

231 4463

ABC (IT) Services Limited

Report and Accounts

31 December 2009

WEDNESDAY



LIRKSNTM
LD2 29/09/2010 78
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

Statement of directors' responsibilities in respect of the financial statements

The directors present their report and financial statements for ABC (IT) Services Limited ("the Company") for the year ended 31 December 2009

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.

By way of a written resolution dated 26 November 2009 the Company resolved that its share capital be reduced by cancelling and extinguishing 236,794 ordinary shares of £10 each and registered at Companies House. The said reduction was effective from 10 December 2009.

The directors do not rely on key performance indicators to monitor the business. The business is managed by monitoring the business' performance against budget, which is performed on a monthly basis.

In assessing whether the going concern assumption remains appropriate for the company, the Directors have considered,

- the underlying purpose of the entity, in providing support functions to the ABC Group,
- the sources of funding available to the company and
- its obligations forecast to fall due within 12 months of signing the financial statements

Based on these factors the Directors have ascertained that the Company will continue as a going concern for a period of at least 12 months from the date of signing the accounts. As such it remains appropriate to prepare the financial statements on the going concern basis.

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 (2008 - £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 487 (2) of the Companies Act 2006, 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

27th SEPTEMBER 2010



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). 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 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 AUDITOR'S REPORT TO THE MEMBERS OF ABC (IT) SERVICES LIMITED

We have audited the financial statements of ABC (IT) Services Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



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

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

A handwritten signature in black ink, appearing to read 'Peter Wallace' followed by 'Ernst & Young LLP'.

Peter Wallace (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

28 September 2010



Profit and loss account

for the year ended 31 December 2009

	<i>Notes</i>	<i>2009</i> £	<i>2008</i> £
<i>Turnover</i>	3	892,693	862,395
Administrative expenses		(753,819)	(787,688)
Other operating (expense)/income	4	(11,197)	14,434
<i>Operating profit</i>	5	<u>127,677</u>	<u>89,141</u>
<i>Interest receivable</i>			
From ABC Group undertakings		12,211	35,468
Other interest receivable		873	1,222
<i>Interest payable</i>			
Other interest payable		(11)	–
<i>Profit on ordinary activities before taxation</i>		<u>140,750</u>	<u>125,831</u>
Taxation	8	(3,732)	852
<i>Profit on ordinary activities after taxation</i>		<u>137,018</u>	<u>126,683</u>
<i>Accumulated profit/(deficit) brought forward</i>	14	207,995	(2,286,628)
<i>Accumulated profit/(deficit) carried forward</i>		<u><u>345,013</u></u>	<u><u>(2,159,945)</u></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

The results for the years ended 31st December 2009 and 31st December 2008 are derived from continuing operations




ABC (IT) Services Limited

Registered No 02314463

Balance sheet

at 31 December 2009

	Notes	2009 £	2008 £
<i>Non current assets</i>			
Tangible assets	9	442	1,024
Deferred tax asset	11	15,454	19,186
		<u>15,896</u>	<u>20,210</u>
<i>Current assets</i>			
Cash at bank and in hand		73,538	7,150
Debtors	10	928,758	849,899
		<u>1,002,296</u>	<u>857,049</u>
<i>Creditors</i> amounts falling due within one year	12	(673,169)	(669,254)
		<u>329,127</u>	<u>187,795</u>
<i>Net current assets</i>		<u>345,023</u>	<u>208,005</u>
<i>Total assets less current liabilities</i>		<u>345,023</u>	<u>208,005</u>
<i>Net assets</i>		<u>345,023</u>	<u>208,005</u>
<i>Capital and reserves</i>			
Called up share capital	13	10	2 367,950
Profit and loss account	14	345,013	(2,159,945)
		<u>345,023</u>	<u>208,005</u>
<i>Equity shareholders' funds</i>	15	<u>345,023</u>	<u>208,005</u>


Nofal S Barbar
Director

27th SEPTEMBER 2010



Notes to the accounts

at 31 December 2009

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

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, which generally have 30 to 90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, debtors are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

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.

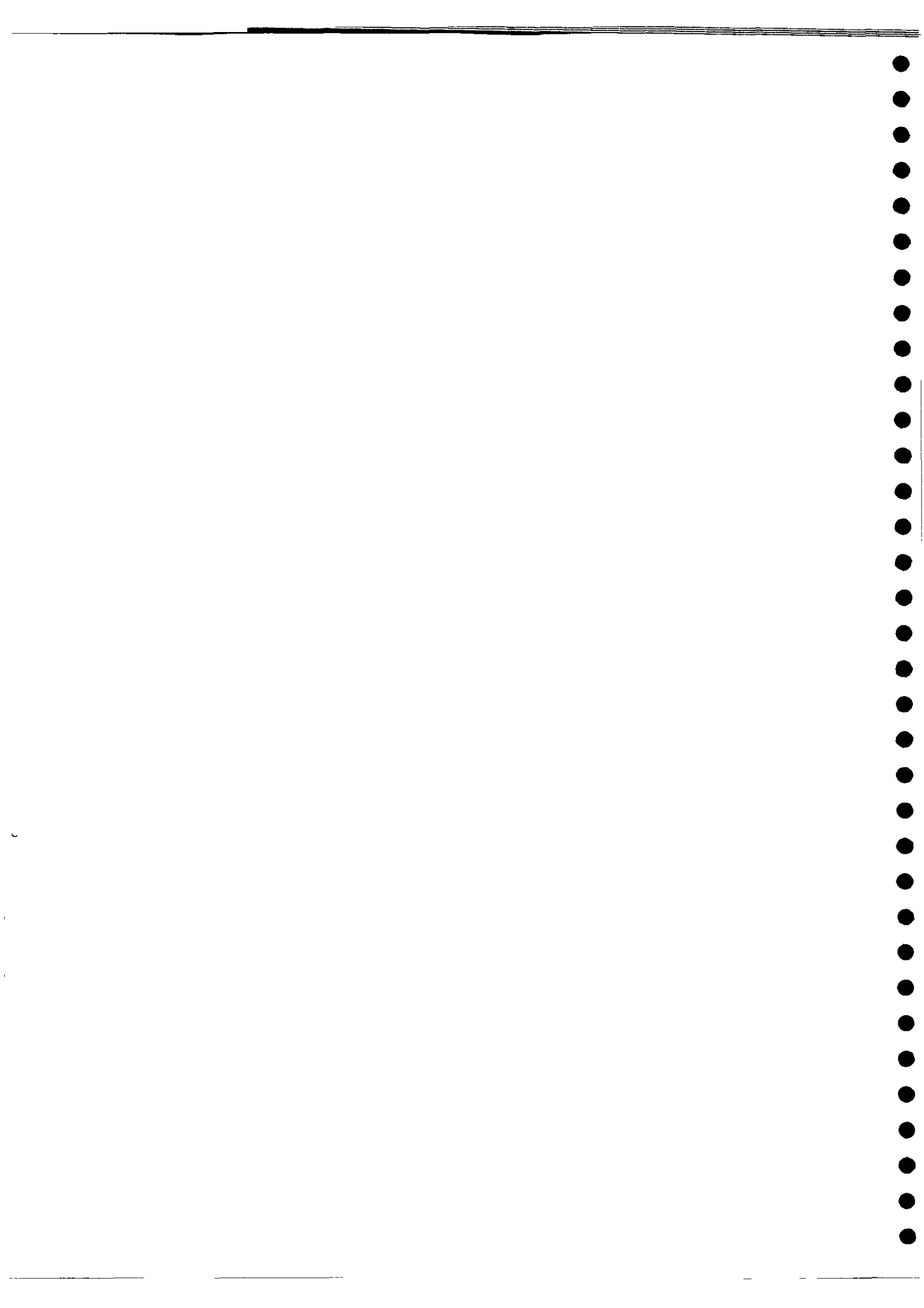
Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 2009

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 £583,275 (2008 £562,977) was levied outside the United Kingdom. Turnover relates to one continuing activity, to support the ABC group for information technology requirements and system projects, and is stated net of VAT

	2009	2008
	£	£
United Kingdom ABC Group undertakings	309,418	299,418
Overseas ABC Group undertakings	583,275	562,977
	<u>892,693</u>	<u>862,395</u>

4. Other operating (expense)/income

	2009	2008
	£	£
Foreign exchange (loss)/profit	(912)	14,179
Miscellaneous (expense)/income	(10,285)	255
	<u>(11,197)</u>	<u>14,434</u>

5. Operating profit

Operating profit is stated after charging

	2009	2008
	£	£
Depreciation of tangible fixed assets	582	3,041
Auditors' remuneration		
Audit services	4,018	4,992
Non-audit services	9,600	6,100
Staff costs - (note 6)	590,287	643,052
Hire of plant and machinery	2,504	2,311
Other operating lease expense		
Land and buildings	54,075	43,750
	<u>611,078</u>	<u>703,251</u>



Notes to the accounts

at 31 December 2009

6. Staff costs

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

	<i>2009</i> <i>No</i>	<i>2008</i> <i>No</i>
Systems	5	4
Administration	1	1
	<u>6</u>	<u>5</u>

(b) Employment costs of all employees included above comprise

	<i>2009</i> <i>£</i>	<i>2008</i> <i>£</i>
Wages and salaries	502,982	555,654
Social security costs	53,565	56,058
Other pension costs	33,740	31,340
	<u>590,287</u>	<u>643,052</u>

7. Directors' emoluments

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

	<i>2009</i> <i>£</i>	<i>2008</i> <i>£</i>
Aggregate emoluments in respect of qualifying services	<u>17,500</u>	<u>13,125</u>
In respect of the highest paid Director		
Aggregate emoluments in respect of qualifying services	<u>10,000</u>	<u>7,500</u>

8. Taxation

(a) Tax on profit on ordinary activities

	<i>2009</i> <i>£</i>	<i>2008</i> <i>£</i>
UK Corporation tax	—	—
Current tax	—	—
Deferred tax		
Movement in the period	<u>(3,732)</u>	<u>852</u>
Total tax (charge)/credit for the year	<u>(3,732)</u>	<u>852</u>



Notes to the accounts

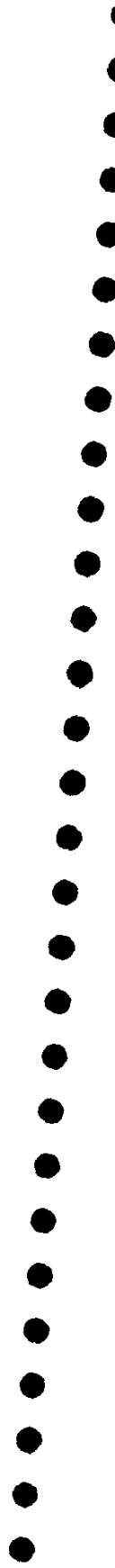
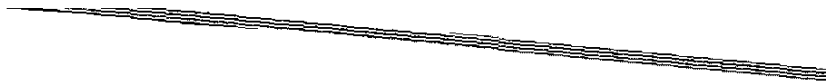
at 31 December 2009

(b) Reconciliation of tax on profit for the year

	2009 £	2008 £
Profit on ordinary activities before tax	140,750	125,831
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	39,410	35,862
Effect of		
Disallowed expenses and non-taxable income	(1,024)	108
Depreciation in excess of capital allowances	(3,731)	867
Tax losses utilised	—	—
Group relief	(34,655)	(36,837)
Current tax	—	—

9. Tangible fixed assets

	<i>Office equipment</i> £	<i>Furniture and fittings</i> £	<i>Total</i>
Cost			
At 1 January 2009	4,456	3,833	8,289
At 31 December 2009	4,456	3,833	8,289
Depreciation			
At 1 January 2009	3,432	3,833	7,265
Charge for the year	582	—	582
At 31 December 2009	4,014	3,833	7,847
Net book value			
At 31 December 2009	442	—	442
Net book value			
At 31 December 2008	1,024	—	1,024



Notes to the accounts

at 31 December 2009

10. Debtors

	2009	2008
	£	£
Amounts falling due within one year		
Amounts owed by holding and group companies	867,523	799,383
Other debtors	39,060	31,568
Prepayments and accrued income	22,175	18,948
	<u>928,758</u>	<u>849,899</u>

11. Deferred tax asset

	2009	2008
	£	£
Balance at 1 January	19,186	18,334
Recognised during the year	(3,732)	852
Balance at 31 December	<u>15,454</u>	<u>19,186</u>
The major components of the deferred tax asset are as follows		
Depreciation in excess of capital allowances	<u>15,454</u>	<u>19,186</u>

At the year end, the Company has capital losses of £974,272 (2008 £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% (2008 £272,796 based on the corporate tax rate of 28.5%).

12. Creditors: amounts falling due within one year

	2009	2008
	£	£
Creditors and accruals	152,085	144,380
Amounts owed to ABC Group undertakings	6,000	4,504
Taxation and social security	15,084	20,370
Subordinated Loan	500,000	500,000
	<u>673,169</u>	<u>699,254</u>

The subordinated loan is from the ultimate parent company, is unsecured and subordinated to other creditors. It is repayable on 30 June 2010 and is interest free.



Notes to the accounts

at 31 December 2009

13. Called up share capital

	2009	2008
	£	£
Authorised Ordinary shares of £10 each	10	2,367,950

By way of a written resolution dated 26 November 2009 the Company resolved that its share capital be reduced by cancelling and extinguishing 236,794 ordinary shares of £10 each and registered at Companies House. The said reduction was effective from 10 December 2009.

14. Movements on reserves

	2009	2008
	£	£
Balance at 1 January	(2,159,945)	(2,286,628)
Share Capital Reduction (Note 13)	2,367,940	–
Profit for the year	207,995	(2,286,628)
	137,018	126,683
Balance at 31 December	345,013	(2,159,945)

15. Reconciliation of movement in shareholders' funds

	2009	2008
	£	£
Opening shareholders' funds	208,005	81,322
Profit for the year	137,018	126,683
Closing shareholders' funds	345,023	208,005

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



Notes to the accounts

at 31 December 2009

16. Commitments

At 31 December 2009 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>
	2009	2009	2008	2008
	£	£	£	£
Within one year	64,400	–	54,075	–
Between one and five years	–	2,312	–	1,156
	<u>64,400</u>	<u>2,312</u>	<u>54,075</u>	<u>1,156</u>

17. 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 £33,740 (2008 £31,340). There are no contributions (2008 Nil) payable to the fund at the year end.

18. 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.

19. 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.

