

REGISTERED NUMBER: 3261946 (England and Wales)

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007
FOR
PARTNERS IN IT LTD

THURSDAY



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31/01/2008
COMPANIES HOUSE

PARTNERS IN IT LTD

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for the year ended 31 March 2007

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PARTNERS IN IT LTD

COMPANY INFORMATION
for the year ended 31 March 2007

DIRECTORS:
I G Macdonald
P D Cash
P Jenkins
L M Donnelly

SECRETARY:
L M Donnelly

REGISTERED OFFICE:
7 Bracknell Beeches
Old Bracknell Lane
Bracknell
Berkshire
RG12 7BW

REGISTERED NUMBER:
3261946 (England and Wales)

AUDITORS:
Griffins
Chartered Accountants & Registered Auditor
Griffins Court
24-32 London Road
NEWBURY
Berkshire
RG14 1JX

PARTNERS IN IT LTD

REPORT OF THE DIRECTORS for the year ended 31 March 2007

The directors present their report with the accounts of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of information technology consultancy, support and software product sales

REVIEW OF BUSINESS

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

This year saw the company make tremendous progress towards meeting strategic targets but at the same time improving underlying profitability

Strategically the board expanded the services offered by the company from Product, Services and Support to also include Managed Services that have been marketed as On Demand services. The rationale of this decision is to increase the recurring revenues that the business can rely upon on a year to year basis

The Managed Services investment during the course of the year was substantial and included hardware, software and services to create a highly available resilient platform that can be used to deliver a variety of services. The first customer contracted to receive the service this year has proven to be very successful, generating good quality references and recommendations

During the course of the year the company has changed its existing accounting policy in relation to support contracts sold together with product sales to reflect changes in regulatory requirements. The principle now to be applied is that the support element of the product sales will now be time apportioned over the period to which the support contract relates. This then ensures that revenue is recognised at the same time the cost of support is incurred, over the life of the contract. The financial effect of this is that revenue of support contracts sold with products is no longer recognised when it is invoiced, but time apportioned over the life of the contract.

The change of accounting policy requires that the company restates its previous year's financial statements on the basis that the correct policy was used in prior years. This adjustment is shown in the accounts as a Prior Year Adjustment. The effect of this is that the previous year's figures now show a trading loss

Our key supplier, Hewlett-Packard, has executed a number of large acquisitions in the last year and we anticipate that the integration of these businesses may have a slowing effect on the demand for some products in the year to come. We have seen this slow down in demand in the last quarter of the year and we anticipate that it will be towards the end of 2007 that the integration issues will be resolved. However, once this transition period is complete we anticipate increased opportunities for Product and Services as a result of new additions to the HP product portfolio, strengthening HP and our capability in the market and increased demand for Services to assist customers with the transition to new Product releases

The development of the On Demand services has expanded our addressable customer base and we anticipate that in the year to come we will see growth in annuity revenues and the number of available services

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2007

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2006 to the date of this report.

I G Macdonald
P D Cash
P Jenkins
L M Donnelly

PARTNERS IN IT LTD

**REPORT OF THE DIRECTORS
for the year ended 31 March 2007**

DIRECTORS - continued

Other changes in directors holding office are as follows

P J Lawler - resigned 18 December 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 these 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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:


L M Donnelly - Secretary

Date 19/12/07

**REPORT OF THE INDEPENDENT AUDITORS TO
PARTNERS IN IT LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to twenty, together with the financial statements of Partners In IT Ltd for the year ended 31 March 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Griffins

Chartered Accountants & Registered Auditor

Griffins Court

24-32 London Road

NEWBURY

Berkshire

RG14 1JX

Date

19/12/07

PARTNERS IN IT LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2007

		2007	2006 as restated
	Notes	£	£
GROSS PROFIT		2,125,805	1,681,279
Administrative expenses		<u>1,788,708</u>	<u>1,820,143</u>
OPERATING PROFIT/(LOSS)	3	337,097	(138,864)
Interest receivable and similar income		<u>27,716</u>	<u>19,732</u>
		364,813	(119,132)
Interest payable and similar charges	4	<u>13,452</u>	<u>2,695</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		351,361	(121,827)
Tax on profit/(loss) on ordinary activities	5	<u>48,038</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>303,323</u>	<u>(121,827)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts

PARTNERS IN IT LTD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2007

	2007	2006 as restated
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	303,323	(121,827)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	303,323	(121,827)
Prior year adjustment	(239,479)	
	63,844	

Note
6

The notes form part of these abbreviated accounts


PARTNERS IN IT LTD


ABBREVIATED BALANCE SHEET
31 March 2007


		2007		2006 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		304,946		194,497
CURRENT ASSETS					
Stocks	8	87,777		-	
Debtors	9	2,426,270		2,921,919	
Cash at bank		1,336,156		456,910	
		<u>3,850,203</u>		<u>3,378,829</u>	
CREDITORS					
Amounts falling due within one year	10	<u>3,455,922</u>		<u>3,082,201</u>	
NET CURRENT ASSETS			<u>394,281</u>		<u>296,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>699,227</u>		<u>491,125</u>
CREDITORS					
Amounts falling due after more than one year	11		(104,658)		(82,890)
PROVISIONS FOR LIABILITIES	15		<u>(2,131)</u>		<u>-</u>
NET ASSETS			<u><u>592,438</u></u>		<u><u>408,235</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		719		959
Share premium	17		2,311		2,311
Capital redemption reserve	17		240		-
Profit and loss account	17		<u>589,168</u>		<u>404,965</u>
SHAREHOLDERS' FUNDS	19		<u><u>592,438</u></u>		<u><u>408,235</u></u>


These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 19/12/07 and were signed on its behalf by


I G Macdonald - Director


P D Cash - Director


L M Donnelly - Director


P Jenkins - Director

The notes form part of these abbreviated accounts

PARTNERS IN IT LTD

CASH FLOW STATEMENT
for the year ended 31 March 2007

		2007		2006 as restated	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		1,197,435		87,645
Returns on investments and servicing of finance	2		14,264		17,037
Taxation			(26,412)		(47,495)
Capital expenditure	2		(244,739)		(219,254)
			<u>940,548</u>		<u>(162,067)</u>
Financing	2		(61,302)		105,957
Increase/(Decrease) in cash in the period			<u>879,246</u>		<u>(56,110)</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		879,246		(56,110)	
Cash inflow from increase in debt and lease financing		<u>(57,817)</u>		<u>(105,957)</u>	
Change in net funds resulting from cash flows			<u>821,429</u>		<u>(162,067)</u>
Movement in net funds in the period			821,429		(162,067)
Net funds at 1 April			<u>350,953</u>		<u>513,020</u>
Net funds at 31 March			<u>1,172,382</u>		<u>350,953</u>

The notes form part of these abbreviated accounts

PARTNERS IN IT LTD

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2007

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006 as restated
	£	£
Operating profit/(loss)	337,097	(138,864)
Depreciation charges	133,832	81,922
Loss/(Profit) on disposal of fixed assets	457	(5,162)
Increase in stocks	(87,777)	-
Decrease/(Increase) in debtors	522,061	(1,304,837)
Increase in creditors	291,765	1,454,586
Net cash inflow from operating activities	<u>1,197,435</u>	<u>87,645</u>

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

	2007	2006 as restated
	£	£
Returns on investments and servicing of finance		
Interest received	27,716	19,732
Interest paid	(13,452)	(2,695)
Net cash inflow for returns on investments and servicing of finance	<u>14,264</u>	<u>17,037</u>
Capital expenditure		
Purchase of tangible fixed assets	(244,739)	(226,743)
Sale of tangible fixed assets	-	7,489
Net cash outflow for capital expenditure	<u>(244,739)</u>	<u>(219,254)</u>
Financing		
New loans in year	-	83,137
Loan repayments in year	(15,337)	-
Capital repayments in year	73,155	22,820
Share issue	(240)	-
Share buyback	(118,880)	-
Net cash (outflow)/inflow from financing	<u>(61,302)</u>	<u>105,957</u>

The notes form part of these abbreviated accounts

PARTNERS IN IT LTD

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2007

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/06	Cash flow	At
	£	£	31/3/07
			£
Net cash			
Cash at bank	456,910	879,246	1,336,156
	<u>456,910</u>	<u>879,246</u>	<u>1,336,156</u>
Debt:			
Hire purchase	(22,820)	(73,155)	(95,975)
Debts falling due within one year	(15,339)	(1,351)	(16,690)
Debts falling due after one year	(67,798)	16,689	(51,109)
	<u>(105,957)</u>	<u>(57,817)</u>	<u>(163,774)</u>
Total	<u>350,953</u>	<u>821,429</u>	<u>1,172,382</u>

The notes form part of these abbreviated accounts

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Improvements to leasehold property	- over the length of the lease
Fixtures and fittings	- 25% on cost
Computer equipment	- Straight line over 3 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2 STAFF COSTS

	2007	2006 as restated
	£	£
Wages and salaries	3,029,644	2,868,365
Social security costs	45,357	48,901
Other pension costs	77,854	79,250
	<u>3,152,855</u>	<u>2,996,516</u>

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

2. STAFF COSTS - continued

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

	2007	2006 as restated
Management	4	5
Sales	6	7
Finance and Administration	3	3
Consultants	17	19
Support	6	2
	<u>36</u>	<u>36</u>

3 OPERATING PROFIT/(LOSS)

The operating profit (2006 - operating loss) is stated after charging/(crediting)

	2007	2006 as restated
	£	£
Hire of plant and machinery	100	100
Depreciation - owned assets	96,545	76,391
Depreciation - assets on hire purchase contracts	37,288	5,531
Loss/(Profit) on disposal of fixed assets	457	(5,162)
Foreign exchange differences	-	922
Auditor's remuneration	10,400	4,200
	<u>385,931</u>	<u>413,419</u>
Directors' emoluments	11,500	10,583
Directors' pension contributions to money purchase schemes	<u>11,500</u>	<u>10,583</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2007	2006 as restated
	£	£
Emoluments etc	126,380	145,308
Pension contributions to money purchase schemes	<u>2,500</u>	<u>2,500</u>

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006 as restated
	£	£
Bank interest	-	25
Bank loan interest	13,452	2,670
	<u>13,452</u>	<u>2,695</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2007	2006 as restated
	£	£
Current tax		
UK corporation tax	45,907	-
Deferred tax	2,131	-
Tax on profit/(loss) on ordinary activities	<u>48,038</u>	<u>-</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007	2006 as restated
	£	£
Profit/(loss) on ordinary activities before tax	<u>351,361</u>	<u>(121,827)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2006 - 0%)	66,759	-
Effects of		
Depreciation	25,514	-
Non allowable expenses	3,791	-
Capital Allowances	(26,050)	-
Losses brought forward	(24,107)	-
Current tax charge	<u>45,907</u>	<u>-</u>

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

6 PRIOR YEAR ADJUSTMENT

In order to comply with correct income recognition principals the income and related costs on support contracts sold together with product sales are now being accounted for in the accounting period to which they relate. Previously the whole of the income was recognised in the initial year of the contract. As a result of the adjustments the following balance sheet items have been affected

	£	PYA £
1) Deferred Income		
At 1 April 2006 (as previously stated)	674,980	
Prior year adjustment - Contracts	1,212,429	1,212,429
- Rebates	43,621	43,621
At 1 April 2006 restated	1,931,030	
Movements in the year	443,200	
As at 31 March 2007	2,374,230	
2) Other Debtors		
At 1 April 2006 (as previously stated)	174,828	
Prior year adjustment	14,834	(14,834)
At 1 April 2006 restated	189,662	
Movements in the year	(66,225)	
As at 31 March 2007	123,437	
3) Prepayments and Accrued Income		
At 1 April 2006 (as previously stated)	141,532	
Prior year adjustment	975,325	(975,325)
At 1 April 2006 restated	1,116,857	
Movements in the year	160,185	
As at 31 March 2007	1,277,042	
4) Corporation Tax		
As at 1 April 2006 (as previously stated)	26,412	
Prior year adjustment	(26,412)	(26,412)
At 1 April 2006 restated	NIL	
Movement in year	38,194	
As at 31 March 2007	38,194	
Total Prior Year Adjustment		239,479

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

7 TANGIBLE FIXED ASSETS

	Improvements to leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2006	-	135,350	237,347	372,697
Additions	2,349	2,148	240,242	244,739
Disposals	-	-	(747)	(747)
At 31 March 2007	2,349	137,498	476,842	616,689
DEPRECIATION				
At 1 April 2006	-	25,181	153,019	178,200
Charge for year	587	32,908	100,338	133,833
Eliminated on disposal	-	-	(290)	(290)
At 31 March 2007	587	58,089	253,067	311,743
NET BOOK VALUE				
At 31 March 2007	1,762	79,409	223,775	304,946
At 31 March 2006	-	110,169	84,328	194,497

The depreciation rate for the computer equipment changed at the start of the year from straight line over 2 years to straight line over 3 years. Had the change not been made the profit for the year would have been £45,370 less due to the higher level of depreciation.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2006	10,831	16,721	27,552
Additions	-	104,421	104,421
At 31 March 2007	10,831	121,142	131,973
DEPRECIATION			
At 1 April 2006	1,355	4,176	5,531
Charge for year	2,708	34,580	37,288
At 31 March 2007	4,063	38,756	42,819
NET BOOK VALUE			
At 31 March 2007	6,768	82,386	89,154
At 31 March 2006	9,476	12,545	22,021

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

8 STOCKS

	2007	2006 as restated
	£	£
Software for resale	<u>87,777</u>	<u>-</u>

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006 as restated
	£	£
Trade debtors	999,379	1,615,400
Other debtors	123,437	189,662
Tax	26,412	-
Prepayments and accrued income	988,072	1,031,666
Amounts recoverable under contracts	<u>288,970</u>	<u>85,191</u>
	<u>2,426,270</u>	<u>2,921,919</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006 as restated
	£	£
Bank loans and overdrafts (see note 12)	16,690	15,339
Hire purchase contracts (see note 13)	42,426	7,728
Trade creditors	528,145	631,006
Tax	45,907	-
Social security and other taxes	196,013	239,963
Other creditors	38,582	38,379
Accrued expenses	213,929	218,756
Deferred income	<u>2,374,230</u>	<u>1,931,030</u>
	<u>3,455,922</u>	<u>3,082,201</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006 as restated
	£	£
Bank loans (see note 12)	51,109	67,798
Hire purchase contracts (see note 13)	<u>53,549</u>	<u>15,092</u>
	<u>104,658</u>	<u>82,890</u>

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

12 LOANS

An analysis of the maturity of loans is given below

	2007	2006 as restated
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>16,690</u>	<u>15,339</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>51,109</u>	<u>67,798</u>

13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2007	2006 as restated
	£	£
Net obligations repayable		
Within one year	<u>42,426</u>	<u>7,728</u>
Between one and five years	<u>53,549</u>	<u>15,092</u>
	<u>95,975</u>	<u>22,820</u>

The following operating lease payments are committed to be paid within one year:

	2007	2006 as restated
	£	£
Expiring:		
Between one and five years	<u>55,176</u>	<u>49,995</u>

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

14 SECURED DEBTS

The following secured debts are included within creditors

	2007	2006 as restated
	£	£
Bank loans	67,799	83,137
Hire purchase contracts	95,975	22,820
	<u>163,774</u>	<u>105,957</u>

The loans are secured against the assets to which they relate

15 PROVISIONS FOR LIABILITIES

	2007	2006 as restated
	£	£
Deferred tax	<u>2,131</u>	<u>-</u>
		Deferred tax
		£
Provision in year		<u>2,131</u>
Balance at 31 March 2007		<u>2,131</u>

16 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007	2006 as restated
			£	£
10,125	Ordinary	10p	<u>1,013</u>	<u>1,013</u>
Allotted, issued and fully paid Number	Class	Nominal value	2007	2006 as restated
			£	£
7,195 (2006 - 9,590)	Ordinary	10p	<u>719</u>	<u>959</u>

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

17 RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2006	644,444	2,311	-	646,755
Prior year adjustment	(239,479)			(239,479)
	<u>404,965</u>			<u>407,276</u>
Profit for the year	303,323			303,323
Purchase of own shares	(119,120)	-	240	(118,880)
	<u>589,168</u>	<u>2,311</u>	<u>240</u>	<u>591,719</u>
At 31 March 2007				

18 TRANSACTIONS WITH DIRECTORS

During the year the company incurred £5,490 (2006 £20,004) fees from Collaborate Limited P J Lawler has a material interest in this company

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 as restated £
Profit/(Loss) for the financial year	303,323	(121,827)
Purchase of own shares	(119,120)	-
Net addition/(reduction) to shareholders' funds	184,203	(121,827)
Opening shareholders' funds (originally £647,714 before prior year adjustment of £(239,479))	<u>408,235</u>	<u>530,062</u>
Closing shareholders' funds	<u>592,438</u>	<u>408,235</u>

20 CAPITAL REDEMPTION RESERVE

Purchase of own shares

During the year 2,395 Ordinary 10p shares were purchased by the company for a total consideration of £119,120

The reason for the purchase was the acquisition of the shares in relation to departing participators

PARTNERS IN IT LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the year ended 31 March 2007

21 PURCHASE OF OWN SHARES

During the year the following amounts were paid by the company to buy back shares from participators wishing to leave

Date	No of Shares	Consideration
December 2006	1200	66,000
April 2006	320	6,410
January 2007	875	46,710

The April 2006 and January 2007 tranches of shares were purchased by the company during the year and transferred to trustees, but have been subsequently bought back by the company after the year end and therefore are disclosed as a buyback of shares in this year