Grant Thornton

Group financial statements Causeway Technologies Limited

For the year ended 31 December 2009

Company No. 3921897

Company information

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 Colemore Row BIRMINGHAM SL8 5AQ
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 1 Westminster Way OXFORD OX2 0PZ

Contents

Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 December 2009

Principal activities and business review

During the year under review the Comapny 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 31st December 2009 with consolidated turnover for the Company of £16 4 million (2008 £14 9 million), an increase of 10% over the previous year This increase resulted from a steady growth in sales in the UK and the Middle East holding its own in difficult market conditions

In April 2009, the Company acquired Vixen Software Solutions Ltd ("Vixen"), a leading provider of software and mobile solutions to building services contractors, maintenance providers and field service teams Vixen have been successfully developing, implementing and supporting integrated software solutions for over thirty years and is used by over two hundred and fifty customers in the UK

In May 2009, the Company acquired the trade and assets of Globallive Ltd, which has now been rebranded as Causeway Telematics, further enhancing the depth and range of its software portfolio to provide mobile tracking technology to property maintenance, utilities and fleet management sectors

Vixen and Causeway Telematics have been fully integrated into the Company As part of this process, the Directors have rationalised operations to eliminate duplication and to centralise common business processes across the Company to provide top quality customer support and product delivery, providing significant cross-selling opportunities

The directors will continue to review other potential acqusitions that can further strengthen the group's position as the leading supplier of software solutions to the construction market place The Company's client list continues to grow with some 1,500 customers The business is supported by our highly knowledgeable and dedicated staff operating from our offices in the UK and through our overseas offices in Dublin (Ireland), Dubai Internet City (United Arab Emirates) and at our R&D facility in Bangalore (India)

Consolidated total assets have grown to £21 0 million as at 31st December 2009 (2008 £17 3 million) and the Company continues to enjoy strong liquidity with cash reserves of £2 1 million at the end of a year when substantial cash sums were used to fund acquisitions Shareholders' funds at 31st December 2009 were £5 1 million (2008 £5 2 million) maintaining the underlying financial strength of the business

Results and dividends

Earnings before Interest Taxation, Depreciation, Amortisation ("Ebitda") and Exceptional Items (restructuring costs) was £1 03 million in 2009 (2008 £3 27 million) The reduction in Ebitda was largely a result of an increase in Cost of Sales from the Company's Irish parent, from whom the Company licences software for resale Notwithstanding the current economic climate and increased cost of sales, with 1,500 customer relationships and long-term recurring maintenance revenues the company is in an excellent position to sustain profitable operations in 2010 and beyond

The Directors have not recommended payment of 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 company

Directors

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

P J Brown
P D Nagle

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) 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

P D Nagle
Director

Grant Thornton

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

We have audited the group and parent company financial statements ("the financial statements")of Causeway Technologies Limited for the year ended 31 December 2009 which comprise the principal accounting policies, the group profit and loss account, the group balance sheet, the company balance sheet, 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 member, as a body, in accordance with Part 3 of Chapter 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's member 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 member 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, 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 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/UKNP

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other 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

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

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

Grant Thornton UK LLP

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

30 April 2010

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

At the year end the group's current liabilities exceeded it's current assets 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

The group also received confirmation from its bankers, following the year end, of a new financing package which will allow the business to meet its debts as and when they fall due for payment

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

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
Motor vehicles	-	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	2009 £	2008 £
Group turnover	1	**16,367,602**	14,852,561
Cost of sales		**(3,692,332)**	(1,869,537)
Gross profit		**12,675,270**	12,983,024
Other operating charges	2	**(12,614,931)**	(10,119,399)
Operating profit before interest, tax, depreciation, amortisation and restructuring costs		**1,032,571**	3,279,611
Restructuring costs		**(392,293)**	–
Depreciation of tangible fixed assets		**(176,744)**	(160,292)
Amortisation of intangible fixed assets		**(403,195)**	(255,694)
Operating profit	3	**60,339**	2,863,625
Interest receivable		**8,491**	140,746
Interest payable and similar charges	6	**(183,625)**	(342,493)
Loss/(profit) on ordinary activities before taxation		**(114,795)**	2,661,878
Tax on (loss)/profit on ordinary activities	7	**(68,776)**	(438,513)
Loss/(profit) for the financial year	8	**(183,571)**	2,223,365

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

Group balance sheet

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	9	**7,970,360**	3,389,351
Tangible assets	10	**504,537**	440,979
		8,474,897	3,830,330
Current assets			
Stocks	12	**-**	13,091
Debtors	13	**10,433,755**	11,109,058
Cash at bank		**2,079,994**	2,381,951
		12,513,749	13,504,100
Creditors amounts falling due within one year	15	**15,506,089**	8,305,609
Net current (liabilities)/assets		**(2,992,340)**	5,198,491
Total assets less current liabilities		**5,482,557**	9,028,821
Creditors amounts falling due after more than one year	16	**450,000**	3,812,693
		5,032,557	5,216,128
Capital and reserves			
Called-up equity share capital	19	**11,200**	11,200
Share premium account	20	**5,340,800**	5,340,800
Profit and loss account	20	**(319,443)**	(135,872)
Shareholder's funds	21	**5,032,557**	5,216,128

These financial statements were approved by the directors and authorised for issue on 30th April 10 and are signed on their behalf by

Peter D Nagle

P D Nagle

Company Registration Number 3921897

Company balance sheet

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	9	**7,328,756**	2,713,978
Tangible assets	10	**504,537**	440,979
Investments	11	**272,434**	271,634
		8,105,727	3,426,591
Current assets			
Stocks	12	**–**	13,091
Debtors	13	**10,432,955**	11,114,285
Cash at bank		**2,079,994**	2,381,951
		12,512,949	13,509,327
Creditors. amounts falling due within one year	15	**15,708,608**	8,513,355
Net current (liabilities)/assets		**(3,195,659)**	4,995,972
Total assets less current liabilities		**4,910,068**	8,422,563
Creditors. amounts falling due after more than one year	16	**450,000**	3,812,693
		4,460,068	4,609,870
Capital and reserves			
Called-up equity share capital	19	**11,200**	11,200
Share premium account	20	**5,340,800**	5,340,800
Profit and loss account	20	**(891,932)**	(742,130)
Shareholder's funds		**4,460,068**	4,609,870

These financial statements were approved by the directors and authorised for issue on 30th April 10, and are signed on their behalf by

P D Nagle

Company Registration Number 3921897

Group cash flow statement

	Note	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	22	**1,849,507**	(2,757,950)
Returns on investments and servicing of finance	22	**(175,134)**	(201,747)
Taxation	22	**(12,778)**	(318)
Capital expenditure and financial investment	22	**(205,049)**	(303,907)
Acquisitions and disposals	22	**(807,137)**	-
Cash inflow/(outflow) before financing		**649,409**	(3,263,922)
Financing	22	**(951,366)**	3,796,788
(Decrease)/increase in cash	22	**(301,957)**	532,866

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

	2009	2008
	£	£
United Kingdom	**15,237,624**	12,758,743
Rest of World	**1,129,978**	2,093,818
	16,367,602	14,852,561

2 Other operating charges

	2009	2008
	£	£
Administrative expenses	**12,614,931**	10,119,399

3 Operating profit

Operating profit is stated after charging

	2009	2008
	£	£
Amortisation of intangible assets	**403,195**	255,694
Depreciation of owned fixed assets	**176,744**	160,292
Auditor's remuneration		
Audit of the financial statements	**18,675**	19,050
Taxation compliance fees	**6,000**	5,500

4 Particulars of employees

The average number of persons employed by the group during the financial year, including the directors, amounted to 147 (2008 - 108)

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	**8,339,616**	4,549,815
Social security costs	**788,853**	515,964
Other pension costs	**245,559**	135,293
	9,374,028	5,201,072

5 Directors

Remuneration in respect of directors was as follows

	2009 £	2008 £
Remuneration receivable	**758,887**	560,784
Value of company pension contributions to money purchase schemes	**54,709**	66,209
	813,596	626,993

Remuneration of highest paid director

	2009 £	2008 £
Total remuneration (excluding pension contributions)	**400,530**	283,084

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

	2009 No	2008 No
Money purchase schemes	**2**	2

6 Interest payable and similar charges

	2009 £	2008 £
Interest payable on bank borrowing	**15,563**	113,195
Other similar charges payable	**168,062**	229,298
	183,625	342,493

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Corporation tax based on the results for the year	**25,000**	33,678
Adjustments to tax charge in respect of prior periods	**(17,224)**	–
Total current tax	**7,776**	33,678
Deferred tax		
Origination and reversal of timing differences (note 14)	**61,000**	404,835
Tax on profit on ordinary activities	**68,776**	438,513

(b) Factors affecting current tax charge

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	**(114,795)**	2,661,878
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK	**(32,143)**	552,340
Net expenses not deductible for tax purposes	**113,722**	213,399
Depreciation for the period in excess of capital allowances	**7,140**	1,760
Marginal relief	**(1,098)**	–
Research and development tax credits	**(40,333)**	–
Movement in losses	**(15,739)**	(734,228)
Adjustments to tax charge in respect of prior periods	**(17,224)**	–
Other	**(6,549)**	407
Current tax (note 7(a))	**7,776**	33,678

The group has tax losses available for set off against future profits of approximately £nil (2008 £565,000)

8 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £149,802 (2008 - profit of £1,996,716)

9 Intangible fixed assets

Group	Goodwill on consolidation £	Purchased goodwill £	Software licences and trademarks £	Total £
Cost				
At 1 January 2009	3,782,542	–	607,652	4,390,194
Acquisitions (see note 26)	3,124,765	1,814,534	–	4,939,299
Additions	–	–	35,000	35,000
On acquisition of subsidiary undertakings	–	–	166,878	166,878
At 31 December 2009	6,907,307	1,814,534	809,530	9,531,371
Amortisation				
At 1 January 2009	423,280	–	577,563	1,000,843
Charge for the year	335,852	53,693	13,650	403,195
On acquisition of subsidiary undertakings	–	–	156,973	156,973
At 31 December 2009	759,132	53,693	748,186	1,561,011
Net book value				
At 31 December 2009	**6,148,175**	**1,760,841**	**61,344**	**7,970,360**
At 31 December 2008	3,359,262	–	30,089	3,389,351

Company

	Purchased goodwill £	Software licences and trademarks £	Total £
Cost			
At 1 January 2009	2,929,870	607,652	3,537,522
Acquisitions (see note 26)	1,814,534	–	1,814,534
Additions	–	35,000	35,000
Assets hived-up from subsidiary undertakings	–	166,878	166,878
Arising on hive-up of trade and assets of subsidiary undertakings (see note 26)	3,124,765	–	3,124,765
At 31 December 2009	7,869,169	809,530	8,678,699
Amortisation			
At 1 January 2009	245,981	577,563	823,544
Amounts hived-up from subsidiary undertakings	–	156,973	156,973
Charge for the year	355,776	13,650	369,426
At 31 December 2009	601,757	748,186	1,349,943
Net book value			
At 31 December 2009	**7,267,412**	**61,344**	**7,328,756**
At 31 December 2008	2,683,889	30,089	2,713,978

10 Tangible fixed assets

Group

	Building refurbishments £	Fixtures & Fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2009	164,513	503,019	19,995	1,596,866	2,284,393
Additions	66,931	104,572	–	33,546	205,049
Disposals	–	–	(19,995)	–	(19,995)
On acquisition of subsidiary undertakings	–	48,629	–	218,285	266,914
At 31 December 2009	231,444	656,220	–	1,848,697	2,736,361
Depreciation					
At 1 January 2009	19,178	380,461	13,426	1,430,349	1,843,414
Charge for the year	18,571	42,545	–	115,628	176,744
On disposals	–	–	(13,426)	–	(13,426)
On acquisition of subsidiary undertakings	–	39,566	–	185,526	225,092
At 31 December 2009	37,749	462,572	–	1,731,503	2,231,824
Net book value					
At 31 December 2009	**193,695**	**193,648**	**–**	**117,194**	**504,537**
At 31 December 2008	145,335	122,558	6,569	166,517	440,979

Company

	Building refurbishments £	Fixtures & Fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2009	164,513	503,019	19,995	1,596,866	2,284,393
Additions	66,931	104,572	–	33,546	205,049
Disposals	–	–	(19,995)	–	(19,995)
Assets hived-up from subsidiary undertakings	–	48,629	–	218,285	266,914
At 31 December 2009	231,444	656,220	–	1,848,697	2,736,361
Depreciation					
At 1 January 2009	19,178	380,461	13,426	1,430,349	1,843,414
Charge for the year	18,571	42,545	–	115,628	176,744
On disposals	–	–	(13,426)	–	(13,426)
Amounts hived-up from subsidiary undertakings	–	39,566	–	185,526	225,092
At 31 December 2009	37,749	462,572	–	1,731,503	2,231,824
Net book value					
At 31 December 2009	**193,695**	**193,648**	**–**	**117,194**	**504,537**
At 31 December 2008	145,335	122,558	6,569	166,517	440,979

11 Investments

Company

	Shares in group undertakings £
Cost and net book value	
At 1 January 2009	271,634
Additions (see note 26)	2,803,270
Impairment	(48,557)
Transferred to goodwill	(2,753,913)
At 31 December 2009	**272,434**

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%	Supplier of construction software
Vixen Software Solutions Limited	England	Ordinary shares	100%	Supplier of construction software

* Held by Valleyhall Limited

On 13 April 2009 the trade and assets of Vixen Software Solutions Limited were hived up to Causeway Technologies Limited through the inter-company account The consideration was at book value Vixen Software Solutions Limited declared a dividend of £48,557 to the company following the hive-up, which resulted in an impairment of the same value to the company's investment 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

12 Stocks

	The group		The company	
	2009	2008	**2009**	2008
	£	£	**£**	£
Finished goods	–	13,091	–	13,091

13 Debtors

	The group		The company	
	2009	2008	**2009**	2008
	£	£	**£**	£
Trade debtors	**3,182,807**	2,819,714	**3,182,807**	2,819,714
Amounts owed by parent undertaking	**6,546,690**	7,796,487	**6,546,690**	7,796,487
Other debtors	**83,842**	82,347	**83,042**	87,574
Deferred taxation (Note 14)	–	61,000	–	61,000
Prepayments and accrued income	**620,416**	349,510	**620,416**	349,510
	10,433,755	11,109,058	**10,432,955**	11,114,285

The directors consider that, of the amounts owed by the parent undertaking, £2,000,000 (2008 £nil) will be recovered in the coming year

14 Deferred taxation

The movement in the deferred taxation asset during the year was

	The group		The company	
	2009	2008	**2009**	2008
	£	£	**£**	£
At 1 January	**61,000**	465,835	**61,000**	280,000
Profit and loss movement during the year	**(61,000)**	(404,835)	**(61,000)**	(404,835)
On acquisition of subsidiaries	–	–	–	185,835
At 31 December	–	61,000	–	61,000

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

Group	**2009**		2008	
	Provided	**Unprovided**	Provided	Unprovided
	£	**£**	£	£
Tax losses available	–	–	61,000	118,000

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

Company	2009 Provided	2009 Unprovided	2008 Provided	2008 Unprovided
	£	£	£	£
Tax losses available	–	–	61,000	118,000

15 Creditors: amounts falling due within one year

	The group 2009	The group 2008	The company 2009	The company 2008
	£	£	£	£
Bank loans and overdraft	**3,479,360**	712,640	**3,479,360**	712,640
Trade creditors	**424,339**	281,342	**424,339**	281,342
Amounts owed to group undertakings	–	–	**207,954**	207,746
Amounts owed by related parties	**1,781,348**	969,070	**1,781,348**	969,070
Corporation tax	**28,358**	33,360	**28,358**	33,360
Other creditors	**1,173,284**	855,294	**1,167,849**	855,294
Deferred consideration	**437,208**	142,083	**437,208**	142,083
Accruals and deferred income	**8,182,192**	5,311,820	**8,182,192**	5,311,820
	15,506,089	8,305,609	**15,708,608**	8,513,355

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 £345,840 with a final payment of £2,096,000 due in October 2010

16 Creditors: amounts falling due after more than one year

	The group 2009	The group 2008	The company 2009	The company 2008
	£	£	£	£
Bank loans	–	3,479,360	–	3,479,360
Deferred consideration	**450,000**	333,333	**450,000**	333,333
	450,000	3,812,693	**450,000**	3,812,693

17 Commitments under operating leases

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

The group	2009 Land and buildings	2009 Other items	2008 Land and Buildings	2008 Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	**4,500**	**39,500**	–	–
Within 2 to 5 years	**125,000**	**180,000**	52,000	–
After more than 5 years	**100,000**	–	100,000	–
	229,500	**219,500**	152,000	–

18 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

19 Share capital

Authorised share capital

	2009	2008
	£	£
15,000,000 Ordinary shares of £0 001 each	**15,000**	15,000

Allotted, called up and fully paid

	2009		2008	
	No	**£**	No	£
11,200,001 Ordinary shares of £0 001 each	**11,200,001**	**11,200**	11,200,001	11,200

20 Reserves

Group	**Share premium account**	**Profit and loss account**
	£	**£**
At 1 January 2009	**5,340,800**	**(135,872)**
Loss for the year	**–**	**(183,571)**
At 31 December 2009	**5,340,800**	**(319,443)**

Company	**Share premium account**	**Profit and loss account**
	£	**£**
At 1 January 2009	**5,340,800**	**(742,130)**
Loss for the year	**–**	**(149,802)**
At 31 December 2009	**5,340,800**	**(891,932)**

21 Reconciliation of movements in shareholder's funds

	2009	2008
	£	£
(Loss)/profit for the financial year	**(183,571)**	2,223,365
Opening shareholder's funds	**5,216,128**	3,567,201
Prior year adjustment	**–**	(574,438)
Closing shareholder's funds	**5,032,557**	5,216,128

22 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2009 £	2008 £
Operating profit	**60,339**	2,863,625
Amortisation	**403,195**	255,695
Depreciation	**176,744**	160,291
Decrease in stocks	**15,670**	3,203
Decrease/(increase) in debtors	**1,302,927**	(4,038,710)
Increase in creditors	**(109,368)**	(2,002,054)
Net cash inflow/(outflow) from operating activities	**1,849,507**	(2,757,950)

Returns on investments and servicing of finance

	2009 £	2008 £
Interest received	**8,491**	140,746
Interest paid	**(183,625)**	(342,493)
Net cash outflow from returns on investments and servicing of finance	**(175,134)**	(201,747)

Taxation

	2009 £	2008 £
Taxation	**(12,778)**	(318)

Capital expenditure and financial investment

	2009 £	2008 £
Payments to acquire tangible fixed assets	**(205,049)**	(303,907)
Net cash outflow for capital expenditure and financial investment	**(205,049)**	(303,907)

Acquisitions and disposals

	2009 £	2008 £
Payments to acquire subsidiary undertakings (note 26)	**(1,403,270)**	–
Payments to acquire business trade and assets	**(120,000)**	–
Cash from subsidiary undertaking acquisitions (note 26)	**751,133**	–
Acquisition of trade investments	**(35,000)**	–
Net cash outflow from acquisitions	**(807,137)**	–

22 Notes to the cash flow statement (continued)

Financing

	2009 £	2008 £
New bank loans	–	4,192,000
Repayment of bank loans	**(712,640)**	(158,021)
Repayment of deferred consideration	**(238,726)**	(237,191)
Net cash (outflow)/inflow from financing	**(951,366)**	3,796,788

Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
(Decrease)/increase in cash in the period	**(301,957)**	532,866
Net cash (inflow) from new bank loans	–	(4,192,000)
Net cash outflow from repayment of bank loans	**712,640**	158,021
Net cash outflow from repayment of deferred consideration	**238,726**	237,191
Change in net debt from cash flows	**649,409**	(3,263,922)
Non-cash movements		
New deferred consideration	**(650,000)**	–
Change in net debt	**(591)**	(3,263,922)
Net debt at 1 January 2009	**(2,285,983)**	977,939
Net debt at 31 December 2009	**(2,286,574)**	(2,285,983)

Analysis of changes in net debt

	At 1 Jan 2009 £	Cash flows £	Non-cash flows £	At 31 Dec 2009 £
Net cash				
Cash in hand and at bank	2,381,951	**(301,957)**	–	**2,079,994**
Debt				
Bank loans	(4,192,000)	**712,640**	–	**(3,479,360)**
Deferred consideration	(475,934)	**238,726**	**(650,000)**	**(887,208)**
	(4,667,934)	**951,366**	**(650,000)**	**(4,366,568)**
	(2,285,983)	**649,409**	**(650,000)**	**(2,286,574)**

Non-cash flows relate to deferred consideration arising on the acquisition of Vixen Software Solutions Limited (see note 26)

23 Capital commitments

The group had no capital commitments at 31 December 2009 or 31 December 2008

24 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 2009 the extent of this contingent liability was £Nil (2008 £Nil)

25 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

26 Acquisitions

(a) In April 2009 the company acquired 100% of the ordinary share capital of Vixen Software Solutions Limited The assets and liabilities acquired were as follows

	Book value	Adjustments	Fair value
	£	£	£
Fixed assets	51,727	-	51,727
Current assets			
Stocks	2,579	-	2,579
Cash at bank	751,133	-	751,133
Debtors	1,047,067	(370,852)	676,215
Total assets	1,852,506	(370,852)	1,481,654
Creditors: amounts falling due within one year	(1,803,149)	-	(1,803,149)
Net assets	**49,357**	**(370,852)**	**(321,495)**
Goodwill (note 11)			3,124,765
			2,803,270
Satisfied by			
Cash			1,350,000
Shares issued in the holding company at fair value			750,000
Professional costs			53,270
Deferred consideration			650,000
			2,803,270

Adjustments were made to increase the bad debt provision against acquired trade debtors and to write-off accrued income and prepayments with no value to the company

Deferred consideration payable of £650,000 has been accrued in line with the acquisition agreement based on the directors' best estimate of amounts that will fall payable based on the performance of the acquired company

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

26 Acquisitions (continued)

(b) In May 2009 the company acquired the trade and assets of Globallive Limited The assets and liabilities acquired were as follows

	Book value	Adjustments	Fair value
	£	£	£
Fixed assets	268,144	(268,144)	-
Current assets			
Debtors	210,393	(210,393)	-
Total assets	478,537	(478,537)	-
Creditors. amounts falling due within one year	(154,933)	(1,539,601)	(1,694,534)
Net assets	**323,604**	**(2,018,138)**	**(1,694,534)**
Goodwill (note 11)			1,814,534
			120,000
Satisfied by			
Cash			**120,000**

Adjustments were made to eliminate fixed assets and trade debtors which had no value to the company Further adjustments were made to account for deferred income relating to contractual obligations which the company acquired under the asset purchase agreement

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