

REGISTERED NO. 02957435

PENSIONS AND ACTUARIAL SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 2007

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PENSIONS AND ACTUARIAL SERVICES LIMITED

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PENSIONS AND ACTUARIAL SERVICES LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st December 2007

The directors submit their report and the audited financial statements of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITY

The company's principal activity is the development and sale of specialist computer software in the pensions and actuarial industry

RESULTS AND DIVIDENDS

The profit for the year after tax of £454,000 will be taken to retained reserves (2006 £423,000) No dividends were paid during the year (2006 £Nil) The directors do not recommend the payment of a final dividend (2006 £Nil)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

In accordance with the special provisions of Part VII of the Companies Act relating to small companies, the company has taken advantage of the exemption from providing a full business review

DIRECTORS

The directors who served during the year and up to the date of signing these financial statements were

T Abraham	(Appointed 27th March 2007)
S Cooke	(Appointed 31st August 2007)
J M Winn	(Resigned 27th March 2007)
S P Edkins	(Resigned 31st August 2007)

STATEMENT OF 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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

PENSIONS AND ACTUARIAL SERVICES LIMITED

REPORT OF THE DIRECTORS (Cont'd)

For the year ended 31st December 2007

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

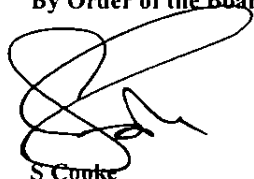
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By Order of the Board



S Cooke
Company Secretary

13 October 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENSIONS AND ACTUARIAL SERVICES LIMITED

We have audited the financial statements of Pensions and Actuarial Services Limited for the year ended 31st December 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London

15 October 2008

PENSIONS AND ACTUARIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2007

	Note	2007 £000	2006 £000
Turnover	2	1,934	1,601
Cost of sales		<u>(1,166)</u>	<u>(970)</u>
Gross profit		768	631
Administrative expenses		<u>(256)</u>	<u>(98)</u>
Operating profit	3	512	533
Interest receivable and similar income	6	140	59
Interest payable and similar charges	7	<u>(3)</u>	<u>-</u>
Profit on ordinary activities before taxation		649	592
Tax charge on profit on ordinary activities	8	<u>(195)</u>	<u>(169)</u>
Retained Profit for the financial year	15	<u>454</u>	<u>423</u>

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical costs equivalent

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

All amounts relate to continuing operations

PENSIONS AND ACTUARIAL SERVICES LIMITED

BALANCE SHEET

As at 31st December 2007

	Note	2007 £000	2006 £000
Fixed assets			
Tangible assets	9	4	10
Investments	10	-	-
		<u>4</u>	<u>10</u>
Current assets			
Debtors	11	2,829	1,692
Cash at bank and in hand		-	77
		<u>2,829</u>	<u>1,769</u>
Creditors:			
Amounts falling due within one year	12	<u>(1,344)</u>	<u>(744)</u>
Net current assets		<u>1,485</u>	<u>1,025</u>
Total Assets less Current Liabilities		<u>1,489</u>	<u>1,035</u>
Capital and reserves:			
Called up share capital	14	-	-
Profit and loss account	15	<u>1,489</u>	<u>1,035</u>
Total equity shareholders' funds	16	<u>1,489</u>	<u>1,035</u>

The financial statements on pages 4 to 13 were approved by the board of directors on and were signed on its behalf by

13 October 2008



S Cooke
Director

PENSIONS AND ACTUARIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2007

1 ACCOUNTING POLICIES

(a) Accounting Convention

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently applied throughout the year

(b) Revenue Recognition

Licences

Licence revenue arising from agreements involving insignificant development work not essential to the core functionality of the system delivered is recognised when the software is delivered, provided collectability is probable. Where development work is significant and is essential to the functionality of the software being delivered, licence and development revenue arising thereon is recognised using the percentage of completion method of accounting. Revenue recognition occurs in direct proportion to the services delivered and to be delivered under the agreement over the period of time taken to complete the work. Full provision is made for all foreseeable losses.

Services

If development and consulting services are provided on a time and materials basis the revenue arising thereon is recognised as the services are provided. If such services are provided under a fixed price contract then revenue is recognised on a percentage of completion basis.

Maintenance

Revenue arising from software maintenance agreements is recognised rateably over the relevant period of the maintenance contract.

Deferred Income on Contracts

Deferred income represents support fees billed in advance for periods of up to 12 months, licence fees billed which do not fulfil the revenue recognition criteria, other fees invoiced in advance for which services will be rendered within the next 12 months, and the amount by which progress payments and any provisions for foreseeable losses on contracts exceeds revenue recognised.

(c) Amounts Recoverable on Contracts

Amounts recoverable on contracts represents revenue recognised, which has not yet been invoiced to clients, less progress billings, and is separately disclosed within debtors.

The amounts recoverable on fixed price contracts is adjusted to take up profit to date or foreseeable losses in accordance with the revenue recognition accounting policy.

(d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful economic life. Depreciation is generally calculated on a straight-line basis on the original cost of the assets over the following period:

Computer Equipment & Software	3 years
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(e) Investment in Subsidiary Undertakings

Investments in subsidiary undertakings are recorded at cost less any provision for impairment. The directors perform an impairment review each year.

(f) System Development

Computer programming and development costs are written off in the profit and loss account as incurred.

PENSIONS AND ACTUARIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

1 ACCOUNTING POLICIES (Cont'd)

(g) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(h) Pensions

The company makes defined contributions to a number of Group personal pension plans. The assets of these plans are held separately from those of the company in independently administered funds.

(i) Cash flow Statement and Related Parties

The company is a wholly owned subsidiary of DST Systems Inc. and is included in the consolidated financial statements of DST Systems Inc., which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996). The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', which requires the disclosure of the details of material transactions between the reporting entity and any related parties, on the grounds that it is a wholly owned subsidiary of DST Systems Inc.

(j) Foreign Currency

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

(k) Consolidated Accounts

The financial statements contain information about DST International Group Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, DST Group LLP, a limited liability partnership incorporated in England and Wales.

PENSIONS AND ACTUARIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

2 TURNOVER

All turnover is derived from the United Kingdom. No analysis of turnover by class of business is given because, in the opinion of the directors, there is only one class of business.

3 OPERATING PROFIT

Operating profit is stated after charging / (crediting)	2007 £000	2006 £000
Wages and salaries	761	670
Social security costs	77	81
Other pension costs (note 1)	66	28
Staff Costs	904	779
Auditors' remuneration		
- audit services	5	5
Depreciation of tangible fixed assets		
- owned	6	11
Loss on sale of fixed assets	-	2

4 STAFF NUMBERS

The average monthly number of persons employed by the company (including directors) during the year, split by activity, was

	2007 Number	2006 Number
Analysts/Programmers	11	11

At the end of the period £6,000 (2006: £5,000) was owed to the defined contribution pension scheme providers.

5 DIRECTORS' EMOLUMENTS

None of the directors received any emoluments for their services as directors of the company during the year (2006: £Nil). The directors were remunerated by other group companies and no recharges were made. It is not possible to apportion the proportion of the directors' work that was done for the company.

PENSIONS AND ACTUARIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £000	2006 £000
Interest receivable from group undertakings	135	54
Bank interest	5	5
	<u>140</u>	<u>59</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £000	2006 £000
Interest payable to group undertakings	3	-

8 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2007 £000	2006 £000
(a) Analysis of charge for the year		
Current tax		
UK corporation tax on profits of the year	196	179
Total Current Tax Charge	<u>196</u>	<u>179</u>
Deferred Tax		
Accelerated capital allowances	(1)	(10)
Total Deferred Tax (note 13)	<u>(1)</u>	<u>(10)</u>
Tax charge on profit on ordinary activities	<u>195</u>	<u>169</u>

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2006 higher) than the standard rate of corporation tax in the United Kingdom of 30% (2006 30%). The differences are explained below

Profit on ordinary activities before tax	649	592
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2006 30%)	<u>195</u>	<u>178</u>
<i>Effects of</i>		
Origination and reversal of timing differences	1	-
Expenses not deductible for tax purposes	<u>-</u>	<u>1</u>
Total Current Tax Charge for the year	<u>196</u>	<u>179</u>

PENSIONS AND ACTUARIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

9. TANGIBLE ASSETS

	Computer Equipment & Machinery £000
Cost	
At 1st January and 31st December 2007	<u>21</u>
Accumulated depreciation	
At 1st January 2007	11
Charged in year	<u>6</u>
At 31st December 2007	<u>17</u>
Net Book Value:	
At 31st December 2007	<u>4</u>
At 31st December 2006	<u>10</u>

10. INVESTMENT

The investment is 100% of the share capital of Pension Scheme Information Services Limited, a company incorporated in England and Wales, which no longer has any activities. The holding value is £19 (2006 £19). The directors believe that the nominal book value of the investments is not less than the value of the underlying net assets.

11. DEBTORS

	2007 £000	2006 £000
Trade debtors	692	383
Amounts owed by group undertakings	2,057	1,189
Other debtors	1	10
Deferred tax (note 13)	11	10
Prepayments and accrued income	<u>68</u>	<u>100</u>
	<u>2,829</u>	<u>1,692</u>

Intercompany debtors are unsecured, interest bearing at the US Prime Rate and repayable on demand.

PENSIONS AND ACTUARIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2007 £000	2006 £000
Trade creditors	34	3
Amounts owed to group undertakings	831	262
Corporation tax	100	179
Other taxation and social security	89	-
Other creditors	57	60
Accruals and deferred income	233	240
	<u>1,344</u>	<u>744</u>

Intercompany creditors are unsecured, interest free and repayable on demand

13 DEFERRED TAXATION

A deferred tax asset is recognised in the accounts as follows

	2007 £000	2006 £000
Accelerated capital allowances	<u>11</u>	<u>10</u>
Deferred tax asset	<u>11</u>	<u>10</u>
At 1st January	10	
Credit to profit and loss account	<u>1</u>	
Asset At 31st December	<u>11</u>	

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future to realise the deferred tax asset, therefore the asset has been recognised in these financial statements

A factor that will affect future tax charges is the change of the standard rate of corporation tax in the UK to 28% with effect from 1st April 2008

PENSIONS AND ACTUARIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

14 CALLED UP SHARE CAPITAL	2007	2006
	£	£
(A) AUTHORISED		
100,000 ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>
(B) ALLOTTED, CALLED UP AND FULLY PAID		
11,900 ordinary shares of 1p each	<u>119</u>	<u>119</u>
15 PROFIT AND LOSS ACCOUNT	2007	
	£000	
At 1st January	1,035	
Retained profit for the financial year	<u>454</u>	
At 31st December	<u>1,489</u>	
16 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2007	2006
	£000	£000
Opening equity shareholders' funds	1,035	612
Retained profit for the financial year	<u>454</u>	<u>423</u>
Closing equity shareholders' funds	<u>1,489</u>	<u>1,035</u>

17 OPERATING LEASE COMMITMENTS

The company had no operating lease commitments during the year

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is DST International Group Services Limited, a company incorporated in England and Wales

The ultimate parent undertaking and controlling party is DST Systems Inc, a company incorporated in the USA

DST Systems Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31st December 2007. The consolidated financial statements of DST Systems Inc are available from 333 W 11th Street, Kansas City, Missouri, 64105-1594, USA

DST Group LLP is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of DST Group LLP can be obtained from DST House, St Mark's Hill, Surbiton, Surrey, KT6 4QD, UK