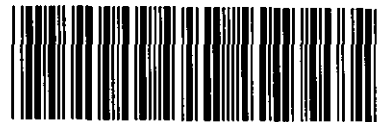


Report of the Directors and
Financial Statements for the year ended 31 January 2006
for
Riskfactor Software Limited

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COMPANIES HOUSE

Palmers
28 Chipstead Station Parade
Chipstead
Coulsdon
Surrey
CR5 3TF

Riskfactor Software Limited

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for the year ended 31 January 2006

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Riskfactor Software Limited

Company Information
for the year ended 31 January 2006

DIRECTORS: J E Smith
T M Yates

SECRETARY: T M Yates

REGISTERED OFFICE: Barn Studios
Gaterounds
Parkgate Road
Newdigate
Surrey
RH5 5AJ

BUSINESS ADDRESS: Units B & C
Kemps Farm
London Road
Balcombe
West Sussex
RH17 6JH

REGISTERED NUMBER: 3923431 (*England and Wales*)

AUDITORS: Palmers
28 Chipstead Station Parade
Chipstead
Coulsdon
Surrey
CR5 3TF

Riskfactor Software Limited

Report of the Directors
for the year ended 31 January 2006

The directors present their report with the financial statements of the company for the year ended 31 January 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of computer consultancy services and software sales.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2006.

DIRECTORS

The directors during the year under review were:

J E Smith
T M Yates

The directors holding office at 31 January 2006 did not hold any beneficial interest in the issued share capital of the company at 1 February 2005 or 31 January 2006.

The directors interest in the share capital of the ultimate parent company is disclosed in that company's accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

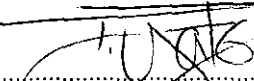
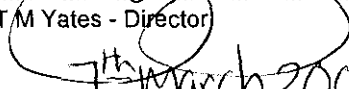
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Palmers, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
T M Yates - Director

Date: 7th March 2007

**Report of the Independent Auditors to the Shareholders of
Riskfactor Software Limited**

We have audited the financial statements of Riskfactor Software Limited for the year ended 31 January 2006 on pages four to nine. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

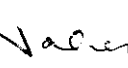
Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the appropriateness of the going concern basis for their preparation, the validity of which depends upon the ongoing financial support of other group companies and certain of the company's directors, to enable the company to meet its debts as they fall due. In view of the significance of this uncertainty, we consider that it should be drawn to your attention. Our opinion is not qualified in this respect.


Palmers
Chartered Accountants and Registered Auditors
28 Chipstead Station Parade
Chipstead
Coulsdon
Surrey
CR5 3TF

Date: 7th March 2007

Riskfactor Software Limited

Profit and Loss Account
for the year ended 31 January 2006

	Notes	2006 £	2005 £
TURNOVER	2	229,244	234,944
Cost of sales		66,997	41,851
GROSS PROFIT		162,247	193,093
Administrative expenses		411,802	345,736
		(249,555)	(152,643)
Other operating income		256,829	-
OPERATING PROFIT/(LOSS)	4	7,274	(152,643)
Interest receivable and similar income		28	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		7,302	(152,643)
Tax on profit/(loss) on ordinary activities	5	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		7,302	(152,643)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

Riskfactor Software Limited

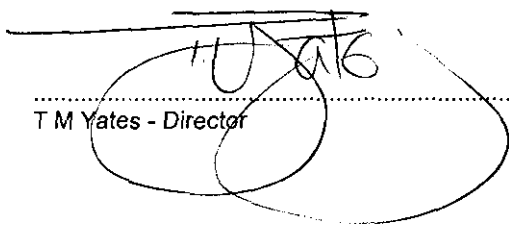
Balance Sheet
31 January 2006

	Notes	2006 £	2005 £
CURRENT ASSETS			
Debtors	6	29,434	11,019
Cash at bank		6,094	2
		<u>35,528</u>	<u>11,021</u>
CREDITORS			
Amounts falling due within one year	7	274,255	257,050
		<u>(238,727)</u>	<u>(246,029)</u>
NET CURRENT LIABILITIES			
		<u>(238,727)</u>	<u>(246,029)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(238,727)</u>	<u>(246,029)</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	(238,729)	(246,031)
		<u>(238,727)</u>	<u>(246,029)</u>
SHAREHOLDERS' FUNDS	13		
		<u>(238,727)</u>	<u>(246,029)</u>

The financial statements were approved by the Board of Directors on its behalf by:

7th March 2007

and were signed on


T M Yates - Director

**Notes to the Financial Statements
for the year ended 31 January 2006**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group, provided that the consolidated financial statements in which those subsidiary undertakings are included are publicly available.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

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

Maintenance contract revenue

Income from maintenance contract cover provided by the company is amortised over the duration of contracts on a straight line basis and the credit to the profit and loss account recognises the expired proportion of the revenue from such contracts.

Going concern

These financial statements have been prepared on a going concern basis, the validity of which depends upon the ongoing financial support of other group companies and certain of the company's directors, to enable the company to meet its debts as they fall due. Since the end of the period under review, such financial support has continued and since an improvement in results is anticipated during the forthcoming year, the directors consider that it is appropriate to adopt the going concern basis in the preparation of these financial statements.

2. TURNOVER

The turnover and profit (2005 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2006 £	2005 £
United Kingdom	172,628	169,748
Rest of Europe	26,271	35,438
Rest of the World	30,345	29,758
	<u>229,244</u>	<u>234,944</u>

3. STAFF COSTS

	2006 £	2005 £
Wages and salaries	343,853	218,075
Social security costs	40,113	24,907
	<u>383,966</u>	<u>242,982</u>

The average monthly number of employees during the year was as follows:

	2006	2005
Office and management	<u>7</u>	<u>5</u>

Notes to the Financial Statements - continued
for the year ended 31 January 2006

4. OPERATING PROFIT/(LOSS)

The operating profit (2005 - operating loss) is stated after charging:

	2006 £	2005 £
Foreign exchange differences	-	2,488
Directors' emoluments	174,925	96,612

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 January 2006 nor for the year ended 31 January 2005.

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2006 £	2005 £
Profit/(loss) on ordinary activities before tax	7,302	(152,643)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	1,387	(29,002)
Effects of:		
Disallowed (income)/expenses	(47)	400
Profits taxed at 0%	(5)	-
Losses utilised	(1,335)	-
Losses carried forward	-	5,190
Group relief surrender	-	23,412
Current tax charge	-	-

Factors that may affect future tax charges

At the year end there were unutilised trading losses for corporation tax purposes of £62,209 giving rise to a potential deferred tax asset calculated at 19% of £11,820. Although further future profits are anticipated, their timing is uncertain and, therefore, the crystallisation of a deferred asset based thereon is similarly unpredictable such that the directors consider it inappropriate to provide for this deferred asset in these accounts.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	28,789	11,019
Prepayments	645	-
	29,434	11,019

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	39	-
Amounts owed to group undertakings	211,461	195,306
Social security and other taxes	11,536	17,679
VAT	4,243	12,148
Accruals and deferred income	46,976	31,917
	274,255	257,050

Riskfactor Software Limited**Notes to the Financial Statements - continued**
for the year ended 31 January 2006**8. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	2006 £	2005 £
20	Ordinary	£1	<u>20</u>	<u>20</u>
Allotted, issued and fully paid: Number:	Class:	Nominal value:	2006 £	2005 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

9. RESERVES

	Profit and loss account £
At 1 February 2005	(246,031)
Profit for the year	<u>7,302</u>
At 31 January 2006	<u>(238,729)</u>

10. ULTIMATE PARENT COMPANY

The ultimate parent company is Information Software Solutions plc, a company registered in England and Wales.

Information Software Solutions plc prepares consolidated accounts which are publicly available.

11. RELATED PARTY DISCLOSURES

During the year the company was charged £66,997 (2005: £41,851) in respect of royalties by Information Software Solutions plc.

During the year the company charged £40,000 (2005: £Nil) of management charges to Information Software Solutions plc.

During the year the company charged £216,579 (2005: £93,308 charged by) of management charges to Riskfactor Solutions Limited.

At the balance sheet date the company owed £131,365 (2005: £142,207) to Riskfactor Solutions Limited, and £80,096 (2005: £53,099) to Information Software Solutions plc.

Information Software Solutions plc is the ultimate parent company of Riskfactor Software Limited, and also the ultimate parent company of Riskfactor Solutions Limited.

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is T M Yates by virtue of his majority shareholding in Information Software Solutions plc, the ultimate parent company of Riskfactor Software Limited.

Notes to the Financial Statements - continued
for the year ended 31 January 2006

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit/(Loss) for the financial year	7,302	(152,643)
Net addition/(reduction) to shareholders' funds	7,302	(152,643)
Opening shareholders' funds	(246,029)	(93,386)
Closing shareholders' funds	(238,727)	(246,029)
 Equity interests	 (238,727)	 (246,029)