

Company Registration No. 3966303 (England and Wales)

**HYPERWAVE LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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# **HYPERWAVE LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	H Gangl	(Appointed 21 May 2008)
<b>Secretary</b>	C Brice	
<b>Company number</b>	3966303	
<b>Registered office</b>	Unit 2 Trinity Place 29 Thames Street Weybridge Surrey KT13 8JG	
<b>Auditors</b>	HLB Vantis Audit plc 82 St John Street London EC1M 4JN	
<b>Business address</b>	Unit 2 Trinity Place 29 Thames Street Weybridge Surrey KT13 8JG	

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# **HYPERWAVE LIMITED**

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# **HYPERWAVE LIMITED**

## **DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

The director presents his report and financial statements for the year ended 31 December 2007.

### **Principal activities**

The company provides licences, support and training in connection with knowledge management software developed or owned by its parent company.

### **Directors**

The following directors have held office since 1 January 2007:

H Gangl  
C A Michel

(Appointed 21 May 2008)  
(Resigned 21 May 2008)

### **Auditors**

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, HLB Vantis Audit plc will be deemed to be reappointed for each succeeding financial year.

### **Director's responsibilities**

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 of disclosure to auditors**

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

(b) he 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.

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

On behalf of the board

  
H Gangl  
Director

15 May 2009

## **HYPERWAVE LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE SHAREHOLDERS OF HYPERWAVE LIMITED**

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We have audited the financial statements of Hyperwave Limited on pages 4 to 11 for the year ended 31 December 2007. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and 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 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 the director and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

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

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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.

## HYPERWAVE LIMITED

### INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF HYPERWAVE LIMITED

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#### Opinion

##### In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the director's report is consistent with the financial statements.

#### Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1.1 of the financial statements concerning the Company's ability to continue as a going concern. The Company incurred a loss after tax of £635,434 for the year ended 31 December 2007 and, at that date, the Company's current liabilities exceeded its total assets by £1,137,429. These conditions, along with the other matters explained in note 1.1 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

*HLB Vantis Audit plc*

HLB Vantis Audit plc

*15 May 2009*

Chartered Accountants  
Registered Auditors



82 St John Street  
London  
EC1M 4JN

# HYPERWAVE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover		1,777,469	2,330,119
Cost of sales		(924,917)	(1,042,624)
Gross profit		852,552	1,287,495
Administrative expenses		(1,484,150)	(1,592,712)
Operating loss	2	(631,598)	(305,217)
Exceptional item - Intercompany balance forgiven		-	3,502,141
(Loss)/profit on ordinary activities before interest		(631,598)	3,196,924
Other interest receivable and similar income	3	3	173
Interest payable and similar charges		(3,839)	(1,906)
(Loss)/profit on ordinary activities before taxation		(635,434)	3,195,191
Tax on (loss)/profit on ordinary activities	4	-	-
(Loss)/profit for the year	10	(635,434)	3,195,191

# HYPERWAVE LIMITED

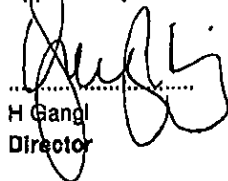
## BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	5		10,135		14,345
<b>Current assets</b>					
Debtors	6	689,814		850,411	
Cash at bank and in hand		7,225		83,210	
		<u>697,039</u>		<u>933,621</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,844,603)</u>		<u>(1,449,981)</u>	
<b>Net current liabilities</b>			<u>(1,147,564)</u>		<u>(516,340)</u>
<b>Total assets less current liabilities</b>			<u>(1,137,429)</u>		<u>(501,995)</u>
<b>Capital and reserves</b>					
Called up share capital	9		1		1
Profit and loss account	10		<u>(1,137,430)</u>		<u>(501,998)</u>
<b>Shareholders' funds</b>			<u>(1,137,429)</u>		<u>(501,995)</u>

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

Approved by the Board for Issue on 15 MAY 2009

  
 H Gangi  
 Director



# **HYPERWAVE LIMITED**

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

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The company's ability to continue as a going concern is dependent, to a large extent, on receiving continued financial support from its parent company, Hyperwave AG. The company has net liabilities of £1,137,429 and owes its parent company £1,385,999. The directors have received confirmation that Hyperwave AG will not seek in the ordinary course of business repayment of any amounts due to it by the company for the period of at least 12 months from the date of approval of the financial statements if such repayment would render the company unable to pay its liabilities to third parties as and when they fall due. However, there may be circumstances, such as unforeseen adverse trading conditions, which occur that would render the support provided by Hyperwave AG insufficient to enable the company to continue trading and there can be no certainty on such matters.

The directors have therefore concluded, on the basis of Hyperwave AG's confirmation and a review of the company's projected working capital requirements for the next 12 months following the date of approval of these financial statements, that it remains appropriate to apply the going concern concept in preparing the financial statements. Accordingly, the financial statements do not include any adjustments that might be necessary if the going concern concept were deemed inappropriate.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised on delivery of the product or service except for revenue from support contracts which is spread over the period of the service supplied. Commission is recognised when the order is placed by the customer.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line

#### **1.5 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

## HYPERWAVE LIMITED

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

<b>2 Operating loss</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Depreciation of tangible assets	4,695	4,158
Operating lease rentals - land and buildings	96,145	113,224
Auditors' remuneration	16,040	5,250
Director's emoluments	45,483	35,492
Remuneration of auditors for non-audit work	64,127	42,377
and after crediting:		
Exceptional item: costs borne by parent company	-	(54,819)
Exceptional item: Intercompany loan forgiven	-	(3,502,141)
Profit/(loss) on foreign exchange transactions	(24,976)	(17,992)

<b>3 Investment income</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank interest	3	173
	<u>3</u>	<u>173</u>

#### **4 Taxation**

The company has estimated losses of £ 2,685,000 (2006 - £ 2,066,000) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax. There is an unprovided deferred tax asset in respect of tax losses carried forward of approximately £510,000 (2006: £392,000). The asset is recoverable only if sufficient taxable profits are generated in future years.

# HYPERWAVE LIMITED

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

### 5 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 January 2007	72,793
Additions	485
	<hr/>
At 31 December 2007	73,278
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<b>Depreciation</b>	
At 1 January 2007	58,450
Charge for the year	4,693
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At 31 December 2007	63,143
	<hr/>
<b>Net book value</b>	
At 31 December 2007	10,135
	<hr/>
At 31 December 2006	14,345
	<hr/>

### 6 Debtors

	2007	2006
	£	£
Trade debtors	616,480	775,388
Other debtors	73,334	75,023
	<hr/>	<hr/>
	689,814	850,411
	<hr/>	<hr/>

# HYPERWAVE LIMITED

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

7	Creditors: amounts falling due within one year	2007 £	2006 £
	Trade creditors	127,379	112,244
	Amounts owed to group undertakings	1,416,234	667,918
	Taxation and social security	133,306	234,079
	Other creditors	167,684	435,720
		<u>1,844,603</u>	<u>1,449,961</u>

The loan from the parent company is interest free and repayable on demand. The parent company has confirmed, as disclosed in note 1, that repayment will not be required if repayment would lead to the company being unable to meet its other liabilities as and when they fall due.

### 8 Pension costs

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. At 31 December 2007, there was a balance of £Nil (2006: £1,130 debtor) outstanding.

	2007 £	2006 £
Contributions payable by the company for the year	<u>2,660</u>	<u>6,567</u>

9	Share capital	2007 £	2006 £
	<b>Authorised</b>		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<b>Allotted, called up and fully paid</b>		
	1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

## HYPERWAVE LIMITED

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

#### 10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2007	(501,996)
Loss for the year	(635,434)
Balance at 31 December 2007	<u>(1,137,430)</u>

#### 11 Contingent liabilities

Included in creditors falling due within one year is an amount of approximately £118,000 relating to overdue VAT on which interest and penalties may be payable. No provision has been made in the financial statements for these potential liabilities due to the uncertainty over the amount that may become payable.

#### 12 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008:

	2007 £	2006 £
Operating leases which expire:		
Within one year	41,300	-
Between two and five years	-	107,520
	<u>41,300</u>	<u>107,520</u>

#### 13 Control

The parent company was Hyperwave AG, a company incorporated in Austria.

## **HYPERWAVE LIMITED**

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

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#### **14 Related party transactions**

During the year, the company received commission of £260,355 (2006: £366,551) from its current parent company, Hyperwave AG.

During the year the company was charged £345,814 (2006: £547,142) for direct costs and £Nil (2006: £76,208) for management charges by its current parent company, Hyperwave AG.

During the year, the parent company bore expenses on behalf of the company of £Nil (2006: £54,819).

Included in creditors falling due within one year is an amount of £1,385,999 (2006: £640,133) owed to the current parent company, Hyperwave AG.

During the year, the company was charged £Nil (2006: £27,785) by Hyperwave Information Management GmbH, a fellow subsidiary, for expenses paid on the company's behalf. Included in creditors falling due within one year is an amount of £30,235 (2006: £27,785) owed to Hyperwave Information Management GmbH.