	1,216,373

Company	Deferred tax liability £	Deferred consideration £	Total £
At 1 April 2008	209,999	-	209,999
Profit and loss credit	(69,499)	-	(69,499)
Provision made in the year	-	1,100,000	1,100,000
At 31 March 2009	140,500	1,100,000	1,240,500

Analysis of deferred tax liability

	Group		Company	
Provision recognised	2009 £	2008 £	2009 £	2008 £
Capital allowances in excess of depreciation	110,489	224,010	134,616	224,010
Other timing differences	5,884	(14,011)	5,884	(14,011)
	116,373	209,999	140,500	209,999

The deferred consideration has been recognised under the rules of Financial Reporting Standard 12 – the provision recognised is the most reliable estimate of future cash outflow in relation to the investment in Itheon Limited.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	Share capital £	Capital redemption reserve £	Profit & loss account £	Total shareholders' funds £
Balance at 1 January 2007	5,330	4,670	1,316,388	1,326,388
Share option scheme charge	-	-	258,688	258,688
Capital redemption charge	(610)	610	-	-
Profit for the period	-	-	568,329	568,329
Balance at 31 March 2008	4,720	5,280	2,143,405	2,153,405
Share option scheme charge	-	-	43,390	43,390
Profit for the year	-	-	417,504	417,504
Balance at 31 March 2009	4,720	5,280	2,604,299	2,614,299

Company	Share capital £	Capital redemption reserve £	Profit & loss account £	Total shareholders' funds £
Balance at 1 January 2007	5,330	4,670	1,561,117	1,571,117
Share option scheme charge	-	-	258,688	258,688
Capital redemption charge	(610)	610	-	-
Profit for the period	-	-	449,225	449,225
Balance at 31 March 2008	4,720	5,280	2,269,030	2,279,030
Share option scheme charge	-	-	43,390	43,390
Profit for the year	-	-	296,979	296,979
Balance at 31 March 2009	4,720	5,280	2,609,399	2,619,399

17 SHARE CAPITAL

	Group and Company	
	2009	2008
	£	£
Authorised		
1,000,000 ordinary shares of 1 pence each	10,000	10,000
Allotted, called up and fully paid		
472,000 ordinary shares of 1 pence each	4,720	4,720

BLUE CHIP CUSTOMER ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2009****18 GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2010:

Group	2009 Property operating leases £	2008 Property operating leases £
Operating leases which expire: Within one year	35,000	35,000

The company did not have any property lease commitments at the year end (2008: £nil)

Group and company	2009 Other operating leases £	2008 Other operating leases £
Operating leases which expire: Within one year	34,693	23,539
Between two to five years	145,471	131,839
	180,164	155,378

19 DIRECTORS' LOANS**Loans to directors**

During the year, Mr B Meredith and Mr K Truscott had overdrawn directors' current accounts with the group and company. Indebtedness on the loans was as follows:

	As at 1 April 2008 £	Maximum liability during the year £	As at 31 March 2009 £
Mr B Meredith	463,310	922,620	922,620
Mr K Truscott	6,341	6,341	-

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

20 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

A - Reconciliation of operating profit to net cash flows from operating activities	2009 £	2008 £	
Operating profit	2,434,494	1,025,627	
EBT payments	(1,211,718)	-	
FRS 20 charge	43,390	258,688	
(Profit)/loss on disposal of fixed assets	(8,098)	16,417	
Depreciation charges	798,379	786,174	
Amortisation charges	100,824	10,857	
Increase in stocks	(682,312)	(192,742)	
Decrease in debtors	474,265	70,340	
(Decrease)/increase in creditors	(387,951)	851,768	
	<hr/>	<hr/>	
Net cash inflow from operating activities	1,561,273	2,827,129	
	<hr/>	<hr/>	
B - Analysis of changes in net debt	At 1 April 2008 £	Cash flows £	At 31 March 2009 £
Cash at bank and in hand	1,735,228	(158,138)	1,577,090
Bank facility	(2,000,000)	-	(2,000,000)
	<hr/>	<hr/>	<hr/>
	(264,772)	(158,138)	(422,910)
Bank loans	-	(1,316,863)	(1,316,863)
Finance leases	(47,708)	38,167	(9,541)
	<hr/>	<hr/>	<hr/>
	(47,708)	(1,278,696)	(1,326,404)
	<hr/>	<hr/>	<hr/>
	(312,480)	(1,436,834)	(1,749,314)
	<hr/>	<hr/>	<hr/>
C - Reconciliation of net cash flow to movement in net debt	2009 £	2008 £	
(Decrease)/increase in cash in the year/period	(158,138)	185,474	
Cash flow movement in debt and lease financing	(1,278,696)	1,133,401	
	<hr/>	<hr/>	
Change in net debt resulting from cash flows	(1,436,834)	1,318,875	
Net debt at 1 April 2008	(312,480)	(1,631,355)	
	<hr/>	<hr/>	
Net debt at 31 March 2009	(1,749,314)	(312,480)	

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

21 DISCLOSURE OF CONTROL

Mr B Meredith is the ultimate controlling party by virtue of his shareholding in the company.

22 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £189,227 (2007: £668,865).

In other creditors, there is an outstanding pension contribution of £43,926 (2008: £50,040).

23 RELATED PARTIES

Transactions with group companies during the year ended 31 March 2009 were as follows:

	Management charge/(income)	
	2009	2008
	£	£
Blue Chip Customer Engineering Limited	103,959	(970,020)
Blue Chip Global Solutions Limited	(62,605)	720,635
Blue Chip Parts Limited	(41,354)	249,385

In the year sales were made to and purchases from the following group and related parties:

	Sales		Purchases	
	2009	2008	2009	2008
	£	£	£	£
Blue Chip Customer Engineering Limited	130	23,525	21,248	18,696
Blue chip Customer Engineering Lanka (Private) Ltd	-	-	130	17,001
Blue Chip Customer Engineering (Portugal) Lda	21,248	18,696	-	6,544

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

23 RELATED PARTIES (continued)

Balances with group companies at 31 March 2009 were as follows:

	2009 £	2008 £
<i>Included in debtors</i>		
Blue Chip Customer Engineering (Portugal) Lda	103,667	207,335
Blue Chip Customer Engineering Lanka (Private) Ltd	38,887	-
Group related party debtors (note 12)	142,554	207,335
Blue Chip Engineering Nordic AB	308,654	270,255
Itheon Limited	10,175	-
Company related party debtors (note 12)	461,383	477,590
	2009 £	2008 £
<i>Included in creditors</i>		
Blue Chip Customer Engineering Lanka (Private) Ltd	-	3,951
Group related party creditors (note 13)	-	3,951
Blue Chip Parts Limited	13,147	-
Blue Chip Global Solutions Limited	8,684	-
Company related party creditors (note 13)	21,831	3,951

24 SHARE BASED PAYMENTS

The company operates an Enterprise Management Incentive Share Option Scheme (EMI scheme) for certain eligible directors and employees. The options will vest if the director or employee remains in service for a period agreed with the management from the date of grant. There are no other market or non-market conditions imposed on the options granted. The exercise price of the options is equal to the market price of the shares on the date of the grant. The contractual life of the options is equal to the market price of the shares on the date of the grant. The contractual life of the options is a maximum of ten years and there are no cash alternatives.

The expense recognised for the share-based payments in respect of employee services received during the year ended 31 March 2009 is £43,390 (2008: £258,688). The portion of that expense arising from equity-settled share-based payment transactions is £43,390 (2008: £258,688).

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

24 SHARE BASED PAYMENTS (continued)

Shares held by the scheme at 31 March 2009 are as follows:

Date of grant	Shares under option	Exercise price £	Share price £	Fair value £	Volatility	Risk free interest rate	Expected life (years)	Expense arising for the year £
3 January 2007	11,239	0.01	3.55	3.5419	100%	3.00%	5.0	10,748
3 January 2007	5,620	0.01	3.55	3.5409	100%	3.00%	0.5	-
3 January 2007	22,479	0.01	3.55	3.5409	100%	3.00%	0.5	-
3 January 2007	28,098	0.01	3.55	3.5409	100%	3.00%	0.5	-
3 January 2007	11,239	0.01	3.55	3.5419	100%	3.00%	5.0	32,642
3 January 2007	11,239	0.01	3.55	3.5409	100%	3.00%	0.5	-

The following table illustrates the number and weighted average exercise prices (WAEF) of, and movements in, share options during the year.

	2009 No.	2009 WAEF £	2008 No.	2008 WAEF £
Outstanding as at 1 January (2008/2007)	89,914	0.01	-	-
Granted during the period	-	-	89,914	0.01
Forfeited during the period	(44,957)	0.01	-	-
Exercised	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at 31 March 2009/ March 2008	<u>44,957</u>	<u>0.01</u>	<u>89,914</u>	<u>0.01</u>
Exercisable at 31 March 2009/ March 2008	<u>33,718</u>	<u>0.01</u>	<u>67,436</u>	<u>0.01</u>

The weighted average fair value of options granted during the year was £3.54 (2008: £3.54). The range of exercise prices for options outstanding at the end of the period was zero as all options have an exercise price of £0.01 (2008: £0.01). The fair value of equity-settled share options granted is estimated as at the date of grant using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 31 March 2009 and the period ended 31 March 2008.

	2009	2008
Dividend yield (%)	-	-
Expected share price volatility (%)	58.30	58.30
Risk-free interest rate (%)	3.00	3.00
Expected life of option (years)	3.00/7.00	3.00/7.00
Weighted average share price (%)	3.55	3.55

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options granted were incorporated into the measurement of fair value.

BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

25 EMPLOYEE BENEFIT TRUST

The assets and liabilities of the EBT are solely for the benefit of the employees of the group.

In accordance with UITF 32 the assets and liabilities of the EBT have been consolidated within the group accounts as at 31 March 2009 and the net effect on the group's net assets and results for the year is a reduction in both amounting to £1,211,718 (2008: £nil).

The following is a reconciliation of the movements within the EBT during the period:

Fund as at 1 April 2008	£nil
Assets received into Trust	£1,211,718
Assets distributed to Sub Trusts/Employees	£1,211,718
Fund as at 31 March 2009	£nil

The allocation of £1,211,718 (2008: £nil) to a sub fund for certain employees and their families via the EBT has given rise to a charge of £1,211,718 (2008: £nil).

In accordance with the requirements of UITF 32, the assets and liabilities of the EBT have been included in the group's financial statements. As the loans to the EBT and their loans to the sub fund are deemed irrecoverable the results of the EBT for the year ended 31 March 2009 were £nil (2008: £nil).

For the year ended 31 March 2009, the following transactions were undertaken by the EBT:

	2009	2008
	£	£
Contributions received	1,211,718	-
Cash remitted to beneficiaries	(1,211,718)	-
	<hr/>	<hr/>
Funds under control at 31 March	-	-
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BLUE CHIP CUSTOMER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

26 RESULTS OF PARENT COMPANY

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year amounted to £296,979 (2008: £449,225).

During the year there has been two significant payments made in respect of the new EBT and the EMI scheme. If these payments were added back the trading results before taxation for the year would have been reported as follows:

Group	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Profit on ordinary activities before taxation	1,194,633	892,049
Payments made to the EBT	1,211,718	-
FRS 20 charge	43,390	258,688
PROFIT BEFORE EBT PAYMENT, FRS 20 CHARGE AND TAXATION	2,449,741	1,150,737
Company	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Profit on ordinary activities before taxation	1,019,459	673,113
Payments made to the EBT	1,211,718	-
FRS 20 charge	43,390	258,688
PROFIT BEFORE EBT PAYMENT, FRS 20 CHARGE AND TAXATION	2,274,567	931,801