

Notes to the Company financial statements

For the year ended 31 December 2007

1 Accounting policies

Basis of preparation

The financial statements of Computacenter plc were approved for issue in accordance with a resolution of the Directors on 10 March 2008. The balance sheet was signed on behalf of the Board by MJ Norris and FA Conophy.

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

No profit and loss account is presented for the Company as permitted by section 230 of the Companies Act 1985. The profit after tax for the Company was £47,235,000 (2006: £80,964,000). There are no other recognised gains or losses other than the profit for the year.

The Company has taken advantage of the exemption in paragraph 2D(b) of FRS 29 Financial Instruments: Disclosure and has not disclosed information required by paragraphs 51 to 95 of that standard, as the Group's consolidated financial statements, in which the Company is included, provide equivalent disclosures for the Group under IFRS 7 Financial Instruments: Disclosure.

Intellectual property

Licences purchased in respect of intellectual property are capitalised, classified as an intangible asset on the balance sheet and amortised on a straight-line basis over the period of the licence.

Depreciation of fixed assets

Freehold land is not depreciated. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings – 50 years

Investments

Fixed asset investments are shown at cost less provision for impairment. In addition, subsequent to the adoption of UITF Abstract 41, investments in subsidiaries also include the FRS 20 cost of share-based payments.

Impairment of assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Foreign currencies

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

Share-based payment transactions

During the year the Company has adopted UITF Abstract 41 and accordingly the Company no longer recognises any charges in respect of share-based payments. The expense is now recognised in the subsidiary companies employing the relevant employees. The Company records a corresponding increase in its investments in subsidiaries with a credit to equity which is equivalent to the FRS 20 cost in the subsidiary undertakings.

Taxation

Corporation Tax payable is provided on taxable profits at the current tax rate. Where group relief is surrendered from other subsidiaries in the Group, the Company is required to pay to the surrendering company an amount equal to the loss surrendered multiplied by the current tax rate.

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

2 Intangible assets

	Intellectual property £'000
Cost	
At 1 January 2007 and 31 December 2007	169,737
Amortisation	
At 1 January 2007	25,516
Charge in the year	8,500
At 31 December 2007	34,016
Net book value	
At 31 December 2007	135,721
At 31 December 2006	144,221

3 Tangible fixed assets

	Freehold land and buildings £'000
Cost	
At 1 January 2007 and 31 December 2007	42,350
Depreciation	
At 1 January 2007	10,556
Charge in the year	1,616
At 31 December 2007	12,172
Net book value	
At 31 December 2007	30,178
At 31 December 2006	31,794

Financials

Notes to the Company financial statements continued

For the year ended 31 December 2007

4 Investments

	Investments in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Investment £'000	Total £'000
Cost				
At 31 December 2006	203,437	9,918	25	213,380
Adoption of UITF 41	2,380	–	–	2,380
At 1 January 2007	205,817	9,918	25	215,760
Additions	2,715	769	–	3,484
Share-based payments	2,659	–	–	2,659
Repaid	–	(257)	–	(257)
At 31 December 2007	211,191	10,430	25	221,646
Amounts provided				
At 1 January 2007	65,924	2,754	25	68,703
During the year	2,831	–	–	2,831
At 31 December 2007	68,755	2,754	25	71,534
Net book value				
At 31 December 2007	142,436	7,676	–	150,112
At 1 January 2007	139,893	7,164	–	147,057
At 31 December 2006	137,513	7,164	–	144,677

Details of the principal investments at 31 December in which the Company holds more than 20% of the nominal value of ordinary share capital are given in the Group accounts in note 15.

5 Debtors

	2007 £'000	2006 £'000
Amount owed by subsidiary undertaking	95,665	90,000
Other debtors	160	127
Deferred tax	–	1,013
Corporation tax	178	–
	96,003	91,140

6 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Amount owed to subsidiary undertaking	155,355	175,027
Accruals	–	27
	155,355	175,054

7 Creditors: amounts falling due after more than one year

	2007 £'000	2006 £'000
Deferred income	53,704	62,704

8 Provisions for liabilities and charges

	Deferred taxation £'000
At 1 January 2007	1,198
Capital allowances in advance of depreciation	(418)
At 31 December 2007	780

The deferred tax balance all relates to capital allowances in advance of depreciation.

9 Reconciliation of shareholders' funds and movements on reserves

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares held £'000	Merger reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 31 December 2005	9,505	74,680	100	–	55,990	36,838	177,113
Adoption of UITF 41	–	–	–	–	–	969	969
At 1 January 2006	9,505	74,680	100	–	55,990	37,807	178,082
Shares issued	66	2,317	–	–	–	–	2,383
Total recognised gains in the year	–	–	–	–	–	80,964	80,964
Share options granted to employees of subsidiary companies	–	–	–	–	–	1,411	1,411
Bonus issue	74,442	(74,442)	–	–	–	–	–
Expenses on bonus issue	–	(308)	–	–	–	–	(308)
Share redemption	(74,442)	–	74,442	–	–	(73,886)	(73,886)
Expenses on redemption	–	–	–	–	–	(56)	(56)
Equity dividends	–	–	–	–	–	(13,326)	(13,326)
At 31 December 2006	9,571	2,247	74,542	–	55,990	32,914	175,264
Shares issued	18	643	–	49	–	–	710
Total recognised gains in the year	–	–	–	–	–	47,235	47,235
Purchase of own shares	–	–	–	(11,874)	–	–	(11,874)
Share options granted to employees of subsidiary companies	–	–	–	–	–	2,659	2,659
Cancellation of own shares	(85)	–	85	2,406	–	(2,406)	–
Equity dividends	–	–	–	–	–	(11,806)	(11,806)
At 31 December 2007	9,504	2,890	74,627	(9,419)	55,990	68,596	202,188

During the year the Company has adopted UITF Abstract 41 and accordingly no longer recognises any expense in respect of share-based payments. The expense is now recognised around the Group in the subsidiary companies employing the relevant employees.

10 Contingent liabilities

The Company has given a guarantee in the normal course of business to a supplier of a subsidiary undertaking for an amount not exceeding £13,906,000 (2006: £16,939,000), and to a customer of a subsidiary undertaking for an amount not exceeding £24,229,000 (2006: £24,933,000).

The Company has provided cross guarantees in respect of certain bank loans and overdrafts of its subsidiary undertakings. The amount outstanding at 31 December is £32,549,000 (2006: £39,117,000).

11 Related party transactions

The Company has taken the exemption in FRS 8.3 not to disclose transactions with other Group Companies.

The Company has not traded with any of the related parties disclosed in note 30 of the Group's accounts.

12 Auditors' remuneration

All auditors' remuneration is borne by Computacenter (UK) Ltd, a fully-owned UK subsidiary of the Company.

13 Post balance sheet event

On 10 January 2008 the Company entered into an agreement with its stockbrokers, Credit Suisse, to purchase during the Close Period, its own ordinary shares to a maximum of four million shares with a maximum value of £8,000,000. A further 3,537,300 shares have been repurchased for cancellation between the reporting date and 10 March 2008, for a value of £6,054,000.