

COMPANY REGISTRATION NUMBER 02498901

SIRSI LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2009



SOBELL RHODES LLP
Chartered Accountants & Statutory Auditor
Monument House
215 Marsh Road
Pinner
Middlesex
HA5 5NE

SIRSI LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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SIRSI LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2009

The director has pleasure in presenting his report and the financial statements of the group for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of technology solutions for libraries

The group's turnover has increased slightly during the year to £8.76 million compared to £8.75 million last year. The group's gross margin has gone up during the year mainly due to a restructure in prior years resulting in the provision of customer support by the parent company.

The administrative expenses went up compared to previous year as a result of a higher management charge paid to the parent company.

The group remains the clear market leader as there have been no significant changes within the market place. Given this, our risk from competition remains unchanged this year. The directors will continue to review market data to assess if this situation changes year on year.

FUTURE DEVELOPMENTS

The company will continue to build on its core competency by providing a market leading software product for libraries and will continue to offer its customer base improved features within the software.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £163,023. The director has not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 19 to the accounts.

DIRECTORS

The directors who served the company during the year were as follows:

Mr G Rautenstrauch
Mr K Sturges
Mr B Sheth
Mr R Smith
Mr C Sowul
Mr M Taylor

Mr G Rautenstrauch was appointed as a director on 26 June 2009.

Mr K Sturges retired as a director on 23 July 2009
Mr B Sheth retired as a director on 26 June 2009
Mr R Smith retired as a director on 26 June 2009
Mr C Sowul retired as a director on 26 June 2009
Mr M Taylor retired as a director on 26 June 2009

SIRSI LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the director is 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 group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the director is aware


- there is no relevant audit information of which the group's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Sobell Rhodes LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
The Chequers
St Mary's Way
Chesham
Buckinghamshire
HP5 1LL

Signed by order of the director



MR J GARDINER
Company Secretary

Approved by the director on 10 Feb 2011

SIRSI LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SIRSI LIMITED

YEAR ENDED 31 DECEMBER 2009

We have audited the group and parent company financial statements ("the financial statements") of Sirsi Limited for the year ended 31 December 2009. 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 shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

COMPARATIVES

Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the group as at 31 December 2008 were not audited. We have however carried out appropriate limited procedures to ensure the comparatives reported are fairly stated.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

SIRSI LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIRSI LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2009

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

Monument House
215 Marsh Road
Pinner
Middlesex
HA5 5NE

SELWYN ARNOLD (Senior Statutory
Auditor)
For and on behalf of
SOBELL RHODES LLP
Chartered Accountants
& Statutory Auditor

SIRSI LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
GROUP TURNOVER	2	8,759,142	8,751,617
Cost of sales		<u>851,091</u>	<u>2,185,506</u>
GROSS PROFIT		7,908,051	6,566,111
Administrative expenses		<u>7,856,651</u>	<u>5,712,079</u>
Other operating income	3	<u>(79,122)</u>	<u>(514)</u>
OPERATING PROFIT	4	130,522	854,546
Interest receivable	7	<u>72,884</u>	<u>45,038</u>
Interest payable and similar charges	8	<u>(674)</u>	<u>(428)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		202,732	899,156
Tax on profit on ordinary activities	9	<u>39,709</u>	<u>100,591</u>
PROFIT FOR THE FINANCIAL YEAR	10	<u>163,023</u>	<u>798,565</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 10 to 24 form part of these financial statements

SIRSI LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
Profit for the financial year attributable to the shareholders of the parent company	163,023	798,565
Total recognised gains and losses relating to the year	<u>163,023</u>	<u>798,565</u>
Prior year adjustment	<u>—</u>	<u>(396,139)</u>
Total gains and losses recognised since the last annual report	<u>163,023</u>	<u>402,426</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

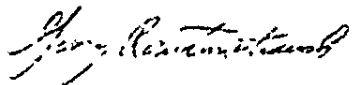
	2009 £	2008 £
Profit for the financial year	163,023	798,565
Exchange differences on retranslation of net assets of subsidiary undertakings	<u>(43,345)</u>	<u>118,903</u>
Net addition to shareholders' funds	119,678	917,468
Opening shareholders' funds	636,394	115,065
Prior year adjustment	<u>—</u>	<u>(396,139)</u>
Closing shareholders' funds	<u>756,072</u>	<u>636,394</u>

The notes on pages 10 to 24 form part of these financial statements

SIRSI LIMITED
GROUP BALANCE SHEET
31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	11	183,683	238,177
CURRENT ASSETS			
Debtors	13	2,311,684	2,257,345
Cash at bank		3,358,971	3,352,658
		<u>5,670,655</u>	<u>5,610,003</u>
CREDITORS: Amounts falling due within one year	15	<u>4,860,550</u>	<u>4,875,019</u>
NET CURRENT ASSETS		<u>810,105</u>	<u>734,984</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>993,788</u>	<u>973,161</u>
CREDITORS: Amounts falling due after more than one year	16	27,895	25,506
PROVISIONS FOR LIABILITIES			
Other provisions	18	<u>209,821</u>	<u>311,261</u>
		<u>756,072</u>	<u>636,394</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	670	670
Foreign currency translation reserve	24	122,946	166,291
Profit and loss account	24	<u>632,456</u>	<u>469,433</u>
SHAREHOLDERS' FUNDS		<u>756,072</u>	<u>636,394</u>

These financial statements were approved and signed by the director and authorised for issue on
10 Feb 2011



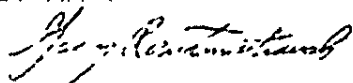
MR GRAUTENS TRAUCH

The notes on pages 10 to 24 form part of these financial statements

SIRSI LIMITED
BALANCE SHEET
31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	11	130,133	171,522
Investments	12	<u>72,778</u>	<u>72,778</u>
		202,911	244,300
CURRENT ASSETS			
Debtors	13	1,905,537	2,173,343
Cash at bank		<u>2,217,348</u>	<u>2,180,550</u>
		4,122,885	4,353,893
CREDITORS - Amounts falling due within one year	15	<u>4,000,010</u>	<u>4,234,536</u>
NET CURRENT ASSETS		<u>122,875</u>	<u>119,357</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		325,786	363,657
PROVISIONS FOR LIABILITIES			
Other provisions	18	<u>209,821</u>	<u>311,261</u>
		<u>115,965</u>	<u>52,396</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	670	670
Profit and loss account	24	<u>115,295</u>	<u>51,726</u>
SHAREHOLDERS' FUNDS		<u>115,965</u>	<u>52,396</u>

These financial statements were approved and signed by the director and authorised for issue on
10 Feb 2011



MR G RAUFENS FRAUCH

Company Registration Number 02498901

The notes on pages 10 to 24 form part of these financial statements

SIRSI LIMITED
GROUP CASH FLOW
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	£	2008 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	25		66,777		2,205,944
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25		72,210		44,610
TAXATION	25		(45,310)		(35,960)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25		(46,408)		(101,935)
CASH INFLOW BEFORE FINANCING			47,269		2,112,659
FINANCING	25		2,389		(171,727)
INCREASE IN CASH	25		49,658		1,940,932

The notes on pages 10 to 24 form part of these financial statements

SIRSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Related parties transactions

Related party transactions represent the purchase of goods and services, sale of goods and services, interest on loan balances and royalty charges with fellow group companies. Charges and sales are recognised in the month they are invoiced.

Turnover

Turnover represents amounts receivable for the sale of goods and services provided in the normal course of business net of value added tax.

Income from maintenance and hosting contracts is apportioned over the term of each contract. Deferred income represents turnover for maintenance and hosting contracts invoiced in advance and recognised over the period of the contract. All deferred income for such contracts is included in creditors.

Income from installations, services and training is recognised when all work has been completed.

The company also derives income from the sale of its software licenses, maintenance, hosting and post-contract support services through distributors. Income from sales made through distributors is recognised when the distributors have sold the software licenses or services to their customers. Turnover represents amounts receivable for the sale of goods and services provided in the normal course of business net of value added tax.

Fixed assets

All fixed assets are initially recorded at cost.

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold improvements - 15 years (or the remaining of the lease if less than 15 years)

Furniture and fittings - 7 years

Equipments - 3 or 5 years

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax 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 tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers 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.

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Company

Transactions in foreign currencies are translated at the exchange 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 date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Group

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Profit and loss items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit and loss account in the year in which a foreign subsidiary undertaking is disposed of.

Goodwill and fair adjustments arising on the acquisition of a foreign subsidiary undertaking are treated as assets and liabilities of the foreign subsidiary and translated at the closing rate.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

SIRSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

2. TURNOVER

The turnover was derived from the groups's principal activity which represents 71% carried out of the UK

In the opinion of the directors it would be seriously prejudicial to the interests of the company if the segmental reports as required by Statement of Standard Accounting Practice No 25 'Segmental Reporting' were included in the Financial Statements

3. OTHER OPERATING INCOME

	2009	2008
	£	£
Other operating income	<u>79,122</u>	<u>514</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2009	2008
	£	£
Depreciation of owned fixed assets	90,345	104,444
Loss on disposal of fixed assets	10,557	-
Auditor's remuneration		
- as auditor	23,361	65,965
- for other services	-	9,000
Operating lease costs		
- Other	292,659	215,062
Net loss/(profit) on foreign currency translation	<u>171,177</u>	<u>(422,825)</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2009	2008
	No	No
Number of distribution staff	50	53
Number of administrative staff	<u>19</u>	<u>21</u>
	<u>69</u>	<u>74</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	2,564,461	2,850,531
Social security costs	212,513	283,146
Other pension costs	79,972	87,802
Other pension costs	-	8,834
	<u>2,856,946</u>	<u>3,230,313</u>

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

6. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Remuneration receivable	-	32,500
Value of company pension contributions to money purchase schemes	-	8,834
	<u>-</u>	<u>41,334</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009	2008
	No	No
Money purchase schemes	-	1
	<u>-</u>	<u>1</u>

7. INTEREST RECEIVABLE

	2009	2008
	£	£
Bank interest receivable	6,282	41,170
Other interest	2,000	35
Interest from group undertakings	64,602	3,833
	<u>72,884</u>	<u>45,038</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	674	428
	<u>674</u>	<u>428</u>

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 - 28 50%)	46,205	39,894
(Over)/under provision in prior year	-	(676)
Total current tax	<u>46,205</u>	<u>39,218</u>
Deferred tax		
Origination and reversal of timing differences (note 14)		
Capital allowances	(6,496)	61,373
Tax on profit on ordinary activities	<u>39,709</u>	<u>100,591</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28 50%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>202,732</u>	<u>899,156</u>
Profit on ordinary activities by rate of tax	56,765	256,259
Expenses not deductible for tax proposes	2,289	91,473
Accelerated capital allowances	(8,913)	(18,758)
Utilisation of tax losses	-	(107,453)
Adjustments in respect of prior years	-	(676)
Effect of restatement to accounts due to change in policy	-	(99,308)
Charges on income	-	(220)
Other adjustment	(3,936)	(82,099)
Total current tax (note 9(a))	<u>46,205</u>	<u>39,218</u>

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £63,569 (2008 - £440,751)

SIRSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

11. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2009	75,088	102,152	740,674	917,914
Additions	–	–	48,079	48,079
Disposals	–	–	(105,933)	(105,933)
At 31 December 2009	75,088	102,152	682,820	860,060
DEPRECIATION				
At 1 January 2009	60,328	46,826	572,583	679,737
Charge for the year	1,221	12,624	76,500	90,345
On disposals	–	–	(93,705)	(93,705)
At 31 December 2009	61,549	59,450	555,378	676,377
NET BOOK VALUE				
At 31 December 2009	13,539	42,702	127,442	183,683
At 31 December 2008	14,760	55,326	168,091	238,177
Company				
	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2009	75,088	102,152	335,558	512,798
Additions	–	–	32,373	32,373
Disposals	–	–	(3,909)	(3,909)
At 31 December 2009	75,088	102,152	364,022	541,262
DEPRECIATION				
At 1 January 2009	60,328	46,826	234,122	341,276
Charge for the year	1,221	12,624	58,243	72,088
On disposals	–	–	(2,235)	(2,235)
At 31 December 2009	61,549	59,450	290,130	411,129
NET BOOK VALUE				
At 31 December 2009	13,539	42,702	73,892	130,133
At 31 December 2008	14,760	55,326	101,436	171,522

SIRSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

12. INVESTMENTS

Company	Group companies £
COST	
At 1 January 2009 and 31 December 2009	<u>72,778</u>
NET BOOK VALUE	
At 31 December 2009 and 31 December 2008	<u>72,778</u>

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Sirsi Iberia S L	Spain	Ordinary shares	99%	Library software
Sirsi Nordisk A/S	Denmark	Ordinary shares	100%	Library software
Sirsi France	France	Ordinary shares	100%	Library software
SirsiDynix GmbH	Germany	Ordinary shares	100%	Library software

13. DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	1,604,291	1,467,022	860,727	927,438
Amounts owed by group undertakings	193,314	61,220	571,527	616,420
Other debtors	74,329	198,619	67,072	188,546
Deferred taxation (Note 14)	98,040	91,544	98,040	91,544
Prepayments and accrued income	341,710	438,940	308,171	349,395
	<u>2,311,684</u>	<u>2,257,345</u>	<u>1,905,537</u>	<u>2,173,343</u>

SIRSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

14. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Asset brought forward	91,544	152,917	91,544	152,917
Increase/(Decrease) in asset	6,496	(61,373)	6,496	(61,373)
Asset carried forward	<u>98,040</u>	<u>91,544</u>	<u>98,040</u>	<u>91,544</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>98,040</u>	<u>-</u>	<u>91,544</u>	<u>-</u>

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

Company	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>98,040</u>	<u>-</u>	<u>91,544</u>	<u>-</u>

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	78,870	154,000	72,088	108,016
Amounts owed to group undertakings	1,169,467	896,395	1,169,467	896,395
Other creditors including taxation and social security				
Corporation tax	12,989	12,094	12,989	12,094
PAYE and social security	47,805	67,847	47,805	67,847
VAT	60,302	114,751	59,009	89,654
Other creditors	307,724	230,236	7,739	-
Accruals and deferred income	3,183,393	3,399,696	2,630,913	3,060,530
	<u>4,860,550</u>	<u>4,875,019</u>	<u>4,000,010</u>	<u>4,234,536</u>

16. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Other creditors	<u>27,895</u>	<u>25,506</u>	<u>-</u>	<u>-</u>

SIRSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

17. PENSIONS

The company operates a defined contribution pension scheme for the benefit of the senior employees. The assets of the scheme are administered by the trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £75,305 (2008 - £96,636). At the year end outstanding pension contributions payable totalled £7,739 (2008 - £Nil).

18. OTHER PROVISIONS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Other provisions	141,476	242,916	141,476	242,916
Other provisions - Dilapidations	68,345	68,345	68,345	68,345
	<u>209,821</u>	<u>311,261</u>	<u>209,821</u>	<u>311,261</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2009	2008
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>285,800</u>	<u>75,800</u>

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2009	2008
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>285,800</u>	<u>75,800</u>

21. CONTINGENCIES

The company has agreed to provide financial support to Sirsi Nordisk and Sirsi GmbH, including but not limited to provide cash loans, guarantee to secure borrowing and by not pressing for early repayment on monies owed by Sirsi Nordisk to the company. The company does not expect to be required to provide any financial support for the next 12 months. There are no other contingencies.

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

22. RELATED PARTY TRANSACTIONS

During 2009 Sirsi Limited has related party transactions with Sirsi Corporation, the ultimate parent undertaking of Sirsi Limited, Dynix Limited and Sirsi Australia Pty Ltd, fellow group companies and Sirsi Iberia S L, Sirsi Nordisk A/S, Sirsi France and SirsiDynix GmbH who are the subsidiary undertakings of Sirsi Limited. Sirsi Corporation does not make their annual financial statements available to the public and therefore in accordance with FRS 8 "Related Party Transactions", details of the related party transactions and balances are disclosed below

Related party transactions with ultimate parent undertaking

	2009	2008
	£	£
Management charge	(278,712)	-
Sale of goods and services	142,586	68,576
Purchase of goods and services	(1,879,716)	(1,294,378)
Interest received on loans	63,683	3,833
Loans	-	279,271
Amounts owed (to) / by ultimate parent undertaking at 31 December	(983,078)	(710,006)

Related party transactions with fellow group companies

	2009	2008
	£	£
Management charge	(194,250)	(194,250)
Sales of goods and services	1,007	726
Purchase of goods and services	(1,668)	(231)
Loans	-	253,156
Amounts owed by fellow group company at 31 December	280,205	238,877
Amount owed to fellow group company at 31 December	(186,389)	(186,389)

Related party transactions with subsidiary undertakings

	2009	2008
	£	£
Sales of goods and services	3,455	35,327
Purchase of goods and services	-	(64,564)
Amounts owed by subsidiary undertakings at 31 December	291,322	377,543

23. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

23. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
670 Ordinary shares of £1 each	<u>670</u>	<u>670</u>	<u>670</u>	<u>670</u>

24. RESERVES

Group	Foreign currency translation reserve £	Profit and loss account £
Balance brought forward	166,291	469,433
Profit for the year	—	163,023
Exchange differences on retranslation of net assets of subsidiary undertakings	<u>(43,345)</u>	<u>—</u>
Balance carried forward	<u>122,946</u>	<u>632,456</u>

Company	Profit and loss account £
Balance brought forward	51,726
Profit for the year	63,569
Balance carried forward	<u>115,295</u>

25. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	130,522	854,546
Depreciation	90,345	104,444
Loss on disposal of fixed assets	10,557	—
(Increase)/decrease in debtors	(47,843)	239,583
(Decrease)/increase in creditors	(15,364)	1,079,755
Decrease in provisions	<u>(101,440)</u>	<u>(72,384)</u>
Net cash inflow from operating activities	<u>66,777</u>	<u>2,205,944</u>

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

25. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009	2008
	£	£
Income from group undertakings	64,602	3,833
Interest received	8,282	41,205
Interest paid	<u>(674)</u>	<u>(428)</u>
Net cash inflow from returns on investments and servicing of finance	<u>72,210</u>	<u>44,610</u>

TAXATION

	2009	2008
	£	£
Taxation	<u>(45,310)</u>	<u>(35,960)</u>

CAPITAL EXPENDITURE

	2009	2008
	£	£
Payments to acquire tangible fixed assets	(48,079)	(105,809)
Receipts from sale of fixed assets	<u>1,671</u>	<u>3,874</u>
Net cash outflow from capital expenditure	<u>(46,408)</u>	<u>(101,935)</u>

FINANCING

	2009	2008
	£	£
Net inflow/(outflow) from other long-term creditors	<u>2,389</u>	<u>(171,727)</u>
Net cash inflow/(outflow) from financing	<u>2,389</u>	<u>(171,727)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009	2008
	£	£
Increase in cash in the period	49,658	1,940,932
Net cash (inflow) from/outflow from other long-term creditors	<u>(2,389)</u>	<u>171,727</u>
Change in net funds resulting from cash flows	47,269	2,112,659
Other differences	<u>(43,345)</u>	<u>118,903</u>
Movement in net funds in the period	<u>3,924</u>	<u>2,231,562</u>
Net funds at 1 January 2009	<u>3,327,152</u>	<u>1,491,729</u>
Net funds at 31 December 2009	<u>3,331,076</u>	<u>3,327,152</u>

SIRSI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

25. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	<u>3,352,658</u>	<u>6,313</u>	<u>3,358,971</u>
Debt			
Debt due after 1 year	<u>(25,506)</u>	<u>(2,389)</u>	<u>(27,895)</u>
Net funds	<u>3,327,152</u>	<u>3,924</u>	<u>3,331,076</u>

26. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Dewey Holding, a company incorporated in the USA. Dewey Holding is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements but does not make those accounts publically available.

The ultimate controlling party is Vista Equity Partners, a private equity firm who owns Dewey Holdings. Dewey Holdings holds 100% of the shares in Sirsi Corporation.