Grant Thornton

Financial statements Access Accounting Limited

For the Year Ended 30 June 2008

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Company No. 02343760

Company information

Company registration number	02343760
Registered office	The Old School School Lane Stratford St Mary COLCHESTER Essex CO7 6LZ
Directors	Mr R A O'Reilly Mr S I Allsopp Mr A B Barrow Mr J S Beech Mr I C Little Mr K G Misselbrook Mr G Bailey
Secretary	Mr I C Little
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Crown House Crown Street IPSWICH Suffolk IP1 3HS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2008.

Principal activities and business review

The principal activity of the company during the year was the development, sale and support of business software.

Access Accounting has experienced another successful year with an 11% increase in revenue to £10m and a net profit before tax increase to £1.8m. The balance sheet value has increased by 27%, with deferred income rising 14% to £3.2 million.

Our top 20 reseller partners grew their business with Access Accounting by an average of 18%, whilst continuing their commitment and investment in retaining the high accreditation standards required. This year we introduced a professional training and accreditation scheme for field consultants.

As part of our vision to produce the software that every user will recommend, we set ourselves the challenge this year to name 500 customers who would positively recommend their Access Accounting solution. Our thanks go to our wonderful customers who enabled us to extend this goal three times during the year, achieving 753 advocates. This ambition helps us stay focused on making our customers more successful through the innovative use of our business solution. For 2008/9 we have set our sights on 1,000 advocates. Note that in October 2008, the company and its Dimensions software was recognised as Customer Service Company of the year as voted by its user in the AccountingWeb Community.

The long-term commitment by all staff at Access Accounting to enhancing our company culture was rewarded with the accolade of 'star status' in the Best Companies scheme this year.

Amongst our many product innovations this year, was the introduction of the ACE, a new module and world's first practical tool to measure carbon emissions, integrated within our flagship business and accounting solution. This unique accounting for Carbon Omissions module offering is now allowing our customers to measure and monitor their own carbon footprint without changing their business process or adding complexity to their operation. This is part of our ongoing commitment to continually help businesses reduce risk and complexity within their organisation.

The Access Technology Group acquisition of our largest reseller, Armstrong Consultants, has enabled us to expand our award winning product portfolio to include a wide range of web enabled functionality which has a primary target audience in the professional services sector. This expanded breadth of product has enabled Access Accounting to meet a wider range of business requirements. The product portfolio has also increased our ability to demonstrate a greater return on investment. This will be pivotal in an increasingly tough economic environment.

The UK business environment promises to be challenging in 2008/9. However, Access Accounting intends to plot a steady course ahead. It will continue to invest in solutions that drive productivity and business efficiency, helping our customers to achieve continued success thereby achieving the company vision.

Report of the directors

Results and dividends

The profit for the year, after taxation, amounted to £1,245,893. The directors have not recommended a dividend.

Financial risk management objectives and policies

The company uses various financial instruments including treasury deposits, cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. In order to manage the company's exposure to those risks, and more general operating risks, the company maintains a risk register that is reviewed and updated monthly at Board Meetings.

Currency risk
The company is exposed to currency risk through trading with South Africa in local currencies. The level of exposure is low, with just £120k business in these currencies, which is only 1% of total turnover.

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Investments are made on short-term deposit to ensure funds are available when required.

Credit risk
The company's principal financial assets are treasury deposits, cash and trade debtors. The credit risk associated with treasury deposits and cash is limited as deposits are held only at highly rated banks. The majority of the company's debts are due from its holding company Access Technology Group Limited and these debts are also backed by cash deposits.

In order to manage credit risk the directors operate credit policies that prevent software being shipped to resellers/customers whose accounts are high risk. Credit control is given high priority and regular reports to management and Board ensure risk is minimised.

The nature of the company's relationships with its top resellers brings a high level of knowledge and assists to minimise risk.

Report of the directors

Directors

The directors who served the company during the year were as follows:

Mr R A O'Reilly
Mr S I Allsopp
Mr A B Barrow
Mr J S Beech
Mr R Hibbler (resigned 30 November 2008)
Mr I C Little
Mr B Anderson (resigned 30 November 2008)
Mr K G Misselbrook

In addition, Mr G Bailey was appointed 16 October 2008.

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Directors' responsibilities

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Report of the directors

Donations

During the year the company made the following contributions:

	2008	2007
	£	£
Charitable	**3,529**	2,821

Auditor

Grant Thornton UK LLP, have expressed their willingness to continue in office.

ON BEHALF OF THE BOARD

I C Little
Director
27 April 2009

Grant Thornton

Report of the independent auditor to the members of Access Accounting Limited

We have audited the financial statements of Access Accounting Limited for the year ended 30 June 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 24. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors 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 whether in our opinion the information given in the Report of the Directors 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 other transactions is not disclosed.

We read the Report of the Directors 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 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.

Report of the independent auditor to the members of Access Accounting Limited (continued)

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 30 June 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 Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

IPSWICH

29 April 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. A true and fair override has been applied in respect of accounting for goodwill.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax. Turnover is recognised once a right to consideration has been achieved and consists mainly of software installation fees and initial and annual licence fees. Software installations and initial licence fees are recognised once the software has been installed and activated. Annual licence fees are recognised over the period to which they relate in line with the obligations which are required to be fulfilled eg customer support. As a result annual licence fees raised in advance are deferred accordingly.

Research and development

Research and development expenditure in maintaining and developing the software is written off in the profit and loss account in the year in which it is incurred.

Goodwill

Goodwill represents the excess of the fair value attributed to investments in business or subsidiary undertakings over the fair value of the underlying net assets at the date of their acquisition.

Goodwill on businesses and customer bases acquired to 30 June 2007 had been amortised over a five year period. During the year, the directors have reviewed the appropriateness of this amortisation rate and as a result the goodwill is now deemed to have an indefinite life. Based on past experience the directors believe that the acquired customer bases and channels of distribution enhance in value over time. This results from better customer and channel management, which enhances returns on acquired businesses. The directors have carried out impairment reviews at 30 June 2008. Possible impairment adjustments are calculated by comparison of the goodwill carrying value of the asset against estimated discounted future cash flows. These reviews did not highlight the need for impairment adjustments at the year end. The directors will continue to carry out impairment reviews on an annual basis.

The financial statements depart from the specific requirements of companies legislation to amortise goodwill over a finite period. The directors consider this to be necessary for the reasons given above in order to give a true and fair view.

The goodwill net book value as at 1 July 2007 has not been restated and continues to reflect the previous amortisation rate of five years. If this rate were to have continued there would have been an amortisation charge for the year to 30 June 2008 of £104,283.

Amortisation

Amortisation was previously calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	5 years straight line

The above has been applied to 30 June 2007. Thereafter an indefinite life policy has been adopted as outlined above.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Buildings	-	2 - 5% straight line
Motor Vehicles	-	30% reducing balance
Equipment	-	25 - 50% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company makes pension contributions into certain employees personal pension schemes. The pension cost charge represents contributions payable by the company to the individual funds. These contributions payable are charged to the profit and loss account.

The company is also a party to a Self Administered Pension Scheme where the assets of the Scheme are held separately from those of the company. The Scheme member, Mr R A O'Reilly, is a trustee of the Scheme as well as a director and majority shareholder of the parent company, Access Technology Group Limited. The Scheme is run as a Defined Contribution Scheme.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments are included at cost less amounts written off.

Profit and loss account

	Note	2008 £	2007 £
Turnover	1	**10,046,301**	9,089,319
Cost of sales		**(2,739,644)**	(2,434,354)
Gross profit		**7,306,657**	6,654,965
Other operating charges	2	**(5,902,333)**	(5,227,176)
Other operating income	3	**267,340**	169,988
Operating profit	4	**1,671,664**	1,597,777
Interest receivable and similar income		**118,002**	97,874
Profit on ordinary activities before taxation		**1,789,666**	1,695,651
Tax on profit on ordinary activities	7	**(543,773)**	(398,928)
Profit for the financial year	21	**1,245,893**	1,296,723

All of the activities of the company are classed as continuing.

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

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Intangible assets	8	**544,811**	145,891
Tangible assets	9	**784,082**	813,062
Investments	10	**1,235,977**	948,319
		2,564,870	1,907,272
Current assets			
Stocks	11	**1,951**	2,257
Debtors due within one year	12	**2,476,860**	2,118,475
Debtors due after one year	12	**5,000,300**	1,777,978
Cash at bank		**688,415**	3,344,482
		8,167,526	7,243,192
Creditors: amounts falling due within one year	14	**4,875,606**	4,523,567
Net current assets		**3,291,920**	2,719,625
Total assets less current liabilities		**5,856,790**	4,626,897
Creditors: amounts falling due after more than one year	15	**–**	16,000
		5,856,790	4,610,897
Capital and reserves			
Called-up equity share capital	20	**26,392**	26,392
Share premium account	21	**71,965**	71,965
Other reserves	21	**4,800**	4,800
Profit and loss account	21	**5,753,633**	4,507,740
Shareholders' funds	22	**5,856,790**	4,610,897

These financial statements were approved by the directors and authorised for issue on 27/x/08, and are signed on their behalf by:

I C Little
Director

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the principal activity of the company. An analysis of turnover is given below:

	2008	2007
	£	£
United Kingdom	**9,411,280**	8,417,926
Overseas	**635,021**	671,393
	10,046,301	9,089,319

2 Other operating charges

	2008	2007
	£	£
Distribution costs	**1,405,605**	1,170,713
Administrative expenses	**4,496,728**	4,056,463
	5,902,333	5,227,176

3 Other operating income

	2008	2007
	£	£
Management charges receivable	**267,340**	169,988

4 Operating profit

Operating profit is stated after charging/(crediting):

	2008	2007
	£	£
Receipt of government grants	**–**	54,209
Depreciation of owned fixed assets	**126,723**	147,748
Profit on disposal of fixed assets	**–**	(495)
Auditor's remuneration:		
Audit fees	**12,400**	14,600
Operating lease costs:		
Rent	**133,189**	93,601
Other	**68,578**	88,869

Notes to the financial statements

5 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
Number of administrative staff	131	119

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	4,872,190	4,384,882
Social security costs	575,205	506,612
Other pension costs	134,867	115,410
	5,582,262	5,006,904

6 Directors

Remuneration in respect of directors was as follows:

	2008	2007
	£	£
Emoluments receivable	1,003,131	1,077,504
Value of company pension contributions to money purchase schemes	37,580	35,795
	1,040,711	1,113,299

Emoluments of highest paid director:

	2008	2007
	£	£
Total emoluments	143,410	136,032
Value of company pension contributions to money purchase schemes	5,000	5,000
	148,410	141,032

Notes to the financial statements

6 Directors (continued)

The number of directors who accrued benefits under company pension schemes was as follows:

	2008 No	2007 No
Money purchase schemes	8	8

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 29.50% (2007 - 30%)	540,525	477,432
Adjustments to tax charge in respect of previous periods	(4,100)	(67,976)
Total current tax	536,425	409,456
Deferred tax:		
Origination and reversal of timing differences	7,348	(10,528)
Tax on profit on ordinary activities	543,773	398,928

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 29.50% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	1,789,666	1,695,651
Profit on ordinary activities by rate of tax	527,954	508,695
Expenses not deductible for tax purposes	12,064	10,590
Depreciation for period in excess of capital allowances	7,411	9,478
Adjustments to tax charge in respect of previous periods	(4,100)	(67,976)
Research and development claim	-	(51,331)
Other adjustments	(6,904)	-
Total current tax (note 7(a))	536,425	409,456

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2007	286,630
Additions	398,920
At 30 June 2008	**685,550**
Amortisation	
At 1 July 2007 and 30 June 2008	**140,739**
Net book value	
At 30 June 2008	**544,811**
At 30 June 2007	145,891

9 Tangible fixed assets

	Freehold Property £	Motor Vehicles £	Equipment £	Total £
Cost				
At 1 July 2007	621,610	133,086	652,226	1,406,922
Additions	–	36,099	61,644	97,743
At 30 June 2008	621,610	169,185	713,870	1,504,665
Depreciation				
At 1 July 2007	48,263	43,390	502,207	593,860
Charge for the year	10,313	34,704	81,706	126,723
At 30 June 2008	58,576	78,094	583,913	720,583
Net book value				
At 30 June 2008	**563,034**	**91,091**	**129,957**	**784,082**
At 30 June 2007	573,347	89,696	150,019	813,062

10 Investments

	Shares in group undertakings £
Cost	
At 1 July 2007	**948,319**
Additions	**287,658**
At 30 June 2008	**1,235,977**
Net book value	
At 30 June 2008	**1,235,977**
At 30 June 2007	948,319

At 30 June 2008, the company held 100% of the issued ordinary share capital of Access Supply Chain Limited, Asyst Solutions Limited and Access Accounting Ireland Limited, whose principal activities were those of software consultancy and supply.

Access Supply Chain Limited was acquired in May 2004 and its turnover has continued to grow. In the four years since acquisition turnover has doubled with growth in 2007/8 of 11% to £2.2m. The company made a £70,121 loss. This resulted in aggregate capital and reserves becoming £48,351. The company is now well placed to enjoy steady growth & profitability

The acquisition of Access Accounting (Ireland) Limited was completed on 31 March 2005. Once under the control of Access, the company embarked upon a three year plan to take a significant share of the new business market in Ireland. In the three years since acquisition turnover has more than doubled. The company has also achieved a profit of £41,525 in the year. The company's aggregate capital and reserves at the year-end were £(869,839). In September 2008 the business has been restructured and the removal of costs has enabled the board to forecast increased profits for the forthcoming financial year. Having established a brand presence and regular new business sales the company will now focus on customer service & support.

Asyst Solutions Limited commenced trading in June 2005. Since being part of the Access Technology Group, Asyst has re-focussed on its core strengths of business software based around Access Accounts products. As a result it achieved a profit before tax of £352,158 for the year. The company's aggregate capital and reserves at the year end were £(312,827) and the company is budgeted to continue its successful change of focus and deliver a substantial profit in 2008/09.

The financial statements show information about the company as an individual entity. Group accounts have been prepared for Access Technology Group Limited.

11 Stocks

	2008 £	2007 £
Stock	**1,951**	2,257

12 Debtors

	2008	2007
	£	£
Trade debtors	1,524,802	1,513,715
Amounts owed by group undertakings	5,649,313	2,158,234
Other debtors	6,207	9,907
Prepayments and accrued income	266,338	176,749
Deferred taxation (note 13)	30,500	37,848
	7,477,160	3,896,453

The debtors above include the following amounts falling due after more than one year:

	2008	2007
	£	£
Amounts owed by group undertakings	5,000,300	1,777,978

13 Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2008	2007
	£	£
Included in debtors (note 12)	30,500	37,848

The movement in the deferred taxation account during the year was:

	2008	2007
	£	£
Balance brought forward	37,848	27,320
Profit and loss account movement arising during the year	(7,348)	10,528
Balance carried forward	30,500	37,848

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of depreciation over taxation allowances	17,300	21,536
Other	13,200	16,312
	30,500	37,848

14 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	**282,545**	148,405
Corporation tax	**298,626**	466,459
Other taxation and social security	**560,378**	481,582
Other creditors	**85,828**	54,156
Accruals and deferred income	**3,648,229**	3,372,965
	4,875,606	4,523,567

15 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Amounts owed to group undertakings	**–**	16,000

16 Pensions

The pension cost charge for the year was £134,867 (2007 - £115,410).

At 30 June 2008, contributions amounting to £52,990 (2007 - £54,371) were payable and included in creditors.

17 Leasing commitments

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land & Buildings	**Other Items**	Land & Buildings	Other Items
	£	**£**	£	£
Operating leases which expire:				
Within 1 year	**1,500**	**1,733**	93,601	368
Within 2 to 5 years	**52,884**	**90,517**	-	44,888
After more than 5 years	**130,958**	**-**	-	-
	185,342	**92,250**	93,601	45,256

18 Contingent assets/liabilities

The directors have confirmed that there were no other contingent liabilities which should be disclosed at 30 June 2008 or 30 June 2007.

19 Related party transactions

(i) Group undertakings

Transactions with group undertakings were as follows:

	Sales 2008 £	Recharges 2008 £	Purchases 2008 £	Sales 2007 £	Recharges 2007 £	Purchases 2007 £
Access Supply Chain Limited	**215,257**	**236,672**	**2,823**	206,270	139,335	4,812

During the year Access Accounting Limited owned 74.6% of the shares in Access Supply Chain Limited and at 30 June 2008, this was a wholly owned subsidiary.

Access Accounting Limited has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with all other group companies.

(ii) Directors

Transactions with directors were as follows:

During the year the company paid rental income of £123,063 (2007 - £120,552) to Mr R A O'Reilly.

20 Share capital

Authorised share capital:

	2008 £	2007 £
50,000 Ordinary shares of £1 each	**50,000**	50,000

Allotted, called up and fully paid:

	2008 No	2008 £	2007 No	2007 £
Ordinary shares of £1 each	**26,392**	**26,392**	26,392	26,392

20 Share capital (continued)

Share options

Certain directors and employees have entered into an Enterprise Management Incentive scheme which provides various share options in the parent company, Access Technology Group Limited, to be exercised within the next ten years.

The company has granted the following options, in respect of B ordinary shares in Access Technology Group Limited of £1 each:

	Grant date	Number of shares No	Exercise price £	Exercise period Years
Ordinary shares	24/08/2004	7,384	4.16	10
Ordinary shares	24/08/2004	1,000	17.50	10
Ordinary shares	24/08/2004	1,200	25.00	10
Ordinary shares	24/08/2004	47	0.40	10
Ordinary shares	19/12/2006	400	40.00	10
		10,031		

All options were still valid and unexercised at 30 June 2008.

Under Financial Reporting Standard No 20, the share options exercisable at £40 should be accounted for as a share based payment transaction. Should this standard be applied this would result in a maximum charge to the Profit and Loss Account of approximately £16,000. However, accounting standards need not be applied to immaterial items, and accordingly no adjustment has been made.

21 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 July 2007	**71,965**	**4,800**	**4,507,740**
Profit for the year	**-**	**-**	**1,245,893**
At 30 June 2008	**71,965**	**4,800**	**5,753,633**

The balance on the share premium account and the capital redemption reserve may not be distributed legally under section 263 of the Companies Act 1985.

22 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	**1,245,893**	1,296,723
Opening shareholders' funds	**4,610,897**	3,314,174
Closing shareholders' funds	**5,856,790**	4,610,897

23 Capital Commitments

At 30 June 2008 the company had capital commitments of £Nil (2007 - £Nil).

24 Ultimate parent company and controlling related party

The directors consider that the ultimate parent undertaking is Access Technology Group Limited, registered in England and Wales.

Mr R A O'Reilly is the company's ultimate controlling related party by virtue of his majority shareholding in the ultimate parent undertaking.