

AVEVA Group plc

Interim financial statements for the six months ended 30
September 2005
together with directors' reports

Registered number: 02937296



Profit and loss account

For the six months ended 30 September 2005

	Notes	6 months ended 30 September 2005 £000	Year ended 31 March 2005 £000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income	2	74	1,000
Profit on ordinary activities before taxation	3	74	1,000
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation, being retained profit for the financial period		74	1,000

All amounts relate to continuing operations.

The accompanying notes are an integral part of this profit and loss account.

There are no recognised gains or losses in either the current period or the preceding year other than the result for each financial period and hence no Statement of Total Recognised Gains and Losses is shown.

Balance sheet

30 September 2005

	Notes	30 September 2005 £000	31 March 2005 £000
Fixed assets			
Investments	6	27,482	27,482
Current assets			
Debtors	7	4,932	4,114
Cash at bank and in hand		473	247
		5,405	4,361
Creditors: Amounts falling due within one year	8	(1,051)	(948)
Net current assets		4,354	3,413
Net assets		31,836	30,895
Capital and reserves			
Called-up share capital	9	2,221	2,204
Share premium account	10	25,173	24,323
Merger reserve	10	3,921	3,921
Profit and loss account	10	521	447
Equity shareholders' funds	11	31,836	30,895

The financial statements on pages 2 to 7 were approved by the board of directors on 15 December 2005 and signed on its behalf by:

P R Taylor



Director

15 December 2005

The accompanying notes are an integral part of this balance sheet.

Notes to the financial statements

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current financial period and the preceding financial year is set out below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Basis of preparation

These interim financial statements have been prepared to enable the directors to declare an interim dividend in January 2006 and therefore are company only financial statements. These interim financial statements have been prepared in accordance with section 272 of the Companies Act 1985.

c) 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.

A 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 not recognised when fixed assets are re-valued unless by the balance sheet date there is a binding agreement to sell the re-valued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in the future has been entered into by the subsidiary or associate.

Notes to the financial statements (continued)

1 Accounting policies (continued)

c) Taxation (continued)

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

d) Foreign currency

Transactions denominated in foreign currencies are recorded at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

2 Other operating income

	6 months ended 30 September 2005 £000	Year ended 31 March 2005 £000
Dividends receivable from subsidiary undertaking	-	1,000
VAT refund	74	-
	<hr/> 74	<hr/> 1,000

3 Profit on ordinary activities before taxation

The audit fee was borne by AVEVA Solutions Limited, a wholly owned subsidiary in both the current financial period and preceding financial year.

4 Staff costs

All employee contracts are with the wholly owned subsidiary, AVEVA Solutions Limited and hence no direct employee costs were incurred in the course of either the financial period or the preceding financial year.

5 Tax on profit on ordinary activities

The tax charge for the current financial period has been based on the estimated effective rate for the full year ending 31 March 2006.

6 Fixed asset investments

	£000
Cost and net book value	
At 1 April 2005 and at 30 September 2005	<hr/> 27,482

Notes to the financial statements (continued)

6. Fixed asset investments (continued)

At 30 September 2005, the company had the following wholly owned subsidiary undertakings:

Name of undertaking	Country of incorporation	Principal activity	Description and proportion of shares held and voting rights
AVEVA Solutions Limited	Great Britain	Software development and marketing	100% ordinary shares at £1 each
Cadcentre Property Limited	Great Britain	Holding property	100% ordinary shares at £1 each
Cadcentre Limited	Great Britain	Consulting & support services	100% ordinary shares at £1 each
AVEVA Consulting Limited	Great Britain	Consulting & support services	100% ordinary shares at £1 each

7 Debtors

	30 September 2005 £000	31 March 2005 £000
Amounts owed by group undertakings	4,932	4,114

8 Creditors: Amounts falling due within one year

	30 September 2005 £000	31 March 2005 £000
Amounts owed to group undertakings	1,051	-
Proposed dividend	-	948
	1,051	948

9 Called-up share capital

	30 September 2005 £000	31 March 2005 £000
<i>Authorised</i>		
30,000,000 ordinary shares of 10p each	3,000	3,000
<i>Allotted, called-up and fully-paid</i>		
22,210,367 (31 March 2005: 22,036,617) ordinary shares of 10p each	2,221	2,204

Notes to the financial statements (continued)

9. Called-up share capital (continued)

During the period the company issued 173,750 ordinary shares of 10p each with a nominal value of £17,375 pursuant to the exercise of share options. The total proceeds were £867,000, which included a premium of £850,000.

Share options have been granted to certain employees of the group and remain outstanding as follows:

	Number of options	Exercise price (p)
16 March 1999	2,200	179.2
30 March 2000	19,850	342.5
19 January 2001	192,050	524.7
12 July 2001	87,900	479.5
1 July 2004	30,000	10.0
20 July 2005	85,177	796.0

10 Reserves

	Merger reserve £000	Share premium £000	Profit and loss account £000
At 1 April 2005	3,921	24,323	447
Retained profit for the period	-	-	74
Share issues	-	850	-
At 30 September 2005	3,921	25,173	521

11 Reconciliation of movements in shareholders' funds

	6 months ended 30 September 2005 £000	Year ended 31 March 2005 £000
Profit for the financial year	74	1,000
Dividends	-	(1,523)
Share issues	867	20,491
Net addition to shareholders' funds	941	19,968
Opening shareholders' funds	30,895	10,927
Closing shareholders' funds	31,836	30,895

12 Related party transactions

There were no transactions with related parties in either the current financial period or the preceding financial year that require disclosure within these financial statements.