

ROLFE & NOLAN LIMITED

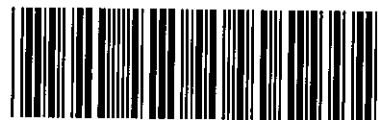
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 2006

COMPANY REGISTRATION NUMBER: 01157638

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ROLFE & NOLAN LIMITED

FINANCIAL STATEMENTS

For the year ended 28 February 2006

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ROLFE & NOLAN LIMITED

FINANCIAL STATEMENTS

For the year ended 28 February 2006

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report together with the Financial Statements for the year ended 28 February 2006.

Principal activity and review of the business

The principal activity of the Company has been to source funds and provide financing to other companies within the Rolfe & Nolan Group.

Results and dividends

The results for the year ended 28 February 2006 are set out in the Profit and Loss Account on page 5. The retained profit for the year of £632,256 (2005: loss £2,004,593) has been transferred to / (from) reserves. No dividend was paid during the year (2005: £8,296,753).

Directors

The Directors who served during the year were as follows:

R N Freeman
N J Humphries

None of the directors who held office at 28 February 2006 held any shares in the Company at that date. All directors waived remuneration.

R N Freeman and N J Humphries also served during the year as directors of the Company's parent, Rolfe & Nolan Group Limited. The interests of these directors are reported in the financial statements of that Company.

Directors' responsibilities for the financial statements

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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;
- 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ROLFE & NOLAN LIMITED

FINANCIAL STATEMENTS

For the year ended 28 February 2006

REPORT OF THE DIRECTORS (cont.)

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD OF DIRECTORS



S Lacey
Company Secretary
120 Leman Street
London
E1 8EU

1 December 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROLFE & NOLAN LIMITED

We have audited the financial statements of Rolfe & Nolan Limited for the year ended 28 February 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

BASIS OF OPINION

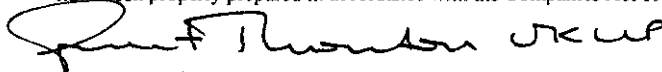
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 28 February 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LONDON

4 December 2006

Profit and Loss Account

for the year ended 28 February 2006

	Notes	2006 £	2005 £
Turnover		-	-
Total operating expenses	2	-	-
Operating profit on ordinary activities before interest		-	-
Exceptional items	3	-	151,096
Income from shares in group undertakings		-	6,096,458
Net interest receivable	4	601,934	74,928
Profit on ordinary activities before taxation		601,934	6,322,482
Taxation on profit on ordinary activities	5	30,322	(30,322)
Profit on ordinary activities after taxation		632,256	6,292,160
Dividends	6	-	(8,296,753)
Retained profit/(loss)	11	632,256	(2,004,593)

The accompanying notes form part of these financial statements.

All business in the year to 28 February 2006 is continuing.

Statement of Total Recognised Gains and Losses

for the year ended 28 February 2006

	2006 £	2005 £
Profit for the financial year	632,256	6,292,160
Exchange gain/(loss) on overseas funding	320,795	(7,191)
Total recognised gains for the year	953,051	6,284,969

Balance Sheet

at 28 February 2006

	Notes	2006 £	2005 £
Fixed assets			
Investments in subsidiary undertakings	7	3,843,566	3,843,566
Current assets			
Debtors - due within one year	8	7,597,185	7,136,955
Creditors: Amounts falling due within one year	9	(8,297,865)	(8,790,686)
Net current liabilities		(700,680)	(1,653,731)
Total assets less current liabilities		3,142,886	2,189,835
Capital and reserves			
Called up share capital	10	1,536,096	1,536,096
Other reserves	11	465,228	465,228
Profit and loss account	11	1,141,562	188,511
Shareholders' funds		3,142,886	2,189,835

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 1 December 2006 and were signed on its behalf by:



R N Freeman

Director

1. Principal accounting policies

The principal accounting policies are set out below. They have been applied consistently throughout the period and remain unchanged from the previous period. The Financial Statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The accounts have been prepared on the going concern basis as Rolfe & Nolan Group Limited (the company's parent) has indicated its intention to provide continuing financial support and it will not call for repayments of amounts due to it without ensuring the company has adequate funds to meet its obligations as they fall due. The directors have received written confirmation of this support. These financial statements do not contain any adjustments that would result from a withdrawal of support of the parent company.

The company is exempt from preparing consolidated financial statements in accordance with the Companies Act 1985 sections 228(1) and 229(2), as its ultimate parent undertaking, Rolfe & Nolan Group Limited, prepares group accounts. These financial statements therefore present information about the company as an individual and not about its group.

Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange at the date of transaction. Monetary assets and liabilities are translated into sterling at the rates of exchange at the Balance Sheet date and, where material, resulting exchange differences are reflected in the results for the year.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are included at cost less amounts written off.

Cash Flow Statements

As a wholly owned subsidiary of Rolfe & Nolan Group Limited, the company is exempt from the requirements of FRS 1 to prepare a cash flow statement.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

2. Total operating expenses

The Company had no employees during the year (2005: nil). The directors who served during the year waived remuneration.

The audit fee for the Company has been borne by the parent undertaking.

3. Exceptional items

	2006 £	2005 £
Profit on disposal of investment in ITSECCO Holdings Limited	-	151,096
	<u>-</u>	<u>151,096</u>

4. Net interest

	2006 £	2005 £
Interest Receivable:		
Bank interest receivable	197	-
Interest receivable from other Group companies	<u>601,737</u>	<u>195,448</u>
	<u>601,934</u>	<u>195,448</u>
Interest Payable:		
On bank overdraft repayable on demand	-	(84)
On term loan	<u>-</u>	<u>(120,436)</u>
	<u>-</u>	<u>(120,520)</u>
Net interest receivable	<u>601,934</u>	<u>74,928</u>

5. Taxation on profit on ordinary activities

	2006	2005
	£	£
<i>Current tax</i>		
UK Corporation tax at 30% (2005: 30%)	-	30,322
Over provision in respect of prior years	(30,322)	-
	<u>(30,322)</u>	<u>30,322</u>

The current tax charge for the year is lower than the standard rate of corporation tax in the UK.

The differences are explained below:

	2006	2005
	£	£
Profit on ordinary activities before tax	<u>601,934</u>	<u>6,322,482</u>
Profit on ordinary activities at standard UK rate of corporation tax at 30% (2005: 30%)	180,580	1,896,745
Effect of:		
UK - UK dividend receipt	-	(1,049,999)
Underlying tax relief on US dividend receipt	-	(547,157)
Utilisation of tax losses	-	(59,624)
Group relief	(180,580)	(164,314)
Utilisation of capital loss	-	(45,329)
Prior year adjustment	(30,322)	-
	<u>(30,322)</u>	<u>30,322</u>

6. Dividends

	2006	2005
	£	£
Ordinary dividends paid	<u>-</u>	<u>8,296,753</u>

7. Investments in subsidiary undertakings

	2006	2005
	£	£
Rolfe & Nolan Systems Ltd	2	2
Rolfe & Nolan Services Ltd	2	2
Rolfe & Nolan Employee Trust Ltd	2	2
Rolfe & Nolan International Ltd	2	2
Rolfe & Nolan Inc	3,807,054	3,807,054
Contac Software Engineering Pte. Ltd	36,504	36,504
	<u>3,843,566</u>	<u>3,843,566</u>

All subsidiaries are owned 100%. All subsidiaries are incorporated in the UK, except for Rolfe & Nolan Inc which is incorporated in the United States and Contac Software Engineering Pte. Ltd which is incorporated in Singapore. All UK subsidiaries are dormant except for Rolfe & Nolan Systems Ltd. These entities are engaged in the development, licensing and support of their derivatives accounting and administration software products.

8. Debtors

	2006	2005
	£	£
Amounts falling due within one year:		
Amounts owed by other group companies	<u>7,597,185</u>	<u>7,136,955</u>

9. Creditors

	2006	2005
	£	£
Amounts falling due within one year:		
Amounts owed to other group companies	8,296,753	8,296,753
Deferred acquisition consideration	-	462,500
Current taxation	-	25,812
Other creditors	<u>1,112</u>	<u>5,621</u>
	<u>8,297,865</u>	<u>8,790,686</u>

10. Share capital

	2006	2005
	£	£
Allotted, called up and fully paid:		
15,360,960 Ordinary shares of 10p each (2005: 15,360,960)	<u>1,536,096</u>	<u>1,536,096</u>

The authorised capital of the company consists of 20,000,000 Ordinary shares of 10p each.
There has been no change from 2005.

11. Reserves

	Other reserves £	Profit & loss account £
At 1 March 2005	465,228	188,511
Retained profit for the year	-	632,256
Exchange adjustments	-	320,795
At 28 February 2006	<u>465,228</u>	<u>1,141,562</u>

12. Capital commitments

The Company had no capital commitments at 28 February 2006 (2005: £nil).

13. Ultimate parent undertaking

The largest and smallest group of undertakings, including the Company, for which group accounts have been drawn up is that headed by Rolfe & Nolan Group Ltd. Copies of the group accounts can be obtained at 120 Leaman Street, London E1 8EU.

14. Transactions with related parties

As a wholly owned subsidiary of Rolfe & Nolan Group Ltd, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the Group headed by Rolfe & Nolan Group Ltd.