

Company Registration No 03397518 (England and Wales)

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	A Page R Holland K Whyte (Appointed 31 March 2008)
Secretary	Capita Company Secretarial Services Limited
Company number	03397518
Registered office	71 Victoria Street Westminster London SW1H 0XA
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Herbert Smith Exchange House Primrose Street London EC2A 2HS

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The company is a wholly owned subsidiary (indirectly held) of The Capita Group Plc and operates within the group's Insurance & Specialist Services division

The principal activity of the company continued to be that of registered insurance brokers including the sale and development of general insurance products to the professional insurance intermediary market. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 5, the company's turnover has decreased by 4% over the prior year and operating profit has decreased by 2% from £2,006,010 to £1,968,291 over the same period.

The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net assets have increased by 156% to £2,378,732. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 8 and 9 to the financial statements.

Key performance indicators used by The Capita Group Plc are operating margins, free cash flow, capital expenditure and return on capital employed. The Capita Group Plc and its subsidiaries manage its operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Insurance & Specialist Services division of The Capita Group Plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

Results and dividends

The results for the year are set out on page 5.

No interim ordinary dividend was paid during the year (2006: £1,000,000). No final ordinary dividend was paid during the year (2006: £1,000,000).

Environment

The Capita Group Plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report which does not form part of this Report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in note 17 to the financial statements.

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors

The following directors have held office since 1 January 2007

A Page

R Holland

J D Damer

A M Pell

K Whyte

(Appointed 31 March 2008)

(Resigned 2 January 2007)

(Resigned 31 March 2008)

Auditors

In accordance with section 487(2) of the Companies Act 2006, the auditors, Ernst & Young LLP, will be deemed to be reappointed and therefore continue in office

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

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

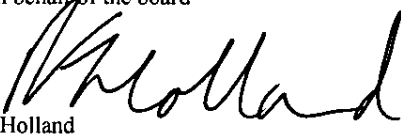
Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he might reasonably be expected to take as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Qualifying 3rd party indemnity provisions

The Capita Group Plc has granted an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



R Holland

Director

11 July 2008

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.


Ernst & Young LLP

Registered Auditor

London

16 July 2008

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	3,954,523	4,121,144
Cost of sales		(364,099)	(334,062)
Gross profit		3,590,424	3,787,082
Administrative expenses		(1,622,133)	(1,781,072)
Operating profit	3	1,968,291	2,006,010
Other interest receivable and similar income	4	112,663	82,884
Profit on ordinary activities before taxation		2,080,954	2,088,894
Tax on profit on ordinary activities	5	(631,908)	(634,640)
Profit for the year	13	1,449,046	1,454,254

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

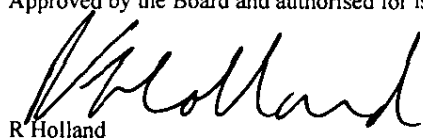
CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	7	51,435	30,201
Current assets			
Debtors	8	238,548	765,002
Cash at bank and in hand		3,038,455	1,084,345
		<u>3,277,003</u>	<u>1,849,347</u>
Creditors: amounts falling due within one year	9	<u>(949,706)</u>	<u>(945,372)</u>
Net current assets		<u>2,327,297</u>	<u>903,975</u>
Total assets less current liabilities		<u>2,378,732</u>	<u>934,176</u>
Provisions for liabilities	10	<u>-</u>	<u>(4,490)</u>
		<u>2,378,732</u>	<u>929,686</u>
Capital and reserves			
Called up share capital	12	1,366	1,366
Share premium account	13	399,845	399,845
Other reserves	13	300,214	300,214
Profit and loss account	13	1,677,307	228,261
Shareholders' funds	14	<u>2,378,732</u>	<u>929,686</u>

Approved by the Board and authorised for issue on 11 July 2008



R Holland
Director

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, The Capita Group Plc, has prepared a group cashflow statement in accordance with FRS1 (revised)

1.2 Changes in accounting policies

The company has adopted the following new Financial Reporting Standards issued by the UK Accounting Standards Board. Adoption of these standards did not have any effect on the financial position of the company

Amendment to FRS 26 (IAS 39) Financial Instruments Measurement Recognition and Derecognition - This amendment has the aim of keeping the text of the UK Standard in line with that of the International Standard IAS 39 and is effective for accounting periods beginning on or after 1 January 2007

FRS 29 (IFRS 7) Financial Instruments Disclosures - This standard requires disclosures that enable users of the financial statements to evaluate the significance of the company's financial instruments and the nature and extent of risks arising from those financial instruments. As FRS 29 is a disclosure standard, there is no impact of that change in accounting policy on the company's financial position. The company has taken advantage of the exemption allowed by paragraph 2D (a) of FRS 29 not to make these disclosures in its own financial statements as the publicly available consolidated financial statements of The Capita Group Plc include the required disclosures for the group

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently

1.4 Turnover

Turnover, which excludes value added tax, comprises brokerage commission and fees earned from the sale of insurance solutions and other risk management services to the education sector and other commercial organisations

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	over the life of the lease
Plant and machinery	3-5 years
Fixtures, fittings & equipment	4-5 years

1.6 Leasing

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

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

1 Accounting policies

(continued)

1.7 Pensions

The company operates defined contribution pension schemes and contributions are charged to the profit and loss account in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the company.

The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking of The Capita Group Plc, which pays the group liability centrally. Any unpaid pension contributions at the year end have been accrued in the accounts of that company.

1.8 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more or less likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold,

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

1.9 Marketing Funds

Under the agreement between the company and the insurers with whom it places business, a percentage of the insurance premiums is retained by the company for the sole purpose of marketing supply teacher insurance. These amounts are designated as the marketing fund, and included within turnover.

Any balance outstanding on the marketing fund at the end of the period of the agreement is to be either repaid to the insurers or carried forward to subsequent years for the sole purpose of marketing and is included in accruals and deferred income.

1.10 Insurance Assets and Liabilities

The company acts as an agent in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, cash, debtors and creditors arising from insurance transactions are shown as assets and liabilities. This is in line with generally accepted accounting practice by Insurance Intermediaries.

1.11 Related party transactions

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

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

1 Accounting policies

(continued)

1.12 Share based payments

The company participates in various share option and sharesave schemes operated by The Capita Group Plc, the ultimate parent undertaking. Details of these schemes are contained in the group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with The Capita Group Plc, the ultimate parent undertaking.

In accordance with FRS 20, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to intercompany which better describes the underlying nature of the transaction.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	25,850	58,645
Operating lease rentals		
- Plant and machinery	7,848	-
- Other assets	87,933	78,112

Audit fees are borne by the ultimate parent undertaking, The Capita Group Plc. The audit fee for the current period was £2,000 (2006 £2,000). The company has taken advantage of the exemption provided by the Companies (Disclosure of Auditor Remuneration) Regulations 2005 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 1985.

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

4	Investment income	2007	2006
		£	£
	Bank interest	112,663	82,884
		<u> </u>	<u> </u>
5	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	624,369	639,804
	Adjustment for prior years	10,010	2,166
		<u> </u>	<u> </u>
	Current tax charge	634,379	641,970
		<u> </u>	<u> </u>
	Deferred tax		
	Deferred tax charge / (credit)	7,106	(4,532)
	Adjustment to deferred tax in respect of the previous period	(9,577)	(2,798)
		<u> </u>	<u> </u>
		(2,471)	(7,330)
		<u> </u>	<u> </u>
	Tax charge for the year	631,908	634,640
		<u> </u>	<u> </u>
	Factors affecting the current tax charge for the year		
	Profit on ordinary activities before taxation	2,080,954	2,088,894
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	624,286	626,668
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	6,495	8,604
	Depreciation in excess of capital allowances	2,204	12,897
	Adjustments to previous periods	10,010	2,166
	Other timing differences	(8,616)	(8,365)
		<u> </u>	<u> </u>
		10,093	15,302
		<u> </u>	<u> </u>
	Current tax charge	634,379	641,970
		<u> </u>	<u> </u>

The UK corporation tax rate decreased from 30% to 28% on 1 April 2008. The deferred tax balance has been adjusted in the current year to reflect this change resulting in a charge to the profit and loss account of £693 included in the current year deferred tax charge.

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

6	Dividends	2007 £	2006 £
	Ordinary interim paid	-	1,000,000
	Ordinary final paid	-	1,000,000
		<u>-</u>	<u>2,000,000</u>

7	Tangible fixed assets	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
	Cost				
	At 1 January 2007	13,654	299,832	23,860	337,346
	Additions	-	19,078	28,006	47,084
	Disposals	(13,654)	(282,687)	(16,042)	(312,383)
		<u>-</u>	<u>36,223</u>	<u>35,824</u>	<u>72,047</u>
	At 31 December 2007	-	36,223	35,824	72,047
	Depreciation				
	At 1 January 2007	13,654	281,769	11,722	307,145
	On disposals	(13,654)	(282,687)	(16,042)	(312,383)
	Charge for the year	-	12,504	13,346	25,850
		<u>-</u>	<u>11,586</u>	<u>9,026</u>	<u>20,612</u>
	At 31 December 2007	-	11,586	9,026	20,612
	Net book value				
	At 31 December 2007	<u>-</u>	<u>24,637</u>	<u>26,798</u>	<u>51,435</u>
	At 31 December 2006	<u>-</u>	<u>18,063</u>	<u>12,138</u>	<u>30,201</u>

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

8 Debtors	2007	2006
	£	£
Trade debtors	147,917	76,526
Amounts owed by parent and fellow subsidiary undertakings	54,130	559,439
VAT	19,473	-
Prepayments and accrued income	7,327	121,807
Deferred tax asset (see note 10)	9,701	7,230
	<u>238,548</u>	<u>765,002</u>
9 Creditors amounts falling due within one year	2007	2006
	£	£
Trade creditors	40,335	1,134
Amounts owed to parent and fellow subsidiary undertakings	43,064	40,288
Corporation tax	697,216	668,297
Other taxes and social security costs	1,195	12,500
Other creditors	595	4,517
Accruals and deferred income	167,301	218,636
	<u>949,706</u>	<u>945,372</u>

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

10 Provisions for liabilities and charges

	Pension obligations	Deferred tax	Total
	£	£	£
Balance at 1 January 2007	4,490	(7,230)	(2,740)
Profit and loss account	(4,490)	(2,471)	(6,961)
Balance at 31 December 2007	-	(9,701)	(9,701)

The pension obligation provision was in respect of one pension mis-selling case investigated by the company

The deferred tax asset (included in debtors, note 8) is made up as follows

	2007	
	£	
Balance at 1 January 2007	(7,230)	
Profit and loss account	(2,471)	
Balance at 31 December 2007	(9,701)	

	2007	2006
	£	£
Decelerated capital allowances	(5,644)	(2,883)
Other timing differences	(4,057)	(4,347)
	(9,701)	(7,230)

11 Pension costs

Defined contribution

	2007	2006
	£	£
Contributions payable by the company for the year	61,355	62,622

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

12 Share capital	2007	2006
	£	£
Authorised		
11,974,807 Ordinary shares of 2 5p each	299,370	299,370
51,300 A Ordinary shares of 2 5p each	1,283	1,283
11,893 B Ordinary shares of 2 5p each	297	297
	<u>300,950</u>	<u>300,950</u>
Allotted, called up and fully paid		
42,750 A Ordinary shares of 2 5p each	1,069	1,069
11,893 B Ordinary shares of 2 5p each	297	297
	<u>1,366</u>	<u>1,366</u>
13 Statement of movements on reserves		
	Share premium account	Other reserves (see below)
	£	£
Balance at 1 January 2007	399,845	300,214
Profit for the year	-	-
	<u>399,845</u>	<u>300,214</u>
Balance at 31 December 2007	<u>399,845</u>	<u>300,214</u>
Other reserves		
Capital redemption reserve		
Balance at 1 January 2007 & at 31 December 2007		<u>300,214</u>
14 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	1,449,046	1,454,254
Dividends	-	(2,000,000)
Contribution in respect of share based payment charge	19,172	18,910
Settlement of share based payment charge by intercompany	(19,172)	(18,910)
	<u>1,449,046</u>	<u>(545,746)</u>
Net addition to/(depletion in) shareholders' funds	<u>1,449,046</u>	<u>(545,746)</u>
Opening shareholders' funds	929,686	1,475,432
	<u>2,378,732</u>	<u>929,686</u>
Closing shareholders' funds	<u>2,378,732</u>	<u>929,686</u>

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

15 Financial commitments

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

	Land and buildings			Other
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire				
Between two and five years	62,094	78,112	18,091	-

16 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services	210,570	365,696
Company pension contributions to money purchase schemes	16,337	12,879
	226,907	378,575

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

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

Emoluments for qualifying services	126,312	151,602
Company pension contributions to money purchase schemes	9,075	-

CAPITA ABSENCE MANAGEMENT SERVICES LIMITED

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

17 Employees

Number of employees

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

	2007 Number	2006 Number
Sales	9	10
Operations	14	15
Admin	6	7
	<u>29</u>	<u>32</u>

Employment costs

	2007 £	2006 £
Wages and salaries	982,915	1,033,972
Social security costs	106,479	126,184
Other pension costs	61,355	62,622
Share based payments	19,172	18,910
	<u>1,169,921</u>	<u>1,241,688</u>

18 Control

The immediate parent company is Capita Commercial Services Limited (formerly Capita Insurance Services Limited), a company incorporated in England and Wales, and the ultimate parent company is The Capita Group Plc, a company incorporated in England and Wales

The financial statements of The Capita Group Plc are available from the registered office at 71 Victoria Street, London SW1H 0XA