

Company number: 3990481

AAREON UK LIMITED

**Directors' Report and Financial Statements
for the year ended 31 December 2012**

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AAREON UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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AAREON UK LIMITED

**DIRECTORS AND ADVISERS
for the year ended 31 December 2012**

DIRECTORS

Stephen Makin
Hywel Connell
Geraunt Griffiths

COMPANY SECRETARY

Hywel Connell

REGISTERED OFFICE

Building 500
Abbey Park
Stareton
Kenilworth
England
Warwickshire
CV8 2LY

BANKERS

HSBC Bank plc
133-135 Daventry Road
Cheylesmore
Coventry
West Midlands
CV3 5HD

SOLICITORS

Eversheds
115 Colmore Row
Birmingham
B3 3AL

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

AAREON UK LIMITED

DIRECTORS' REPORT for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of computer software and associated services

COMPANY NUMBER

The company's number is 3990481

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £622,195 (2011 £392,889) The directors do not recommend the payment of a dividend (2011 £nil)

REVIEW OF BUSINESS

The year 2012 has seen the company achieve strong growth in sales and a substantial increase in operating profit with a set of financial results that represent an excellent performance in a very competitive environment

Aareon UK has maintained its competitive position in 2012 as one of the leading UK suppliers in the provision of a wide range of housing management and financial software plus associated services to the UK social housing sector This has been achieved by continuing to acquire a steady number of new customers that vary in both size and nature

Its customers continue to represent the whole cross-section of the social housing sector i.e., Housing associations, arm's length management organisations, local authorities and the care sector

The company's past and current investments in the technological and functional development of its product set has yielded success in meeting new customers' expectations It has also ensured that established customers benefit from the continual improvement in the functionality of its software

There is a growing trend for new customers in particular to seek business solutions that include modules beyond the traditional core housing management and finance software Typically these include mobile and electronic data management systems This solution approach has enabled customers to realise sought after efficiencies in a prompt, effective and logical manner

Aareon UK has invested heavily in products such as document management interfaces with partner companies and also benefited from the acquisition of 1st Touch Ltd (a mobile solution provider) by Aareon AG in July 2012 in order to meet and exploit the growing trend of software mobilisation

Whilst the economic outlook in the business sectors that Aareon UK's customers operate in continue to be challenging and difficult, the future trend for seeking efficiency driven business solutions by both established and new customers should ensure that Aareon will maintain its success through the involvement of its products and services as a key element of these solutions

AAREON UK LIMITED

DIRECTOR'S REPORT

for the year ended 31 December 2012 (continued)

KEY PERFORMANCE INDICATORS (KPIs)

The directors of Aareon AG manage the group's operations on a group-wide basis. For this reason, the directors of the company believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company. The development, performance and position of Aareon AG, which includes the company, is discussed in the directors' report of Aareon AG which does not form part of this report but can be obtained as detailed in note 18 to the financial statements.

FUTURE DEVELOPMENTS

The company will continue its policy of heavy investment in its product set and services, and anticipates that employee numbers in the areas of development, implementation and support will steadily increase.

The company is confident that it has the correct product sets and excellence in its employees to meet future growth plans and maintain its success in the market sector it operates.

PRINCIPAL RISK MANAGEMENT

The company has in place a risk management programme that seeks to limit adverse effects on its financial performance. The policies set by the directors are implemented by the company's management team.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the management of the company.

The company's principal financial assets are bank balances, trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. Trade debt exposure is spread over a large number of customers with a low credit risk.

Liquidity risk

The company has no long term debt and the directors feel that the company has an appropriate level of cash, short term debt and internal finance. This debt structure ensures the company has sufficient available funds for its operations and planned capital expenditure. Actual performance, as well as short and medium term forecasts (including annual budgets), are reported to the board on a regular basis to allow a balanced assessment of the company performance.

Competition

The company operates in a highly competitive market for new software sales, particularly with regard to price and functionality. There is frequent pressure on margins and increased customers' expectations. To mitigate this, the sales management monitor prices on an ongoing basis and are fully responsible for the pricing of products. Furthermore, regular product gap analysis is undertaken with regard to functionality to ensure customers' needs are being met. Internal developments are continuously being assessed to close any identified gaps.

AAREON UK LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2012 (continued)

QUALIFYING THIRD PARTY AND PENSION SCHEME INDEMNITY PROVISIONS

No qualifying third party indemnity provision and/or qualifying pension scheme indemnity provision (whether made by the company or otherwise) is in place for the benefit of any director

DIRECTORS

The directors during the financial year and up to the date of signing the financial statements are as follows

Stephen Makin
Hywel Connell
Geraint Griffiths

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 prepared 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

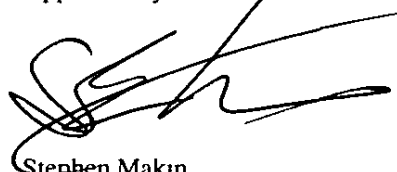
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

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

Approved by the board of directors and signed on behalf of the board



Stephen Makin

Director

27 August 2013

Company number 3990481

AAREON UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AAREON UK LIMITED

We have audited the financial statements of Aareon UK Limited for the year ended 31 December 2012 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on 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.

AAREON UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AAREON UK 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, 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

David Martin

David Martin (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
27 August 2013

AAREON UK LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2012

	Note	2012 £	2011 £
TURNOVER	16	6,526,125	6,133,015
Cost of sales		(1,427,047)	(1,393,881)
GROSS PROFIT		5,099,078	4,739,134
Administrative expenses (including goodwill amortisation of £112,529 (2011 £177,164))		(4,251,703)	(4,162,397)
OPERATING PROFIT	3	847,375	576,737
Interest receivable and similar income	4	1,549	1,074
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		848,924	577,811
Tax on profit on ordinary activities	5	(226,729)	(184,922)
PROFIT FOR THE FINANCIAL YEAR	12	622,195	392,889

All activities are derived from continuing operations

Operating profit includes goodwill amortisation of £112,529 (2011 £177,164) Operating profit before goodwill amortisation is £959,904 (2011 £753,901)

There are no recognised gains and losses for the current year or prior year other than the profit for the respective year Accordingly, no statement of total recognised gains and losses has been prepared Additionally, there is no material difference between the profit on ordinary activities before taxation and the profit for the respective year and their historical cost equivalents

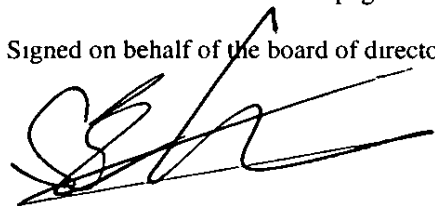
AAREON UK LIMITED

BALANCE SHEET
as at 31 December 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Intangible assets	6		-		112,529
Tangible assets	7		977,419		150,031
			<u>977,419</u>		<u>262,560</u>
CURRENT ASSETS					
Debtors	8	2,667,017		3,068,643	
Cash at bank and in hand		2,629,063		1,363,514	
		<u>5,296,080</u>		<u>4,432,157</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(4,099,445)		(3,135,791)	
NET CURRENT ASSETS			<u>1,196,635</u>		<u>1,296,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,174,054		1,558,926
PROVISIONS FOR LIABILITIES	10		(14,039)		(21,106)
NET ASSETS			<u>2,160,015</u>		<u>1,537,820</u>
CAPITAL AND RESERVES					
Called up share capital	11	2,200,000		2,200,000	
Profit and loss account	12	(39,985)		(662,180)	
TOTAL SHAREHOLDERS' FUNDS	12	<u>2,160,015</u>		<u>1,537,820</u>	

These financial statements on pages 7 to 16 were approved by the board of directors on 27 August 2013

Signed on behalf of the board of directors by



Stephen Makin
Director
Company number 3990481

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost and going concern conventions and in accordance with the Companies Act 2006 as well as applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior year.

Turnover

Turnover represents the value of work done during the financial year in respect of software and hardware sales, consultancy work and maintenance and support contracts and is stated net of value added tax. All turnover arises within the United Kingdom, from the company's principal activity. On successful delivery and installation of software, the company has fulfilled its contractual obligations and recognises 100% of the software sale. Any necessary provisions are made upon recognition of the sale whilst awaiting final customer acceptance in accordance with the terms of customer contracts. Consultancy work is recognised on a daily basis as it is performed. Revenue on maintenance and support contracts is recognised evenly over the period of the contract.

Cost of sales

Cost of sales represents the cost of hardware, software, maintenance and support in respect of sales recognised in the financial year. All staff costs are treated as an overhead with no allocation to cost of sales.

Goodwill

Purchased goodwill is capitalised in the financial year in which it arises and amortised over its useful economic life. The directors regard 12 years as a reasonable estimate of the useful economic life. Goodwill is included within intangible fixed assets. The company evaluates the carrying value of goodwill in each financial year to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets, to write off cost or valuation. The estimated lives are as follows:

Computer equipment and software	3 to 4 years
Fixtures and fittings	4 years

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to crystallise based on current tax rates and laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

AAREON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

1. ACCOUNTING POLICIES (continued)

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease

Deferred income

Deferred income arises where services are invoiced in advance of performance. This amount is released to the profit and loss account in subsequent periods.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due against administrative expenses.

Cash flow statement

The company has taken advantage of the exemption allowed by Financial Reporting Standard 1 "Cash Flow Statements" (revised 1996) not to prepare a cash flow statement for the year. The consolidated financial statements of the ultimate parent company, Aareal Bank AG, are publicly available from its registered offices at Paulienstrasse 15, 65189 Wiesbaden, Germany and include a consolidated cash flow statement, which incorporates the cash flows of the company.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £	2011 £
Aggregate directors' emoluments		
Aggregate emoluments (excluding pension contributions)	322,801	306,999
Highest paid director	£	£
Aggregate emoluments (excluding company pension contributions to the director's personal pension scheme of £14,740 (2011: £7,560))	163,835	139,707
	Number	Number
Number of directors who are members of the company's defined contribution pension scheme	3	3
	£	£
Contributions paid to the defined contribution pension scheme in respect of directors	42,429	14,116
Directors' Floats	£	£
Stephen Makin	3,000	3,000
Geraint Griffiths	2,000	2,000

The float balances have been issued to directors in order to finance out of pocket business expenses. The figures also represent the maximum float amount at any time during the year. No interest was charged on the floats during the year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2012	2011
Employee costs during the financial year (including directors)	£	£
Wages and salaries	2,414,555	2,354,934
Social security costs	313,150	293,742
Other pension costs (note 14)	158,910	75,222
	<u>2,886,615</u>	<u>2,723,898</u>
 Average monthly number of persons employed (including directors)	 Number	 Number
Operations	45	44
Sales and Marketing	11	10
Administration	3	3
	<u>59</u>	<u>57</u>

3. OPERATING PROFIT

	2012	2011
Operating profit is stated after charging/(crediting)	£	£
Depreciation - owned assets	159,775	93,709
Amortisation of goodwill	112,529	177,164
Auditors' remuneration		
- audit services	24,700	24,762
- taxation services	6,600	5,950
Rentals under operating leases		
- plant and machinery	119,483	118,062
- other	163,203	163,203
Loss on disposal of tangible fixed assets	<u>(1,929)</u>	<u>-</u>

4. INTEREST RECEIVABLE

	2012	2011
	£	£
Bank interest	<u>1,549</u>	<u>1,074</u>

AAREON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES	2012 £	2011 £
Corporation tax		
UK corporation tax	233,034	174,160
Adjustment in respect of prior years	762	-
Current tax charge for the financial year	<u>233,796</u>	<u>174,160</u>
Deferred tax (note 10)		
Timing differences, origination and reversal	(5,023)	12,220
Effect of decrease in tax rate on closing liability	(1,324)	(1,458)
Adjustment in respect of prior years	(720)	-
Deferred tax charge for the financial year	<u>(7,067)</u>	<u>10,762</u>
Total tax charge on profit on ordinary activities	<u>226,729</u>	<u>184,922</u>

The tax assessed for the year is higher (2011 higher) than the standard rate of UK corporation tax of 24.5% (2011 26.5%). The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 24.5% (2011 26.5%) to the profit before tax is as follows

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>848,924</u>	<u>577,811</u>
Profit on ordinary activities multiplied by the UK corporation tax standard rate at 24.5% (2011 26.5%)	207,986	153,120
Factors affecting charge for the financial year		
Expenses not deductible for tax purposes	20,010	33,256
Capital allowances less than depreciation	5,038	(11,993)
Movement in short-term timing differences	-	(223)
Adjustment in respect of prior years	762	-
Current tax charge for the financial year	<u>233,796</u>	<u>174,160</u>

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The proposed reductions to the main rate of corporation tax are both expected to be enacted as part of Finance Act 2013.

AAREON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

6. INTANGIBLE FIXED ASSETS

	Purchased goodwill £
Cost	
At 1 January 2012 and 31 December 2012	2,125,985
Accumulated amortisation	
At 1 January 2012	2,013,456
Charge for the year	112,529
At 31 December 2012	2,125,985
Net book amount	
At 31 December 2012	-
At 31 December 2011	112,529

7. TANGIBLE FIXED ASSETS

	Computer equipment and software £	Fixtures and fittings £	Total £
Cost			
At 1 January 2012	809,339	279,714	1,089,053
Additions	974,952	14,140	989,092
Disposals	(64,132)	(10,836)	(74,968)
At 31 December 2012	1,720,159	283,018	2,003,177
Accumulated depreciation			
At 1 January 2012	735,426	203,596	939,022
Charge for the year	132,137	27,638	159,775
Disposals	(62,203)	(10,836)	(73,039)
At 31 December 2012	805,360	220,398	1,025,758
Net book amount			
At 31 December 2012	914,799	62,620	977,419
At 31 December 2011	73,913	76,118	150,031

AAREON UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)**

8. DEBTORS	2012	2011
	£	£
Trade debtors	1,268,704	1,151,859
Amounts owed by group undertakings	14,254	-
Other debtors	29,000	27,000
Prepayments and accrued income	1,355,059	1,889,784
	<u>2,667,017</u>	<u>3,068,643</u>
 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	 2012	 2011
	£	£
Trade creditors	91,252	259,693
Amounts owed to group undertakings	475,762	-
Corporation tax	183,034	89,160
Other taxation and social security	349,290	211,920
Other creditors	402,662	50,240
Cost of sale & expense accruals	876,084	943,546
Deferred income	1,721,361	1,581,232
	<u>4,099,445</u>	<u>3,135,791</u>
 10. PROVISIONS FOR LIABILITIES	 2012	 2011
	£	£
At the beginning of the financial year	21,106	10,344
(Credit)/debit to profit and loss account	(7,067)	10,762
	<u>14,039</u>	<u>21,106</u>
 At the end of the financial year	 <u>14,039</u>	 <u>21,106</u>
 Analysis of deferred tax balance	 £	 £
Capital allowances less than depreciation	14,039	21,106
	<u>14,039</u>	<u>21,106</u>

AAREON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

11.	CALLED UP SHARE CAPITAL	2012 £	2011 £
	Issued and fully paid		
	2,200,000 (2011 2,200,000) £1 ordinary shares	<u>2,200,000</u>	<u>2,200,000</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS IN RESERVES

	Called up share capital £	Profit and loss account £	Total 2012 £	Total 2011 £
At the beginning of the financial year	2,200,000	(662,180)	1,537,820	1,144,931
Profit for the year	-	622,195	622,195	392,889
At the end of the financial year	<u>2,200,000</u>	<u>(39,985)</u>	<u>2,160,015</u>	<u>1,537,820</u>

13. OPERATING LEASE COMMITMENTS

At 31 December 2012, the company was committed to making the following payments during the next financial year in respect of operating leases

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire				
- between two to five years	70,000	75,546	-	83,388
- after five years	93,203	-	163,203	-
	<u>163,203</u>	<u>75,546</u>	<u>163,203</u>	<u>83,388</u>

AAREON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

14. PENSION SCHEMES

The company operates defined contribution pensions schemes for all qualifying employees. The assets of the scheme are held in separate trustee administered funds. Contributions made during 2012 amounted to £158,910 (2011: £75,222). There were £nil unpaid contributions at the year-end (2011: £nil).

15. CAPITAL AND OTHER FINANCIAL COMMITMENTS

	2012 £	2011 £
Contracts placed for future capital expenditure not provided in the financial statements	-	504,000

16. TURNOVER ANALYSIS

The company operates one class of business and all sales take place within one geographical location, Great Britain.

17. RELATED PARTY TRANSACTIONS

During the year, the company made purchases of licences, consultancy and support contracts from a related party, 1st Touch Limited (a subsidiary of Aareon AG) as detailed in the table below:

	Period to 3 Jul 2012 £	Year to 31 Dec 2011 £
Purchases value	420,975	383,508
Amount due to related party at balance sheet date	207,866	228,054

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', from disclosing transactions between group companies, on the grounds that it is a wholly owned subsidiary of a group headed by Aareon AG, whose financial statements are publicly available. This includes any transactions with 1st Touch Limited that occurred after the group acquired the company on 3 July 2012.

18. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Aareon AG, a company registered in Germany. This is the smallest group for which consolidated financial statements are prepared. Copies of the financial statements of Aareon AG can be obtained from Isaac-Fulda-Allee 6, 55124 Mainz, Germany.

The ultimate controlling party and parent company of the largest group which includes the company and for which group financial statements are prepared is Aareal Bank AG, a company incorporated in Germany. Copies of consolidated financial statements of the largest group can be obtained from Paulienstrasse 15, 65189 Wiesbaden, Germany.