

Company Registration No: 4319682

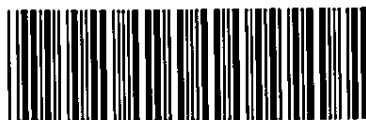
IT INCORPORATED LIMITED

Report and Financial Statements

Period ended 31 December 2007

**Deloitte & Touche LLP
Leeds**

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IT INCORPORATED LIMITED
REPORT AND FINANCIAL STATEMENTS 2007
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IT INCORPORATED LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

P H Morris

SECRETARY

W C Ellis

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 35 week period ended 31 December 2007

PRINCIPAL ACTIVITIES

The results for the period are set out in the profit and loss account on page 6 On 20 September 2007 the company changed its accounting reference date to 31 December These financial statements have therefore been prepared for the 35 week period to 31 December 2007

In the period to 31 December 2007 the Company supplied IT support services to companies within the Balfour Beatty Group

During the period the services previously offered by IT Incorporated Ltd were combined with the existing Balfour Beatty Civil Engineering IT support services to offer one central IT support infrastructure to the whole of Balfour Beatty Civil Engineering

On 1 January 2008 the trade and assets of the company were transferred to Balfour Beatty Group Limited, another group company at book value Following the transfer the company ceased trading These financial statements have therefore been prepared on a basis other than a going concern

DIRECTORS

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

The directors who served during the period were as follows

P H Morris Appointed 21 December 2007

A J Chipps Resigned 21 December 2007

T E Hosking resigned as company secretary on 31 May 2007 W C Ellis was appointed company secretary on 17 July 2007

DIVIDEND

The director does not recommend a final dividend (28 April 2007 £nil)

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 31 December 2007 represent 31 creditor days (28 April 2007 55 days) based on the total amounts invoiced by suppliers during the period

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

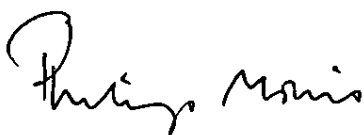
In the case of the person who is a director of the company at the date when this report was approved

- 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.

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

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



P H Morris

Director

13 August 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 35 week period ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, the statement of total recognised gains and losses and the related notes 1 to 17. 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 Director's 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 31 December 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.

Debit & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

14 August 2008

IT INCORPORATED LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 31 December 2007

	Note	35 weeks ended 31 December 2007 £'000	52 weeks ended 28 April 2007 £'000
TURNOVER	2	3,232	4,875
Cost of sales		(2,047)	(2,993)
Gross profit		1,185	1,882
Administrative expenses		(453)	(1,742)
OPERATING PROFIT	4	732	140
Net interest receivable	5	27	71
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		759	211
Tax on profit on ordinary activities	6	(191)	(155)
PROFIT AFTER TAXATION FOR THE FINANCIAL PERIOD	13	568	56

The above results relate to discontinued activities

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

IT INCORPORATED LIMITED

BALANCE SHEET

As at 31 December 2007

	Note	31 December 2007 £'000	28 April 2007 £'000
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	52	98
		<u>52</u>	<u>98</u>
CURRENT ASSETS			
Debtors	9	2,134	4,172
Cash at bank and in hand		803	2,207
		<u>2,937</u>	<u>6,379</u>
CREDITORS: amounts falling due within one year	10	<u>(1,136)</u>	<u>(5,192)</u>
NET CURRENT ASSETS		<u>1,801</u>	<u>1,187</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,853</u>	<u>1,285</u>
NET ASSETS		<u>1,853</u>	<u>1,285</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and loss account	13	1,852	1,284
SHAREHOLDERS' FUNDS		<u>1,853</u>	<u>1,285</u>

These financial statements were approved by the Director on 13 August 2008

Signed by the Director

Philip Morris

Director

IT INCORPORATED LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Period ended 31 December 2007

	35 weeks ended 31 December 2007 £'000	52 weeks ended 28 April 2007 £'000
Profit for the financial period	568	56
Net addition to shareholders' funds	568	56
Opening shareholders' funds	1,285	1,229
CLOSING SHAREHOLDERS' FUNDS	1,853	1,285

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 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 current and preceding period. 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.

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.

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.

2. TURNOVER

Turnover, derived from the principal activity, 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.

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	35 weeks ended 31 December 2007 £'000	52 weeks ended 28 April 2007 £'000
Directors' emoluments		
Remuneration	125	152
Pension contributions	8	9
	<u>133</u>	<u>161</u>
	No.	No.
Average number of persons employed		
Administration	3	5
Production	23	27
	<u>26</u>	<u>32</u>
	£'000	£'000
Staff costs during the period (including directors)		
Wages and salaries	744	1,158
Social security costs	106	187
Pension costs	75	85
	<u>925</u>	<u>1,430</u>

All of the employees working for the company are employed by another group company and recharged as appropriate. At 31 December the company had no employees (28 April 2007: nil)

4. OPERATING PROFIT

	35 weeks ended 31 December 2007 £'000	52 weeks ended 28 April 2007 £'000
Operating profit is stated after charging:		
Depreciation		
Owned assets	39	148
Leased assets	7	17
Amortisation and impairment of goodwill	-	294
Rentals under operating leases		
Other	62	91
Auditors' remuneration		
Audit fees	6	4
	<u>6</u>	<u>4</u>

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

5. NET INTEREST RECEIVABLE

	35 weeks ended 31 December 2007 £'000	52 weeks ended 28 April 2007 £'000
Bank interest receivable	27	79
Finance leases and hire purchase contracts	-	(8)
	<u>27</u>	<u>71</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	35 weeks ended 31 December 2007 £'000	52 weeks ended 28 April 2007 £'000
Corporation tax		
United Kingdom corporation tax at 30% on profits for the period	46	279
Adjustment in respect of prior years	(40)	-
	<u>6</u>	<u>279</u>
Deferred tax		
Timing differences, origination and reversal	182	(125)
Adjustment to prior year	3	1
	<u>191</u>	<u>155</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

	35 weeks ended 31 December 2007 £'000	52 weeks ended 28 April 2007 £'000
Profit on ordinary activities before tax	<u>759</u>	<u>211</u>
Expected tax charge	228	63
Expenses not deductible for tax purposes	-	91
Capital allowances in excess of depreciation	(182)	50
Movement in STTDs	-	75
Adjustment in respect of prior years	(40)	-
	<u>6</u>	<u>279</u>

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

7. INTANGIBLE FIXED ASSETS

	Goodwill £'000
Cost	
At 29 April 2007 and 31 December 2007	367
Amortisation	
At 29 April 2007 and 31 December 2007	367
Net book value	
At 28 April 2007 and 31 December 2007	-

8. FIXED ASSETS

	Leasehold property £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 29 April 2007 and 31 December 2007	108	3,123	3,231
Depreciation			
At 29 April 2007	96	3,037	3,133
Charge for the period	12	34	46
At 31 December 2007	108	3,071	3,179
Net book value			
At 31 December 2007	-	52	52
At 28 April 2007	12	86	98

The net book value of fixed assets included in respect of finance leases and hire purchase contracts is £nil (28 April 2007 £7,000)

9. DEBTORS

	31 December 2007 £'000	28 April 2007 £'000
Amounts owed by ultimate parent and fellow subsidiary undertakings	844	2,774
Prepayments and accrued income	135	172
Other debtors	117	3
Deferred tax (note 11)	1,038	1,223
	2,134	4,172

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2007 £'000	28 April 2007 £'000
Trade creditors	294	451
Amounts owed to ultimate parent and fellow subsidiary undertakings	375	4,141
Other taxation and social security	96	251
Accruals and deferred income	371	349
	1,136	5,192

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

11. DEFERRED TAXATION

	31 December 2007 £'000	28 April 2007 £'000
At the start of the period	1,223	1,099
Profit and loss account	(185)	124
At the end of the period	<u>1,038</u>	<u>1,223</u>
Deferred taxation provided in the accounts is at the rate of 28% (28 April 2007 28%)		
	31 December 2007 £'000	28 April 2007 £'000
Capital allowances	963	1,148
Short term timing differences	<u>75</u>	<u>75</u>
	<u>1,038</u>	<u>1,223</u>

There is no unprovided deferred tax (28 April 2007 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

12. CALLED UP SHARE CAPITAL

	31 December 2007 £'000	28 April 2007 £'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>

13. MOVEMENTS ON RESERVES

	Profit and loss account £'000
Balance at 29 April 2007	1,284
Profit for the period	<u>568</u>
Balance at 31 December 2007	<u>1,852</u>

14. 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

15. 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 period

IT INCORPORATED LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

16. ULTIMATE PARENT COMPANY

In the opinion of the director, 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.

17. 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. The assets were transferred out at their book value and consequently there is no gain or loss on disposal.