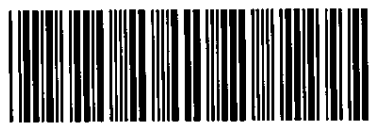


ABC (IT) Services Limited

Report and Accounts

31 December 2007

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COMPANIES HOUSE

ABC (IT) Services Limited

Registered No 02314463

Directors

S F Al Waary
N S Barbar

Secretary

M F Povey

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Registered Office

Arab Banking Corporation House
1-5 Moorgate
London EC2R 6AB

Directors' report

The directors present their report and financial statements for ABC (IT) Services Limited ('the Company') for the year ended 31 December 2007

Principal activity and business review

During the year the Company's main activity was to support the ABC group for information technology requirements and system projects. Financing of service support costs is provided for within the ABC Group.

On 31st December 2006, the Company acquired the business and the majority of the net assets of ABC (London) Services Limited for a consideration of £18,866. This has resulted in the Company being more active this year than last year.

It is the Company's policy to pay suppliers in accordance with the terms and conditions agreed with them.

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2006 - £Nil).

Directors and their interests

The directors who served during the year were S F Al Waary and N S Barbar. They did not have any interest in the shares of the Company during the year.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to reappoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board

M F Povey

Michael Povey
Company Secretary

4 8 . 2008

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

Independent auditors' report

to the members of ABC (IT) Services Limited (the "Company")

We have audited the Company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 20. 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 auditor

The directors are responsible for the preparation of the Annual Report and financial statements in accordance with law and United Kingdom Accounting Standards (UK 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 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 director's 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.



INVESTOR IN PEOPLE

Independent auditors' report

to the members of ABC (IT) Services Limited (the "Company")

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,
- 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

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
4 September 2008

Profit and loss account

for the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
Turnover	3	893 152	–
Administrative expenses		(861,327)	(13,355)
Other operating income	4	50,658	–
Operating profit/(loss)	5	<u>82,483</u>	<u>(13,355)</u>
Interest receivable			
From ABC Group undertakings		30,772	8
Other interest receivable		1,447	43
Interest payable			
To ABC Group undertakings		–	(1,585)
Profit/(loss) on ordinary activities before taxation		<u>114,702</u>	<u>(14,889)</u>
Taxation	8	18,334	–
Profit/(loss) on ordinary activities after taxation		<u>133,036</u>	<u>(14,889)</u>
Accumulated deficit brought forward	15	(2,419,664)	(2,404,775)
Accumulated deficit carried forward		<u>(2,286,628)</u>	<u>(2,419,664)</u>

Recognised gains and losses

A statement of total recognised gains and losses has not been included as there were no recognised gains or losses for the current or previous financial year other than those already dealt with in the profit and loss account

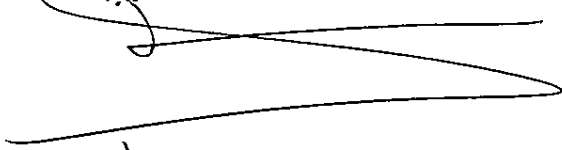
Balance sheet

at 31 December 2007

	Notes	2007 £	2006 £
<i>Fixed assets</i>			
Tangible assets	9	4,065	6,699
<i>Current assets</i>			
Debtors	10	688,744	487,048
Cash at bank and in hand		9,643	97,300
Deferred tax asset	11	18,334	–
		716,721	584,348
<i>Creditors: amounts falling due within one year</i>	12	139,464	142,761
<i>Net current assets</i>		577,257	441,587
<i>Total assets add current assets</i>		581,322	448,286
<i>Creditors: amounts falling due after more than one year</i>	13	500,000	500,000
<i>Net assets/(liabilities)</i>		81,322	(51,714)
<i>Capital and reserves</i>			
Called up share capital	14	2,367,950	2,367,950
Profit and loss account	15	(2,286,628)	(2,419,664)
<i>Equity shareholders' funds</i>	16	81,322	(51,714)

Sael Al Waary
Director

4.8. 2008



Notes to the accounts

at 31 December 2007

1. Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The accounting policies adopted are consistent with those used in the previous financial year.

The accounts have been prepared on the going concern basis as the ultimate parent company, Arab Banking Corporation (B S C), has undertaken to provide the necessary finance to enable the company to meet its obligations as they fall due.

2. Accounting policies

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over the expected useful life as follows:

Office equipment	- 3 years
Furniture and fittings	- 5 years
Computer software	- 3-5 years

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are taken to the profit and loss account.

Debtors

Debtors are recognised and carried at the lower of their original invoiced value and recoverable amount.

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 right to pay less tax, with the following exception:

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

Creditors

Accruals are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Pension benefits

The Company participates in a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Notes to the accounts

at 31 December 2007

Operating lease commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease

Cash flow statement

The Company has taken advantage of the exemption in paragraph 5(a) of Financial Reporting Standard 1 (Revised 1996) from producing a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking which is included in publicly available consolidated financial statements prepared by its parent undertaking

3. Turnover

Turnover of £602,087 (2006 £Nil) was levied outside the United Kingdom Turnover relates to one continuing activity and is stated net of VAT

	2007	2006
	£	£
United Kingdom		
ABC Group undertakings	291,065	–
Overseas		
ABC Group undertakings	602,087	–
	<u>893,152</u>	<u>–</u>

4. Other operating income

	2007	2006
	£	£
Foreign exchange loss	(1,056)	–
Miscellaneous income	51,714	–
	<u>50,658</u>	<u>–</u>

5. Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2007	2006
	£	£
Depreciation of tangible fixed assets	4,224	–
Auditors' remuneration		
Audit services	4,612	1,640
Non-audit services	2,350	840
Staff costs - (note 6)	613,773	–
Hire of plant and machinery	2,311	–
Other operating lease expense		
Land and buildings	89,810	–
	<u>89,810</u>	<u>–</u>

Notes to the accounts

at 31 December 2007

6. Staff costs

(a) The average number of persons employed by the Company (excluding Directors) during the year is analysed below

	2007 <i>No</i>	2006 <i>No</i>
Systems	4	—
Administration	1	—
	<u>5</u>	<u>—</u>
	<u><u>5</u></u>	<u><u>—</u></u>

(b) Employment costs of all employees included above comprise

	2007 £	2006 £
Wages and salaries	534,734	—
Social security costs	52,982	—
Other pension costs	26,057	—
	<u>613,773</u>	<u>—</u>
	<u><u>613,773</u></u>	<u><u>—</u></u>

7. Directors' emoluments

The aggregate emoluments of the Directors of the Company for the year were

	2007 £	2006 £
Aggregate emoluments in respect of qualifying services	<u>13,269</u>	<u>—</u>
	<u><u>13,269</u></u>	<u><u>—</u></u>

8. Taxation

(a) Tax on profit/(loss) on ordinary activities

	2007 £	2006 £
UK Corporation tax	—	—
Current tax (charge)/credit	<u>—</u>	<u>—</u>
Deferred tax Movement in the period	18,334	—
Total tax (charge)/credit for the year	<u>18,334</u>	<u>—</u>
	<u><u>18,334</u></u>	<u><u>—</u></u>

(b) Factors affecting the tax credit for the year

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below

Notes to the accounts

at 31 December 2007

8. Taxation (continued)

	2007 £	2006 £
Profit/(loss) on ordinary activities before tax	114,702	(14,889)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	34,411	(4,467)
Effect of		
Disallowed expenses and non-taxable income	18	–
Depreciation in excess of capital allowances	(4,926)	–
Tax losses utilised	(3,487)	–
Group relief	(26,016)	4,467
Current tax (charge)/credit	–	–

9. Tangible fixed assets

	<i>Office equipment</i> £	<i>Furniture and fittings</i> £	<i>Total</i>
Cost			
At 31 December 2006	2,866	3,833	6,699
Additions	1,590	–	1,590
At 31 December 2007	4,456	3,833	8,289
Depreciation			
At 31 December 2006	–	–	–
Additions	2,224	2,000	4,224
At 31 December 2007	2,224	2,000	4,224
Net book value			
At 31 December 2007	2,232	1,833	4,065
Net book value			
At 31 December 2006	2,866	3,833	6,699

Notes to the accounts

at 31 December 2007

10. Debtors

	2007	2006
	£	£
Amounts falling due within one year		
Amounts owed by holding and group companies	650,959	443,599
Other debtors	21,596	21,335
Prepayments and accrued income	16,189	22,114
	<u>688,744</u>	<u>487,048</u>

11. Deferred tax asset

	2007	2006
	£	£
Balance at 1 January	–	–
Recognised during the year	18,334	–
Balance at 31 December	<u>18,334</u>	<u>–</u>
The major components of the deferred tax asset are as follows		
Depreciation in excess of capital allowances	<u>18,334</u>	<u>–</u>

At the year end, the Company has capital losses of £974,272 on which no deferred tax is recognised. This is due to uncertainty surrounding the availability of taxable profits against which these could be offset. The total deferred tax asset unrecognised at the year end is £272,796 based on the corporate tax rate of 28% (2006 £295,768 based on the corporate tax rate of 30%).

12. Creditors: amounts falling due within one year

	2007	2006
	£	£
Creditors and accruals	115,126	111,135
Amounts owed to ABC Group undertakings	11,701	12,610
Bank loans & overdrafts	–	8,681
Taxation and social security	12,637	10,335
	<u>139,464</u>	<u>142,761</u>

Notes to the accounts

at 31 December 2007

13. Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Subordinated loan	500,000	500,000

The subordinated loan is from the ultimate parent company, is unsecured and subordinated to other creditors. It is repayable by 30 June 2009 and is interest free.

14. Called up share capital

	2007	2006
	£	£
Authorised, allotted and fully paid 236,795 ordinary shares of £10 each	2,367,950	2,367,950

15. Movements on reserves

	2007	2006
	£	£
Balance at 1 January	(2,419,664)	(2,404,775)
Profit/(loss) for the financial year	133,036	(14,889)
Balance at 31 December	(2,286,628)	(2,419,664)

16. Reconciliation of movement in shareholders' funds

	2007	2006
	£	£
Profit/(loss) for the financial year	133,036	(14,889)
Opening shareholders' funds	(51,714)	(36,825)
Closing shareholders' funds	81,322	(51,714)

The shareholders' funds do not include any amounts attributable to non-equity interests.

Notes to the accounts

at 31 December 2007

17. Commitments

At 31 December 2007 the Company had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	2007	2007	2006	2006
	£	£	£	£
Within one year	43,750	–	89,810	–
Two to five years	–	2,311	–	2,311
	<u>43,750</u>	<u>2,311</u>	<u>89,810</u>	<u>2,311</u>

18. Pension scheme

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company, in an independently administered fund.

The pension cost charged to the profit and loss account represents contributions payable to the fund and amounts to £26,057 (2006: £Nil). Contributions of £Nil (2006: £Nil) were payable to the fund at the year end and are included in creditors.

19. Related party transactions

The Company is wholly owned by its parent undertaking and as such has taken advantage of the exemption given in paragraph 3(c) of Financial Reporting Standard 8 to subsidiaries from disclosing related party transactions with other group companies.

The directors are unaware of any other related party transactions requiring disclosure.

20. Ultimate parent company

The Company's immediate parent undertaking is ABC Group (UK) Holdings Limited which is registered in England. ABC Group (UK) Holdings Limited has included the Company in its group accounts, copies of which are available from Arab Banking Corporation House, 1-5 Moorgate, London EC2R 6AB.

The ultimate parent company is Arab Banking Corporation (B S C), a company incorporated in Bahrain. Copies of the group accounts may be obtained from Arab Banking Corporation House, 1-5 Moorgate, London EC2R 6AB.