Co's House

Grant Thornton

Financial statements Kabira Technologies (UK) Limited

For the Year Ended 31 March 2008

FRIDAY

LB9BO6Y8
LD4 30/01/2009 406
COMPANIES HOUSE

Company No. 3281071

Officers and professional advisers

Company registration number	3281071
Registered office	Discovery House Mercury Park Wooburn Green High Wycombe Buckinghamshire HP10 0HH
Directors	R Gunn P Sutton
Secretary	R Gunn
Bankers	Barclays Bank plc P.O. Box 23 Hamilton Road Slough Berkshire SL1 4NX
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Churchill House Chalvey Road East Slough Berkshire SL1 2LS

Contents

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2008.

Principal activities and business review

The principal activity of the company during the year continues to be that of an agent acting on behalf of Kabira Technologies Inc to provide a new class of infrastructure software for the development of delivery of business and consumer services. This is made possible by the convergence of telecommunications networks, internal enterprise networks and the internet. This new breed of advanced eBusiness services includes new online services that enable consumers to obtain information and execute transactions through many types of electronic devices; more efficient methods of managing and exploiting information about products, customers and operations and new electronic means for businesses to exchange information, work together and buy and sell products and services. Specific examples of today's advanced eBusiness services include mobile travel services, voice transmissions over Internet networks, wireless Internet applications, online banking services and real-time business-to-business exchanges.

The results for the year and the financial position at the year end are considered to be satisfactory by the directors.

Directors

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

R Gunn
P Sutton

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law 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 these 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;

- 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 disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the company made the following contributions:

	2008	2007
	£	£
Charitable	220	-

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

R Gunn
Secretary
30th January 2009

Grant Thornton

Report of the independent auditor to the members of Kabira Technologies (UK) Limited

We have audited the financial statements of Kabira Technologies (UK) Limited for the year ended 31 March 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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 Report of the Directors 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 directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Report of the independent auditor to the members of Kabira Technologies (UK) Limited (continued)

Basis of 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its loss 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 Report of the Directors is consistent with the financial statements.

Emphasis of matter - going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in the accounting policies section of the financial statements concerning the company's ability to continue as a going concern. The company is reliant on the parent undertaking, Kabira Technologies, Inc., for its future revenues. These conditions, along with the other matters more fully explained in the accounting policies section of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

30 January 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Going concern

The company principally acts as an agent on behalf of Kabira Technologies, Inc., its parent undertaking, and is therefore entirely dependent on the parent undertaking for its future trade and revenue. Should the parent company be unable to continue in operation, this would in turn create an uncertainty over the ability of Kabira Technologies (UK) Limited to continue in operation for the foreseeable future. The parent undertaking has faced difficult trading conditions over the past two years.

The financial statements have been prepared on the going concern basis as the directors have prepared and considered projected cash flow information, including information available for Kabira Technologies Inc., the parent undertaking. Kabira Technologies Inc. has confirmed its intention to continue to support the company for at least 12 months from the date of approval of these financial statements. The directors are therefore confident, taking the projected cash flow information and confirmation of parent undertaking support together, that both the parent undertaking and the company will have the ability to continue in operation for the foreseeable future.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover in the profit and loss account represents amounts receivable for services provided during the year exclusive of value added tax.

Fixed assets

All fixed assets are initially recorded at cost.

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 Property	-	20% straight line
Fixtures & Fittings	-	33% straight line
Equipment	-	33% straight line

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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 does not operate a pension scheme but has made contributions to a number of employees' personal pension funds.

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, except that 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2008 £	2007 £
Turnover	1	**1,639,752**	1,393,904
Other operating charges	2	**1,756,138**	1,335,830
Operating (loss)/profit	3	**(116,386)**	58,074
Interest receivable		**21,904**	5,422
(Loss)/profit on ordinary activities before taxation		**(94,482)**	63,496
Tax on (loss)/profit on ordinary activities		**25,764**	21,536
(Loss)/profit for the financial year	13	**(120,246)**	41,960

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	5	**61,458**	37,711
Current assets			
Debtors	6	**489,436**	659,685
Cash at bank		**258,748**	164,407
		748,184	824,092
Creditors: amounts falling due within one year	8	**490,284**	428,298
Net current assets		**257,900**	395,794
Total assets less current liabilities		**319,358**	433,505
Creditors: amounts falling due after more than one year	9	**6,099**	–
		313,259	433,505
Capital and reserves			
Called-up equity share capital	12	**50,000**	50,000
Profit and loss account	13	**263,259**	383,505
Shareholders' funds		**313,259**	433,505

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 30/1/2009, and are signed on their behalf by:

R Gunn
Director

Notes to the financial statements

1 Turnover

Turnover, which is stated net of value added tax is attributable to one continuing activity and represents the invoiced amount in respect of support services provided to the parent company. All turnover is considered to originate in the United States of America.

2 Other operating charges

	2008	2007
	£	£
Administrative expenses	1,756,138	1,335,830

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2008	2007
	£	£
Staff pension contributions	48,061	57,165
Depreciation of owned fixed assets	29,154	40,719
Loss on disposal of fixed assets	2,234	–
Auditor's fees	13,900	13,250
Operating lease costs:		
- Land and buildings	162,368	178,130
Net loss on foreign currency translation	5,628	7,885

4 Directors

Remuneration in respect of directors was as follows:

	2008	2007
	£	£
Emoluments	135,585	140,177
Value of company pension contributions to money purchase schemes	7,770	7,770
	143,355	147,947

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

	2008	2007
	No	No
Money purchase schemes	1	1

4 Directors (continued)

Paul Sutton's emoluments have been borne by the parent company, Kabira Technologies Inc. Paul Sutton's services to the company do not occupy a significant amount of his time. As such Paul Sutton does not consider that he has received any remuneration for his incidental services to the company for the years ended 31 March 2008 and 31 March 2007.

5 Tangible fixed assets

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
Cost				
At 1 April 2007	129,308	37,891	65,802	233,001
Additions	30,452	2,137	22,547	55,136
Disposals	(129,308)	(17,440)	(10,433)	(157,181)
At 31 March 2008	30,452	22,588	77,916	130,956
Depreciation				
At 1 April 2007	120,410	36,888	37,992	195,290
Charge for the year	8,746	1,125	19,283	29,154
On disposals	(127,869)	(17,434)	(9,643)	(154,946)
At 31 March 2008	1,287	20,579	47,632	69,498
Net book value				
At 31 March 2008	**29,165**	**2,009**	**30,284**	**61,458**
At 31 March 2007	8,898	1,003	27,810	37,711

Included within the net book value of £61,458 is £14,231 (2007 - £Nil) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2007 - £Nil).

6 Debtors

	2008 £	2007 £
Amounts owed by parent undertaking	**329,953**	339,117
Other debtors	**153,054**	313,036
Deferred taxation (note 7)	**6,429**	7,532
	489,436	659,685

7 Deferred taxation

The deferred tax included in the Balance Sheet is as follows:

	2008	2007
	£	£
Included in debtors (note 6)	**6,429**	7,532

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of depreciation over taxation allowances	**6,429**	11,336
Other timing differences	-	(3,804)
	6,429	7,532

8 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	**323,369**	241,998
Corporation tax	**24,661**	17,732
Other taxation and social security	**29,122**	31,155
Amounts due under finance leases	**8,132**	–
Other creditors	**105,000**	137,413
	490,284	428,298

9 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Amounts due under finance leases	**6,099**	–

10 Commitments under operating leases

At 31 March 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2008	2007
	£	£
Operating leases which expire:		
Within 2 to 5 years	**79,898**	178,130

11 Related party transactions

As a wholly owned subsidiary of Kabira Technologies Inc., the company is exempt from the requirement of Financial Reporting Standard No 8 "Related Party Transactions" to disclose transactions with other members of the group headed by Kabira Technologies Inc. on the grounds that the group accounts are publicly available.

12 Share capital

Authorised share capital:

	2008	2007
	£	£
1,000,000 Ordinary shares of £1 each	**1,000,000**	1,000,000

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	**50,000**	**50,000**	50,000	50,000

13 Profit and loss account

	2008	2007
	£	£
Balance brought forward	**383,505**	341,545
(Loss)/profit for the financial year	**(120,246)**	41,960
Balance carried forward	**263,259**	383,505

14 Ultimate parent company

The ultimate parent company and controlling party is Kabira Technologies Inc., a company registered in the United States of America.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Kabira Technologies Inc. Copies of the group financial statements can be obtained from The Vice President, Kabira Technologies Inc., One McInnis Parkway, San Rafael, CA 94903, USA.

15 Share based payments

At 31 March 2008, 12 (2007 - 17) employees of the company held 288,400 (2007 - 359,700) share options in the parent company, Kabira Technologies Inc., of which 193,101 (2007 - 195,135) options had vested by that date. These options were granted between 1999 and 2008 and are exercisable on a pro-rata basis over 48 months from the grant date, or later, at a price range of U.S.$0.30cents to U.S.$0.50 cents.