

Company Registration No. 03099389 (England and Wales)

ABS NETWORK SOLUTIONS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012



ABS NETWORK SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	W J S Floydd (Appointed 11 October 2012) S J S Mayall on behalf of Capita Corporate Director Limited
Secretary	Capita Group Secretary Limited
Company number	03099389
Registered office	17 Rochester Row London SW1P 1QT
Auditors	KPMG Audit Plc 15 Canada Square London E14 5GL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Herbert Smith Freehills Exchange House Primrose Street London EC2A 2HS

ABS NETWORK SOLUTIONS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 15

ABS NETWORK SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the group's IT Services division. The principal activity of the company continued to be that of the resale of computer network systems and consultancy services. Following the transfer of the business, trade and asset of the company it has ceased to trade and will no longer be prepared on a going concern basis.

On 30th June 2012, the company's entire share capital was acquired by Capita IT Services Limited at net asset value, the transaction was settled via intercompany.

On 1st July 2012, the trade and assets of ABS Network solutions were transferred to Capita IT Services Limited at net assets value. This transaction was settled via intercompany. Other than liabilities and obligations of ABS Network Solutions Limited in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita IT Services Limited.

As shown in the company's profit and loss account on page 6, the company's turnover has decreased from £14,231,959 to £6,585,923 over the prior year and operating profit has decreased from £1,668,002 to £539,389 over the same period.

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets of £160,230 have increased to £598,582. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 8 and 9 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the IT Services and Consulting division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

Results and dividends

The results for the year are set out on page 6.

No interim (2011: £Nil) or final ordinary dividend (2011: £Nil) was paid in the current year.

Research and development

Capita plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in note 15 to the financial statements.

ABS NETWORK SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Directors

The following directors have held office since 1 January 2012

W J S Floyd	(Appointed 11 October 2012)
S J S Mayall on behalf of Capita Corporate Director Limited	
R D Mogg	(Resigned 29 June 2012)
M R J Wyllie	(Resigned 12 December 2012)

Auditors

In accordance with section 487(2) of the Companies Act 2006, the auditors, KPMG Audit Plc, will be deemed to be reappointed and therefore continue in office

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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
- as explained in note 11 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

ABS NETWORK SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

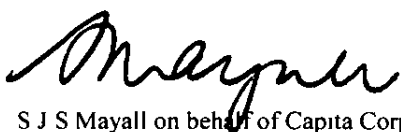
Statement of disclosure to auditors

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

Qualifying 3rd party indemnity provisions

Capita plc has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



S J S Mayall on behalf of Capita Corporate Director Limited

Director

25 September 2013

ABS NETWORK SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABS NETWORK SOLUTIONS LIMITED

We have audited the financial statements of ABS Network Solutions Limited for the year ended 31 December 2012 set out on pages 6 to 15

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter- Non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

ABS NETWORK SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ABS NETWORK SOLUTIONS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

S. McCallion

Sean McCallion (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

25 September 2013

ABS NETWORK SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	6,585,923	14,231,959
Cost of sales		(5,613,945)	(8,824,581)
Gross profit		971,978	5,407,378
Administrative expenses		(442,250)	(3,731,617)
Other operating income		9,661	(7,759)
Operating profit	3	539,389	1,668,002
Other interest receivable and similar income	4	22	337
Profit on ordinary activities before taxation		539,411	1,668,339
Tax on profit on ordinary activities	5	(101,059)	(443,419)
Profit for the year	13	438,352	1,224,920

The profit and loss account has been prepared on the basis that all operations have discontinued

There are no recognised gains and losses other than those passing through the profit and loss account


ABS NETWORK SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	6	-	107,975
Current assets			
Stocks	7	-	65,197
Debtors	8	598,582	10,099,811
Cash at bank and in hand		-	650,540
		598,582	10,815,548
Creditors: amounts falling due within one year	9	-	(10,763,293)
Net current assets/(liabilities)		598,582	52,255
Total assets less current liabilities		598,582	160,230
		598,582	160,230
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	598,580	160,228
Shareholders' funds	14	598,582	160,230

Approved by the Board and authorised for issue on 25 September 2013



S J S Mayall on behalf of Capita Corporate Director Limited
Director

Company Registration No. 03099389

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

Following the transfer of the business trade and assets, the company has ceased trading. For this reason, and as required by FRS 18.21, the directors have prepared the financial statements on the basis that the company is no longer a going concern.

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, Capita plc, has prepared a group cashflow statement in accordance with FRS1 (revised).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently. The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the period of the lease
Computer equipment	3 - 5 years
Fixtures, fittings & equipment	4 - 5 years

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Work in progress is valued at the lower of cost and net realisable value.

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.7 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold,

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Related party transactions

The company has taken advantage of the exemption under FRS 8 Related Party Disclosures not to disclose transactions entered into between two or more members of Capita plc, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	31,948	99,557
	Loss on foreign exchange transactions	-	7,759
	Operating lease rentals		
	- Plant and machinery	21,840	57,940
	- Other assets	79,325	288,733
	and after crediting		
	Profit on foreign exchange transactions	(9,661)	-

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £1,000 (2011: £1,000). The company has taken advantage of the exemption provided by regulation 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

4	Investment income	2012	2011
		£	£
	Bank interest	22	337
		<u>22</u>	<u>337</u>

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	133,595	441,058
	Adjustment for prior years	(31,983)	(8,386)
	Total current tax	<u>101,612</u>	<u>432,672</u>
	Deferred tax		
	Deferred tax charge/credit current year	(553)	2,592
	Deferred tax adjust re previous year	-	8,155
		<u>(553)</u>	<u>10,747</u>
		<u>101,059</u>	<u>443,419</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>539,411</u>	<u>1,668,339</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.50% (2011 - 26.50%)	<u>132,156</u>	<u>442,110</u>
	Effects of		
	Expenses not deductible for tax purposes	898	6,235
	Depreciation in excess of capital allowances	541	5,350
	Tax losses utilised	-	(9,724)
	Other timing differences	-	(2,913)
	Adjustments to previous periods	(31,983)	(8,386)
		<u>(30,544)</u>	<u>(9,438)</u>
	Current tax charge for the year	<u>101,612</u>	<u>432,672</u>

The UK corporation tax rate decreased from 24% to 23% from 1 April 2013

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2012	23,426	639,155	35,779	698,360
Group Transfer	(23,426)	(639,155)	(35,779)	(698,360)
At 31 December 2012	-	-	-	-
Depreciation				
At 1 January 2012	16,828	541,198	32,359	590,385
Group Transfer	(19,171)	(569,723)	(33,439)	(622,333)
Charge for the year	2,343	28,525	1,080	31,948
At 31 December 2012	-	-	-	-
Net book value				
At 31 December 2012	-	-	-	-
At 31 December 2011	6,598	97,957	3,420	107,975

7 Stocks

	2012	2011
	£	£
Finished goods and goods for resale	-	65,197

8 Debtors

	2012	2011
	£	£
Trade debtors	-	3,741,703
Amounts owed by parent and fellow subsidiary undertakings	598,582	5,489,462
Other debtors	-	156,000
Prepayments and accrued income	-	649,205
Deferred tax asset (see note 10)	-	63,441
	598,582	10,099,811

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

9 Creditors: amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	-	6,182,899
Trade creditors	-	821,939
Amounts owed to subsidiary undertakings	-	97,778
Corporation tax	-	432,672
Other taxes and social security costs	-	206,325
Other creditors	-	407
Accruals and deferred income	-	3,021,273
	<u>-</u>	<u>10,763,293</u>

10 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 January 2012	(63,441)
Transfer of balance to group undertaking	63,994
Profit and Loss	(553)
	<u>-</u>
Balance at 31 December 2012	<u>-</u>

Deferred tax is provided as follows:

	2012	2011
	£	£
Accelerated/(decelerated) capital allowances	<u>-</u>	<u>(63,441)</u>

11 Pension and other post-retirement benefit commitments

Defined contribution

	2012	2011
	£	£
Contributions payable by the company for the year	<u>53,088</u>	<u>129,185</u>

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

12	Share capital	2012	2011
		£	£
	Allotted, called up and fully paid		
	2 ordinary of £1 each	2	2

13	Statement of movements on profit and loss account	Profit and loss account
		£
	Balance at 1 January 2012	160,228
	Profit for the year	438,352
	Balance at 31 December 2012	598,580

14	Reconciliation of movements in shareholders' funds	2012	2011
		£	£
	Profit for the financial year	438,352	1,224,920
	Contribution in respect of share based payment charge	2,224	3,284
	Settlement of share based payment charge by intercompany	(2,224)	(3,284)
	Opening shareholders' funds	160,230	(1,064,690)
	Closing shareholders' funds	598,582	160,230

ABS NETWORK SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Sales	14	15
Operations	59	64
Administration	14	15
	<u>87</u>	<u>94</u>

Employment costs

	2012 £	2011 £
Wages and salaries	2,372,832	5,391,359
Social security costs	280,331	618,168
Other pension costs	53,088	129,185
Share based payments	2,224	3,284
	<u>2,708,475</u>	<u>6,141,996</u>

16 Control

The immediate parent company is Capita IT Services Limited, a company registered in England and Wales

The ultimate parent company is Capita plc, a company incorporated in England & Wales. The financial statements of Capita plc are available from the registered office at 71 Victoria Street, London SW1H 0XA