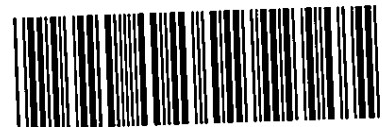


Registered Number 2942785

Inovis UK Limited  
Abbreviated Accounts  
for the year ended 31 December 2007

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# **Inovis UK Limited**

## **Abbreviated Accounts for the year ended 31 December 2007**

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**Company Information  
for the year ended 31 December 2007**

<b>Directors</b>	P Finegan J Redfern Inovis International, Inc
<b>Secretary</b>	P Finegan
<b>Registered office</b>	Carnage House Walnut Tree Close Guildford Surrey GU1 4TX
<b>Registration number</b>	2942785
<b>Auditors:</b>	PricewaterhouseCoopers LLP 9 Greyfriars Road Reading RG1 1JG

**Independent auditors' report to Inovis UK Limited  
under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 3 to 8, together with the full financial statements of Inovis UK Limited for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with those provisions and to report our opinion to you.

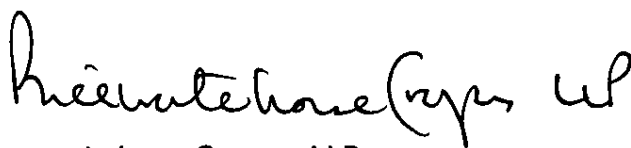
This report, including the opinion, has been prepared for and only for the company for the purpose of Section 247B of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with those provisions.



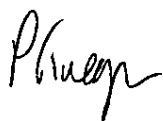
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Reading

14 July 2008

# Abbreviated Balance sheet as at 31 December 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Intangible assets	2	276,191	333,333
Tangible assets	3	126,010	35,310
		402,201	368,643
<b>Current assets</b>			
Debtors		1,398,537	1,404,666
Cash at bank and in hand		1,163,782	774,269
		2,562,319	2,178,935
<b>Creditors – Amounts falling due within one year</b>		(2,796,005)	(2,843,806)
<b>Net current liabilities</b>		(233,686)	(664,871)
<b>Total assets less current liabilities</b>		168,515	(296,228)
<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		(478,499)	(943,242)
<b>Total equity shareholders' funds (deficit)</b>		168,515	(296,228)

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the board of directors on 7 July 2008 and were signed on its behalf by



P Finegan  
Director

## Notes to the abbreviated accounts for the year ended 31 December 2007

### 1 Accounting policies

The financial statements are prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### 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. The principal components of turnover are disclosed in the note below.

#### 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. The value of invoices raised but not recognised in revenue are included in deferred income which is disclosed separately within creditors, amounts falling due within one year.

For maintenance contracts, the revenue is recognised over the period of the contract on a straight line basis. The value of invoices raised but not recognised in revenue are included in deferred income which 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.

Deferred income represents the liability for advance billings to customers for services not yet provided, including principally term software service licence fees, support and maintenance fees, and annual fees for network services.

#### 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. The directors perform an annual review of the carrying value of intangible assets and where there is an indication that the carrying value is impaired a full impairment review is performed and provision is made for any impairment.

**Notes to the financial statements for the year ended 31 December 2007 (continued)****1. Accounting policies (continued)****Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and any incidental expenses. 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 economic 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 and converted 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 into sterling at the rates of exchange prevailing at that date. All differences on exchange are taken to the profit and loss account.

**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. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Cash flow statement**

The company has adopted the provision of FRS 1 (Revised 1996) 'Cash Flow Statements' and has taken advantage of the exemptions available to wholly owned subsidiary companies contained therein. Accordingly, a cash flow statement is not included in these financial statements.

**Taxation**

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.

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 1. Accounting policies (continued)

#### Taxation (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 against which to recover carried forward tax losses and 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 assets

	Trade mark £
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	400,000
<b>Accumulated Amortisation</b>	
At 1 January 2007	66,667
Charge for the year	57,142
<b>At 31 December 2007</b>	<b>123,809</b>
<b>Net Book Amount</b>	
<b>At 31 December 2007</b>	<b>276,191</b>
At 31 December 2006	333,333



## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 3 Tangible assets

	Leasehold improvements £	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2007	7,354	481,999	161,307	650,660
Additions	104,364	242	7,248	111,854
Disposals	(7,354)	(48,140)	(109,932)	(165,426)
<b>At 31 December 2007</b>	<b>104,364</b>	<b>434,101</b>	<b>58,623</b>	<b>597,088</b>
<b>Accumulated Depreciation</b>				
At 1 January 2007	3,056	456,388	155,906	615,350
Charge for the year	2,941	10,695	4,137	17,773
Disposals	(3,992)	(48,140)	(109,913)	(162,045)
<b>At 31 December 2007</b>	<b>2,005</b>	<b>418,943</b>	<b>50,130</b>	<b>471,078</b>
<b>Net Book Amount</b>				
<b>At 31 December 2007</b>	<b>102,359</b>	<b>15,158</b>	<b>8,493</b>	<b>126,010</b>
At 31 December 2006	4,298	25,611	5,401	35,310

### 4 Called-up share capital

	2007 £	2006 £
<b>Authorised</b>		
1,100,000 (2006 1,100,000) ordinary shares of £1 each	1,100,000	1,100,000
170,000 (2006 170,000) redeemable ordinary shares of £1 each	170,000	170,000
	<b>1,270,000</b>	1,270,000
<b>Allotted and fully paid</b>		
102,661 (2006 102,661) ordinary shares of £1 each	102,661	102,661
85,000 (2006 85,000) redeemable ordinary shares of £1 each	85,000	85,000
	<b>187,661</b>	187,661

The redeemable ordinary shares are redeemable at the option of the company. Each of the redeemable ordinary shares carries one vote and has equal voting rights to the ordinary shares in issue.

**Notes to the financial statements for the year ended 31  
December 2007 (continued)**

**5 Ultimate parent undertaking and controlling party**

The ultimate parent company and controlling party 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.

**6 Related party transactions**

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Inovis International Inc , whose accounts are publicly available.