

Company Registration Number 2849560

PRODAT SYSTEMS PLC

Report and Financial Statements

30 September 2007

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PRODAT SYSTEMS PLC

REPORT AND FINANCIAL STATEMENTS 2007

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PRODAT SYSTEMS PLC

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R H Barnes
D Callcott
M W H Morgan
P Sykes
S J Stout

SECRETARY

D Callcott

REGISTERED OFFICE

7 Abbey Court
Eagle Way
Sowton Industrial Estate
Exeter
Devon
EX2 7HY

BANKERS

National Westminster Bank Plc
15 Bishopsgate
London
EC2P 2AP

SOLICITORS

Nabarro Nathanson
50 Stratton Street
London
W1X 6NX

AUDITORS

Deloitte & Touche LLP
Cardiff

PRODAT SYSTEMS PLC

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2007

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 6 the profit after tax for the year was £2,865,984 (2006 £2,388,371) The directors do not propose a final dividend on the ordinary shares (2006 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company continued to be the provision of professional and scientific services, centred around the provision of software for the manipulation of Ordnance Survey mapping

The company had a very successful year with sales revenues increasing by 13% on the previous twelve months The company plans to continue to develop new products during the forthcoming year, which it is hoped will stimulate market demand for its services All related research and development costs are written off to the profit and loss account as incurred, it is not possible to separately identify these costs from the normal running costs of the company

The company's balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £13,577,753 (2006 £10,711,769) The directors look forward to further good trading in the future

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to a number of financial risks The company's main financial risk is primarily attributable to its trade debtors The amounts presented in the balance sheet are net of allowances for doubtful debts An allowance for impairment is made where there is sufficient doubt over recoverability based on previous experience The company has no significant concentration of credit risk, with exposure spread over a large number of customers

DIVIDENDS

The directors do not recommend the payment of a dividend (2006 £nil)

DIRECTORS

The current directors of the company, who served throughout the year, are listed on page 1

CREDITOR PAYMENT POLICY

It is the company's policy to maintain good relationships with its suppliers Payment terms are agreed with each supplier in advance and their terms are adhered to The average payment period was 27 days (2006 34 days)

PRODAT SYSTEMS PLC

DIRECTORS' REPORT (continued)

AUDITORS

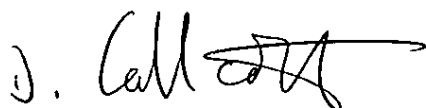
In the case of each of the persons who are directors of the company at the date when this report is approved

- So far as each of the directors is aware there is no relevant audit information (as defined by the Companies Act 1985) of which the company's auditors are unaware, and
- Each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) 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

A resolution to reappoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

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

A handwritten signature in black ink, appearing to read 'D. Callcott', with a stylized flourish extending to the right.

D Callcott
Secretary

29 April 2008

STATEMENT OF 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable UK Accounting Standards have been followed, and
- (d) 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRODAT SYSTEMS PLC

We have audited the financial statements of Prodat Systems plc for the year ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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.

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 September 2007 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.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cardiff, United Kingdom

30 Apr. 1 2008

PRODAT SYSTEMS PLC

PROFIT AND LOSS ACCOUNT

Year ended 30 September 2007

	Notes	2007 £	2006 £
TURNOVER	2	16,574,088	14,630,364
Other external charges		(8,013,980)	(7,382,009)
Depreciation and other amounts written off tangible fixed assets		(43,063)	(80,427)
Other operating charges		(4,413,113)	(3,769,833)
OPERATING PROFIT	3	4,103,932	3,398,095
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,103,932	3,398,095
Tax on profit on ordinary activities	6	(1,237,948)	(1,009,724)
PROFIT FOR THE FINANCIAL YEAR	12	2,865,984	2,388,371

All activities derive from continuing operations

There are no recognised gains or losses other than as stated in the profit and loss account for either the current or prior financial year, and therefore no separate statement of total recognised gains and losses is prepared

PRODAT SYSTEMS PLC

BALANCE SHEET
At 30 September 2007

	Notes	2007	2006
		£	£
FIXED ASSETS			
Tangible assets	7	15,565	58,628
CURRENT ASSETS			
Debtors	8	27,177,387	26,236,559
Cash at bank and in hand		325,137	160,897
		<u>27,502,524</u>	<u>26,397,456</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(13,940,336)	(15,744,315)
NET CURRENT ASSETS		<u>13,562,188</u>	<u>10,653,141</u>
NET ASSETS		<u>13,577,753</u>	<u>10,711,769</u>
CAPITAL AND RESERVES			
Called up share capital	11	92,739	92,739
Share premium account	12	616,775	616,775
Profit and loss account	12	12,868,239	10,002,255
SHAREHOLDERS' FUNDS	12	<u>13,577,753</u>	<u>10,711,769</u>

These financial statements were approved by the Board of Directors on 29 April 2008

Signed on behalf of the Board of Directors



D Callcott
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life at the following rates:

Short leasehold property	lease term
Software and computer equipment	20% to 33 3% straight-line
Fixtures and fittings	33 3% straight-line

Leases

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

Research and development

Expenditure on research and development incurred in the year is charged to the profit and loss account in the year in which it is incurred.

Taxation

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 to produce a cash flow statement since it is a wholly controlled subsidiary of Daily Mail and General Trust plc, which produces group financial statements incorporating a consolidated cash flow statement.

PRODAT SYSTEMS PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2007

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. The turnover for the year was derived from the company's principal activity, which relates to one class of business and arose in the United Kingdom. Income is recognised when the service has been delivered or, in the case of licence fee income, it is initially deferred and then recognised as income over the period of the licence.

3. OPERATING PROFIT	2007 £	2006 £
Operating profit is stated after charging		
Auditors' remuneration in respect of audit services	11,000	10,000
Operating lease rentals		
- plant and machinery	-	10,241
- other	91,616	120,329
Depreciation of tangible fixed assets - owned assets	43,063	80,427

4. DIRECTORS' EMOLUMENTS

R H Barnes, D Callcott and S J Stout are directors of Landmark Information Group Limited and Prodat Systems plc. Total directors' remuneration from Landmark Information Group Limited for the year was £880,919 (2006 £716,256). It is not practicable to allocate this between the directors' services as directors of Landmark Information Group Limited and Prodat Systems plc. M W H Morgan and P Sykes received no remuneration in relation to their services to this company.

5. STAFF COSTS

On 1 October 2004 the service contracts of the company's employees were transferred to Landmark Information Group Limited, a fellow group company.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES	2007 £	2006 £
Analysis of charge in year		
Current corporation tax		
Charge in year	1,216,417	1,042,323
Prior year	-	(1,441)
	1,216,417	1,040,882
Deferred tax		
Origination and reversal of timing differences	19,072	(31,158)
Movement due to change in tax rate	2,459	-
Taxation charge	1,237,948	1,009,724

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 30% (2006 30%). The tax on profit on ordinary activities for the period differs from the standard rate for the reasons set out in the following reconciliation:

PRODAT SYSTEMS PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2007

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)	2007	2006
	£	£
Factors affecting tax		
Profit before tax	<u>4,103,932</u>	<u>3,398,095</u>
	£	£
At standard rates of 30%	1,231,180	1,019,429
Depreciation in excess of capital allowances	526	7,605
Other timing differences	(15,289)	15,289
Adjustments to tax charge in respect of previous period	-	(1,441)
Corporation tax charge	<u>1,216,417</u>	<u>1,040,882</u>

Factors affecting future tax charges

The forthcoming reduction in the corporation tax rate to 28% is not anticipated to materially affect the future tax charge

7. TANGIBLE FIXED ASSETS	Short leasehold property	Software and computer equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 October 2006 and 30 September 2007	<u>56,944</u>	<u>670,285</u>	<u>89,002</u>	<u>816,231</u>
Depreciation				
At 1 October 2006	32,330	637,891	87,382	757,603
Charge for the year	<u>17,375</u>	<u>24,192</u>	<u>1,496</u>	<u>43,063</u>
At 30 September 2007	<u>49,705</u>	<u>662,083</u>	<u>88,878</u>	<u>800,666</u>
Net book value				
At 30 September 2007	<u>7,239</u>	<u>8,202</u>	<u>124</u>	<u>15,565</u>
At 30 September 2006	<u>24,614</u>	<u>32,394</u>	<u>1,620</u>	<u>58,628</u>

PRODAT SYSTEMS PLC

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

8. DEBTORS	2007	2006
	£	£
Trade debtors	3,047,935	2,743,829
Amounts owed by group undertakings	23,477,256	22,994,328
Deferred taxation (note 10)	34,432	55,963
VAT recoverable	491,485	273,465
Prepayments and accrued income	126,279	168,974
	<u>27,177,387</u>	<u>26,236,559</u>
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2007	2006
	£	£
Trade creditors	793,148	751,105
Amounts owed to group undertakings	8,717,136	11,025,528
Corporation tax	2,258,740	1,934,396
Accruals and deferred income	2,171,312	2,033,286
	<u>13,940,336</u>	<u>15,744,315</u>
10. DEFERRED TAXATION	2007	2006
Deferred tax (asset)	£	£
Depreciation in excess of capital allowances (note 6)	<u>34,432</u>	<u>55,963</u>
Movement in year	£	£
At 1 October	55,963	24,805
(Charge)/credit to the profit and loss account in the period	<u>(21,531)</u>	<u>31,158</u>
At 30 September	<u>34,432</u>	<u>55,963</u>
11. CALLED UP SHARE CAPITAL	2007	2006
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	£	£
Allotted, called up and fully paid		
92,739 ordinary shares of £1 each	<u>92,739</u>	<u>92,739</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2007

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

	Share capital £	Share premium account £	Profit and loss account £	Total 2007 £	Total 2006 £
At beginning of year	92,739	616,775	10,002,255	10,711,769	8,323,398
Profit for the year	-	-	2,865,984	2,865,984	2,388,371
At end of year	<u>92,739</u>	<u>616,775</u>	<u>12,868,239</u>	<u>13,577,753</u>	<u>10,711,769</u>

13. COMMITMENTS UNDER OPERATING LEASES

At 30 September, the company had annual commitments under non-cancellable operating leases as set out below

	2007 £	2006 £
Land and buildings		
Operating leases which expire		
- within one year	50,730	-
- between two and five years	-	60,878
	<u>50,730</u>	<u>60,878</u>
Plant and equipment	£	£
Operating leases which expire		
- between two and five years	-	10,241
	<u>-</u>	<u>10,241</u>

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 from the requirement to disclose related party transactions within the group, by virtue of being a wholly owned subsidiary of a company whose consolidated financial statements are publicly available

15. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The directors regard the ultimate parent company as Rothermere Continuation Limited, which is incorporated in Bermuda

The largest and smallest group of which the company is a member and for which group financial statements are drawn up is that of Daily Mail and General Trust plc, registered in England and Wales. Copies of the report and financial statements are available from The Company Secretary, Daily Mail and General Trust plc, Northcliffe House, 2 Derry Street, Kensington, London, W8 5TT

According to the register kept by the company, DMG Information Limited, a company incorporated in England and Wales, has a 100% interest in the equity share capital of the company at 30 September 2007

PRODAT SYSTEMS PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2007

16. ULTIMATE CONTROLLING PARTY

The directors regard the ultimate controlling party as The Viscount Rothermere of Rothermere Continuation Limited