

Group financial statements Causeway Technologies Limited

For the year ended 31 December 2010

Note that appended to these financial statements are the Group financial statements of Causeway Software Solutions Limited, the ultimate parent undertaking, which provide an overview of the financial affairs of the Group as a whole



Officers and professional advisers

Company registration number	3921897
Registered office	Comino House Furlong Road Bourne End Buckinghamshire SL8 5AQ
Directors	P J Brown P D Nagle
Secretary	H Evans
Bankers	Barclays Bank Plc 15 Colmore Row BIRMINGHAM B3 2BH
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South OXFORD OX4 2WB

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Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 December 2010

Principal activities and business review

During the year under review the Group continued to consolidate its position as a leading supplier of construction software and online services

The directors are pleased to report the continued growth of the business in the year to 31 December 2010, with consolidated turnover of £19.3m (2009 £16.4m), an increase of 17.6% over the previous year. This increase resulted from growth in sales in the UK with overseas markets holding their own in difficult market conditions.

In July 2010, the Company acquired Integrated FM Limited (IFM), a leading provider of facilities management and carbon compliance software. IFM have been successfully developing, implementing and supporting integrated solutions for over 19 years.

IFM has been fully integrated into the Group and the directors have rationalised business processes and centralised common operations across the Group to provide top quality customer services and product delivery, providing significant cross selling opportunities.

The directors will continue to review the opportunity to collaborate with other software providers and to identify potential acquisitions that can further strengthen the Group's position as a leading supplier of software solutions to the construction sector and related vertical markets. The Group's client list continues to grow with over 3,500 customers. The business is supported by our dedicated and committed staff operating from offices in the UK, and through overseas offices in Ireland, United Arab Emirates (Dubai Internet City) and our research and development facility in Bangalore, India.

Results and dividends

Consolidated total assets have grown to £24.3m as at 31 December 2010 (2009 £20.9m), an increase of 16% and continues to report strong liquidity with cash reserves of £2.6m (2009 £2.1m) as at the end of the year. This is after outlay of £0.9m (i.e. capital expenditure £0.2m and acquisition outlay £0.7m) during the year. In addition, net current assets returned to a positive position. Consolidated Shareholder's funds were £5.2m at the end of the year as against £5.0m in 2009.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was £0.87m after restructuring costs, an improvement on the previous year (2009 £0.64m excluding exceptional items). Turnover has increased by £2.9m but margin pressures show a decline of 3% in gross profit reported. Notwithstanding the difficult economic climate, and increased cost of sales, with solid recurring revenues, the Group is in a strong position to sustain profitable operations in 2011 and beyond.

The Directors are not recommending a dividend.

Principal risks and uncertainties

The key risks of the business are a possible decline in licence sales volume and attrition of the Customer base that might arise due to adverse market conditions. These risks are managed by a legal administrative team that manages contract renewals and a robust Customer Relationship Management (CRM) sales process that has delivered growth in both sales volume and in the customer base to date. Recognised recurring maintenance revenues which rose by 26% over the previous year, provides a large element of turnover, and this allows management sufficient time to align costs and revenue and make strategic choices as required.

Financial risk management objectives and policies

Exposure to credit and liquidity risks arise in the course of the Group's business. The Group has no derivative financial instruments.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The Group continuously monitors customer credit levels and obtains, when necessary, external credit reports on customers. The amounts presented in the balance sheet are net of any allowance for doubtful debtors, based on prior experience and an assessment of specific circumstances by the directors. The Group has no significant concentration of credit risk, with exposure spread over a number of clients.

Liquidity risk

The Group manages its liquidity by monitoring the day to day cash flow needs of the business. The Group uses bank loans to finance expansion opportunities and monitors cashflow forecasts to ensure that sufficient liquidity exists within the Group to settle liabilities as they fall due and to ensure that covenant requirements are complied with.

Directors

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

P J Brown
P D Nagle

Directors' responsibilities statement

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 Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Standards and applicable laws). 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 the group and of the profit or loss of the group for that year. 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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 directors are aware

- there is no relevant audit information of which the group'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.

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.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'P D Nagle', written over a horizontal line.

P D Nagle
Director



Report of the independent auditor to the member of Causeway Technologies Limited

We have audited the financial statements of Causeway Technologies Limited for the year ended 31 December 2010 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement, and the related notes. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4 to 5, 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 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.

Report of the independent auditor to the member of Causeway Technologies Limited (continued)

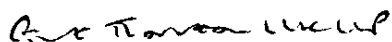
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors 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 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Janet Crookes
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Oxford

27 May 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and have remained unchanged from the previous year

Going concern

The directors have prepared the financial statements on the going concern basis as they believe that the group and the parent company can continue to meet their liabilities as and when they fall due. The directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the group is able to operate within its funding facilities.

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 twenty 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

The company is a wholly owned subsidiary of Causeway Software Solutions Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Causeway Software Solutions Group.

Turnover

Turnover on maintenance and other professional service contracts is invoiced in advance and released to the profit and loss account on a straight line basis over the course of the contract in line with the contract terms.

Goodwill

Positive purchased goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight line basis over its useful economic life as follows:

Purchased goodwill - 5 - 20 years

Amortisation

Amortisation 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:

Software licences and trademarks - 3 - 5 years

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

Building refurbishments	-	10 years
Fixtures & fittings	-	5 years
Computer equipment	-	3 years

Research and development

Expenditure on research and development is written off to the profit and loss account as incurred

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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

Foreign currencies

Monetary 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.

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 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

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.

Group profit and loss account

	Note	2010 £	2009 £
Group turnover	1	19,301,480	16,367,602
Cost of sales		(5,087,833)	(3,692,332)
Gross profit		14,213,647	12,675,270
Other operating charges		(14,077,911)	(12,614,931)
Operating profit before interest, tax, depreciation, amortisation and restructuring costs		873,405	1,032,571
Restructuring costs		-	(392,293)
Depreciation of tangible fixed assets		(198,149)	(176,744)
Amortisation of intangible fixed assets		(539,520)	(403,195)
Operating profit		135,736	60,339
Interest receivable		210	8,491
Interest payable and similar charges	6	(218,262)	(183,625)
Loss on ordinary activities before taxation		(82,316)	(114,795)
Tax on loss on ordinary activities	7	225,000	(68,776)
Profit/(loss) for the financial year	19	<u>142,684</u>	<u>(183,571)</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

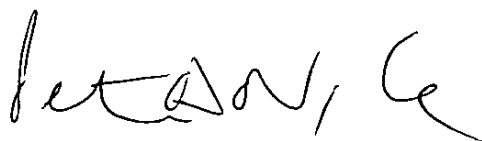
The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

The accompanying accounting policies and notes form part of these financial statements.

Group balance sheet

	Note	2010 £	2009 £
Fixed assets			
Intangible assets	9	8,757,096	7,970,360
Tangible assets	10	489,721	504,537
Investments		1,000	-
		<u>9,247,817</u>	<u>8,474,897</u>
Current assets			
Debtors	12	12,464,876	10,433,755
Cash at bank		2,606,031	2,079,994
		<u>15,070,907</u>	<u>12,513,749</u>
Creditors amounts falling due within one year	14	<u>(14,865,983)</u>	<u>(15,506,089)</u>
Net current assets/(liabilities)		<u>204,924</u>	<u>(2,992,340)</u>
Total assets less current liabilities		<u>9,452,741</u>	<u>5,482,557</u>
Creditors: amounts falling due after more than one year	15	<u>(4,277,500)</u>	<u>(450,000)</u>
		<u>5,175,241</u>	<u>5,032,557</u>
Capital and reserves			
Called-up equity share capital	18	11,200	11,200
Share premium account	19	5,340,800	5,340,800
Profit and loss account	19	(176,759)	(319,443)
Shareholder's funds	20	<u>5,175,241</u>	<u>5,032,557</u>

These financial statements were approved by the board and authorised for issue on 26 May 2011, and are signed on their behalf by



P D Nagle

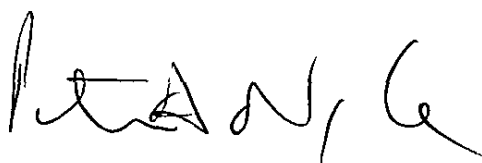
Company Registration Number 3921897

The accompanying accounting policies and notes form part of these financial statements.

Company balance sheet

	Note	2010 £	2009 £
Fixed assets			
Intangible assets	9	8,055,690	7,328,756
Tangible assets	10	447,560	504,537
Investments	11	282,480	272,434
		<u>8,785,730</u>	<u>8,105,727</u>
Current assets			
Debtors	12	12,438,480	10,432,955
Cash at bank		2,442,031	2,079,994
		<u>14,880,511</u>	<u>12,512,949</u>
Creditors, amounts falling due within one year	14	<u>(15,069,305)</u>	<u>(15,708,608)</u>
Net current liabilities		<u>(188,794)</u>	<u>(3,195,659)</u>
Total assets less current liabilities		<u>8,596,936</u>	<u>4,910,068</u>
Creditors amounts falling due after more than one year	15	<u>(4,277,500)</u>	<u>(450,000)</u>
		<u>4,319,436</u>	<u>4,460,068</u>
Capital and reserves			
Called-up equity share capital	18	11,200	11,200
Share premium account	19	5,340,800	5,340,800
Profit and loss account	19	(1,032,564)	(891,932)
Shareholder's funds		<u>4,319,436</u>	<u>4,460,068</u>

These financial statements were approved by the board and authorised for issue on 26 May 2011, and are signed on their behalf by



P D Nagle

Company Registration Number 3921897

The accompanying accounting policies and notes form part of these financial statements.

Group cash flow statement

	Note	2010 £	2009 £
Net cash inflow from operating activities	21	641,102	1,849,507
Returns on investments and servicing of finance	21	(218,052)	(175,134)
Taxation	21	(483)	(12,778)
Capital expenditure and financial investment	21	(179,061)	(205,049)
Acquisitions and disposals	21	(703,401)	(807,137)
Cash outflow before financing		<u>(459,895)</u>	<u>649,409</u>
Financing	21	985,932	(951,366)
Increase/(decrease) in cash	21	<u>526,037</u>	<u>(301,957)</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group
 An analysis of turnover is given below

	2010 £	2009 £
United Kingdom	18,368,966	15,237,624
Rest of World	932,514	1,129,978
	<u>19,301,480</u>	<u>16,367,602</u>

2 Other operating charges

	2010 £	2009 £
Administrative expenses	<u>14,077,911</u>	<u>12,614,931</u>

3 Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Amortisation of intangible assets	539,520	403,195
Depreciation of owned fixed assets	198,149	176,744
Auditor's remuneration		
Audit fees	22,950	18,675
Taxation compliance fees	6,650	6,000
Other non-audit services	<u>30,260</u>	<u>-</u>

4 Particulars of employees

The average number of persons employed by the group during the financial year, including the directors, amounted to 149 (2009 - 147)

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	8,634,908	8,339,616
Social security costs	840,016	788,853
Other pension costs	284,675	245,559
	<u>9,759,599</u>	<u>9,374,028</u>

5 Directors

Remuneration in respect of directors was as follows

	2010 £	2009 £
Remuneration receivable	1,337,900	758,887
Value of company pension contributions to money purchase schemes	88,402	54,709
	<u>1,426,302</u>	<u>813,596</u>

Remuneration of highest paid director

	2010 £	2009 £
Total remuneration (excluding pension contributions)	<u>720,700</u>	<u>400,530</u>

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

	2010 No	2009 No
Money purchase schemes	<u>2</u>	<u>2</u>

6 Interest payable and similar charges

	2010 £	2009 £
Interest payable on bank borrowing	7,906	15,563
Other similar charges payable	210,356	168,062
	<u>218,262</u>	<u>183,625</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
UK Corporation tax based on the results for the year	-	25,000
Adjustments to tax charge in respect of prior periods	(25,000)	(17,224)
Total current tax	<u>(25,000)</u>	<u>7,776</u>
Deferred tax		
Origination and reversal of timing differences (note 13)	(200,000)	61,000
Tax on profit on ordinary activities	<u>(225,000)</u>	<u>68,776</u>

(b) Factors affecting current tax charge

	2010 £	2009 £
Loss on ordinary activities before taxation	<u>(82,316)</u>	<u>(114,795)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK (2010 28%, 2009 28%)	(23,048)	(32,143)
Net expenses not deductible for tax purposes	28,017	113,722
Depreciation for the period in excess of capital allowances	(1,355)	7,140
Marginal relief	-	(1,098)
Research and development tax credits	(137,477)	(40,333)
Movement in losses	146,147	(15,739)
Adjustments to tax charge in respect of prior periods	(25,000)	(17,224)
Other	(12,284)	(6,549)
Current tax (note 7(a))	<u>(25,000)</u>	<u>7,776</u>

The group has tax losses available for set off against future profits of approximately £1.2m

8 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £140,632 (2009 - £149,802)

9 Intangible fixed assets

Group	Goodwill on consolidation £	Purchased goodwill £	Software licences and trademarks £	Total £
Cost				
At 1 January 2010	6,907,307	1,814,534	809,530	9,531,371
Addition	-	92,875	-	92,875
On acquisition of subsidiary undertakings (see note 25)	2,045,381	-	250,000	2,295,381
Transfers to group undertakings	(750,000)	(62,000)	(250,000)	(1,062,000)
At 31 December 2010	<u>8,202,688</u>	<u>1,845,409</u>	<u>809,530</u>	<u>10,857,627</u>
Amortisation				
At 1 January 2010	759,132	53,693	748,186	1,561,011
Charge for the year	427,658	95,370	16,492	539,520
At 31 December 2010	<u>1,186,790</u>	<u>149,063</u>	<u>764,678</u>	<u>2,100,531</u>
Net book value				
At 31 December 2010	<u>7,015,898</u>	<u>1,696,346</u>	<u>44,852</u>	<u>8,757,096</u>
At 31 December 2009	<u>6,148,175</u>	<u>1,760,841</u>	<u>61,344</u>	<u>7,970,360</u>

The addition to purchased goodwill relates to the revision of the fair value of the net assets acquired in the acquisition of the trade and assets of Globalive in the previous year, due to the write-off of bad debts

Company	Purchased goodwill £	Software licences and trademarks £	Total £
Cost			
At 1 January 2010	7,869,169	809,530	8,678,699
Additions	92,875	-	92,875
Arising on hive-up of trade and assets of subsidiary undertakings (see note 25)	2,095,091	102,305	2,197,396
Disposals	(960,205)	(102,305)	(1,062,510)
At 31 December 2010	<u>9,096,930</u>	<u>809,530</u>	<u>9,906,460</u>
Amortisation			
At 1 January 2010	601,757	748,186	1,349,943
Charge for the year	484,335	16,492	500,827
At 31 December 2010	<u>1,086,092</u>	<u>764,678</u>	<u>1,850,770</u>
Net book value			
At 31 December 2010	<u>8,010,838</u>	<u>44,852</u>	<u>8,055,690</u>
At 31 December 2009	<u>7,267,412</u>	<u>61,344</u>	<u>7,328,756</u>

10 Tangible fixed assets

Group	Building refurbishments £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2010	231,444	656,220	1,848,697	2,736,361
Additions	4,575	37,831	136,655	179,061
On acquisition of subsidiary undertakings	1,163	3,000	35,615	39,778
At 31 December 2010	<u>237,182</u>	<u>697,051</u>	<u>2,020,967</u>	<u>2,955,200</u>
Depreciation				
At 1 January 2010	37,749	462,572	1,731,503	2,231,824
Charge for the year	22,796	55,238	120,115	198,149
On acquisition of subsidiary undertakings	521	3,000	31,985	35,506
At 31 December 2010	<u>61,066</u>	<u>520,810</u>	<u>1,883,603</u>	<u>2,465,479</u>
Net book value				
At 31 December 2010	<u>176,116</u>	<u>176,241</u>	<u>137,364</u>	<u>489,721</u>
At 31 December 2009	<u>193,695</u>	<u>193,648</u>	<u>117,194</u>	<u>504,537</u>

Company	Building refurbishments £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2010	231,444	656,220	1,848,697	2,736,361
Additions	4,575	37,831	136,655	179,061
Assets hived-up from subsidiary undertakings	1,163	3,000	35,615	39,778
Disposals	(17,050)	(33,373)	(1,131)	(51,554)
At 31 December 2010	<u>220,132</u>	<u>663,678</u>	<u>2,019,836</u>	<u>2,903,646</u>
Depreciation				
At 1 January 2010	37,749	462,572	1,731,503	2,231,824
Charge for the year	21,092	52,157	120,174	193,423
Assets hived-up from subsidiary undertakings	521	3,000	31,985	35,506
Disposals	(1,417)	(2,904)	(346)	(4,667)
At 31 December 2010	<u>57,945</u>	<u>514,825</u>	<u>1,883,316</u>	<u>2,456,086</u>
Net book value				
At 31 December 2010	<u>162,187</u>	<u>148,853</u>	<u>136,520</u>	<u>447,560</u>
At 31 December 2009	<u>193,695</u>	<u>193,648</u>	<u>117,194</u>	<u>504,537</u>

11 Investments

Company	Shares in group undertakings £
Cost and net book value	
At 1 January 2010	272,434
Addition – Integrated FM Limited (see note 25)	2,095,091
Addition – Causeway Middle East FZ-LLC	9,044
Assets hived-up from subsidiary undertakings	1,002
Transferred to goodwill (note 9)	(2,095,091)
At 31 December 2010	<u>282,480</u>

On 14 March 2010, a new subsidiary, Causeway Middle East FZ-LLC, was incorporated with share capital of 50,000 AED

On 7 July 2010 the trade and assets of Integrated FM Limited were hived up to Causeway Technologies Limited through the inter-company account. The consideration was at book value. The remaining difference between the net assets of the subsidiary undertaking and the fair value of the trade and assets hive-up has been transferred to purchased goodwill.

Subsidiary undertakings

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Valleyhall Limited	England	Ordinary shares	100%	Holding company
Elstree Computing Limited (*)	England	Ordinary shares	100%	Dormant
Vixen Software Solutions Limited	England	Ordinary shares	100%	Dormant
FM 24 7 Limited	England	Ordinary shares	100%	Dormant
24 7 FM Limited	England	Ordinary shares	100%	Dormant
Integrated FM Limited	England	Ordinary shares	100%	Software solution provider
Causeway Middle East FZ- LLC	UAE	Ordinary shares	100%	Software solution provider

* Held by Valleyhall Limited

12 Debtors

	2010	The group 2009	2010	The company 2009
	£	£	£	£
Trade debtors	3,226,640	3,182,807	3,226,640	3,182,807
Amounts owed by parent undertaking	8,446,911	6,546,690	8,446,911	6,546,690
Other debtors	78,231	83,842	71,327	83,042
Deferred taxation asset (note 13)	200,000	-	200,000	-
Prepayments and accrued income	513,094	620,416	493,602	620,416
	<u>12,464,876</u>	<u>10,433,755</u>	<u>12,438,480</u>	<u>10,432,955</u>

13 Deferred taxation

The movement in the deferred taxation asset during the year was

	The group 2010	2009	The company 2010	2009
	£	£	£	£
At 1 January 2010	-	61,000	-	61,000
Profit and loss movement during the year (note 7)	200,000	(61,000)	200,000	(61,000)
At 31 December 2010 (note 12)	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>

The deferred taxation asset consists of the tax effect of timing differences in respect of

Group and company	2010 Provided £	Unprovided £	2009 Provided £	Unprovided £
Tax losses available	<u>200,000</u>	<u>136,000</u>	<u>-</u>	<u>-</u>

14 Creditors: amounts falling due within one year

	2010	The group	2010	The company
	£	2009	£	2009
		£		£
Bank loan	1,375,000	3,479,360	1,375,000	3,479,360
Trade creditors	312,890	424,339	312,890	424,339
Amounts owed to related parties	1,968,586	1,781,348	1,968,586	1,781,348
Amounts owed to group undertakings	—	—	207,954	207,954
Corporation tax	27,875	28,358	27,875	28,358
Other creditors	1,417,635	1,173,284	1,413,001	1,167,849
Deferred consideration	1,017,000	437,208	1,017,000	437,208
Accruals and deferred income	8,746,997	8,182,192	8,746,999	8,182,192
	<u>14,865,983</u>	<u>15,506,089</u>	<u>15,069,305</u>	<u>15,708,608</u>

See note 15 for details of the bank loan

15 Creditors: amounts falling due after more than one year

	2010	The group	2010	The company
	£	2009	£	2009
		£		£
Bank loan	3,437,500	—	3,437,500	—
Deferred consideration	840,000	450,000	840,000	450,000
	<u>4,277,500</u>	<u>450,000</u>	<u>4,277,500</u>	<u>450,000</u>

The bank loan is secured by a fixed and floating charge over all of the group's assets and is due for repayment in quarterly instalments of £343,750 with a final payment of £1,718,750 due on 31 March 2013

16 Commitments under operating leases

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as set out below

The group	2010		2009	
	Land and	Other items	Land and	Other items
	buildings		Buildings	
	£	£	£	£
Operating leases which expire				
Within 1 year	172,000	15,000	4,500	39,500
Within 2 to 5 years	127,000	62,000	125,000	180,000
After more than 5 years	135,000	—	100,000	—
	<u>434,000</u>	<u>77,000</u>	<u>229,500</u>	<u>219,500</u>

17 Related party transactions

As a wholly owned subsidiary of Causeway Software Solutions Limited, the group is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Causeway Software Solutions Limited. Copies of the group financial statements can be obtained from Comino House, Furlong Road, Bourne End, SL8 5AQ

18 Share capital

Authorised share capital

	2010 £	2009 £
15,000,000 Ordinary shares of £0.001 each	<u>15,000</u>	<u>15,000</u>

Allotted, called up and fully paid

	2010 No	£	2009 No	£
11,200,001 Ordinary shares of £0.001 each	<u>11,200,001</u>	<u>11,200</u>	<u>11,200,001</u>	<u>11,200</u>

19 Reserves

Group

	Share premium account £	Profit and loss account £
At 1 January 2010	5,340,800	(319,443)
Profit for the year	—	142,684
At 31 December 2010	<u>5,340,800</u>	<u>(176,759)</u>

Company

	Share premium account £	Profit and loss account £
At 1 January 2010	5,340,800	(891,932)
Loss for the year	—	(140,632)
At 31 December 2010	<u>5,340,800</u>	<u>(1,032,564)</u>

20 Reconciliation of movements in shareholder's funds

	2010 £	2009 £
Profit / (loss) for the financial year	142,684	(183,571)
Opening shareholder's funds	<u>5,032,557</u>	<u>5,216,128</u>
Closing shareholder's funds	<u>5,175,241</u>	<u>5,032,557</u>

21 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating profit	135,736	60,339
Amortisation	539,520	403,195
Depreciation	198,149	176,744
Decrease in stocks	—	15,670
(Increase)/decrease in debtors	(499,158)	1,302,927
Increase/(decrease) in creditors	266,855	(109,368)
Net cash inflow from operating activities	<u>641,102</u>	<u>1,849,507</u>

Returns on investments and servicing of finance

	2010 £	2009 £
Interest received	210	8,491
Interest paid	(218,262)	(183,625)
Net cash outflow from returns on investments and servicing of finance	<u>(218,052)</u>	<u>(175,134)</u>

Taxation

	2010 £	2009 £
Taxation	<u>(483)</u>	<u>(12,778)</u>

Capital expenditure and financial investment

	2010 £	2009 £
Payments to acquire tangible fixed assets	(179,061)	(205,049)
Net cash outflow for capital expenditure and financial investment	<u>(179,061)</u>	<u>(205,049)</u>

Acquisitions and disposals

	2010 £	2009 £
Payments to acquire subsidiary undertakings (note 25)	(778,091)	(1,403,270)
Payments to acquire business trade and assets	—	(120,000)
Cash from subsidiary undertaking acquisitions (note 25)	74,690	751,133
Acquisition of trade investments	—	(35,000)
Net cash outflow from acquisitions	<u>(703,401)</u>	<u>(807,137)</u>

Financing

	2010 £	2009 £
New bank loans	5,500,000	—
Repayment of bank loans	(4,166,860)	(712,640)
Repayment of deferred consideration	(347,208)	(238,726)
Net cash inflow/(outflow) from financing	<u>985,932</u>	<u>(951,366)</u>

Reconciliation of net cash flow to movement in net debt

	2010 £	2009 £
Increase/(decrease) in cash in the period	526,037	(301,957)
Net cash (inflow) from new bank loans	(5,500,000)	—
Net cash outflow from repayment of bank loans	4,166,860	712,640
Net cash outflow from repayment of deferred consideration	347,208	238,726
Change in net debt from cash flows	<u>(459,895)</u>	<u>649,409</u>
Non-cash movements		
New deferred consideration	(1,317,000)	(650,000)
Change in net debt	<u>(1,776,895)</u>	<u>(591)</u>
Net debt at 1 January 2010	<u>(2,286,574)</u>	<u>(2,285,983)</u>
Net debt at 31 December 2010	<u>(4,063,469)</u>	<u>(2,286,574)</u>

Analysis of changes in net debt

	At 1 Jan 2010 £	Cash flows £	Non-cash flows £	At 31 Dec 2010 £
Net cash				
Cash in hand and at bank	<u>2,079,994</u>	<u>526,037</u>	<u>—</u>	<u>2,606,031</u>
Debt				
Bank loans	(3,479,360)	(1,333,140)	—	(4,812,500)
Deferred consideration	(887,208)	347,208	(1,317,000)	(1,857,000)
	<u>(4,366,568)</u>	<u>(985,932)</u>	<u>(1,317,000)</u>	<u>(6,669,500)</u>
	<u>(2,286,574)</u>	<u>(459,895)</u>	<u>(1,317,000)</u>	<u>(4,063,469)</u>

Non-cash flows relate to deferred consideration arising on the acquisition of Integrated FM Limited (see note 25)

22 Capital commitments

The group had no capital commitments at 31 December 2010 or 31 December 2009

23 Contingent liabilities

The group is part of a composite banking arrangement whereby it has jointly undertaken to cross guarantee the bank overdrafts of Building Register Limited and Causeway Software Solutions Limited

At 31 December 2010, the extent of this contingent liability was £nil (2009 £nil)

The group had no other contingent liabilities at 31 December 2010 (2009 none)

24 Ultimate parent company

The ultimate parent undertaking of this company is Causeway Software Solutions Limited, a company incorporated in the Republic of Ireland. Copies of the Group financial statements can be obtained from Comino House, Furlong Road, Bourne End, SL8 5AQ

25 Acquisitions

In July 2010 the company acquired 100% of the ordinary share capital of Integrated FM Limited. The assets and liabilities acquired were as follows

	Book value	Adjustments	Fair value
	£	£	£
Fixed assets	107,863	148,208	256,071
Current assets			
Cash at bank	74,690	-	74,690
Debtors	362,838	-	362,838
Total assets	545,391	148,208	693,599
Creditors: amounts falling due within one year	(643,889)	-	(643,889)
Net assets	(98,498)	148,208	49,710
Goodwill (note 9)			2,045,381
			2,095,091
Satisfied by			
Cash			750,000
Professional costs			28,091
Deferred consideration			1,317,000
Total investment (note 11)			2,095,091

Adjustments were made to recognise the fair value of intellectual property acquired. This increased fixed assets at book value by an amount of £148,208.

Deferred consideration payable of £1,317,000 has been accrued in line with the acquisition agreement and is not contingent on future results. However, it does include a premium of £97,000 which is payable if the payment deadlines are not met.

Note that the fair value adjustments noted above are provisional and open to hindsight amendments by the Board.



Group Financial Statements
Causeway Software Solutions Limited

For the year ended 31 December 2010

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

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CAUSEWAY SOFTWARE SOLUTIONS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Incorporation	Incorporated in Ireland Company registration number 3921897
The board of directors	Peter Nagle Mark Howell Philip Brown David Kennelly
Company secretary	Hywel Evans
Registered office	49 Woodfield Rathfarnham Dublin 16
Auditor	Grant Thornton Chartered Accountants & Registered Auditor 24 - 26 City Quay Dublin 2 Ireland
Bankers	Barclays Bank plc 1 Snowhill Snowhill Queensway Birmingham B3 2WN England
Solicitors	Mc Evoy Partners Solicitors Canada House 65 - 68 St Stephens Green Dublin 2

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2010

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31st December 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the supply of construction software to the Irish and overseas markets

The directors are pleased to report the continued growth of the business in the year to 31 December 2010 with a consolidated turnover for the Group of £20.8 million (2009: £18.9 million), an increase of 10% over the previous year

In July 2010, the group acquired Integrated FM Limited (IFM), a leading provider of facilities management and energy management software. The business has now been fully integrated in the group. This acquisition provides significant cross selling opportunities and is part of the group's strategy to enhance the depth and range of its production in the market place

As part of the process for continual improvement, the Directors are restructuring operations into Divisions in order to provide top quality customer support and product delivery. The new Divisions are Construction Industry (construction, project management and costing), Cost and Design (planning, estimating and design for professionals and developers), Support Services (mobile and tracking, facilities management and energy management), Tradex (electronic document procession and exchange) and Building Register (online registration services)

The Directors will continue to review other potential acquisitions that can further strengthen the group's position as the leading supplier of software solutions to the construction market place. The Group's client list continues to grow with some 1,330 customers. The business is supported by our highly knowledgeable and dedicated staff operating from our offices in Bourne End (Buckinghamshire), Maidstone (Kent), Matlock (Derbyshire), Watford (Hertfordshire), Farnham (Surrey), Leamington Spa (Warwickshire), and through its overseas office in Dublin (Ireland), Dubai Internet City (United Arab Emirates) and at our R&D facility in Bangalore (India)

Consolidated total assets have grown from £16.7 million in 2009 to £17.9 million as at 31 December 2010. Shareholders' funds have grown to £7.0 million at 31 December 2010 from £5.9 million in 2009, representing a further growth in the underlying financial strength of the business. The group continues to enjoy strong liquidity with cash reserves of £2.9 million at the end of the year

RESULTS AND DIVIDENDS

The results for the year are set out in the group Profit and Loss Account on page 7. The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the group

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2010

THE DIRECTORS AND SECRETARY AND THEIR INTERESTS

The directors and secretary who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary shares of €0.005 each	
	At 31 December 2010	At 1 January 2010
Peter Nagle	-	59,594
Mark Howell	-	-
Philip Brown	5,200,000	6,000,000
David Kennelly	-	-

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland

Irish 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 group and of the profit or loss of the group for that year. 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, and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Companies Acts, 1963 to 2009, and the European Communities (Companies Group Accounts) Regulations 1992. The directors 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

BOOKS OF ACCOUNT

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing a person with appropriate expertise and by providing adequate resources to the financial function. The books of account are held at Comino House, Furlong Road, Bourne End, Buckinghamshire, SL8 5AQ

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2010

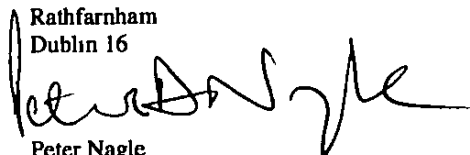
AUDITOR

The auditor, Grant Thornton, will continue in office in accordance with section 160(2) of the Companies Act 1963

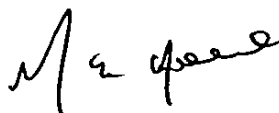
Registered office

Signed on behalf of the directors

49 Woodfield
Rathfarnham
Dublin 16



Peter Nagle
Director



Mark Howell
Director

Approved by the directors on 27th July 2011

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAUSEWAY SOFTWARE SOLUTIONS LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2010

We have audited the group and parent company financial statements ("the financial statements") of Causeway Software Solutions Limited for the year ended 31st December 2010 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow, Accounting Policies and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities on pages 2 to 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

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 shareholders, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2009, and the European Communities (Companies' Group Accounts) Regulations 1992. We also report to you whether in our opinion proper books of account have been kept by the company, whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company, and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 group's and 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.

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAUSEWAY SOFTWARE SOLUTIONS LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2010 *(continued)*

OPINION

In our opinion the financial statements

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group's and the company's affairs as at 31st December 2010 and of the group's profit and cash flows for the year then ended, and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009 and the European Communities (Companies Group Accounts) Regulations, 1992

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report on pages 2 to 4 is consistent with the financial statements.

The net assets of the company, as stated in the Company's Balance Sheet, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31st December 2010 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

24 - 26 City Quay
Dublin 2

28th July 2011



GRANT THORNTON
Chartered Accountants
& Registered Auditor

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2010

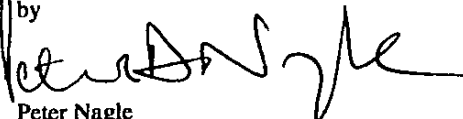
	Note	2010 STG £	2009 STG £
GROUP TURNOVER	1	20,788,309	18,869,735
Cost of sales		1,844,467	1,499,076
GROSS PROFIT		18,943,842	17,370,659
Other operating charges		17,359,357	15,652,085
Operating profit before interest, tax, depreciation and amortisation		2,948,642	3,062,406
Restructuring costs		-	392,293
Depreciation of tangible fixed assets		185,231	187,943
Amortisation of intangible fixed assets		1,178,926	763,593
OPERATING PROFIT	2	1,584,485	1,718,574
Interest receivable		210	11,885
Interest payable and similar charges	5	(294,326)	(402,935)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,290,369	1,327,524
Tax on profit on ordinary activities	6	(58,339)	318,192
PROFIT FOR THE FINANCIAL YEAR	7	1,348,708	1,009,332

All of the activities of the company are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 3(2) of the Companies (Amendment) Act 1986 not to publish its own Profit and Loss Account

These financial statements were approved by the directors on the 27th July 2011 and are signed on their behalf by


Peter Nagle
Director


Mark Howell
Director

The accounting policies and notes on pages 12 to 24 form part of these financial statements.

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

GROUP BALANCE SHEET

31ST DECEMBER 2010

	Note	2010 STG £	2009 STG £
FIXED ASSETS			
Intangible assets	8	17,403,153	16,132,042
Tangible assets	9	592,192	600,391
		<u>17,995,345</u>	<u>16,732,433</u>
CURRENT ASSETS			
Debtors	11	4,695,532	4,455,395
Cash at bank		2,892,403	2,257,184
		<u>7,587,935</u>	<u>6,712,579</u>
CREDITORS: Amounts falling due within one year	13	<u>14,288,457</u>	<u>15,141,513</u>
NET CURRENT LIABILITIES		(6,700,522)	(8,428,934)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,294,823</u>	<u>8,303,499</u>
CREDITORS: Amounts falling due after more than one year	14	4,277,500	2,436,884
		<u>7,017,323</u>	<u>5,866,615</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	42,398	42,987
Share premium account	19	1,366,032	1,366,032
Other reserves	19	589	-
Profit and loss account	19	5,608,304	4,457,596
SHAREHOLDERS' FUNDS	20	<u>7,017,323</u>	<u>5,866,615</u>

These financial statements were approved by the directors and authorised for issue on 27th July 2011, and are signed on their behalf by


Peter Nagle
Director


Mark Howell
Director

The accounting policies and notes on pages 12 to 24 form part of these financial statements.

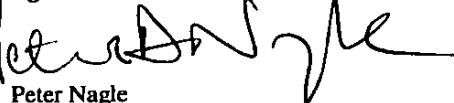
CAUSEWAY SOFTWARE SOLUTIONS LIMITED

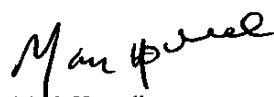
BALANCE SHEET

31ST DECEMBER 2010

	Note	2010 STG £	2009 STG £
FIXED ASSETS			
Intangible assets	8	4,025,722	3,414,212
Tangible assets	9	1,095	1,588
Financial assets	10	7,324,808	7,323,449
		<u>11,351,625</u>	<u>10,739,249</u>
CURRENT ASSETS			
Debtors	11	171,591	48,651
Cash at bank		20,642	35,723
		<u>192,233</u>	<u>84,374</u>
CREDITORS: Amounts falling due within one year	13	<u>2,977,236</u>	<u>2,711,211</u>
NET CURRENT LIABILITIES		(2,785,003)	(2,626,837)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,566,622</u>	<u>8,112,412</u>
CREDITORS: Amounts falling due after more than one year	14	5,767,976	6,482,802
		<u>2,798,646</u>	<u>1,629,610</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	42,398	42,987
Share premium account	19	1,366,032	1,366,032
Other reserves	19	589	-
Profit and loss account	19	1,389,627	220,591
SHAREHOLDERS' FUNDS		<u>2,798,646</u>	<u>1,629,610</u>

These financial statements were approved by the directors and authorised for issue on 27th July 2011, and are signed on their behalf by


Peter Nagle
Director


Mark Howell
Director

The accounting policies and notes on pages 12 to 24 form part of these financial statements.

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST DECEMBER 2010

	2010 STG £	STG £	2009 STG £	STG £
NET CASH INFLOW FROM OPERATING ACTIVITIES		4,075,422		3,162,394
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	210		11,885	
Interest paid	(294,326)		(402,935)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(294,116)		(391,050)
TAXATION		139,419		(391,572)
CAPITAL EXPENDITURE				
Payments to acquire intangible fixed assets	(404,656)		(192,949)	
Payments to acquire tangible fixed assets	(8,705)		(513,599)	
Receipts from sale of fixed assets			6,659	
Acquisition of subsidiary	(2,020,401)		(2,172,227)	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(2,433,762)		(2,872,116)
CASH INFLOW BEFORE FINANCING		1,486,963		(492,344)
FINANCING				
Premium on purchase of own equity shares	(198,000)		-	
Issue of equity share capital			750,000	
(Repayment of)/increase in bank loans	(2,104,360)		220,385	
Net inflow from other short-term creditors	-		2,766,720	
Net inflow from other long-term borrowings	1,450,616		(3,479,360)	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(851,744)		257,745
INCREASE/(DECREASE) IN CASH		635,219		(234,599)
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
	2010 STG £		2009 STG £	
Operating profit	1,584,485		1,718,577	
Amortisation	1,178,926		920,565	
Depreciation	272,975		428,165	
Decrease in stocks	-		15,670	
Decrease in debtors	122,701		158,566	
Increase in creditors	916,335		(79,149)	
Net cash inflow from operating activities	4,075,422		3,162,394	

The accounting policies and notes on pages 12 to 24 form part of these financial statements

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST DECEMBER 2010

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010 STG £	2009 STG £
Increase/(Decrease) in cash in the period	635,219	(234,599)
Net cash outflow from/(inflow) from bank loans	653,744	2,018,018
Net (inflow) from other short-term creditors	-	(220,385)
	<u>1,288,963</u>	<u>1,563,034</u>
Change in net debt	1,288,963	1,563,034
Net debt at 1 January 2010	(3,209,060)	(4,772,094)
Net debt at 31 December 2010	<u>(1,920,097)</u>	<u>(3,209,060)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2010 STG £	Cash flows STG £	At 31 Dec 2010 STG £
Net cash			
Cash in hand and at bank	<u>2,257,184</u>	<u>635,219</u>	<u>2,892,403</u>
Debt			
Debt due within 1 year	(3,479,360)	2,104,360	(1,375,000)
Debt due after 1 year	(1,986,884)	(1,450,616)	(3,437,500)
	<u>(5,466,244)</u>	<u>653,744</u>	<u>(4,812,500)</u>
Net debt	<u>(3,209,060)</u>	<u>1,288,963</u>	<u>(1,920,097)</u>

The accounting policies and notes on pages 12 to 24 form part of these financial statements.

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31ST DECEMBER 2010

Basis of accounting

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland, and Irish statute comprising the Companies Acts, 1963 to 2009

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 3(2)(3) of the Companies (Amendment) Act 1986.

Turnover

Turnover on maintenance and other professional service contracts is invoiced in advance and released to the profit and loss account on a straight line basis over the course of the contract in line with the contract terms.

Goodwill

Positive purchased goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight line basis over its useful economic life as follows:

Purchased goodwill - 5 - 20 years

Amortisation

Amortisation 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:

Software licences and trademarks - 3 - 5 years

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:

Building refurbishments - 10 years

Fixtures and fittings - 5 years

Computer Equipment - 3 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.

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

ACCOUNTING POLICIES *(continued)*

YEAR ENDED 31ST DECEMBER 2010

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

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

Monetary 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

Reporting currency

The reporting currency of the group is Pound Sterling

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

1. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2010 STG £	2009 STG £
United Kingdom	19,855,795	17,739,757
Rest of World	<u>932,514</u>	<u>1,129,978</u>
Total	<u>20,788,309</u>	<u>18,869,735</u>

2. OPERATING PROFIT

Operating profit is stated after charging

	2010 STG £	2009 STG £
Amortisation of intangible assets	1,178,926	763,863
Depreciation of owned fixed assets	185,231	187,673
Auditor's remuneration		
Audit of the group financial statements	40,304	35,575
Other assurance services	43,476	8,900
Operating lease costs		
- Other	34,909	22,695
Net loss on foreign currency translation	<u>8,389</u>	<u>8,529</u>

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	2010 STG £	2009 STG £
Audit of the group financial statements	40,304	35,575
Tax advisory services	13,216	8,900
Other non-audit services	<u>30,260</u>	<u>-</u>
	<u>83,780</u>	<u>44,475</u>

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

3. PARTICULARS OF EMPLOYEES

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

	2010 No	2009 No
Number of other staff	<u>209</u>	<u>182</u>

The aggregate payroll costs of the above were

	2010 STG £	2009 STG £
Wages and salaries	9,405,665	9,098,622
Social welfare costs	857,795	888,634
Other pension costs	282,125	261,105
	<u>10,545,585</u>	<u>10,248,361</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010 STG £	2009 STG £
Remuneration receivable	1,374,228	1,076,610
Pension contributions	88,402	31,659
	<u>1,462,630</u>	<u>1,108,269</u>

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

	2010 No	2009 No
Money purchase schemes	<u>3</u>	<u>3</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 STG £	2009 STG £
Interest payable on bank borrowing	218,262	234,873
Interest on other loans	76,064	168,062
	<u>294,326</u>	<u>402,935</u>

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010 STG £	2009 STG £
Current tax		
In respect of the year		
UK and Irish Corporation tax based on the results for the year at 21/20% (2009 – 21/20%)	173,846	95,476
Over/under provision in prior year	(30,462)	(78,114)
Total current tax	143,384	17,362
Deferred tax		
Origination and reversal of timing differences	(201,723)	300,830
Tax on profit on ordinary activities	<u>(58,339)</u>	<u>318,192</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 and Ireland of 21/20% (2009 – 21/20%)

	2010 STG £	2009 STG £
Profit on ordinary activities before taxation	<u>1,290,369</u>	<u>1,327,524</u>
Profit on ordinary activities by rate of tax	412,307	286,290
Expenses not deductible for tax purposes	28,378	135,060
Timing differences arising in the year	31,166	11,461
Utilisation of tax losses	-	(175,432)
Adjustments to tax charge in respect of previous periods	(30,462)	(78,114)
Group relief	-	(1,098)
Movement in losses	-	(15,739)
Income tax withheld	-	8,251
Research and developments tax credits	(195,239)	(90,339)
Losses carried forward	146,147	-
Revise Irish profits to Irish tax rate of 12.5%	(236,629)	(56,429)
Sundry tax adjusting items	(12,284)	(6,549)
Total current tax (note 6(a))	<u>143,384</u>	<u>17,362</u>

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was STG £1,367,036 (2009 - STG £621,631)

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

8. INTANGIBLE FIXED ASSETS

Group	Goodwill STG £	Software licences and trademarks STG £	Total STG £
COST			
At 1st January 2010	18,112,643	810,650	18,923,293
Acquisitions	1,450,037	1,000,000	2,450,037
Additions	-	-	-
At 31st December 2010	19,562,680	1,810,650	21,373,330
AMORTISATION			
At 1st January 2010	2,041,945	749,306	2,791,251
Charge for the year	975,034	203,892	1,178,926
At 31st December 2010	3,016,979	953,198	3,970,177
NET BOOK VALUE			
At 31st December 2010	16,545,701	857,452	17,403,153
At 31st December 2009	16,070,698	61,344	16,132,042
Company			
	Goodwill STG £	Software licences and trademarks STG £	Total STG £
COST			
At 1st January 2010	3,401,803	465,000	3,866,803
Additions	-	1,062,000	1,062,000
At 31st December 2010	3,401,803	1,527,000	4,928,803
AMORTISATION			
At 1st January 2010	269,174	183,417	452,591
Charge for the year	170,090	280,400	450,490
At 31st December 2010	439,264	463,817	903,081
NET BOOK VALUE			
At 31st December 2010	2,962,539	1,063,183	4,025,722
At 31st December 2009	3,132,629	281,583	3,414,212

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

9. TANGIBLE FIXED ASSETS

Group	Building refurbishments STG £	Fixtures & fittings STG £	Computer equipment STG £	Total STG £
COST				
At 1st January 2010	282,328	702,635	1,882,614	2,867,577
Additions	7,872	50,907	166,219	224,998
On acquisition of subsidiary undertakings	1,163	3,000	35,615	39,778
At 31st December 2010	<u>291,363</u>	<u>756,542</u>	<u>2,084,448</u>	<u>3,132,353</u>
DEPRECIATION				
At 1st January 2010	53,331	474,606	1,739,249	2,267,186
Charge for the year	35,613	14,013	135,605	185,231
On acquisition of subsidiary undertakings	521	55,238	31,985	87,744
At 31st December 2010	<u>89,465</u>	<u>543,857</u>	<u>1,906,839</u>	<u>2,540,161</u>
NET BOOK VALUE				
At 31st December 2010	<u>201,898</u>	<u>212,685</u>	<u>177,609</u>	<u>592,192</u>
At 31st December 2009	<u>228,997</u>	<u>228,029</u>	<u>143,365</u>	<u>600,391</u>

Company	Computer equipment STG £
COST	
At 1st January 2010	2,452
Additions	417
At 31st December 2010	<u>2,869</u>
DEPRECIATION	
At 1st January 2010	864
Charge for the year	910
At 31st December 2010	<u>1,774</u>
NET BOOK VALUE	
At 31st December 2010	<u>1,095</u>
At 31st December 2009	<u>1,588</u>

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

10. FINANCIAL FIXED ASSETS

Company	Group companies STG £
COST	
At 1st January 2010	7,323,449
Additions	1,359
At 31st December 2010	<u>7,324,808</u>
NET BOOK VALUE	
At 31st December 2010	<u>7,324,808</u>
At 31st December 2009	<u>7,323,449</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
Direct subsidiaries:				
Causeway Technologies Limited	England	Ordinary shares	100%	Supplier of computer software
Building Register Limited	England	Ordinary shares	100%	Supplier of online directory & vendor information
Causeway Software Technologies India Private Limited	India	Ordinary shares	100%	Provision of research and Development services to the group
Indirect subsidiaries:				
Vixen Software Solutions Limited	England	Ordinary shares	100%	Supplier of computer software
Integrated FM Limited	England	Ordinary shares	100%	Supplier of computer software

The registered office of the above companies is Comino House, Furlong Road, Bourne End, Bucks, SL8 5AQ

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

11. DEBTORS

	Group		Company	
	2010	2009	2010	2009
	STG £	STG £	STG £	STG £
Trade debtors	3,359,318	3,513,616	-	-
Amounts owed by group undertakings	-	-	15,835	-
Other debtors	356,524	179,025	5,051	48,651
Deferred taxation (Note 12)	289,520	87,797	-	-
Prepayments and accrued income	690,170	674,957	150,705	-
	<u>4,695,532</u>	<u>4,455,395</u>	<u>171,591</u>	<u>48,651</u>

12 DEFERRED TAX

The movement in the deferred tax asset during the year was

	Group		Company	
	2010	2009	2010	2009
	STG £	STG £	STG £	STG £
Asset brought forward	87,797	-	-	-
Increase in asset	201,723	87,797	-	-
Asset carried forward	<u>289,520</u>	<u>87,797</u>	<u>-</u>	<u>-</u>

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

Group	2010		2009	
	Provided STG £	Unprovided STG £	Provided STG £	Unprovided STG £
Tax losses available	<u>289,520</u>	<u>136,000</u>	<u>87,797</u>	<u>-</u>

A deferred tax asset has been recognised in the financial statements to the extent to which the directors believe that there is sufficient certainty of future trading profits within the group with which to relieve past trading losses

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	STG £	STG £	STG £	STG £
Bank loans	1,375,000	3,479,360	-	-
Trade creditors	360,759	480,670	-	2,216
Amounts owed to group undertakings	-	-	2,755,331	2,211,753
Other creditors including taxation and social welfare				
Corporation tax	138,207	57,127	110,332	31,142
Other taxation and social welfare	74,009	-	-	-
Other creditors	1,485,140	1,216,352	61,779	6,728
Deferred consideration	1,017,000	855,379	-	307,700
Accruals and deferred income	9,838,342	9,052,625	49,794	151,672
	<u>14,288,457</u>	<u>15,141,513</u>	<u>2,977,236</u>	<u>2,711,211</u>

See Note 14 for details of the bank loan

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

	Group		Company	
	2010	2009	2010	2009
	STG £	STG £	STG £	STG £
Amounts owed to group undertakings	-	-	5,767,976	4,400,000
Other creditors including				
Other creditors	840,000	450,000	-	95,918
Bank Loan	3,437,500	1,986,884	-	1,986,884
	<u>4,277,500</u>	<u>2,436,884</u>	<u>5,767,976</u>	<u>6,482,802</u>

The bank loan is secured by a fixed and floating charge over all of the group's assets and is due for repayment in nine quarterly instalments of £343,750, with a final payment of £1,718,750 due on 31 March 2013

15. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2010 the group had annual commitments under non-cancellable operating leases as set out below

Group	2010		2009	
	Land and buildings	Other items	Land and buildings	Other items
	STG £	STG £	STG £	STG £
Operating leases which expire				
Within 1 year	194,879	15,000	4,500	39,500
Within 2 to 5 years	127,000	62,000	183,000	180,000
After more than 5 years	135,000	-	100,000	-
	<u>456,879</u>	<u>77,000</u>	<u>287,500</u>	<u>219,500</u>

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

16 CONTINGENCIES

The group is part of a composite banking arrangement whereby it has jointly undertaken to cross guarantee the bank overdrafts of Building Register Limited, Causeway Technologies Limited and Causeway Software Solutions Limited

At 31 December 2010 the extent of this contingent liability was £Nil (2009 £Nil)

The group had no other contingent liabilities at 31 December 2010 (2009 £Nil)

17 RELATED PARTY TRANSACTIONS

Southern Investment Group Inc, a shareholder, loaned the company £1,986,884 on 5th June 2008. This was repaid in full during the year ended 31st December 2010

There were no other related party transactions that are required to be disclosed under FRS 8

18. SHARE CAPITAL

Authorised share capital:

	2010 STG £	2009 STG £
20,000,000 Ordinary shares of € 005 each	<u>67,100</u>	<u>67,100</u>

Allotted and called up:

	2010 No	2010 STG £	2009 No	2009 STG £
Ordinary shares of € 005 each	<u>12,550,446</u>	<u>42,398</u>	<u>12,724,664</u>	<u>42,987</u>

As the company is registered in Ireland the share capital is nominated in Euro, €0 005 per share

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

19 RESERVES

Group	Share capital account STG£	Share premium account STG £	Capital redemption reserve STG £	Profit and loss account STG £
Balance brought forward	42,987	1,366,032	–	4,457,596
Profit for the year		–	–	1,348,708
Other movements				
Share buy back	(589)	–	589	(198,000)
Balance carried forward	<u>42,398</u>	<u>1,366,032</u>	<u>589</u>	<u>5,608,304</u>
Company	Share capital account	Share premium account STG £	Capital redemption reserve STG £	Profit and loss account STG £
Balance brought forward	42,987	1,366,032	–	220,591
Profit for the year		–	–	1,367,036
Other movements				
Share buy back	(589)	–	589	(198,000)
Balance carried forward	<u>42,398</u>	<u>1,366,032</u>	<u>589</u>	<u>1,389,627</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 STG £	2009 STG £
Profit for the financial year	1,348,708	1,009,332
Purchase of own ordinary shares	(198,000)	–
Capital redemption reserve fund	589	–
Net addition to shareholders' funds	<u>1,151,297</u>	<u>1,009,332</u>
Opening shareholders' funds	5,866,026	4,857,283
Closing shareholders' funds	<u>7,017,323</u>	<u>5,866,615</u>

21. CAPITAL COMMITMENTS

The group had no capital commitments at 31 December 2010 or 31 December 2009

22 ACQUISITION OF SUBSIDIARY UNDERTAKING

During July 2010 Causeway Technologies Limited, a group company, acquired 100% of the ordinary share capital of Integrated FM Limited

CAUSEWAY SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2010

23. CONTROLLING PARTY

The company is controlled by the Board of Directors acting in concert

24. ACQUISITION OF SUBSIDIARY UNDERTAKING

(a) In July 2010 the company acquired 100% of the ordinary share capital of Integrated FM Limited. The assets and liabilities acquired were as follows

	Book value £	Adjustments £	Fair value £
Fixed assets	107,863	148,208	256,071
Current assets			
Cash at bank	74,690	-	74,690
Debtors	362,838	-	362,838
Total assets	545,391	148,208	693,599
Creditors: amounts falling due within one yr	(643,889)	-	(643,889)
Net assets	<u>(98,498)</u>	<u>148,208</u>	<u>49,710</u>
 Goodwill			2,045,381
			<u>2,095,091</u>
 Satisfied by			
Cash			750,000
Professional costs			28,091
Deferred consideration			1,317,000
Total investment			<u>2,095,091</u>

Adjustments were made to recognise the fair value of intellectual property acquired. This increased fixed assets at book value by an amount of £148,208.

Deferred consideration payable of £1,317,000 has been accrued in line with the acquisition agreement and is not contingent on future results. However, it does include a premium of £97,000 which is payable if the payment deadlines are not met.

Note that the fair value adjustments noted above are provisional and open to hindsight amendments by the Board.