

Cordys UK Limited

Registered number: 03974484

Directors' report and financial statements

For the year ended 31 December 2010



CORDYS UK LIMITED

COMPANY INFORMATION

Directors	J Baan (resigned 1 December 2010) M de Simone (Resigned 30 April 2010) Cordys Holding B V (appointed 1 December 2010) P Jonsson (appointed 1 December 2010)
Company secretary	A G Secretarial Limited
Company number	03974484
Registered office	100 Barbirolli Square Manchester KT13 0TT
Trading address	Macmillan House B243 Paddington Station London W2 1FT
Auditors	Mazars LLP Chartered accountants & Registered auditors The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
Solicitors	Addleshaw Goddard 100 Barbirolli Square Manchester M2 3AB

CORDYS UK LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 12

CORDYS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Principal activities

The company's principal activity is to provide services in the field of information technology.

Directors

The directors who served during the year were:

J Baan (resigned 1 December 2010)
M de Simone (Resigned 30 April 2010)
Cordys Holding B V (appointed 1 December 2010)
P Jonsson (appointed 1 December 2010)

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

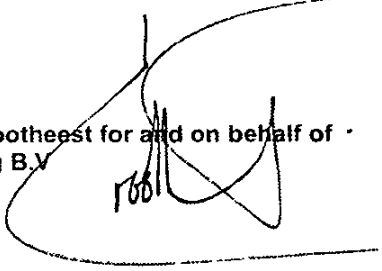
CORDYS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on *22 December 2011* and signed on its behalf

Wouter van Grootheest for and on behalf of
Cordys Holding B.V.
Director



CORDYS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CORDYS UK LIMITED

We have audited the financial statements of Cordys UK Limited for the year ended 31 December 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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. 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 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.

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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the provisions of the Companies Act 2006 applicable to small companies.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £2,130,912 during the year ended 31 December 2010 and, at that date, the company's current liabilities exceeded its total assets by £1,337,250 and it had net current liabilities of £1,365,667. These conditions, along with the other matters explained in note 1 to 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CORDYS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CORDYS UK LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime



Mazars LLP, Chartered accountants (Registered auditors)

Gregory John Hall (Senior Statutory Auditor)

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date 22/12/11

CORDYS UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Turnover	1	1,240,663	805,688
Cost of sales		(347,595)	(177,870)
Gross profit		893,068	627,818
Administrative expenses		(2,632,171)	(3,004,605)
Operating loss	2	(1,739,103)	(2,376,787)
Interest receivable and similar income		-	14
Interest payable and similar charges	5	(391,809)	(298,006)
Loss on ordinary activities before taxation		(2,130,912)	(2,674,779)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	12	(2,130,912)	(2,674,779)

The notes on pages 7 to 12 form part of these financial statements

CORDYS UK LIMITED

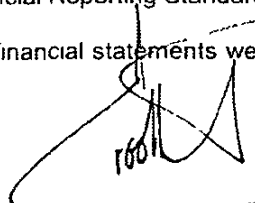
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BALANCE SHEET**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	7		28,417		4,282
Current assets					
Debtors	8	848,442		439,137	
Cash at bank		89,918		150,935	
		<u>938,360</u>		<u>590,072</u>	
Creditors , amounts falling due within one year	9	<u>(2,304,027)</u>		<u>(562,686)</u>	
Net current (liabilities)/assets			<u>(1,365,667)</u>		<u>27,386</u>
Total assets less current liabilities			<u>(1,337,250)</u>		<u>31,668</u>
Creditors , amounts falling due after more than one year	10		<u>(8,576,385)</u>		<u>(7,814,391)</u>
Net liabilities			<u><u>(9,913,635)</u></u>		<u><u>(7,782,723)</u></u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		<u>(9,913,636)</u>		<u>(7,782,724)</u>
Shareholders' deficit			<u><u>(9,913,635)</u></u>		<u><u>(7,782,723)</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Wouter van Grootheest for and on behalf of
Cordys Holding B V
Director

22/12/2011

The notes on pages 7 to 12 form part of these financial statements

CORDYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied exclusive of Value Added Tax and trade discounts

Licence Revenue

Revenue earned for selling licences for the group's products is recognised when the risks and rewards of ownership of the licensed software is transferred to the customer

Service Revenue

Revenue earned for the selling of professional IT services is recognised on a service provided basis

Maintenance Revenue

Revenue earned for the maintenance of software and IT systems sold to customers under a maintenance contract is recognised over the period of the contract. Costs associated with these contracts are expensed as incurred

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	- 3 - 10 years
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1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

CORDYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting Policies (continued)

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.8 Consolidation

The financial statements contain information about Cordys UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Venenburg Group BV, a company incorporated in the Netherlands

1.9 Related party transactions

The company is a wholly owned subsidiary of Cordys Holding B V and has taken advantage of the exemption permitted under Financial Reporting Standard No 8 not to provide details of transactions with fellow group undertaking in these accounts

1.10 Going concern

The company has net liabilities at the year end. The directors of Cordys UK Limited have satisfied themselves that Cordys UK Limited is a going concern on the basis that written confirmation has been received from its ultimate parent undertaking Cordys Holding B V that they will continue to provide financial support for the foreseeable future and at least for the next twelve months from the date of signing these financial statements. In providing this financial support, Cordys Holding B V and its group undertakings will not therefore demand from Cordys UK Limited the repayment of the £8,576,385 balance owing to Cordys Holding B V and its group undertakings, as at 31 December 2010, until such time as the company is in a position to repay this balance

The ability of Cordys Holding B V to provide this financial support to Cordys UK Limited is dependent on it raising sufficient additional funding in its fundraising activities in 2012. The directors of Cordys Holding B V have advised the directors of Cordys UK Limited that they are confident the fundraising activities in 2012 will be successful and that sufficient additional funding will be obtained to enable Cordys Holding B V to provide the necessary financial support to Cordys UK Limited. The directors of Cordys UK Limited have satisfied themselves of the ability of Cordys Holding B V to provide financial support on this basis

Accordingly the financial statements do not include any adjustments which would result if the company was not considered a going concern

CORDYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

2 Operating loss

The operating loss is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets - owned by the company	6,786	1,889
Auditors' remuneration	10,000	9,000
Auditors' remuneration - non-audit	700	-
Pension costs	93,530	68,665

3 Staff costs

Staff costs, including directors' remuneration, were as follows.

	2010 £	2009 £
Wages and salaries	2,596,054	1,737,341
Other pension costs	93,530	68,665
	2,689,584	1,806,006

The average monthly number of employees, including the directors, during the year was as follows

	2010 No	2009 No
	15	15

4. Directors' remuneration

	2010 £	2009 £
Aggregate emoluments	179,113	404,598

During the year retirement benefits were accruing to 1 director (2009 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £179,113 (2009 - £163,238)

5 Interest payable

	2010 £	2009 £
Interest paid on intercompany balances	391,809	298,006

CORDYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

6 Taxation

	2010 £	2009 £
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 28% (2009 - 28%)

Factors that may affect future tax charges

Potential deferred tax assets amounting to £2,295,267 (2009 - £1,889,287) arising from trade deficits have not been recognised. The potential deferred tax asset would only become recoverable if sufficient taxable profits of a similar nature are earned in future periods by the company.

7 Tangible fixed assets

	Plant & machinery £
Cost	
At 1 January 2010	6,804
Additions	30,921
At 31 December 2010	37,725
Depreciation	
At 1 January 2010	2,522
Charge for the year	6,786
At 31 December 2010	9,308
Net book value	
At 31 December 2010	28,417
At 31 December 2009	4,282

8 Debtors

	2010 £	2009 £
Trade debtors	62,008	315,976
Amounts owed by group undertakings	692,499	7,556
Other debtors	93,935	115,605
	848,442	439,137

CORDYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

9 Creditors Amounts falling due within one year

	2010 £	2009 £
Trade creditors	45,419	102,078
Amounts owed to group undertakings	1,756,932	264,609
Social security and other taxes	94,463	80,569
Other creditors	407,213	115,430
	<u>2,304,027</u>	<u>562,686</u>

10 Creditors Amounts falling due after more than one year

	2010 £	2009 £
Amounts owed to group undertakings	<u>8,576,385</u>	<u>7,814,391</u>

11 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
1 Ordinary allotted called up and fully paid share of £1	<u>1</u>	<u>1</u>

12 Reserves

	Profit and loss account £
At 1 January 2010	(7,782,724)
Loss for the year	(2 130,912)
At 31 December 2010	<u>(9,913,636)</u>

13 Pension commitments

The company operates a defined contributions 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 and amounted to £93,530 (2009 - £68,665). Contributions totalling £44,719 (2009 - £31,272) were payable to the fund at the balance sheet date and are included within creditors.

CORDYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

14 Operating lease commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	2010 £	2009 £
Expiry date:		
Within 1 year	16,050	27,000

15. Controlling party

The company's immediate parent undertaking and the parent undertaking of the smallest group for which group accounts are drawn up is Cordys Holding B V which is incorporated in The Netherlands

The parent undertaking of the largest group for which group accounts are drawn up and of which the company is a member is Vanenburg Group BV, a company incorporated in The Netherlands, which is also the company's ultimate parent company and controlling party. Copies of financial statements of Vanenburg Group BV are available from The Company Secretary, PO Box 231 3880 AE Putten, The Netherlands