

Itility Limited

Abbreviated Accounts
for the Year Ended 31 December 2008

MONDAY



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19/10/2009

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COMPANIES HOUSE

Haines Watts (Lancashire) LLP
Registered Auditors
Northern Assurance Buildings
9/21 Princess Street
Manchester
M2 4DN

ITILITY LIMITED

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**INDEPENDENT AUDITORS' REPORT TO
ILITY LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Iility Limited, set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 December 2008 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 246 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 sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions 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

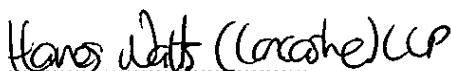
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.

Other information

On 7 October 2009 we reported as the auditor to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our report included the following paragraph:

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements. The group incurred a net loss of £1,520,557 during the year ended 31 December 2008 and in addition is likely to breach its debt covenants for a short period in the near future. The holding company has entered into constructive discussions with the bank which include a temporary waiver of the covenants. The holding company's borrowings are secured by a cross guarantee between a number of its subsidiaries including Iility Limited. These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.



Haines Watts (Lancashire) LLP
Registered Auditors

Date: 7/10/09

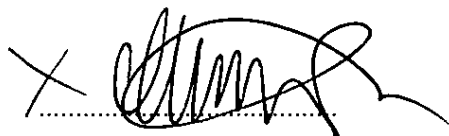
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ITILITY LIMITED
ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2008

| | | 31 December 2008 | | 31 December 2007 | |
|--|------|------------------|-----------------|------------------|-----------------|
| | Note | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | | 56,317 | | 88,189 | |
| Cash at bank and in hand | | <u>23,423</u> | | <u>19,997</u> | |
| | | | 79,740 | | 108,186 |
| Creditors: Amounts falling due within one year | 2 | | <u>(79,459)</u> | | <u>(88,009)</u> |
| Net current assets | | | 281 | | 20,177 |
| Creditors: Amounts falling due after more than one year | 2 | | <u>(49,074)</u> | | <u>(61,111)</u> |
| Net liabilities | | | <u>(48,793)</u> | | <u>(40,934)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 3 | | 100 | | 100 |
| Profit and loss reserve | | | <u>(48,893)</u> | | <u>(41,034)</u> |
| Shareholders' deficit | | | <u>(48,793)</u> | | <u>(40,934)</u> |

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 22.09.09 and signed on its behalf by:



M Stott
Director

ITILITY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Going concern

The company incurred a loss for the year ended 31 December 2008 and at that date had net liabilities of £47,811. The company is dependent on the continued financial support of another group company. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that might be necessary if the other group company was not to provide further support.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the provision of software development and support services to customers. The company did not trade during the current year.

2 Creditors

Included in the creditors are the following amounts due after more than five years:

| | 31 December 2008 £ | 31 December 2007 £ |
|---|-----------------------------------|-----------------------------------|
| After more than five years by instalments | <u>4,630</u> | <u>16,667</u> |

Included within creditors are secured creditors of £60,185 (2007 £72,222).

3 Share capital

| | 31 December 2008 £ | 31 December 2007 £ |
|---|-----------------------------------|-----------------------------------|
| Authorised | | |
| Equity | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| Equity | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

UTILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

..... continued

4 Related parties

Controlling entity

The company's immediate and ultimate parent company is Select Group International limited.