

Company Registration No: 4319682

IT INCORPORATED LIMITED

Report and Financial Statements

28 April 2007



**Deloitte & Touche LLP
Leeds**

IT INCORPORATED LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

CONTENTS

Officers and professional advisers	1
Director's report	2
Statement of directors' responsibilities	4
Independent Auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Reconciliation of movements in equity shareholders' funds	8
Notes to the financial statements	9

IT INCORPORATED LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

P H Morris

SECRETARY

T E Hosking
W C Ellis

Resigned 31 May 2007
Appointed 17 July 2007

REGISTERED OFFICE

Humber Road
Barton on Humber
North Lincolnshire
DN18 5BW

BANKERS

HSBC plc
8 Canada Square
London
E14 5HQ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

IT INCORPORATED LIMITED

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the 52 week period ended 28 April 2007.

PRINCIPAL ACTIVITIES

During the period the company has continued to provide and develop a range of Information Technology and communication services to companies operating in the construction market sector

The company is now able to offer a range of strategic managed and professional outsourced services which deliver business benefit through a detailed knowledge of our customers requirements

During the year the company has traded predominantly with other group companies whilst continuing to invest in improvements to the business process and systems in preparation for securing work outside the group. It is anticipated that during the forthcoming twelve months IT Incorporated will start to generate higher levels of income from external customers.

The major risks associated with the business will mirror those faced by our customers. An unexpected downturn in the construction industry would lead to reduced demand for our products and services and ultimately impact on profitability. Annual charges alone provide sufficient levels of income and margin in order that a small profit can be made but low levels of activity in areas such as installations, project work and development would have a significant impact on the company's ability to maintain profits at the current levels.

On 24 July 2006 Birse Group plc was acquired by Balfour Beatty plc

On 1 January 2008 the trade and assets of the company were transferred to another group company. These financial statements have therefore been prepared on a basis other than going concern.

DIRECTORS

The present membership of the Board is as set out on page 1

Mr A J Chipps resigned as a director on 21 December 2007 and was replaced on that day by Mr P H Morris

DIVIDEND

The director does not recommend a final dividend (2006 £428 per share)

TAXATION STATUS

As far as the director is aware, the company is not a close company for taxation purposes

EMPLOYEES

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to the applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Appropriate training is arranged for disabled persons and employees who become disabled, including retraining for alternative work, with the objective of promoting their career development within the organisation.

Employees are encouraged to discuss with management any matters about which they are concerned and factors affecting the Company. In addition, the Board takes account of employees' interests when making decisions, and the employees are informed of the Company's performance on a regular basis. Suggestions from employees aimed at improving the Company's performance are encouraged.

Full and fair consideration is given to all applicants for employment, irrespective of colour or creed.

IT INCORPORATED LIMITED

DIRECTOR'S REPORT (continued)

SUPPLIER PAYMENT POLICY

Where appropriate to the circumstances prevailing, it is the policy of the company to place orders with suppliers in documented form and process such orders for payment in accordance with terms and conditions set out therein

The trade creditors at 28 April 2007 represent 55 creditor days (2006 65 days) based on the total amounts invoiced by suppliers during the year

TREASURY

The company's treasury operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise borrowings, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The company does not use interest rate swaps to manage the interest rate risks arising from the company's operations.

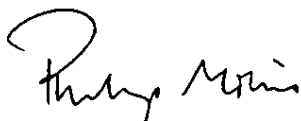
AUDITORS

In the case of each of the persons who is a director of the company at the date when this report was approved

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Director



Director

25 February 2008

IT INCORPORATED LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IT INCORPORATED LIMITED

We have audited the financial statements of IT Incorporated Limited for the period ended 28 April 2007 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' funds, the statement of total recognised gains and losses and the related notes 1 to 19. 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 director and auditors

As described in the statement of director's responsibilities the company's director is responsible for the preparation of the 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 United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the director's 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 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 judgements 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.

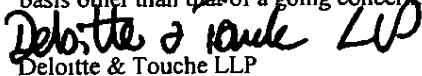
Opinion

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 28 April 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements.

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Leeds

28 February 2008

IT INCORPORATED LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 28 April 2007

	Note	Period ended 28 April 2007 £'000	Year ended 30 April 2006 £'000
TURNOVER	2	4,875	5,387
Cost of sales		(2,993)	(3,096)
Gross profit		1,882	2,291
Administrative expenses		(1,742)	(1,255)
OPERATING PROFIT	4	140	1,036
Net interest receivable	5	71	24
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		211	1,060
Tax on profit on ordinary activities	6	(155)	(323)
PROFIT AFTER TAXATION FOR THE FINANCIAL PERIOD/YEAR		56	737
Dividends	7	-	(428)
RETAINED PROFIT FOR THE PERIOD/YEAR	14	56	309
Retained profit brought forward	14	1,228	919
Retained profit carried forward	14	1,284	1,228

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The results above comprise the total recognised gains and losses in the current financial period and the preceding financial year

IT INCORPORATED LIMITED

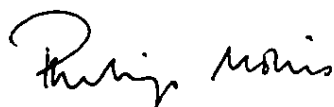
BALANCE SHEET

As at 28 April 2007

	Note	28 April 2007 £'000	30 April 2006 £'000
FIXED ASSETS			
Intangible assets	8	-	294
Tangible assets	9	98	209
		<u>98</u>	<u>503</u>
CURRENT ASSETS			
Debtors	10	4,172	2,087
Cash at bank and in hand		2,207	1,861
		<u>6,379</u>	<u>3,948</u>
CREDITORS. amounts falling due within one year	11	<u>(5,192)</u>	<u>(3,222)</u>
NET CURRENT ASSETS		<u>1,187</u>	<u>726</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,285</u>	<u>1,229</u>
NET ASSETS		<u>1,285</u>	<u>1,229</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Profit and loss account	14	1,284	1,228
EQUITY SHAREHOLDERS' FUNDS		<u>1,285</u>	<u>1,229</u>

These financial statements were approved by the Director on 25 February 2008

Signed by the Director



P Morris

Director

IT INCORPORATED LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

Period ended 28 April 2007

	28 April 2007 £'000	30 April 2006 £'000
Profit for the financial period/year	56	737
Dividends	-	(428)
	<hr/>	<hr/>
Net addition to equity shareholders' funds	56	309
Opening equity shareholders' funds	1,229	920
	<hr/>	<hr/>
CLOSING EQUITY SHAREHOLDERS' FUNDS	1,285	1,229

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 April 2007

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention in accordance with the reporting requirements of the Companies Act 1985, together with applicable United Kingdom accounting standards

A summary of the principal accounting policies is set out below. All of these have been applied consistently throughout the period and the preceding year. The company transferred its trade and assets to another group company on 1 January 2008. As required by FRS 18, "Accounting Policies", the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Goodwill

Goodwill representing the excess of the purchase consideration over the fair value of net assets acquired, less any provision for impairment, is capitalised and amortised over its estimated useful life of 20 years.

Cash flow statement

The company is exempt from the requirement of FRS 1 (Revised) to prepare a cash flow statement, as it is a wholly owned subsidiary undertaking of Balfour Beatty plc which prepares publicly available consolidated financial statements.

Tangible fixed assets

Fixed assets are stated at cost less provision for any impairment and depreciation. Depreciation is provided on a straight line basis over the estimated useful lives of the assets concerned. The annual rates of depreciation are as follows:

Fixtures and fittings	20% - 33%
Leasehold property	Over the life of the lease

Lease and hire purchase contracts

Fixed assets leased under finance leases or acquired under hire purchase contracts are capitalised at the total amount of instalments payable under the related agreement (excluding finance charges) and depreciated in accordance with the above policy. Finance charges are expensed to the profit and loss account over the period of the lease at the appropriate rate on the remaining balance of the obligation. Operating lease rentals are written off as incurred.

Pension costs

Employees of the company are eligible for membership of a defined benefit funded pension scheme managed on a group basis. Details of that scheme, including particulars of the relevant actuarial valuation, are contained in the financial statements of the ultimate parent company.

As the company's share of the underlying assets and liabilities of the scheme cannot be identified, the scheme has been treated for reporting purposes as a defined contribution scheme.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided on amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that 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 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.

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 April 2007

2 TURNOVER

Turnover is calculated on the basis of the value of work executed during the year within the United Kingdom excluding value added tax. Turnover is recognised on the transfer of goods and services to the third party.

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2007 £'000	2006 £'000
Directors' emoluments		
Remuneration	152	112
Pension contributions	9	7
	<u>161</u>	<u>119</u>

The director is a member of the Group's defined benefit pension scheme.

	No.	No.
Average number of persons employed		
Administration	5	5
Production	27	26
	<u>32</u>	<u>31</u>
	£'000	£'000

Staff costs during the year (including directors)

Wages and salaries	1,158	983
Social security costs	187	156
Pension costs	85	63
	<u>1,430</u>	<u>1,202</u>

4. OPERATING PROFIT

	2007 £'000	2006 £'000
Operating profit is stated after charging:		
Depreciation		
Owned assets	148	240
Leased assets	17	80
Amortisation and impairment of goodwill	294	18
Rentals under operating leases		
Other	91	89
Auditors' remuneration		
Audit fees	4	3
	<u></u>	<u></u>

5. NET INTEREST RECEIVABLE/(PAYABLE)

	2007 £'000	2006 £'000
Bank interest receivable	79	60
Finance leases and hire purchase contracts	(8)	(36)
	<u>71</u>	<u>24</u>

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 April 2007

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
Corporation tax		
Group Relief at 30% on profits for the year	279	421
Deferred tax		
Timing differences, origination and reversal	(125)	(97)
Adjustments to prior year	1	(1)
Tax charge on profit for the year	<u>155</u>	<u>323</u>

Factors affecting tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax of 30%. The differences are explained below

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	<u>211</u>	<u>1,060</u>
Expected tax charge	63	318
Expenses not deductible for tax purposes	91	7
Capital allowances in excess of depreciation	50	96
Movement in STTDs	75	-
Current tax charge on profit on ordinary activities	<u>279</u>	<u>421</u>

7. DIVIDENDS

	2007 £'000	2006 £'000
Dividends paid at £nil (2006 £428) per £1 ordinary share	<u>-</u>	<u>428</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £'000
Cost	
At 1 May 2006 and 28 April 2007	<u>367</u>
Amortisation	
At 1 May 2006	73
Charge for the period	18
Impairment	276
At 28 April 2007	<u>367</u>
Net book value	
At 28 April 2007	<u>-</u>
At 30 April 2006	<u>294</u>

During the period management have reassessed the useful economic life of the goodwill and determined that the balance should be fully impaired

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 April 2007

9. FIXED ASSETS

	Leasehold property £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 May 2006	108	3,069	3,177
Additions	-	54	54
	<u>108</u>	<u>3,123</u>	<u>3,231</u>
At 28 April 2007			
Depreciation			
At 1 May 2006	74	2,894	2,968
Charge for the period	22	143	165
	<u>96</u>	<u>3,037</u>	<u>3,133</u>
At 28 April 2007			
Net book value			
At 28 April 2007	<u>12</u>	<u>86</u>	<u>98</u>
At 30 April 2006	<u>34</u>	<u>175</u>	<u>209</u>

The net book value of fixed assets included in respect of finance leases and hire purchase contracts is £7,000 (2006 £24,000).

10. DEBTORS

	2007 £'000	2006 £'000
Amounts owed by ultimate parent and fellow subsidiary undertakings	2,774	674
Prepayments and accrued income	172	296
Other debtors	3	18
Deferred tax (note 12)	1,223	1,099
	<u>4,172</u>	<u>2,087</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Trade creditors	451	509
Amounts owed to ultimate parent and fellow subsidiary undertakings	4,141	1,973
Other taxation and social security	251	598
Accruals and deferred income	349	125
Obligations under finance leases and hire purchase contracts	-	17
	<u>5,192</u>	<u>3,222</u>

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 April 2007

12. DEFERRED TAXATION

	2007 £'000	2006 £'000
At 1 May 2006	1,099	1,001
Profit and loss account	124	98
At 28 April 2007	<u>1,223</u>	<u>1,099</u>
Deferred taxation provided in the accounts is at the rate of 30% (2006 30%)		
	2007 £'000	2006 £'000
Capital allowances	1,148	1,099
Short term timing differences	75	-
	<u>1,223</u>	<u>1,099</u>

There is no unprovided deferred tax (2006 nil)

The deferred tax assets recognised are based upon the estimated tax losses of the business that can be relieved or upon those differences that will reverse in the foreseeable future after taking into account the historical performance of the business

13. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Called up, allotted and fully paid		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

14. MOVEMENTS ON RESERVES

	Profit and loss account £'000
Balance at 1 May 2006	1,228
Profit for the period	56
Balance at 28 April 2007	<u>1,284</u>

15. CONTINGENT LIABILITIES, GUARANTEES AND SECURITY

The company, along with other members of the group registered in England, is party to a facility agreement with the Group's bankers under which the company is jointly and severally liable for any borrowings provided thereby

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 April 2007

16. PENSION SCHEME

Qualifying employees of the company were eligible to become members of the Birse Group Retirement Benefit Scheme ('Birse Scheme') a defined benefit pension scheme. The company was unable to identify its share of underlying assets and liabilities of the scheme and accordingly accounted for the scheme as if it were a defined contribution scheme

On 5 April 2007 the Birse Scheme was transferred to the Balfour Beatty Pension Fund ('BBPF') The BBPF is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently In the period since transfer of the Birse Scheme to the BBPF the company has accounted for its contributions to the BBPF as if it were a defined contribution scheme because it was not possible to accurately identify the company's share of the assets and liabilities in the scheme for the period 5 April to 28 April 2007

Following the transfer of the Birse Scheme to the BBPF employer contribution rates increased from 12.7% to 16.6% on the date of transfer Employee contribution rates are expected to remain the same as before the transfer

The actuarial valuation of the BBPF was updated to 31 December 2006 on the basis prescribed by IAS 19 This indicated that the scheme had net liabilities of £188 million For further information on the BBPF refer to the Balfour Beatty plc 2006 Annual Report and Accounts note 25

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available in FRS 8 not to disclose transactions with other group companies

There were no other related party transactions in the current or prior year

18. ULTIMATE PARENT COMPANY

In the opinion of the directors, the company's ultimate parent company is consider Balfour Beatty plc, a company registered in England and Wales, and this is the only company that prepares consolidated financial statements which include the accounts for the company Copies of the group accounts of Balfour Beatty plc are available from its head office at 130 Wilton Road, London, SW1V 1LQ The immediate parent company is Birse Group plc

19. POST BALANCE SHEET EVENT

On 1 January 2008 the trade and assets of the company were transferred to another group company Accordingly, as disclosed in note 1, the financial statements have been prepared on a basis other than a going concern