4077975

Steria Limited

Report and Accounts

For the 8 months ended 31 December 2007

Registered Office:
Three Cherry Trees Lane
Hemel Hempstead
Hertfordshire
HP2 7AH
Registered in England no. 4077975

Steria Limited

Report of the Directors

The Directors are pleased to present their report and accounts for the 8 months ended 31 December 2007.

Activities and Review of the Business
The principal activities of the Company are the provision of computing and consultancy services.

Steria Ltd is built around the core principle of bringing our technology, process and industry expertise together to enable our clients to do more with their own business. We achieve this in a number of ways:
- Delivering guaranteed cost savings for our clients to invest in other areas of their business.
- Operating key business processes for our clients, thereby freeing up their own resources to focus more on their own strategy and customers.
- Managing and bringing continual innovation to our clients' IT landscape so that they can concentrate on extracting the benefits of the technology through faster market penetration and greater customer care.

The Company's financial key performance indicators reflect its strategy and focus on revenue growth and profitability:

	8 months ended 31st December 2007 £'000	12 months ended 30 April 2007 (restated) £'000
Turnover	**214,062**	308,553
Operating profit/(loss) before exceptional items and share based payments	**296**	(2,658)
Loss before tax	**(10,339)**	(18,223)

Revenue of £214.1 million was up 4.1% from £205.7 million (based on the 12 month period to 30 April 2007 being proportionally decreased to an equivalent 8 month period) and this reflects the impact of new business wins in the year and the full year effect of new contracts started in the previous year.

Our public sector business enjoyed another good performance and our value in this area is reflected by a six year win with the Qualifications and Curriculum Authority (QCA).

As leaders in the provision of shared services in Government, we continue to make excellent progress with NHS Shared Business Services (NHS SBS), our pioneering joint venture with the Department of Health. We continue to grow the number of NHS Trusts serviced by our business and, since the inception of the joint venture in April 2005, transaction volumes have further increased and the business continues to make good progress towards profitability. We are particularly pleased with the award to SBS by the National Outsourcing Association (NOA) as outstanding service provider during the period. Discussions continue with a significant number of other NHS organisations.

In the UK private sector, we continue to see contract renewals in a highly competitive market. During the period we renewed contracts with Thames Water and with British Telecom in the Business Process Outsourcing space. This latter renewal is for a seven year period and underlines the value we bring to our customers in this area. We continue to transition our business towards greater offshore delivery and the costs of this transition have been fully absorbed within our operating expenditure. We have also made excellent progress in growing our Indian operations with almost all of our private sector clients now enjoying the benefits of our offshore capabilities. However, whilst the provision of offshore resources has become a requirement to compete in the sector, we see a distinct competitive advantage from the high level of integration that has been achieved in our onshore and offshore client delivery model over the past ten years. No other organisation can match this level of integration which creates a single and seamless face to our client with very clear accountabilities for delivery.

The loss before tax for the period was in part due to share based payment and exceptional charges. Included in exceptional items are costs of £1.4m resultant from the acquisition of Steria Ltd's ultimate parent by Groupe Steria SCA. The acquisition also led to an increase in the share based payment charge which was £3.7m in total from the 8 month period. Excluding these items the Company generated an operating profit and improved performance against the 12 months to 30 April 2007.

As a people-based business, we track the level of engagement our people have with our business. This is a key performance indicator and has historically been measured twice per year via Xansa's People Poll survey which is open to all employees within Xansa. As a consequence of acquisition of the Company's ultimate parent company during the period, a people poll was not conducted during this accounting period.

The risks facing the Company have been categorised into those involving people and clients. To mitigate people risk, we have a robust succession planning process identifying 'top talent' at all levels within the organisation that ensure development plans are in place and appropriate training provided. To reduce client risk, our business development focus is on securing new clients. At the same time, we are deepening and expanding the scope of Steria's existing client relationships thereby reducing the over-reliance on a small number of clients.

The Company is funded by its ultimate parent company, Groupe Steria SCA, which has indicated its intention to provide ongoing financial support to the Company, which was further supported by the Company's recapitalisation in December 2008. Following the recapitalisation, the company was returned to a healthy net asset position.

Change of name and accounting reference date

The Company's ultimate holding company, Xansa plc, was acquired by Groupe Steria SCA on 17 October 2007. Following the acquisition the Company decided to change its name from Xansa UK Limited to Steria Limited with effect from 1 April 2008. In addition the Company decided to shorten its accounting reference period to end on the 31st December 2007. Therefore these accounts represent the 8 month period to the 31st December 2007.

Results and Dividends

The loss after taxation for the 8 months to 31 December 2007 was £8,156k (12 months to 30 April 2007: Loss £16,289k). No dividends were paid during the period (12 months to 30 April 2007: £13,600,000).

Directors

The Directors of the Company during the period were as follows:-

Mr A R Cox - resigned 4 June 2007
Mrs V Hughes D'Aeth - resigned 21 May 2008
Mr D B Leigh - resigned 14 March 2008
Mr G M Stuart - resigned 17 October 2007
Mr S R Weston - resigned 13 November 2007
Mr J P Torrie - appointed 17 October 2007
Mr D S Ahluwalia - appointed 17 October 2007

After 31 December 2007 the following were appointed to the Board :-

M. F Enaud - appointed 13 March 2008
M. L Lemaire - appointed 13 March 2008
Mr J Moran - appointed 13 March 2008
Mme. S Dangu - appointed 13 March 2008

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is Company policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the period, the policy of providing employees with information about the Group has been continued through the use of the intranet and the Xpression magazine. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participated directly in the business through Xansa's All Employee Share Ownership Plan (AESOP) and were encouraged to invest in the Group through participation in share option schemes. These schemes ended when Xansa plc was acquired by Steria and have been replaced with broadly equivalent schemes in 2008.

Creditor payment policy and practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2007, the Company had an average of 25 days (12 months to 30 April 2007: 18 days) purchases outstanding in trade creditors.

Political and charitable contributions

The Company did not make any political contributions in the 8 months to 31 December 2007 (12 months to 30 Apr 2007: £nil). Charitable donations in the 8 months to 31 December 2007 amounted to £29,365 (12 months to 30 Apr 2007: £66,000).

Post balance sheet events

On 29 December 2008, the Company held meetings as a result of which the Authorised Share Capital was increased from £1,000 to £100 million and the issued share capital was increased by £22 million by the issue of 22,000,000 shares of £1 each at par. On 1 January 2009 the Company acquired the assets, liabilities and business of Steria Services Ltd for £290 million. The consideration was satisfied by the issue of 26,149,684 shares of £1 each.

Auditors

Ernst and Young LLP will be reappointed as the Company's auditors in accordance with the elective resolution passed by the Company under Section 386 of the Companies Act 1985.

By Order of the Board,

A WHITFIELD
Company Secretary
Date 9/3/2009

Steria Limited

Statement of Directors' Responsibilities in respect of the Accounts

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 group and the company and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Steria Ltd

We have audited the company's financial statements for 8 months ended 31st December 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 22. 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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, are properly prepared in accordance with the Companies Act 1985 and whether 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 31st December 2007 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
Date 10 Mar 2008

Steria Limited

Profit and Loss Account

for the 8 months ended 31 December 2007

	Note	8 months ended 31 December 2007 £'000	12 months ended 30 April 2007 (restated) £'000
Turnover	2	**214,062**	308,553
Operating costs		**(215,020)**	(312,930)
Other operating income - rental income		**1,254**	1,719
Share based payments	4	**(3,699)**	(2,518)
Exceptional items	5	**(5,311)**	(15,167)
Operating loss	3	**(8,714)**	(20,343)
Income from investments		**-**	3,700
Net interest	6	**(1,625)**	(1,580)
Loss on ordinary activities before taxation		**(10,339)**	(18,223)
Tax credit on loss on ordinary activities	8	**2,183**	1,934
Loss after taxation	17	**(8,156)**	(16,289)

Statement of total gains and realised losses for the 8 months ended 31 December 2007

Total recognised gains and losses relating to the year	**(8,156)**
Prior year adjustment as explained in Note 1	**(5,458)**
Total gains and losses recognised since last annual report	**(13,614)**

Steria Limited

Balance Sheet
as at 31st December 2007

	Note	As at 31st December 2007 £'000	As at 30th April 2007 (restated) £'000
Fixed assets			
Tangible assets	10	**7,633**	9,763
Investments	11	**33,219**	33,219
		40,852	42,982
Current assets			
Debtors	12	**78,839**	75,757
Cash at bank and in hand		**1,555**	1,477
		80,394	77,234
Creditors due within one year	13	**(131,165)**	(126,881)
Net current liabilities		**(50,771)**	(49,647)
Total assets less current liabilities		**(9,919)**	(6,665)
Provisions for liabilities	14	**(11,166)**	(9,963)
Net Liabilities		**(21,085)**	(16,628)
Capital and reserves			
Called up share capital	16	**1**	1
Share premium		**7,886**	7,886
Profit and loss account		**(28,972)**	(24,515)
Equity Shareholders' Funds	17	**(21,085)**	(16,628)

Approved by the Board on

D. Alexander Director

9/3/2009

Notes to the accounts
for the 8 months ended 31 December 2007

1 ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

The going concern basis is considered appropriate to be used as the basis of preparation as the Directors have received confirmation from the ultimate parent undertaking of its intention to provide ongoing financial support to the Company.

The Company is exempt from preparing group accounts under s228 of the Companies Act 1985 as, at 31st December 2007, its ultimate parent, Groupe Steria SCA prepares and publishes consolidated accounts which include the results of Steria Limited and are publicly available.

Cash Flow Statement

Under the provisions of FRS1, the Company is not required to include a cash flow statement in these accounts. A consolidated cash flow statement is prepared by Groupe Steria SCA, and includes the results of this company.

Prior period adjustments

Pre contract costs

Directly attributable pre-contract costs have in prior years been carried forward, to be amortised over the life of the contract, only when it was virtually certain that the contract will be obtained. Following the acquisition by Groupe Steria SCA these costs are now written off as incurred. The effect of the change is to reduce prepayments at 30 April 2007 by £4,108,000, to increase the deferred tax asset at 30 April 2007 by £1,150,000, to reduce the profit and loss reserve at 30 April 2007 by £2,958,000 and reduce reported profit for the year ended 30 April 2007 by £784,000.

Dilapidations

The full expected cost of making good dilapidations on leasehold premises at the end of the lease is provided for in the financial statements discounted to net present value as the directors are now able to estimate the level of the obligation on a reliable basis in line with Groupe Steria SCA practice. The effect of the change is to increase provisions as at 30 April 2007 by £3,472,000, increase the deferred tax asset as at 30 April 2007 by £972,000, reduce the profit and loss reserve as at 30 April 2007 by £2,500,000 and reduce reported profit for the year ended 30 April 2007 by £397,000.

Turnover

Turnover represents invoiced amounts for goods and services rendered, net of value added tax.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates on a straight line basis:

Leasehold improvements	- over the period of the lease
Fixtures, fittings, plant & equipment	- 10% - 33%
Motor Vehicles	- 25%

The carrying values of tangible fixed assets are reviewed for impairment in the period if events or changes in circumstances indicate the carrying value may not be recovered.

Share based payments

In accordance with the transitional provisions, IFRS 2 has been applied to all share based options granted after 7 November 2002 that remained unvested as of 1 January 2005.

The Company operates various share based award schemes, all of which are equity settled. The fair value at the date at which the share based awards are granted is recognised in the profit and loss account on a straight line basis over the vesting period, with a corresponding increase in shareholders equity based on an estimate of the number of shares that will eventually vest. The services received from employees are measured by reference to the fair value of the awards granted.

The fair value of the options granted is measured by use of the binomial method, as described in Note 4. The amount recognised as an expense is adjusted to reflect the actual numbers of share options that vest.

Exceptional Items

Exceptional items comprise items of income and expense that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of Steria Ltd's underlying performance. Examples of events giving rise to the disclosure of material items of income and expense as exceptional items include, but are not limited to, impairment events, reorganisation of operations and reassessments of vacant property provisions.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Pension costs

The Company participates in a group defined benefit pension scheme. The Company is unable to identify its share of the underlying assets and liabilities in the Plan, as the Plan also covers employees of other Steria companies. Accordingly, the Plan is accounted for as a defined contribution plan, as required by FRS 17 'Retirement Benefits'.

In addition the Company makes contributions to money purchase pension schemes for those employees who wish to participate. Contributions are paid to the scheme so as to secure the benefits set out in the rules. Contributions are charged to the profit and loss account in the period in which they are due.

Foreign currencies

Foreign currency assets and liabilities at the balance sheet date are translated at the rates prevailing at that date. Transactions denominated in foreign currencies are accounted for at the rate ruling at the date of transaction.

All foreign exchange gains and losses are reflected in the profit and loss account.

Research and development expenditure

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Finance and operating leases

Assets held under finance leases are capitalised and depreciated in line with the accounting policy for tangible fixed assets. The outstanding capital element of the related obligations is included in creditors. The interest is charged to the profit and loss account over the term of the lease. Rentals in respect of operating lease arrangements are charged to the profit and loss account on a straight line basis.

Borrowing costs

All borrowing costs are recognised in the profit and loss account within interest costs in the period in which they are incurred

Dividends

Final dividends proposed by Board of Directors and unpaid at the year end are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid.

Investments

Investments in subsidiary undertaking and its joint venture are stated at cost less provision for impairment.

Contracts in progress

Profits on time and materials contracts are recognised in line with the effort expended. Profits on fixed price contracts are taken in proportion to the cost of work performed on each contract relative to the estimated total costs of completing the contract. Provision is made for the whole of any anticipated losses as soon as they are identified.

Provisions

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted to their net present value.

2 TURNOVER

The Directors consider that the Company operates in one continuing class of business, namely that of computer software and related support services.

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 £'000
Turnover by geographical destination is:		
United Kingdom	**214,031**	308,553
France	**31**	-
	214,062	308,553

3 OPERATING PROFIT (LOSS)

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 £'000
This is stated after charging (crediting):		
Auditors' remuneration - audit of the financial statements	**358**	414
Auditors' remuneration - non-audit fees:		
Taxation services	**151**	117
Other services	**70**	104
Depreciation - owned assets	**3,041**	4,508
Depreciation - leased assets	**26**	40
Operating lease rentals - rents on properties	**2,114**	3,150
Operating lease rentals - other operating leases	**1,239**	2,024
Share based payments	**3,699**	2,518

4 SHARE BASED PAYMENTS

The Company's share-based payment plans are described in the paragraphs below. Share options granted under these plans usually have a vesting period of 3 years and the calculation of the option value at grant date assumes no early exercise.

Equity Incentive Plan
Introduced in 2004, the Xansa Equity Incentive Plan (EIP) aims to reward Executive Directors and certain senior members of the management team for the delivery of shareholder value and profitable business growth and is underpinned by an individual shareholding requirement which promotes ownership among the senior leadership group.

The key features of the EIP are:
• It is administered by the Remuneration Committee;
• Any Executive Director or employee of the Company can be invited to participate at the Committee's sole discretion;
• In order to receive an award under EIP, the participant must commit to hold a number of shares for the duration of the EIP award period of five years. This is 10% of pre-tax salary (rising to 15% in respect of individuals who participate for a second time). Individuals have until the end of the financial year immediately following the invitation to satisfy this shareholding commitment.

Participants in EIP will not normally be eligible to participate in the Company's Management Incentive Plan outlined below.

Management Incentive Plan

To enable Steria to compete in the recruitment and retention of senior individuals, the Company also operates a Management Incentive Plan under the Xansa 1996 Share Option Scheme.

Options have been granted dependent on the performance of Xansa and the individual, and their seniority. For senior management, the performance conditions for all grants commencing from 30 April 2001, have been set as follows:
• 50% of options become exercisable if average earnings per share growth per annum equals or exceeds UK Retail Price Index plus 4% over a three-year period;
• 75% of options become exercisable if average earnings per share growth per annum equals or exceeds UK Retail Price Index plus 5% over a three-year period;
• 100% of options become exercisable if average earnings per share growth per annum equals or exceeds UK Retail Price Index plus 6% over a three-year period.

All Employee Share Ownership Plan

The employee share arrangements are the Xansa All Employee Share Ownership Plan (AESOP), the Xansa 1996 Share Option Scheme and the ShareSave Scheme.

The AESOP offers all employees the opportunity to acquire shares in three ways:
• By receiving free shares or market value options based on how well Xansa has performed against its targets which are forfeited if the participant does not remain with the Company for three years;
• By buying partnership shares;
• By receiving matching shares or market value options against partnership shares which, like free shares are forfeited if the participant does not remain in the Company for three years.

Free, matching and partnership shares
The AESOP was launched in August 2001. For the period to December 2007, for the period for which matching shares were granted, the Board set the matching level at one matching share for every two partnership shares purchased.

ShareSave

Under the ShareSave Scheme all employees can save a fixed amount every month for a period of three years. At the end of that period they can buy Xansa shares at the option price announced at the commencement of the three year period. A share save scheme was not put in place for the 8 months to December 2007.

The Company's share-based payment arrangements are entirely equity-settled and resulted in an expense for the period of £3.7 million (12 months to 30 April 2007: £2.5 million).

Share option transactions that have taken place during the year are as follows:

(a) Management Incentive Plan and ShareSave scheme

Management Incentive Plan

	Weighted average exercise price (£)		Number	
	8 months ended 31 December 2007	12 months ended 30 April 2007	**8 months ended 31 December 2007**	12 months ended 30 April 2007
Outstanding at beginning of the period	**1.45**	1.88	**7,385,223**	9,722,373
Granted during the period	-	0.75	-	1,012,000
Forfeited during the period	**0.95**	1.47	**(1,236,337)**	(1,115,119)
Exercised during the period	**0.91**	0.38	**(3,138,032)**	(79,158)
Expired during the period	**1.93**	3.09	**(3,010,854)**	(2,154,873)
Outstanding at end of the period	-	1.45	-	7,385,223

ShareSave Scheme

	Weighted average exercise price (£)		Number	
	8 months ended 31 December 2007	12 months ended 30 April 2007	**8 months ended 31 December 2007**	12 months ended 30 April 2007
Outstanding at beginning of the period	**0.84**	0.85	**6,763,326**	6,515,876
Granted during the period	-	0.77	-	1,313,631
Forfeited during the period	**0.77**	0.83	**(322,237)**	(525,738)
Exercised during the period	**0.84**	0.62	**(3,719,011)**	(72,083)
Expired during the period	**0.84**	0.82	**(2,722,078)**	(468,360)
Outstanding at end of the period	-	0.84	-	6,763,326

Included in the Management Incentive Plan table above are nil (12 months to 30 April 2007: 3,432,342) share options outstanding at 31 December 2007 granted before 7 November 2002 which have been excluded from the share-based payments charge in accordance with the FRS 20 'Share-based Payment' transitional provisions.

The weighted average share price for options exercised at date of exercise was 130p (12 months to 30 April 2007 79.4p) per share with the price of options ranging between 67.65p (12 months to 30 April 2007: 73.8 p) and 120p (12 months to 30 April 2007: 85.9p) per share.
The range of exercise prices and the weighted average remaining contractual life for options outstanding at the end of the year are shown below:

31 December 2007

	Options outstanding			Options exercisable	
	Number	Weighted average remaining life (years)	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Range of exercise prices:					
£0.10 - £0.80	-	-	-	-	-
£0.81 - £1.50	-	-	-	-	-
£1.51 - £4.00	-	-	-	-	-
£4.01 - £7.20	-	-	-	-	-
	-	-	-	-	-

30 April 2007

	Options outstanding			Options exercisable	
	Number	Weighted average remaining life (years)	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Range of exercise prices:					
£0.10 - £0.80	6,736,865	1.30	0.76	71,841	0.74
£0.81 - £1.50	5,254,846	0.24	1.04	2,835,309	1.01
£1.51 - £4.00	2,101,267	0.00	2.64	1,287,960	2.66
£4.01 - £7.20	55,571	0.00	5.23	41,045	4.53
	14,148,549	0.71	1.16	4,236,155	1.54

There were no share options granted under the ShareSave Scheme and the Management Incentive Plan in the 8 months to 31 December 2007. The fair values of options granted under the ShareSave Scheme and Management Incentive Plan during the 12 months to 30 April 2007 were determined using the binomial method. Expected volatility was based upon the volatility of Xansa's shares over the three-year period prior to the date of grant. Expected dividend yield was based upon the historical dividend yield at the date of grant. The following table gives the assumptions made to value options granted during the year ended 30 April 2007.

	Management Incentive Plan		ShareSave Scheme	
	8 months ended 31 December 2007	12 months ended 30 April 2007	**8 months ended 31 December 2007**	12 months ended 30 April 2007
Weighted average fair value	-	19.4p	-	13.9p
Weighted average share price	-	75.2p	-	75.5p
Weighted average exercise price	-	75.5p	-	77.0p
Expected volatility	-	28.0%-33.0%	-	27.0%
Expected dividend yield	-	3.7%-4.4%	-	4.3%
Risk free interest rate		4.8%		4.9%

Xansa has declared and paid a dividend of 3.24p per share each year since 2001 up to the date of its acquisition. Option valuations up to 30 April 2007 were based upon the assumption that the dividend remains at this level in the future.

The share-based payments charge for the 12 months to April 2007 assumed future employee attrition at the rate of 10.0% per year, based upon historical experience.

(b) Equity Incentive Plan

		Number
	31 December 2007	30 April 2007
Outstanding at beginning of the period	**513,676**	309,627
Granted during the period	**502,513**	406,539
Exercised during the period	**(703,575)**	(11,449)
Expired during the period	**(312,614)**	(191,041)
Outstanding at end of the period	**-**	513,676

Options granted under the Equity Incentive Plan have a nil exercise price and are valued at the market price on the date of grant, 85.75p (12 months to 30 April 2007: 75p).

(c) Free and Matching Shares
In addition to share options, Xansa grants free and matching shares.

		Matching Number		Free Shares Number
	31 Dec 2007	30 April 2007	**31 Dec 2007**	30 April 2007
Outstanding at beginning of the period	**3,196,663**	3,710,599	**1,934,703**	2,190,779
Granted during the period	**110,863**	948,187	**-**	-
Forfeited during the period	**(63,030)**	(200,145)	**(43,010)**	(162,901)
Vested during the period	**(3,244,496)**	(1,261,978)	**(1,891,693)**	(93,175)
Outstanding at end of the period	**-**	3,196,663	**-**	1,934,703

The weighted average remaining life at 31 December 2007 for free share options granted in 2004 was nil years (12 months to 30 April 2007 : 0.3 years)
The weighted average remaining life at 31 December 2007 for the matching share options was nil years (12 months to 30 April 2007 : 1.4

5 EXCEPTIONAL ITEMS

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 £'000
Vacant Property	**2,315**	1,167
Social security costs - employee shares	**1,637**	-
Charges arising from acquisition	**1,359**	-
Impairment in carrying value of subsidiary	**-**	14,000
	5,311	15,167

The level of provisions necessary requires judgement on the part of the Directors and is reassessed at each balance sheet date. Certain of Steria Ltd's vacant properties have taken longer to sublet than had previously been anticipated and the provision was increased to reflect expectations as at 30 April 2007 and at 31 December 2007.

6 INTEREST

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 Restated £'000
Foreign exchange losses	25	67
Interest paid on intercompany loans	452	497
Other	1,148	1,016
	1,625	1,580

7 DIRECTORS AND OTHER EMPLOYEES

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 £'000
Staff costs		
Wages and salaries	74,444	108,088
Social security costs	6,713	9,978
Other pension costs	12,988	18,776
Share based payments	3,699	2,518
	97,844	139,360

	31 December 2007 No.	30 April 2007 No.
Average employee numbers	2,287	2,310

The employee numbers relate to the actual number of people employed excluding subcontractors.

During the period ended 31 December 2007 Mr A Cox, Mr G M Stuart and Mr S R Weston were Directors of Xansa plc. Details of their emoluments and pension entitlements are disclosed in that Company's accounts.

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 £'000
The emoluments of the other Directors were as follows:		
Salaries and bonuses	472	734
Share based payments	182	69
	654	803
Company defined benefit pension scheme contributions	24	23
Company money purchase pension scheme contributions	12	46
Members of defined benefit pension schemes	1	1
Members of money purchase pension schemes	1	2

The emoluments of the highest paid Director in the 8 months to 31 December 2007 amounted to £389,000 (12 months to April 2007: £305,000) and the pension contributions of the highest paid Director were £12,000 (12 months to April 2007: £9,000).

8 TAXATION

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 (restated) £'000
The (credit) comprises:		
UK Corporation tax - current year	-	(316)
Adjustments in respect of prior year	1,185	(57)
Total current tax	1,185	(373)
Deferred tax	(3,368)	(1,561)
Tax on loss on ordinary activities	(2,183)	(1,934)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

(Loss) on ordinary activities before tax	**(10,339)**	(18,223)
Tax on (loss) profit at standard UK corporation tax rate of 30% (12 months to 30 April 2007: 30%)	**(3,102)**	(5,467)
Effects of:		
Expenses not deductible for tax purposes	**321**	847
Expenses not deductible for tax purposes - exceptional items	**749**	-
Share based payments	**1,110**	755
Tax losses carried forward	**1,340**	-
Increase in general provisions	**-**	485
Adjustments regarding transactions with NHS Shared Business Services Ltd	**404**	303
Non taxable inter-company dividends receivable	**-**	(1,110)
Tax relief on shares transferred to AESOP	**(962)**	(130)
Capital allowances in excess of depreciation	**140**	(199)
Non deductible write down of investment	**-**	4,200
Adjustments to tax charge in respect of previous periods	**1,185**	(57)
Total current tax charge/(credit) for the period	**1,185**	(373)

9 DIVIDENDS

	8 Months ended 31 December 2007 £'000	12 Months ended 30 April 2007 £'000
1st interim dividend	**-**	7,100
2nd interim dividend	**-**	6,500
	-	13,600

10 TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £'000	Fixtures, fittings, plant & equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 May 2007	8,873	33,702	38	42,613
Additions	-	937	-	937
At 31 December 2007	8,873	34,639	38	43,550
Depreciation				
At 1 May 2007	8,268	24,544	38	32,850
Provision for the period	161	2,906	-	3,067
At 31 December 2007	8,429	27,450	38	35,917
Net book value				
At 31 December 2007	**444**	**7,189**	**-**	**7,633**
At 30 April 2007	605	9,158	-	9,763
Included in the amounts above are the following amounts relating to leased assets:				
At 31 December 2007	**-**	**50**	**-**	**50**
At 30 April 2007	-	76	-	76

11 INVESTMENTS

	Investment in joint venture £'000	Shares in subsidiaries £'000	Total £'000
Cost at 1 May 2007 and 31 December 2007	7,219	40,000	47,219
Impairment as at 1 May 2007 and 31 December 2007	-	14,000	14,000
Net book value at 30 April 2007 and 31 December 2007	7,219	26,000	33,219

On 1 April 2005 Steria Ltd commenced a joint venture with the Department of Health to provide accounting and financial support services to the NHS trusts. The joint venture, NHS Shared Business Services Ltd, is owned 50% by each of Steria Ltd and the Department of Health and started operating on 1 April 2005. Steria's investment in the company is being satisfied by the provision of services free of charge, as described in note 14.

The principal trading subsidiary undertakings are as follows:

	Country of incorporation	Nature of business	Percentage of ordinary shares held
Steria Recruitment Limited (formerly Xansa Recruitment Limited)	England	Information technology services	100%
Barclays Steria Partnership Limited (formerly Barclays Xansa Partnership Limited)	England	Information technology services	49%

Barclays Steria Partnership is considered a subsidiary company as the company is able to exercise control of the Board of Barclays Steria Partnership.

12 DEBTORS

	31 December 2007 £'000	30 April 2007 (restated) £'000
Trade debtors	**42,655**	25,456
Amounts to be billed on contracts	**7,998**	8,914
Other debtors	**51**	137
Prepayments	**7,221**	6,715
Employee share loans	**41**	56
Corporation Tax	**-**	308
Deferred tax asset (note a)	**7,273**	3,930
Amounts due from ultimate parent undertaking	**31**	12,926
Amounts due from joint venture	**322**	30
Amounts due from fellow subsidiary undertaking	**13,247**	17,285
	78,839	75,757

Amounts falling due after more than one year included above are:		
Prepayments	**116**	104

Included within prepayments is £nil relating to pensions (12 months to 30 April 2007: £420,000).

Note a - deferred tax

Opening deferred tax asset	**3,930**	698
Increase in period	**3,368**	1,561
Change of accounting policy	**(25)**	1,671
Deferred tax asset	**7,273**	3,930

The closing deferred tax asset / (liability) comprises:

Accelerated capital allowances	**1,486**	1,355
Short term timing differences	**771**	2,575
Unutilised tax losses	**5,016**	-
Deferred tax asset	**7,273**	3,930

The Directors consider that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

13 CREDITORS: amounts falling due within one year

	31 December 2007 £'000	30 April 2007 £'000
Trade creditors	**15,111**	10,044
Revenue in advance	**11,532**	18,360
Corporation Tax	**901**	-
Other taxes and social security costs	**12,945**	13,727
Other creditors and accruals	**22,624**	21,731
Overdrafts	**56**	922
Finance lease obligations	**-**	8
Amounts due to ultimate parent undertaking	**-**	9,260
Amounts due to fellow subsidiary undertakings	**67,996**	52,829
	131,165	126,881

14 PROVISIONS FOR LIABILITIES

	Provision for cost of supply to joint venture (note a) £'000	Provision for vacant properties (note b) £'000	Provision for Dilapidations (restated) £'000	Total £'000
At 1st May 2007	2,027	4,464	3,472	9,963
Used in the year	(882)	(1,378)	-	(2,260)
Unwinding of discount factor	145	632	371	1,148
Charged to profit and loss account	-	2,315	-	2,315
At 31 December 2007	**1,290**	**6,033**	**3,843**	**11,166**

(a) Provision for cost of supply to joint venture represents the present value of the commitment to supply Steria Limited staff to its 50%-owned joint venture, NHS Shared Business Services Ltd, for nil consideration, valued at cost to Steria Limited. The total undiscounted amount of the fair value of the services is prescribed by the Shareholders' Agreement between Steria and the Department of Health. The remaining provision is expected to be used within the next two years.

(b) Provision for vacant properties covers the anticipated costs of rent and rates in respect of unoccupied properties and includes amounts in respect of properties which the Company has vacated. The amount of the provision represents the Directors' best estimate of the costs which will be incurred whilst the properties remain vacant, together with expected amount of incentives to be offered to the prospective lessees. £5.3 million is expected to be utilised within the next three years and £0.7 million in the period 2012 to 2014.

(c) Provision for dilapidations covers the anticipated costs of leaving leased premises in a fit state on expiration of the lease. The amount of the provision represents the Directors' best estimate of the costs which will be incurred. The directors anticipate the provision will be used over the period until 2018.

15 OBLIGATIONS UNDER OPERATING LEASES

	Land and buildings		**Motor vehicles and equipment**	
	31 December 2007 £'000	30 April 2007 £'000	**31 December 2007 £'000**	30 April 2007 £'000
Annual commitment on operating leases expiring in:				
Within one year	**-**	-	**120**	249
In more than one year but not more than five years	**202**	1,493	**511**	522
In over five years	**4,792**	3,183	**-**	-
	4,994	4,676	**631**	771

16 SHARE CAPITAL

	31 December 2007 £'000	30 April 2007 £'000
Authorised:		
1,000 ordinary shares of £1 each	**1**	1
Allotted, called up and fully paid:		
501 ordinary shares of £1 each	**1**	1

17 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £'000	Share Premium £'000	Profit and loss account £'000	Total £'000
At 30 April 2007 (as previously stated)	1	7,886	(19,057)	(11,170)
Prior period adjustment	-	-	(5,458)	(5,458)
At 30 April 2007 (as restated)	1	7,886	(24,515)	(16,628)
At 1st May 2007	1	7,886	(24,515)	(16,628)
Share based payments	-	-	3,699	3,699
Loss attributable to shareholders	-	-	(8,156)	(8,156)
At 31 December 2007	1	7,886	(28,972)	(21,085)

18 PENSION COSTS

The only defined benefit pension plan under FRS 17 'Retirement Benefits' is the Xansa Pension Plan (the Plan). The Company is unable to identify its share of the underlying assets and liabilities in the Plan, as the Plan also covers employees of other former Xansa companies. Accordingly, the Plan is accounted for as a defined contribution plan, as required by FRS 17. The most recent full actuarial valuation (which was conducted as at 31 December 2006) has been updated to 31 December 2007 by a qualified actuary independent of the Group.

The major assumptions used to calculate the scheme liabilities under FRS 17 were:

	8 months to 31 December 2007 % per annum	12 Months ended 30 April 2007 % per annum
Rate of increase in salaries	4.15	3.80
Rate of increase in deferred pensions and pensions in payment	2.95-3.15	3.00
Discount rate	5.90	5.60
Inflation assumption	3.15	3.10

The assets in the Plan and the expected rate of return were:

	Long term rate of return expected at 31 December 2007 %	Long term rate of return expected at 30 April 2007 %	Value at 31 December 2007 £ million	Value at 30 April 2007 £ million
Equities	8.0	7.7	205.2	203.4
Bonds	4.5	4.9	75.4	65.9
Cash	4.5	4.5	5.3	2.0
Total market value of assets			285.9	271.3
Actuarial value of liability			(298.7)	(305.9)
Deficit in the Plan			(12.8)	(34.6)
Related deferred tax asset			3.6	10.4
Net pension liability			(9.2)	(24.2)

Contributions to the Xansa Pension Plan in the 8 months to 31 December 2007 were £10,758,695 (12 months to 30 April 2007 £15,278,197). The level of contributions is expected to be approximately £15.0 million in the year to 31 December 2008, which includes an element to reduce the past service deficit.

The Company makes contributions to a number of defined contribution pension schemes operated by the group in the UK. The main scheme is called the Xansa Money Purchase Pension Scheme and is open to all employees who are not members of the Xansa Pension Plan. The Company also continues to contribute to defined contribution pension schemes which were operated by Druid Group plc and OSI Group Holdings Ltd prior to their joining the group. These schemes are closed to new members.

As at 31st December 2007 the amount outstanding in respect of the Company's contribution to the Group's defined contribution schemes was £214,407 (Apr 2007: £241,538). Contributions made in respect of the 8 months to 31 December 2007 were £ 2,113,919 (12 months to 30 Apr 2007: £3,081,727).

19 PARENT UNDERTAKING

The immediate parent company is Druid Group Limited, a company incorporated in England. The Company's ultimate holding company at the balance sheet date is Groupe Steria SCA, a Company registered in France. Groupe Steria SCA has included the Company and its immediate holding Company in its group accounts, copies of which may be obtained from Olivier Psaume, Group Strategy & Investor Relations Director, Groupe Steria SCA, 46, rue Camille Desmoulins, 92782 Issy-Les-Moulineaux, Cedex 9, France. They are also available on the Steria Group's website at www.steria.com.

The smallest and largest group in which the results of the Company are consolidated is Groupe Steria SCA, a company incorporated in France.

20 RELATED PARTY TRANSACTIONS

The Company has used the exemption under FRS 8 not to disclose related party transactions with other group companies, as group accounts are prepared.

21 CONTINGENT LIABILITIES

Letters of credit of £11.2 million (30 April 2007: £9.6 million) have been issued to ensure that a customer can recover monies in the event that an implementation does not deliver the required level of performance and to provide security that payments have been made to sub-contractors.

22 POST BALANCE SHEET EVENTS

The Company's ultimate holding company, Xansa plc, was acquired by Groupe Steria SCA on 17 October 2007. Following the acquisition the Company decided to change its name from Xansa UK Limited to Steria Limited with effect from 1 April 2008.

On 29 December 2008, the Company held meetings as a result of which the authorised share capital was increased from £1,000 to £100 million and the issued share capital was increased by £22 million by the issue of 22,000,000 shares of £1 each at par.

On 1 January 2009 the Company acquired the assets, liabilities and business of Steria Services Ltd for £290 million. The consideration was satisfied by the issue of 26,149,684 shares of £1 each.