

# Trapeze Group (UK) Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2008

Registration number: 04160790

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**Trapeze Group (UK) Limited**  
**Contents Page**

Officers and advisers .....	1
Directors' report .....	2 to 3
Independent auditors' report .....	4
Profit and loss account .....	5
Balance sheet .....	6
Notes to the financial statements .....	7 to 18

**Trapeze Group (UK) Limited**  
**Officers and Advisers**

<b>Directors</b>	R Clay
	K Brock
	J A Page
	C Bell (appointed 29 September 2008)
<b>Secretary</b>	R Clay
<b>Registered office</b>	The Mill
	Staverton
	Trowbridge
	Wiltshire
	BA14 6PH
<b>Auditors</b>	RSM Bentley Jennison
	Chartered Accountants & Registered Auditors
	Charterhouse
	Legge Street
	Birmingham B4 7EU

# **Trapeze Group (UK) Limited**

## **Directors' Report for the Year Ended 31 December 2008**

The directors present their report and the audited financial statements for the year ended 31 December 2008.

### **Directors' responsibilities**

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

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

### **Principal activity**

The principal activity of the company is that of software sales and consulting.

### **Business review**

Trapeze Group (UK) Limited enjoyed 72% growth in 2008 partly due to the transfer of business from its subsidiaries into Trapeze and partly due to organic growth. The business activities of Action Information Management Limited were transferred to Trapeze on 30 June 2007, those of Grampian Software Holdings Limited were transferred on 1 November 2008. The growth from subsidiaries also includes the acquisition of Southern Computer Systems Limited on 22 August 2008 and subsequent transfer of those business activities into Trapeze from 1 December 2008.

Gross profits increased significantly, from £1,728,000 (33%) to £4,299,000 (48%), primarily due to the transfer of subsidiaries, but also due to improved trading performance and efficiencies.

These changes flowed through to operating profits, transforming the £394,000 operating loss in 2007 into an operating profit of £640,000 in 2008. This switch also fed through to profit before tax, where the trading performance was also affected by dividends from the subsidiaries of £927,000. These are not expected to recur, but for 2008 helped drive a switch from a loss of £757,000 to a profit of £429,000.

The net assets of Trapeze strengthened considerably in the year, rising from £864,000 to £1,293,000. The improvement of our profitability drove an improvement in Return on Capital Employed from -88% to +33% in the year.

Overall, the directors are satisfied with the performance achieved in 2008. It has been a year of considerable change which has driven some one-off benefits, but there has also been the consolidation of some sound acquisitions and continuing focus on bringing the business into sustainable profitability.

**Trapeze Group (UK) Limited**  
**Directors' Report for the Year Ended 31 December 2008**

.....continued

The UK currently faces considerable uncertainties in the general economic climate. To date, the Trapeze business is faring well in these conditions, although there remains a close watch on our forward indicators. Trapeze continues diligently to work on product development, with a particular focus on providing solutions which help achieve efficiencies or improve their profitability.

**Results and dividend**

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

**Directors**

The directors who held office during the year were as follows:

- R Clay
- K Brock
- J A Page
- C Bell (appointed 29 September 2008)

Approved by the Board and signed on its behalf by:



R Clay  
Director

Date: 11/2/09

## **Independent Auditors' Report to the Members of Trapeze Group (UK) Limited**

We have audited the financial statements of Trapeze Group (UK) Limited for the year ended 31 December 2008 set out on pages 5 to 18. These financial statements have been prepared in accordance with 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 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 in the statement of Directors' responsibilities on page 2, 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 whether in our opinion the information given in the Directors' 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 directors' remuneration and transactions with the company is not disclosed.

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

### **Basis of audit opinion**

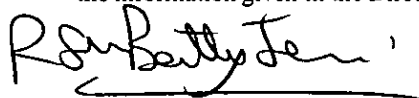
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of 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 December 2008 and of its profit 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 Directors' Report is consistent with the financial statements.



RSM Bentley Jennison  
Chartered Accountants & Registered Auditors

Date: 12/2/09

Charterhouse  
Legge Street  
Birmingham  
B4 7EU

**Trapeze Group (UK) Limited**  
**Profit and Loss Account for the Year Ended 31 December 2008**

	Note	2008 £	2007 £
<b>Turnover</b>	2		
- continuing operations	3	8,640,603	5,228,585
- acquisitions	3	<u>379,761</u>	<u>-</u>
		9,020,364	5,228,585
Cost of sales		<u>(4,720,921)</u>	<u>(3,500,634)</u>
<b>Gross profit</b>		4,299,443	1,727,951
Administrative expenses		(3,659,063)	(2,127,126)
Other operating income	4	<u>-</u>	<u>4,771</u>
<b>Operating profit/(loss)</b>	5		
- continuing operations	3	604,722	(394,404)
- acquisitions	3	<u>35,658</u>	<u>-</u>
		640,380	(394,404)
Exceptional loss on reorganisation and restructuring	7	(699,666)	-
Income from investments		925,099	7,958
Other interest receivable and similar income		18,753	7,561
Interest payable and similar charges	10	<u>(510,772)</u>	<u>(378,271)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		373,794	(757,156)
Tax on profit/(loss) on ordinary activities	11	<u>55,512</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>	20	<u>429,306</u>	<u>(757,156)</u>

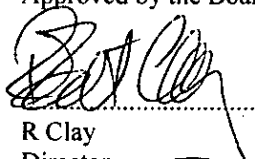
The company has no recognised gains or losses for the year other than the results above.

The notes on pages 7 to 18 form an integral part of these financial statements.

**Trapeze Group (UK) Limited**  
**Balance Sheet as at 31 December 2008**

		2008	2007
		£	£
	Note		
<b>Fixed assets</b>			
Intangible assets	12	3,398,188	2,527,422
Tangible assets	13	203,987	153,975
Investments	14	780,612	1,893,796
		<u>4,382,787</u>	<u>4,575,193</u>
<b>Current assets</b>			
Stocks	15	199,111	216,464
Debtors	16	5,155,406	3,950,652
Cash at bank and in hand		143,541	350,545
		<u>5,498,058</u>	<u>4,517,661</u>
<b>Creditors: Amounts falling due within one year</b>	17	(5,983,535)	(8,229,350)
<b>Net current liabilities</b>		<u>(485,477)</u>	<u>(3,711,689)</u>
<b>Total assets less current liabilities</b>		<u>3,897,310</u>	<u>863,504</u>
<b>Creditors: Amounts falling due after more than one year</b>	18	2,604,501	-
<b>Capital and reserves</b>			
Called up share capital	19	3,675,000	3,675,000
Profit and loss account	20	(2,382,191)	(2,811,496)
<b>Equity shareholders' funds</b>	21	<u>1,292,809</u>	<u>863,504</u>
<b>Capital employed</b>		<u>3,897,310</u>	<u>863,504</u>

Approved by the Board on 11/2/09 and signed on its behalf by:

  
 R Clay  
 Director



## **Trapeze Group (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2008**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared under the going concern basis on the assumption that the ultimate parent company, Constellation Software Inc, will continue to provide financial support. The directors are not aware of any reasons why this support might be withdrawn.

The Company is exempt by virtue of s228A of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its published consolidated financial statements.

As the Company is a wholly owned subsidiary of Constellation Software Inc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Constellation Software Inc, within which this Company is included, can be obtained from the address given in note 24.

##### **Revenue recognition**

Revenue from the sale and license of products is recognised on a percentage-of-completion basis, generally representing the achievement of project milestones. Work in progress is carried at cost plus profit recognised to date based on the percentage of work completed, less progress billings and provision for foreseeable losses. Amounts received in advance of revenue recognition are treated as deferred revenue. Provisions for estimated losses on contracts are recorded when identifiable. The difference between costs plus estimated earnings and billings on individual contracts is reported as either work in progress or deferred revenue. Maintenance revenue is deferred and recognised over the terms of the maintenance agreements. Hardware sales are recognised upon shipment. Warranty revenue is deferred and recognised ratably over the warranty period.

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

		1st Year	Subsequent Years
Computer Hardware	Reducing Balance	15%	30%
Computer Software	Reducing Balance	50%	100%
Fixtures and Fittings	Reducing Balance	10%	20%
Motor Vehicles	Reducing Balance	16.5%	33%
Leasehold Improvements	Straight Line	Over term of lease	

##### **Goodwill**

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

## **Trapeze Group (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2008**

..... continued

#### **Other fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### **Deferred taxation**

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on transactions are included in the profit and loss account.

#### **Hire purchase and finance lease contracts**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

#### **Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

## **2 Turnover**

An analysis of turnover by geographical market is given below:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Sales - UK	8,939,283	5,224,169
Sales - Europe	27,004	4,416
Sales - Rest of world	54,077	-
	<u>9,020,364</u>	<u>5,228,585</u>

**Trapeze Group (UK) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2008**

..... continued

**3 Analysis of cost of sales and net operating expenses**

	Continuing operations £	Acquisitions £	Total £
<b>Year ended 31 December 2008</b>			
Turnover	8,640,603	379,761	9,020,364
Cost of sales	4,481,776	239,145	4,720,921
Administrative expenses	3,554,105	104,958	3,659,063
Other operating income	<u>-</u>	<u>-</u>	<u>-</u>
<b>Year ended 31 December 2007</b>			
Turnover	5,228,585	-	5,228,585
Cost of sales	3,500,634	-	3,500,634
Administrative expenses	2,127,126	-	2,127,126
Other operating income	<u>4,771</u>	<u>-</u>	<u>4,771</u>

**4 Other operating income**

	2008 £	2007 £
Other income	<u>-</u>	<u>4,771</u>

**Trapeze Group (UK) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2008**

..... continued

**5 Operating profit/(loss)**

Operating profit/(loss) is stated after charging:

	<b>2008</b>		<b>2007</b>	
	£	£	£	£
Hire of plant and machinery (Operating Leases)		144,887		80,823
Write off of amounts due from group undertakings		-		45,809
<b>Auditors' remuneration</b>				
The audit of the company's annual accounts	15,500		15,500	
Tax services	<u>2,500</u>		<u>3,000</u>	
		18,000		18,500
Loss on sale of tangible fixed assets		726		1,631
Depreciation of owned tangible fixed assets		87,924		31,184
Depreciation of leased tangible fixed assets		33,323		19,063
Amortisation of goodwill		<u>185,896</u>		<u>244,334</u>

**6 Income from investments**

	<b>2008</b>	<b>2007</b>
	£	£
Fixed asset investments	925,099	-
Current asset investments	<u>-</u>	<u>7,958</u>
	<u>925,099</u>	<u>7,958</u>

**7 Exceptional items**

	<b>2008</b>	<b>2007</b>
	£	£
Exceptional reorganisation costs	<u>699,666</u>	<u>-</u>

Exceptional reorganisation costs comprises impairments of investments in subsidiary undertakings (as explained in Note 14) and the write back of amounts owed to those subsidiary undertakings.

# **Trapeze Group (UK) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2008**

..... *continued*

### **8 Particulars of employees**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>
Administration	13	7
Maintenance & professional services	62	39
Research & development	15	9
Sales & marketing	7	5
	<u>97</u>	<u>60</u>

The aggregate payroll costs of these persons were as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,673,448	2,355,619
Social security	382,415	255,357
Other pension costs	160,055	99,109
	<u>4,215,918</u>	<u>2,710,085</u>

### **9 Directors' emoluments**

The directors' emoluments for the year are as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Directors' emoluments (including benefits in kind)	291,317	333,097
Directors' pension contributions	15,364	8,756
	<u>306,681</u>	<u>341,853</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows:

	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>
Money purchase	<u>4</u>	<u>4</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £91,338 (2007 - £135,480).

# Trapeze Group (UK) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

### 10 Interest payable and similar charges

	2008 £	2007 £
Interest payable to group undertakings	99,890	143,802
Foreign exchange loss	409,910	234,123
Hire purchase interest	972	346
	<u>510,772</u>	<u>378,271</u>

### 11 Taxation

#### Analysis of current period tax credit

	2008 £	2007 £
<b>Current tax</b>		
Corporation tax charge	<u>(55,512)</u>	<u>-</u>

#### Factors affecting current period tax credit

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2007 - higher than) the standard rate of corporation tax in the UK of 28.50% (2007 - 30.00%).

The differences are reconciled below:

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>373,794</u>	<u>(757,156)</u>
Standard rate corporation tax charge/(credit)	106,531	(227,147)
Expenses not deductible for tax purposes	228,537	(71,084)
Capital allowances less than depreciation	4,473	(3,540)
Utilisation of tax losses	(75,913)	-
Group relief surrendered	(55,512)	-
Loss carried forward	-	301,771
Income not taxable	(263,628)	-
Total current tax for the year	<u>(55,512)</u>	<u>-</u>

**Trapeze Group (UK) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2008**

..... continued

**12 Intangible fixed assets**

	<b>Goodwill</b> <b>£</b>
<b>Cost</b>	
As at 1 January 2008	3,150,220
Transfers	<u>1,056,662</u>
As at 31 December 2008	<u>4,206,882</u>
<b>Amortisation</b>	
As at 1 January 2008	622,798
Charge for the year	<u>185,896</u>
As at 31 December 2008	<u>808,694</u>
<b>Net book value</b>	
As at 31 December 2008	<u>3,398,188</u>
As at 31 December 2007	<u>2,527,422</u>

Goodwill arose on the purchase of Anite Public Sector Limited's trade and net assets in December 2004. In previous years this goodwill has been amortised over its expected useful economic life of five years. The directors feel that due to the continued success of the business unit, the useful economic life should be changed to five more years from 01.01.08. This has resulted in a reduction in the amortisation charge in the year of £113,539.

On 30 June 2007, the trade and net assets of Action Information Management Limited, a subsidiary undertaking, were transferred to Trapeze Group (UK) Limited. As a result, the excess of cost of investment of £2,984,492 in Action Information Management Limited over the net assets of that company of £780,432 was transferred to goodwill in 2007. It is being amortised over 20 years.

On 31 October 2008, the trade and net assets of Grampian Software Holdings Limited, a subsidiary undertaking, were transferred to Trapeze Group (UK) Limited. In addition, Grampian Software Holdings Limited paid out its remaining distributable reserves to Trapeze Group (UK) Limited by way of dividend. As a result, the excess of cost of investment of £378,202 in Grampian Software Holdings Limited over the net assets of that company of £nil has been impaired.

On 30 November 2008, the trade and net assets of Southern Computer Systems Limited, a subsidiary undertaking, were transferred to Trapeze Group (UK) Limited. In addition, Southern Computer Systems Limited paid out its remaining distributable reserves to Trapeze Group (UK) Limited by way of dividend. As a result, the excess of cost of investment of £700,000 in Southern Computer Systems Limited over the net assets of that company of £180 has been impaired.

**Trapeze Group (UK) Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2008**

**13 Tangible fixed assets**

	Leasehold Improvements £	Computer Hardware £	Fixtures and fittings £	Motor vehicles £	Computer Software £	Total £
<b>Cost</b>						
As at 1 January 2008	82,756	326,776	91,501	34,801	109,929	645,763
Additions	-	81,789	3,820	-	65,311	150,920
Transfer from subsidiary	-	14,951	8,859	5,141	-	28,951
Disposals	-	(7,496)	(4,600)	(16,399)	-	(28,495)
As at 31 December 2008	<u>82,756</u>	<u>416,020</u>	<u>99,580</u>	<u>23,543</u>	<u>175,240</u>	<u>797,139</u>
<b>Depreciation</b>						
As at 1 January 2008	53,654	243,601	60,173	28,579	105,781	491,788
Eliminated on disposals	-	(6,382)	(460)	(13,500)	-	(20,342)
Charge for the year	29,102	41,185	12,578	2,033	36,808	121,706
As at 31 December 2008	<u>82,756</u>	<u>278,404</u>	<u>72,291</u>	<u>17,112</u>	<u>142,589</u>	<u>593,152</u>
<b>Net book value</b>						
As at 31 December 2008	-	137,616	27,289	6,431	32,651	203,987
As at 31 December 2007	<u>29,102</u>	<u>83,175</u>	<u>31,328</u>	<u>6,222</u>	<u>4,148</u>	<u>153,975</u>



**Trapeze Group (UK) Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2008**

**14 Fixed asset investments**

	<b>Group shares £</b>
<b>Cost</b>	
As at 1 January 2008	1,893,796
Additions	1,021,680
Transfer to goodwill	<u>(1,056,662)</u>
As at 31 December 2008	<u>1,858,814</u>
<b>Provision</b>	
Charge for the year	<u>1,078,202</u>
<b>Net book value</b>	
As at 31 December 2008	<u>780,612</u>
As at 31 December 2007	<u>1,893,796</u>

The company holds more than 20% of the share capital of the following companies:

	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class</b>	<b>%</b>	<b>Year end</b>
<b>Subsidiary undertakings</b>					
Grampian Software Holdings Limited	Scotland	Dormant	Ordinary	100	31 December 2008
Action Information Management Limited	England	Dormant	Ordinary	100	31 December 2008
Southern Computer Systems Limited	England	Dormant	Ordinary	100	31 December 2008

	<b>Capital &amp; reserves £</b>	<b>Profit/(loss) for the year £</b>
<b>Subsidiary undertakings</b>		
Grampian Software Holdings Limited	-	(31,371)
Action Information Management Limited	780,432	-
Southern Computer Systems Limited	180	(205,395)

## Trapeze Group (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2008

.....continued

On 30 June 2007, the trade and net assets of Action Information Management Limited, a subsidiary undertaking, were transferred to Trapeze Group (UK) Limited. As a result, the excess of cost of investment of £2,984,492 in Action Information Management Limited over the net assets of that company of £780,432 was transferred to goodwill in 2007. It is being amortised over 20 years.

On 31 October 2008, the trade and net assets of Grampian Software Holdings Limited, a subsidiary undertaking, were transferred to Trapeze Group (UK) Limited. In addition, Grampian Software Holdings Limited paid out its remaining distributable reserves to Trapeze Group (UK) Limited by way of dividend. As a result, the excess of cost of investment of £378,202 in Grampian Software Holdings Limited over the net assets of that company of £nil has been impaired.

On 30 November 2008, the trade and net assets of Southern Computer Systems Limited, a subsidiary undertaking, were transferred to Trapeze Group (UK) Limited. In addition, Southern Computer Systems Limited paid out its remaining distributable reserves to Trapeze Group (UK) Limited by way of dividend. As a result, the excess of cost of investment of £700,000 in Southern Computer Systems Limited over the net assets of that company of £180 has been impaired.

#### 15 Stocks and work in progress

	2008 £	2007 £
Stocks	<u>199,111</u>	<u>216,464</u>

#### 16 Debtors

	2008 £	2007 £
Trade debtors	3,375,711	2,179,346
Amounts owed by group undertakings	141,943	28,836
Amounts recoverable on long term contracts	596,716	1,043,412
Other debtors	35,889	17,114
Deferred tax	451,135	451,401
Prepayments and accrued income	554,012	230,543
	<u>5,155,406</u>	<u>3,950,652</u>

#### Deferred tax

Deferred tax is provided at 28.00% (2007 - 28.00%).

	2008 £	2007 £
Brought forward	451,401	201,401
Acquired on hive up of subsidiaries	-	250,000
Accelerated capital allowances	(266)	-
	<u>451,135</u>	<u>451,401</u>

# **Trapeze Group (UK) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2008**

.....continued

### **17 Creditors: Amounts falling due within one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Obligations under finance leases and hire purchase contracts	-	4,309
Payments received on account	497,809	320,923
Trade creditors	540,385	332,261
Amounts owed to group undertakings	733,529	5,446,188
Social security and other taxes	653,252	403,192
Accruals and deferred income	3,558,560	1,722,477
	<u>5,983,535</u>	<u>8,229,350</u>

### **18 Creditors: Amounts falling due after more than one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<u>2,604,501</u>	<u>-</u>

### **19 Share capital**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
<b>Equity</b>		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
3,675,000 Ordinary shares of £1 each	<u>3,675,000</u>	<u>3,675,000</u>

### **20 Reserves**

	<b>Profit and loss account</b>
	<b>£</b>
Balance at 1 January 2008	(2,811,497)
Transfer from profit and loss account for the year	429,306
Balance at 31 December 2008	<u>(2,382,191)</u>

## Trapeze Group (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2008

.....continued

#### 21 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit/(loss) attributable to members of the company	429,306	(757,156)
Opening equity shareholders' funds	863,504	1,620,660
Closing equity shareholders' funds	<u>1,292,809</u>	<u>863,504</u>

#### 22 Operating lease commitments

As at 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Within one year	-	85,296	19,412	37,091
Within two and five years	-	-	62,208	133,276
	<u>-</u>	<u>85,296</u>	<u>81,620</u>	<u>170,367</u>

#### 23 Pension schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £160,055 (2007 - £99,109).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### 24 Ultimate parent undertaking

The ultimate parent undertaking is Constellation Software Inc, a company incorporated in Canada.

The smallest group in which the results of the company are consolidated is that headed by Trapeze Group Europe Holding A/s, a company incorporated in Denmark. The largest group in which the results of the company are consolidated is that headed by Constellation Software Inc. The consolidated financial statements of this group are available to the public and may be obtained from The Mill, Staverton, Trowbridge, Wiltshire, BA14 6PH.