

Company Registration No 3231905 (England and Wales)

BROADVISION (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

FRIDAY



"LFYS44FD"

LD3

31/10/2008

246

COMPANIES HOUSE

BROADVISION (UK) LIMITED

COMPANY INFORMATION,

Directors	P Chen S C Adams
Secretary	Jordan Company Secretaries Limited
Company number	3231905
Registered office	2nd Floor Havell House 62-66 Queens Road Reading Berkshire RG1 4AZ
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	Barclays Bank plc Slough Corporate Banking Centre P O Box 23 258 Bath Road Slough SL1 4NX

BROADVISION (UK) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

BROADVISION (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the company continued to be that of the provision of software applications for use on the World Wide Web

The directors are satisfied with the company's performance during the year in what continued to be a difficult business environment

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 January 2007

P Chen
S C Adams

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

BROADVISION (UK) LIMITED

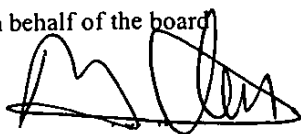
**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



P Chen

Director

27/10/08

BROADVISION (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADVISION (UK) LIMITED

We have audited the financial statements on pages 5 to 13. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

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. We also 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 directors' remuneration and transactions with the company 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 judgements 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.

BROADVISION (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF BROADVISION (UK) LIMITED**

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 loss for the year then ended, and

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

Emphasis of matter - Going concern

Without qualifying our audit opinion, we draw attention to Note 11 in the financial statements which indicates that the company is reliant on BroadVision Inc for future income streams and for ongoing financial support. The financial statements do not include any adjustments that would result if such support were withdrawn.

Saffery Champness

Saffery Champness

Chartered Accountants
Registered Auditors

30 October 2008

Lion House
Red Lion Street
London
WC1R 4GB

BROADVISION (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

		2007	2006
	Notes	£	£
Turnover	2	1,643,952	1,954,306
Administrative expenses		(1,733,708)	(2,119,214)
Operating loss	3	(89,756)	(164,908)
Other interest receivable and similar income		4,699	14,471
Loss on ordinary activities before taxation		(85,057)	(150,437)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	10	(85,057)	(150,437)

The profit and loss account has been prepared on the basis that all operations are continuing operations

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

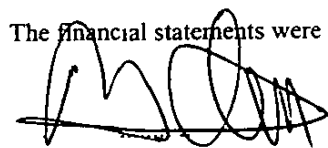
The notes on pages 7 to 13 form part of these financial statements

BROADVISION (UK) LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	5		16,827		44,524
Current assets					
Debtors	6	88,832		99,412	
Cash at bank and in hand		512,979		72,833	
		<u>601,811</u>		<u>172,245</u>	
Creditors: amounts falling due within one year	7	<u>(1,660,797)</u>		<u>(1,173,871)</u>	
Net current liabilities			<u>(1,058,986)</u>		<u>(1,001,626)</u>
Total assets less current liabilities			<u>(1,042,159)</u>		<u>(957,102)</u>
Capital and reserves					
Called up share capital	9		20,000		20,000
Profit and loss account	10		<u>(1,062,159)</u>		<u>(977,102)</u>
Shareholders' funds - equity interests	11		<u>(1,042,159)</u>		<u>(957,102)</u>

The notes on pages 7 to 13 form part of these financial statements

The financial statements were approved by the board on 27/10/08



P Chen
Director

BROADVISION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

BroadVision (UK) Limited is reliant on BroadVision Inc for future income streams and for ongoing financial support. The directors of BroadVision Inc have confirmed their ongoing commitment to provide such support.

1.2 Turnover

Services

Revenue arising from professional service agreements with third parties is recognised as services are delivered.

BroadVision Inc

A sales representative agreement exists between BroadVision (UK) Limited and BroadVision Inc. Under this agreement BroadVision (UK) Limited is reimbursed for all sales, marketing and operating costs incurred in relation to licence and support revenue earned in the UK on behalf of BroadVision Inc and a commission is received.

European management charge

A management charge is received from fellow European subsidiaries contributing to the cost of BroadVision (UK) Limited relating to supporting activities provided to European subsidiaries.

1.3 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:

Leasehold improvements	over 3 years
Computer equipment and software	over 3 years
Office equipment, furniture and fittings	over 5 years

1.4 Leasing

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

1.5 Pensions

The company makes contributions to employee personal pension plans on a defined contribution basis. The pension costs charged in the financial statements represent the contributions paid by the company during the year.

BROADVISION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

(continued)

1.6 Deferred taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

1.7 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

2 Turnover

Class of business	Turnover	
	2007 £	2006 £
Third party UK sales	212,375	252,623
BroadVision Inc costs recharged and commission received	1,120,728	1,357,308
Management charge to European fellow subsidiaries	310,849	344,375
	<u>1,643,952</u>	<u>1,954,306</u>

BROADVISION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2007

3 Operating loss	2007	2006
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	27,830	34,764
Loss on disposal of tangible assets	-	20,742
Loss on foreign exchange transactions	21	108
Operating lease rentals	33,873	118,537
Auditors' remuneration	10,000	10,000
Auditors' remuneration (prior year underprovision)	6,500	-
Remuneration of auditors for non-audit work	6,370	(932)
Remuneration of auditors for non-audit work (prior year underprovision)	2,100	-
Directors' remuneration	-	-
	<u>2007</u>	<u>2006</u>
	£	£
4 Taxation		
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(85,057)</u>	<u>(150,437)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 30.00%)	<u>(25,517)</u>	<u>(45,131)</u>
Effects of		
Non deductible expenses	982	3,037
Depreciation add back	8,349	10,429
Capital allowances	-	(3,502)
Tax losses carried forward	17,253	28,944
Provisions	(1,067)	-
Loss/(profit) on disposal	-	6,223
	<u>25,517</u>	<u>45,131</u>
Current tax charge	<u>-</u>	<u>-</u>

No provision has been made for the deferred tax asset arising from the accelerated depreciation charge. If provision were to be made for the deferred tax asset, the tax charge for the year would decrease by £ 171,538 (2006 £ 166,505)

The company has estimated losses of £ 167,103 (2006 £ 109,593) available for carry forward against future trading profits

BROADVISION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

5 Tangible fixed assets

	Leasehold improvements	Computer equipment and software	Office equipment, and furniture and fittings	Total
	£	£	£	£
Cost				
At 1 January 2007	43,251	50,000	51,676	144,927
Additions	-	1,581	-	1,581
Disposals	(1,448)	-	-	(1,448)
	<u>41,803</u>	<u>51,581</u>	<u>51,676</u>	<u>145,060</u>
At 31 December 2007				
Depreciation				
At 1 January 2007	10,037	40,132	50,234	100,403
Charge for the year	17,325	9,955	550	27,830
	<u>27,362</u>	<u>50,087</u>	<u>50,784</u>	<u>128,233</u>
At 31 December 2007				
Net book value				
At 31 December 2007	<u>14,441</u>	<u>1,494</u>	<u>892</u>	<u>16,827</u>
At 31 December 2006	<u>33,214</u>	<u>9,868</u>	<u>1,442</u>	<u>44,524</u>

6 Debtors

	2007 £	2006 £
Trade debtors	2,282	29,722
Other debtors	36,925	6,482
Prepayments and accrued income	49,625	63,208
	<u>88,832</u>	<u>99,412</u>

BROADVISION (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

7	Creditors: amounts falling due within one year	2007	2006
		£	£
	Trade creditors	30,390	91,797
	Amounts owed to parent and fellow subsidiary undertakings	1,350,841	763,370
	Taxes and social security costs	38,893	50,937
	Other creditors	9,394	14,135
	Accruals and deferred income	231,279	253,632
		<u>1,660,797</u>	<u>1,173,871</u>
8	Pension costs		
	Defined contribution		
		2007	2006
		£	£
	Contributions payable by the company for the year	<u>86,500</u>	<u>114,792</u>
9	Share capital	2007	2006
		£	£
	Authorised		
	20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
	Allotted, called up and fully paid		
	20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
10	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 January 2007		(977,102)
	Retained loss for the year		<u>(85,057)</u>
	Balance at 31 December 2007		<u>(1,062,159)</u>

BROADVISION (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

11 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Loss for the financial year	(85,057)	(150,437)
Opening shareholders' funds	(957,102)	(806,665)
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>(1,042,159)</u>	<u>(957,102)</u>

12 Financial commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
Between two and five years	<u>34,948</u>	<u>34,948</u>

13 Employees**Number of employees**

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

	2007	2006
	Number	Number
Sales and support	10	10
BVGS	3	3
Finance and Administration	3	6
	<u>16</u>	<u>19</u>

Employment costs

	£	£
Wages and salaries	960,404	1,145,545
Social security costs	112,551	127,501
Other pension costs	86,500	114,792
	<u>1,159,455</u>	<u>1,387,838</u>

BROADVISION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

14 Control

The company's ultimate parent company and controlling party is BroadVision Inc , a company incorporated in the USA

15 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with related parties within the group, as consolidated financial statements in which the company is included are available from 1600 Seaport Boulevard, 5th Floor, North Building, Redwood City, California, 94063, USA