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# **UNDERGROUND PROFESSIONAL SERVICES LIMITED**

**Company Registration No. 4969901**

## **REPORT AND FINANCIAL STATEMENTS**

**For the YEAR ENDED 31 December 2007**

**TUESDAY**



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**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2007**

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**COMPANY INFORMATION**

**Directors**

Colin Michael Eddie  
David Kevin Mulligan  
Paul Whitmore

**Secretary**

Isobel Mary Nettleship

**Registered Office**

Kent House  
14-17 Market Place  
London  
W1W 8AJ

**Independent Auditors**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
St Albans

**Head Office**

Morgan Sindall plc  
Kent House  
14-17 Market Place  
London  
W1W 8AJ

## **DIRECTORS' REPORT**

**For the year ended 31 December 2007**

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

### **Principal activity, review of developments and future prospects**

In the year to 31 December 2007, Underground Professional Services Limited has provided a comprehensive range of expert and technical services to the international community

The results for the year were as follows

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Turnover	<b>1,606</b>	538
Pre tax profit	<b>176</b>	50
Net assets	<b>179</b>	47
Cash at bank	<b>824</b>	60

In the opinion of the Directors, the state of affairs of the company is satisfactory and the outlook for 2008 is positive

### **Dividends**

The directors do not recommend payment of a final dividend (2006 £nil)

### **Directors**

The directors who served during the year are shown on page 1

Underground Professional Services Limited has adopted Articles of Association, the provisions of which do not require the directors to retire by rotation or to retire at the first Annual General Meeting after their appointment

### **Employment policies**

The Company insists that a policy of equal opportunity employment is demonstrably evident at all times. Selection criteria and procedures and training opportunities are designed to ensure that all individuals are selected, treated and promoted on the basis of their merits, abilities and potential

### **Creditor payment policy**

The Company's policy is to clearly agree and set down the terms of payment with suppliers and subcontractors when agreeing the terms for each transaction and to make payments in accordance with its obligations, save in the case of genuine dispute

As at 31 December 2007 the company's number of creditor days outstanding was equivalent to 48 days' purchases (2006 14 days), based on the average daily amount invoiced by suppliers during the year

**DIRECTORS' REPORT (Continued)**  
For the year ended 31 December 2007

**Statement of Director's responsibilities**

The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company [and of the group] and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed
- (d) 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.

**Auditors and disclosure of information to auditors**

In the case of each of the persons who are directors of the company at the date when this report was approved

- So far as each director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware
- Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information 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.

**Auditors**

The auditors, Deloitte & Touche LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming Annual General Meeting.

**By order of the board**



I M Nettleship  
Company Secretary  
19 June 2008

**INDEPENDENT AUDITORS' REPORT TO  
THE MEMBERS OF UNDERGROUND PROFESSIONAL SERVICES LIMITED**

We have audited the financial statements of Underground Professional Services Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of Movement in Shareholders Funds, Principal Accounting Policies and the related notes 1 to 10. 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 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.

**INDEPENDENT AUDITORS' REPORT TO  
THE MEMBERS OF UNDERGROUND PROFESSIONAL SERVICES LIMITED (Continued)**

**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, and
- 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

**Deloitte & Touche LLP**

*Deloitte Touche LLP*

Chartered Accountants and Registered Auditors  
St Albans, United Kingdom

*30 June* 2008

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2007**

	Notes	2007 £	2006 £
Turnover	1	1,606,133	537,787
Net operating costs		(1,443,229)	(488,478)
<b>Operating profit</b>	<b>2</b>	<u>162,904</u>	<u>49,309</u>
Bank interest receivable		13,344	1,032
Interest payable and similar charges		(115)	(4)
<b>Profit on ordinary activities before taxation</b>		<u>176,133</u>	<u>50,337</u>
Tax on profit on ordinary activities	5	(43,533)	(15,101)
<b>Profit on ordinary activities after taxation</b>	<b>7</b>	<u>132,600</u>	<u>35,236</u>

The results for the period derive from continuing operations

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented



**BALANCE SHEET**  
**31 December 2007**

	Notes	2007 £	2006 £
<b>Current Assets</b>			
Debtors	3	553,445	507,142
Cash at bank and in hand		<u>823,663</u>	<u>60,192</u>
		1,377,108	567,334
<b>Creditors</b>			
Amounts falling due within one year	4	(1,197,637)	(520,463)
<b>Net Assets</b>		<u>179,471</u>	<u>46,871</u>
<b>Capital and Reserves</b>			
Called up share capital	6	1	1
Profit and loss account	7	179,470	46,870
<b>Shareholders' Funds</b>		<u>179,471</u>	<u>46,871</u>

Approved by the Board on 19 JUNE 2008



Colin Michael Eddie, Director



David Kevin Mulligan, Director

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**For the year ended 31 December 2007**

	<b>Notes</b>	<b>2007 £</b>	<b>2006 £</b>
Opening shareholders' funds		46,871	11,635
Profit on ordinary activities after taxation		132,600	35,236
<b>Closing shareholders' funds</b>		<u>179,471</u>	<u>46,871</u>

**PRINCIPAL ACCOUNTING POLICIES**  
**For the year ended 31 December 2007**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

**Cash flow statement**

The Company has taken advantage of the exemption given under FRS 1 (revised) not to produce a cash flow statement as the Company's ultimate parent undertaking, Morgan Sindall plc, publishes a consolidated cash flow statement

**Turnover**

Turnover is defined as the value of goods and services rendered excluding VAT. Turnover is recognised in the period to which it relates and is calculated on a time served or lump sum basis. Where lump sums are involved, turnover is recognised on a percentage complete basis.

**Deferred taxation**

Deferred taxation is provided in full on timing differences which 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 the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2007

**1. Analysis of turnover and loss on ordinary activities before taxation**

All turnover and loss on ordinary activities before taxation relates to the company's principal activity carried out in the UK

	2007 £	2006 £
<b>Turnover by destination</b>		
United Kingdom	1,606,133	532,945
Iceland	-	4,842
	<u>1,606,133</u>	<u>537,787</u>

**2. Operating profit**

Auditors' remuneration has been borne by other group companies for the current year (£2,000) and preceding year (£2,000)

**3. Debtors**

	2007 £	2006 £
Trade debtors	122,098	345,215
Accrued income	431,346	161,926
Called up share capital not paid	1	1
	<u>553,445</u>	<u>507,142</u>

**4. Creditors**

	2007 £	2006 £
<b>Amounts falling due within one year:</b>		
Amounts owed to group undertakings	910,458	326,859
Corporation tax	58,634	15,101
Other taxation and social security	67,983	30,160
Other creditors	1,471	20,231
Accruals and deferred income	159,091	128,112
	<u>1,197,637</u>	<u>520,463</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 December 2007**

**5. Tax on profit on ordinary activities**

	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
<b>Current taxation</b>		
UK corporation tax charged for the period	43,533	15,101
	<u>43,533</u>	<u>15,101</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current year is less than the standard rate for the reasons set out in the following reconciliation

Profit on ordinary activities before taxation	<u>176,133</u>	<u>50,337</u>
Tax on profit on ordinary activities at 30%	52,840	15,101
Factors affecting charge for the period		
Adjustments to tax charge in respect of previous periods	(9,307)	-
	<u>43,533</u>	<u>15,101</u>

**6. Called Up Share Capital**

	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>
<b>Allotted and called up</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 December 2007**

**7. Profit and Loss Account**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Balance as at 1 January	46,870	11,634
Retained profit for the period	132,600	35,236
Balance as at 31 December	<u>179,470</u>	<u>46,870</u>

**8. Directors' remuneration**

The Directors are not entitled to any remuneration from the Company. There are no employees of the company.

**9. Ultimate parent company**

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall plc, which is registered in England and Wales. Copies of the group financial statements of this company may be obtained from Kent House, 14-17 Market Place, London, W1W 8AJ.

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Morgan Sindall plc.

**10. Related party transactions**

In the ordinary course of business, the company has traded with its ultimate parent company Morgan Sindall plc, a company registered in England and Wales, together with its subsidiaries. The company has taken advantage of the exemption available in FRS 8 relating to the disclosure of transactions with group companies.