



**PRODAT SYSTEMS PLC**

**Report and Financial Statements**

**30 September 2009**



**REPORT AND FINANCIAL STATEMENTS 2009**

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**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  
EX2 7HY

**BANKERS**

National Westminster Bank Plc  
15 Bishopsgate  
London  
EC2P 2AP

**SOLICITORS**

Michelmores  
Woodwater House  
Pynes Hill  
Exeter  
EX2 5WR

**AUDITORS**

Deloitte LLP  
Cardiff

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 September 2009

## **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company continued to be the provision of software for the manipulation of Ordnance Survey mapping

Sales revenues decreased by 31% on the previous 12 months due to the UK market conditions. 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 results for the year are shown in the profit and loss account on page 6, the profit after tax for the year was £1,059,271 (2008 - £1,921,958). The directors do not propose a final dividend on the ordinary shares (2008 - £nil).

The company's balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £16,558,982 (2008 - £15,499,711).

The Daily Mail and General Trust plc manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of DMG Information, which includes the company, is discussed in the group's Annual Report which does not form part of this report.

The company has considerable financial resources together with long-term relationships with a large number of customers. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

## **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.

## **DIRECTORS**

The directors of the company, who served throughout the financial year, are as shown 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 for the year was 36 days (2008 - 25 days).

**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 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 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 s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment 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', followed by a long horizontal flourish.

D Callcott  
Secretary

Date

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 MEMBER OF PRODAT SYSTEMS PLC**

We have audited the financial statements of Prodat Systems plc for the year ended 30 September 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Nigel Thomas*

Nigel Thomas (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Cardiff, United Kingdom

*15 March* 2010

**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 September 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
<b>TURNOVER</b>	2	10,543,604	15,382,269
Other external charges		(5,281,513)	(7,862,497)
Depreciation	3	(1,216)	(14,069)
Other operating charges		(3,789,665)	(4,798,915)
<b>OPERATING PROFIT</b>	3	<u>1,471,210</u>	<u>2,706,788</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,471,210	2,706,788
Tax on profit on ordinary activities	5	<u>(411,939)</u>	<u>(784,830)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	<u>1,059,271</u>	<u>1,921,958</u>

All activities derive from continuing operations

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

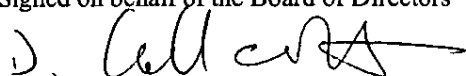


**BALANCE SHEET**  
At 30 September 2009

	Note	2009	2008
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	280	1,496
<b>CURRENT ASSETS</b>			
Debtors	7	27,144,782	28,730,784
Cash at bank and in hand		140,530	136,673
		<u>27,285,312</u>	<u>28,867,457</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(10,726,610)</u>	<u>(13,369,242)</u>
<b>NET CURRENT ASSETS</b>		<u>16,558,702</u>	<u>15,498,215</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u>16,558,982</u>	<u>15,499,711</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	92,739	92,739
Share premium account	11	616,775	616,775
Profit and loss account	11	15,849,468	14,790,197
<b>SHAREHOLDER'S FUNDS</b>	11	<u>16,558,982</u>	<u>15,499,711</u>

The financial statements of Prodat Systems plc, registered number 2849560, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



D Callcott  
Director

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2009

## 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.

### Going concern

The company has adequate financial resources together with long-term relationships with a number of customers. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

### 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

### Taxation

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

Deferred taxation 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 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.

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 2009

**2. TURNOVER AND REVENUE RECOGNITION**

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.

<b>3. OPERATING PROFIT</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging</b>		
Auditors' remuneration in respect of audit services	4,800	11,000
Depreciation of tangible fixed assets - owned assets	1,216	14,069

**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 £908,080 (2008 - £736,127). 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 in either period.

**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 30 September 2009

5. TAX ON PROFIT ON ORDINARY ACTIVITIES	2009 £	2008 £
<b>Current taxation</b>		
United Kingdom corporation tax		
Current tax on income for the year at 28% (2008 – 28%/30%)	(406,901)	(780,962)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,038)	(3,868)
	<u>(411,939)</u>	<u>(784,830)</u>

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	£	£
Profit on ordinary activities before tax	<u>1,471,210</u>	<u>2,706,788</u>
Tax on profit on ordinary activities before tax at 28% (2008 – 28%/30%)	(411,939)	(784,968)
<b>Factors affecting charge for the year</b>		
Capital allowances in excess of depreciation	<u>5,038</u>	<u>4,006</u>
<b>Current tax charge for the year</b>	<u>(406,901)</u>	<u>(780,962)</u>

Prior year tax is calculated at a blended rate, of 30% to 31 March 2008 and 28% from 1 April 2008

6. TANGIBLE FIXED ASSETS	Short leasehold property £	Software and computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 October 2008 and 30 September 2009	<u>56,944</u>	<u>670,285</u>	<u>89,002</u>	<u>816,231</u>
<b>Depreciation</b>				
At 1 October 2008	56,944	668,789	89,002	814,735
Charge for the year	-	1,216	-	1,216
At 30 September 2009	<u>56,944</u>	<u>670,005</u>	<u>89,002</u>	<u>815,951</u>
<b>Net book value</b>				
At 30 September 2009	<u>-</u>	<u>280</u>	<u>-</u>	<u>280</u>
At 30 September 2008	<u>-</u>	<u>1,496</u>	<u>-</u>	<u>1,496</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 September 2009**

<b>7. DEBTORS</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,830,697	2,601,483
Amounts owed by group undertakings	24,663,516	25,354,933
Deferred taxation (note 9)	25,526	30,564
VAT recoverable	399,963	621,560
Prepayments and accrued income	225,080	122,244
	<u>27,144,782</u>	<u>28,730,784</u>
<b>8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,091,170	828,354
Amounts owed to group undertakings	6,627,164	8,495,969
Corporation tax	1,187,863	1,997,380
Accruals and deferred income	1,820,413	2,047,539
	<u>10,726,610</u>	<u>13,369,242</u>
<b>9. DEFERRED TAXATION</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Deferred tax asset (note 7)		
Depreciation in excess of capital allowances	21,435	26,473
Other timing differences	4,091	4,091
	<u>25,526</u>	<u>30,564</u>
	<b>£</b>	<b>£</b>
Movement in year		
At 1 October	30,564	34,432
Charge to the profit and loss account	(5,038)	(3,868)
At 30 September	<u>25,526</u>	<u>30,564</u>
<b>10. CALLED UP SHARE CAPITAL</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<b>£</b>	<b>£</b>
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 2009

**11. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES**

	Share capital £	Share premium account £	Profit and loss account £	Total 2009 £	Total 2008 £
At beginning of year	92,739	616,775	14,790,197	15,499,711	13,577,753
Profit for the financial year	-	-	1,059,271	1,059,271	1,921,958
At end of year	<u>92,739</u>	<u>616,775</u>	<u>15,849,468</u>	<u>16,558,982</u>	<u>15,499,711</u>

**12. 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

**13. ULTIMATE CONTROLLING PARTY**

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

**14. 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, EDR Landmark Group Limited, a company incorporated in England and Wales, has a 100% interest in the equity share capital of the company at 30 September 2009