

Registered Number 2942785

Inovis UK Limited  
(formerly Harbinger Commerce Limited)  
Abbreviated Accounts  
for the year ended 31 December 2005



**Inovis UK Limited**  
**(formerly Harbinger Commerce Limited)**

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**for the year ended 31 December 2005**

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**Company Information**  
**for the year ended 31 December 2005**

<b>Directors:</b>	P Finegan J Redfern Inovis International, Inc
<b>Secretary:</b>	P Finegan
<b>Registered office:</b>	2 Station View Guildford Surrey GU1 4JY
<b>Registration number:</b>	2942785
<b>Auditors:</b>	PricewaterhouseCoopers LLP 9 Greyfriars Road Reading RG1 1JG

# **Inovis UK Limited**

(formerly Harbinger Commerce Limited)

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## **Independent auditors' report to the members of Inovis UK Limited (formerly Harbinger Commerce Limited) Under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 3 to 7, together with the full financial statements of the company for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985.

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

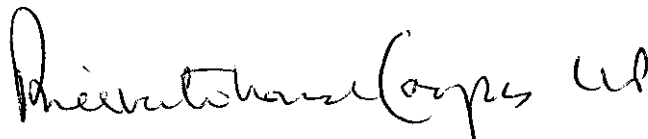
The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of audit opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 7 are properly prepared in accordance with those provisions.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
Reading

29 June 2006

**Abbreviated balance sheet as at 31 December 2005**

	Note	2005 £	2004 £
<b>Fixed sssets</b>			
Intangible assets	2	390,476	-
Tangible assets	3	47,580	89,059
		<b>438,056</b>	<b>89,059</b>
<b>Current assets</b>			
Debtors		1,266,072	1,477,479
Cash at bank and in hand		505,146	626,331
		<b>1,771,218</b>	<b>2,103,810</b>
<b>Creditors – Amounts falling due within one year</b>		<b>(2,588,546)</b>	<b>(2,720,288)</b>
<b>Net current liabilities</b>		<b>(817,328)</b>	<b>(616,478)</b>
<b>Total net liabilities</b>		<b>(379,272)</b>	<b>(527,419)</b>
<b>Capital and reserves</b>			
Called-up share capital	4	187,661	187,661
Share premium account		374,353	374,353
Capital redemption reserve		85,000	85,000
Profit and loss account (deficit)		(1,026,286)	(1,174,433)
<b>Total shareholders' deficit</b>		<b>(379,272)</b>	<b>(527,419)</b>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1895 relating to small companies and were approved by the board of directors on 23 June 2006 and were signed on its behalf by:



P Finegan  
Director

## **Notes to the abbreviated accounts for the year ended 31 December 2005**

### **1 Accounting policies**

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

At 31 December 2005, the company had net current liabilities of £817,328 (2004: £616,478) and net liabilities of £379,272 (2004: £527,419). The directors have prepared the financial statements on a going concern basis as Inovis, Inc., the current immediate parent undertaking, has confirmed that it will continue to provide financial support to enable the company to continue in business as a going concern and to satisfy all third party obligations in full when they become due for a period of at least twelve months from the balance sheet date.

The financial statements do not include any adjustments that might be necessary if the financial support was not forthcoming.

#### **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.

#### **Revenue recognition and deferred income**

For perpetual software licenses, the revenue is recognised on execution of a contract and completion of delivery obligations, provided that no uncertainties regarding the customer acceptance exist and collection of the related receivable is probable.

For term software licences, the revenue is recognised rateably over the term of the licence agreement which is typically 12 months.

For maintenance contracts, the revenue is recognised over the period of the contract on a straight line basis. The amount of deferred income is disclosed separately within creditors, amounts falling due within one year.

Hosted services revenue consists of two elements being a standard monthly fee over an agreed contract term with revenue being recognised over the duration of the customer contract and additional services provided on a time and materials basis with revenue being recognised as the services are performed.

Network services revenue consists of a standard monthly or annual fee over an agreed contract term with revenue being recognised over the duration of the customer contract.

Consulting and training revenue are recognised when the related services are performed.

#### **Intangible fixed assets**

Trade marks are included at cost and amortised in equal annual instalments over a period of 7 years which is their estimated useful economic life. Provision is made for any impairment.

### **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 at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold improvements	- over the term of the lease
Computer equipment	- 20% to 33⅓% straight line
Office fixtures and fittings	- 14.3% straight line

Residual value is calculated on prices prevailing at the date of acquisition.

### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All such exchange gains and losses are included in the profit and loss account in the year in which they arise.

### **Leasing**

Rentals under operating leases are charged against income on a straight line basis over the lease term, even if the payments are not made on such a basis.

### **Pension costs**

The cost of providing retirement pensions under the defined contribution schemes is charged to the profit and loss account as contributions fall due. The difference, if any, between the charge to the profit and loss account and the contributions paid to the schemes is shown as an asset or a liability in the balance sheet. As at 31 December 2005 £7,547 (2004: £5,322) was included in accruals.

### **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 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 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 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.

## 2 Intangible fixed assets

	Trade Mark £
<b>Cost</b>	
At 1 January 2005	-
Additions	400,000
<b>At 31 December 2005</b>	<b>400,000</b>
<b>Accumulated Amortisation</b>	
At 1 January 2005	-
Charge for the year	9,524
<b>At 31 December 2005</b>	<b>9,524</b>
<b>Net Book Amount</b>	
<b>At 31 December 2005</b>	<b>390,476</b>
At 31 December 2004	-

On 7 November 2005 the company acquired the UK Trade Mark "Inovis" and domain name "Inovis.co.uk" from a third party for the sum of £400,000.

## 3 Tangible assets

	Total £
<b>Cost</b>	
At 1 January 2005	716,060
Additions	3,998
Disposals	(92,646)
<b>At 31 December 2005</b>	<b>627,412</b>
<b>Accumulated Depreciation</b>	
At 1 January 2005	627,001
Charge for the year	45,477
Disposals	(92,646)
<b>At 31 December 2005</b>	<b>579,832</b>
<b>Net book amount</b>	
<b>At 31 December 2005</b>	<b>47,580</b>
At 31 December 2004	89,059



## 4 Called-up share capital

	2004 £	2003 £
<b>Authorised</b>		
1,100,000 ordinary shares of £1 each	<b>1,100,000</b>	1,100,000
170,000 redeemable ordinary shares of £1 each	<b>170,000</b>	170,000
	<b>1,270,000</b>	1,270,000
<b>Allotted and fully paid</b>		
102,661 ordinary shares of £1 each	<b>102,661</b>	102,661
85,000 redeemable ordinary shares of £1 each	<b>85,000</b>	85,000
	<b>187,661</b>	187,661

The redeemable ordinary shares are redeemable at the option of the company. The ordinary shares and the redeemable ordinary shares rank pari passu in all respects, including voting, dividends and winding up, as one class.

## 5 Ultimate parent undertaking

The ultimate parent company is Inovis International Inc., a company incorporated in the State of Delaware USA. Inovis Inc. a company incorporated in the State of California USA., is the company's immediate parent company.

The largest and smallest group in which the results of the company for the year are consolidated is that headed by Inovis International Inc. The consolidated financial statements of the group may be obtained from Parkway 400, 11720 Amber Park Drive, Alpharetta, Georgia, 30004, USA.

Advantage has been taken of the exemptions available under Financial Reporting Standard No.8 for the non-disclosure of transactions between group undertakings.