

**XPEDITE SYSTEMS LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

THURSDAY



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**XPEDITE SYSTEMS LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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**XPEDITE SYSTEMS LIMITED**

**2007 REPORT AND FINANCIAL STATEMENTS  
OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J Stone  
T Schrafft  
D Fairtlough (Appointed 16 June 2008)

**SECRETARY**

D R Fairtlough

**REGISTERED OFFICE**

Xpedite House  
Pioneer Business Park  
Amy Johnson Way  
Clifton Moor  
York  
YO30 4GJ

**BANKERS**

HSBC  
13 Parliament Street  
York  
YO1 8XS

**SOLICITORS**

Rollits  
Rowntree Wharf  
Navigation Road  
York  
YO1 0WE

**AUDITORS**

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
6 Lapps Quay  
Cork  
Ireland

# **XPEDITE SYSTEMS LIMITED**

## **DIRECTORS' REPORT - continued**

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 31 December 2007

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the company is to provide a facsimile broadcast service and other related enhanced facsimile and messaging services. The results, as disclosed within the accompanying accounts, are considered satisfactory.

The directors consider the future prospects of the business to be satisfactory.

### **RESULTS AND DIVIDENDS**

The audited financial statements for the year ended 31 December 2007 are set out on pages 8 to 17. The loss for the year after taxation was £1,771,504 (2006 loss of £624,113).

The directors recommend the payment of a dividend of 10p per cumulative redeemable preference share (2006 10p). The impact of the implementation of FRS 25 has resulted in the preference dividend being disclosed as interest paid rather than a dividend paid.

### **KEY PERFORMANCE INDICATORS**

	<b>2007</b>	<b>2006</b>
Operating loss	£1,780,830	£515,327
Cash	£469,779	£550,988

Operating loss has increased in 2007 as a result of the revenue declining on certain products. This is being addressed via the launch of new products to supplement the revenue attrition.

### **TREASURY**

The company's treasury operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise borrowings, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The company does not use forward foreign currency contracts and interest rate swaps to manage the currency risk and interest rate risk arising from the company's operations.

# **XPEDITE SYSTEMS LIMITED**

## **DIRECTORS' REPORT - continued**

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Competitive pressure in the UK is a continuing risk for the company, which could result in losing sales to its key competitors. The company manages this risk by providing customers with bundled packages, enhancing the service offering and agreeing minimum commitment contracts which will secure our revenue base and allow the incremental revenue from new products and services to flow through to operating profit.

### **CREDITORS**

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of transactions,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contracted and other legal obligations

### **ENVIRONMENT**

The company is committed to complying with Environmental laws and Health and Safety legislation.

### **EMPLOYEES**

Details of the number of employees and related costs can be found in note 3 to the financial statements. The company places considerable value on the involvement of its employees and continues its practice of keeping them informed on matters affecting them as employees.

### **DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

# XPEDITE SYSTEMS LIMITED

## DIRECTORS' REPORT - continued

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year and subsequently were as follows

J Stone  
T Schrafft  
D Fairtlough (Appointed 16 June 2008)

None of the directors had any interests in the shares of the company at the beginning or end of the financial year

### DISCLOSURE OF RELEVANT INFORMATION TO AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

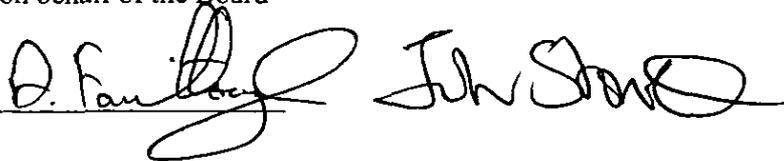
This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

### AUDITORS

A resolution to re-appoint Deloitte & Touche as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board

Director



Date \_\_\_\_\_

## **XPEDITE SYSTEMS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such 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 and comply with UK GAAP and the Companies Act 1985. 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 which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 1985.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XPEDITE SYSTEMS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Xpedite Systems Limited for the year ended 31 December 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 18. 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 financial statements in accordance with applicable law and United Kingdom 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 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 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 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 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.

*(Continued on next page)*

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XPEDITE  
SYSTEMS LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

**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 2007 and of its loss 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

*Deloitte + Touche*

Chartered Accountants and Registered Auditors

Cork

Date 1<sup>st</sup> October 2008

# XPEDITE SYSTEMS LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2007

	Note	2007 £	2006 £
<b>Turnover</b>	2	6,454,405	7,801,192
Cost of sales		(1,282,875)	(1,017,886)
<b>Gross profit</b>		5,171,530	6,783,306
Administrative expenses		(6,972,360)	(7,298,633)
<b>Operating loss</b>		(1,780,830)	(515,327)
Interest receivable and similar income	5	308,810	264,815
Interest payable and similar charges	6	(370,635)	(368,702)
<b>Loss on ordinary activities before taxation</b>	4	(1,842,655)	(619,214)
Tax on loss on ordinary activities	7	71,151	(4,899)
<b>Loss on ordinary activities after taxation</b>		(1,771,504)	(624,113)
<b>Retained loss for the year</b>	15	(1,771,504)	(624,113)

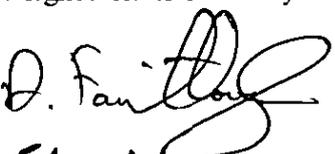
The above results all arise from continuing operations

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2007

There are no recognised gains and losses for the current or preceding financial year, other than as stated above. Therefore, no statement of total recognised gains and losses has been presented.

The financial statements were approved by the board of directors on and signed on its behalf by

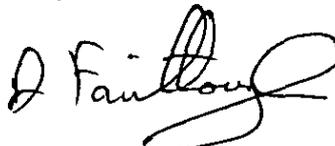
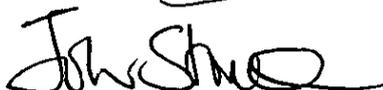
 )  
 ) DIRECTORS

**XPEDITE SYSTEMS LIMITED**

**BALANCE SHEET**  
as at 31 December 2007

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Intangible assets	8	12,894	43,838
Tangible assets	9	3,015,028	3,120,676
		<hr/>	<hr/>
		3,027,922	3,164,514
<b>CURRENT ASSETS</b>			
Debtors	10	6,976,360	7,759,126
Investments	11	-	317,280
Cash at bank and in hand		469,779	550,988
		<hr/>	<hr/>
		7,446,139	8,627,394
<b>CREDITORS: Amounts falling due within one year</b>	12	(7,235,543)	(6,781,886)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		210,596	1,845,508
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,238,518	5,010,022
<b>CREDITORS: Amounts falling due after one year</b>	13	(2,375,000)	(2,375,000)
		<hr/>	<hr/>
<b>NET ASSETS</b>		863,518	2,635,022
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	3,976,711	3,976,711
Profit and loss account	15	(3,113,193)	(1,341,689)
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>	16	863,518	2,635,022
		<hr/>	<hr/>

The financial statements were approved by the board of directors on and signed on its behalf by



} DIRECTORS

# XPEDITE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2007

### 1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The accounting policies adopted have been used consistently in both the current and preceding year. The principal accounting policies are summarised below.

Under the provisions of FRS 1 'Cash flow statements', the company has not prepared a cash flow statement because its ultimate parent company, PTEK Holdings Inc, has prepared consolidated accounts which include the accounts of the company.

#### Revenue recognition

The company derives its revenue from the provision of facsimile broadcasting services and messaging services. Revenue is recognised when the broadcast or message service has been delivered.

#### Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	50 years
Computers, equipment and furniture	3 - 5 years

#### Customer lists

Purchased customer lists are stated at acquisition cost, net of amortisation and any provision for impairment. The expected useful life of customer lists is five years and amortisation is charged on a straight-line basis over this period.

#### Current asset investments

Current asset investments are stated at the lower of cost and net realisable value.

#### Taxation

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

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

# XPEDITE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2007

### 1. ACCOUNTING POLICIES - continued

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

#### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account

#### Leases

Payments under operating leases are treated as revenue expenditure being charged to the profit and loss account on a straight line basis over the lease term

#### Pension

The company does not operate a pension scheme but makes contributions to employees' individual stakeholder schemes. These costs are charged to the profit and loss account

#### Financial liabilities and equity

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 company after deducting all of its liabilities

### 2. TURNOVER

All turnover is derived from the company's principal activity, which is the provision of a facsimile broadcast service and other related enhanced facsimile and messaging services

#### Geographical segments

	2007	2006
	£	£
<b>Turnover by destination – continued operations</b>		
United Kingdom	6,019,456	6,479,923
Europe	416,613	1,278,242
Rest of the world	18,336	43,027
	<u>6,454,405</u>	<u>7,801,192</u>

All turnover originates in the United Kingdom

**XPEDITE SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2007**

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

**Remuneration**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
The remuneration of the directors was as follows		
Aggregate emoluments	338,193	267,112
Pension contributions to money purchase schemes	19,541	17,400
	<u>357,734</u>	<u>284,512</u>

*Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	338,193	267,112
Pension contributions to money purchase schemes	19,541	17,400
	<u>357,734</u>	<u>284,512</u>

	<b>2007</b>	<b>2006</b>
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed</b>		
Sales	25	26
Administration	73	70
	<u>98</u>	<u>96</u>

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	4,203,609	3,668,218
Social security costs	569,587	433,556
Pension costs	82,476	74,828
	<u>4,855,672</u>	<u>4,176,602</u>

**XPEDITE SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2007**

**4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Loss on ordinary activities before taxation is stated after charging

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	591,752	674,639
Amortisation of customer lists	30,944	30,944
Other operating lease rentals		
Plant and machinery	27,374	44,045
Land and buildings	106,172	151,009
Auditors' remuneration		
For audit services	44,338	32,290
For other services supplied pursuant to such legislation	25,650	46,719
	<u>          </u>	<u>          </u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Interest receivable from group undertakings	244,076	150,792
Bank interest receivable	64,734	114,023
	<u>          </u>	<u>          </u>
	<u>308,810</u>	<u>264,815</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Interest payable to group undertakings	133,135	131,202
Interest payable on cumulative preference shares	237,500	237,500
	<u>          </u>	<u>          </u>
	<u>370,635</u>	<u>368,702</u>

**XPEDITE SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2007**

**7. TAX ON LOSS ON ORDINARY ACTIVITIES**

The tax charge comprises

	2007	2006
	£	£
<b>Current tax</b>		
Total current tax (refund)/charge for the year	(50,333)	4,899
Deferred tax	(20,818)	-
<b>Total current tax (refund)/charge</b>	<u>(71,151)</u>	<u>4,899</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	2007	2006
	£	£
<b>Loss on ordinary activities before taxation</b>	<u>(1,842,655)</u>	<u>(619,214)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	(522,796)	(185,764)
Effects of		
Expenses not deductible for tax purposes – preference shares	71,250	71,250
– other	100,847	54,638
Capital allowances in excess of depreciation – unprovided	14,107	7,677
Group relief not paid for	39,896	39,026
Other timing differences	(1,351)	(16,105)
Loss relief	(328,047)	-
Adjustment in respect of previous periods	(50,333)	34,283
<b>Total current tax (refund)/charge for the year</b>	<u>(50,333)</u>	<u>4,899</u>

The deferred tax asset comprises

	Amounts recognised		Amount unrecognised	
	2007	2006	2007	2006
	£	£	£	£
Depreciation in excess of capital allowances	<u>20,818</u>	<u>-</u>	<u>-</u>	<u>72,589</u>

The deferred tax asset in respect of depreciation being in excess of capital allowances has not been recognised, as although the position of depreciation being in excess of capital allowances has reversed, it is not considered likely that this trend will continue

**XPEDITE SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2007**

**8. INTANGIBLE FIXED ASSETS**

	<b>Customer lists £</b>
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	1,186,454
<b>Amortisation</b>	
At 1 January 2007	1,142,616
Charge for year	30,944
At 31 December 2007	1,173,560
<b>Net book value</b>	
At 31 December 2007	12,894
At 31 December 2006	43,838

**9. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £</b>	<b>Computer, equipment and furniture £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2007	1,847,893	6,386,232	8,234,125
Additions	44,919	441,185	486,104
Disposals	-	(2,904,845)	(2,904,845)
At 31 December 2007	1,892,812	3,922,572	5,815,384
<b>Depreciation</b>			
At 1 January 2007	303,160	4,810,289	5,113,449
Charge for year	64,741	527,011	591,752
Disposals	-	(2,904,845)	(2,904,845)
At 31 December 2007	367,901	2,432,455	2,800,356
<b>Net book value</b>			
At 31 December 2007	1,524,911	1,490,117	3,015,028
At 31 December 2006	1,544,733	1,575,943	3,120,676

Freehold land, amounting to £150,000 (2006 £150,000) has not been depreciated

**XPEDITE SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2007**

**10. DEBTORS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,091,520	1,640,732
Amounts due by other group undertakings	5,569,205	5,618,686
Corporation tax	58,467	59,964
Deferred tax	20,819	-
Other debtors and prepayments	236,349	439,744
	<u>6,976,360</u>	<u>7,759,126</u>

**11. CURRENT ASSET INVESTMENTS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
HSBC Life Bond	<u>-</u>	<u>317,280</u>

**12. CREDITORS (Amounts falling due within one year)**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	267,156	747,462
Amounts owed to group undertakings	4,066,061	3,586,412
Other tax and social security	292,295	126,170
Other creditors and accruals	700,931	650,242
Preference dividends payable	1,909,100	1,671,600
	<u>7,235,543</u>	<u>6,781,886</u>

**13. CREDITORS (Amounts falling due after one year)**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
10% Cumulative redeemable preference shares	<u>2,375,000</u>	<u>2,375,000</u>

None of the cumulative redeemable preference shares have voting rights

**XPEDITE SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2007**

**14. CALLED UP SHARE CAPITAL**

	2007	2006
	£	£
<b>Authorised</b>		
10,219,168 ordinary shares of £1 each	10,219,168	10,219,168
250,000 A ordinary shares of £1 each	250,000	250,000
2,775 000 cumulative redeemable preference shares of £1 each	2,775,000	2,775,000
2,712,094 cumulative redeemable A preference shares of £1 each	2,712,094	2,712,094
6,238,778 cumulative redeemable B preference shares of £1 each	6,238,778	6,238,778
	<u>22,195,040</u>	<u>22,195,040</u>
<b>Allotted, called up and fully paid</b>		
3,726,711 ordinary shares of £1 each	3,726,711	3,726,711
250,000 A ordinary shares of £1 each	250,000	250,000
	<u>3,976,711</u>	<u>3,976,711</u>

The ordinary and A ordinary shares have equal voting rights

The A ordinary shares rank pari passu to the ordinary shares for dividend and in priority to them for capital distribution purposes, but behind the cumulative redeemable preference shares for both

**15. PROFIT AND LOSS ACCOUNT**

	2007	2006
	£	£
At 1 January 2007	(1,341,689)	(717,576)
Retained loss for the year	<u>(1,771,504)</u>	<u>(624,113)</u>
At 31 December 2007	<u>(3,113,193)</u>	<u>(1,341,689)</u>

**16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2007	2006
	£	£
Loss for the financial year	(1,771,504)	(624,113)
Opening shareholders' funds	<u>2,635,022</u>	<u>3,259,135</u>
Closing shareholders' funds	<u>863,518</u>	<u>2,635,022</u>

## XPEDITE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2007

#### 17. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date				
- within one year	-	-	85,758	-
- between two and five years	-	-	-	19,775
- after five years	91,580	-	91,580	-
	<u>91,580</u>	<u>-</u>	<u>177,338</u>	<u>19,775</u>

#### 18. ULTIMATE CONTROLLING PARTY

The directors regard PTEK Holdings Inc , a company incorporated in the USA, as the ultimate parent company and the ultimate controlling party

PTEK Holdings Inc is the parent company of the largest group of which the company is a member and for which group financial statements are drawn up Copies of the financial statements are available from 3399 Peachtree Road, NE, The Lennox Building, Suite 600, Atlanta, Georgia 303326, USA

Xpedite Systems Holdings (UK) Limited, a company incorporated in England and Wales, is the parent company of the smallest group of which the company is a member

As a subsidiary undertaking of PTEK Holdings Inc , the company has taken advantage of the exemption in FRS 8 'Related party disclosures' from disclosing transactions with other members of the group headed by PTEK Holdings Inc