BigHand Limited

Directors' report and consolidated financial statements

Registered number 03128724

31 March 2012

Contents

Directors' report

The directors present their report and the financial statements of the group for the year ended 31 March 2012

Principal activities and business review

BigHand Limited (the 'Group') provides Voice Productivity Technology solutions and associated consultancy to the legal, professional services and healthcare markets in Europe, the US and Asia Pacific

In the year to 31 March 2012 the Group generated combined revenues of £15 6m, representing organic revenue growth of £2 4 million (18 2%) against the previous year (£13 2 million) This growth converted largely to profit delivering for the BigHand Holdings Limited Group, of which this Group contains the main trade, full year EBITDA of £5 3 million, up 43% (£1 6million) against the year ending 2011 (£3 7 million)

At 31 March the overall number of users of the Group's software stood at 151,000 representing year on year growth of 12% The business remained highly cash generative throughout the year and gross cash balances were £5 9m at the year-end

The client base continued to grow and included a number of prestigious client rollout wins within large European, US and Asia Pacific legal practices, UK NHS Trusts and Australian Hospitals Recognising the continued growth of its client base the Group maintained its high level of investment in core business processes, most specifically those that affect client service to support its market leading reputation for high quality service The Group uses external agencies to regularly measure customer satisfaction, and scored consistently greater than 90 (+50 = Excellent) on the industry standard Net Promoter Score across its global operation As a consequence client retention has remained extremely high and the Group has again seen a number of high profile clients recognise this value by switching from competitor systems to BigHand The group continues to look for further improvements in core processes, and to this end has commenced a number of new initiatives that will further improve operational effectiveness and overall client satisfaction in the coming year

Customer led product development, underpinned by regular customer engagement, continued throughout the year with a number of new software releases, notably the launch of the BigHand v4 2. This new release included innovative features that intuitively combine the Group's enterprise digital dictation solution with speech recognition software Demonstration of this release to large audiences at the Group's user conferences, particularly in combination with its solutions for Smartphones, was met with a very positive reaction and resulted in a significant increase in new sales The Group continues to focus its development effort on customers and expects to release new software in the forthcoming year for both PCs and mobile devices that will support further growth in both users, revenues and profits

Recognising the importance of recruitment, retention and motivation of highly skilled staff, the Group invested in human resources across all its operational areas This investment included a number of well received internal initiatives as well the recruitment of 19 new staff increasing headcount by 18% (104) against 2011 (88) Continued investment in human resources in the forthcoming year will see the implementation of a new HR system to provide even greater levels of employee performance support and satisfaction

Geographically, BigHand operates offices in the UK, Australia and North America. During the fiscal year ending March 2013 the Group intends to further invest in all its chosen markets, and most particularly overseas, which provided 31% of group revenues in the year to 31 March

On the 18 May 2012, the parent company of the Group BigHand Holdings Limited, of which BigHand Limited is a 100% owned subsidiary, was acquired by Bridgepoint Development Capital ("BDC") together with management in a transaction totalling £49 million BDC and the management team remain committed to the Group's five year strategy, however BDC have also put aside funds for the management team to undertake a number of acquisitions of companies that would further accelerate BigHand's growth

Directors' report *(continued)*

Results and dividends

The profit for the year, after taxation, amounts to £3,817,000 *(2011 £2,785,000)* The directors have not recommended a dividend

Principal risks and uncertainties

Sales outside of the UK are typically made in local currency The group is therefore exposed to movements in the international currency markets against Sterling At present these transactions are not hedged through currency contracts, but the policy is reviewed frequently

The group's credit risk is primarily attributable to its trade debtors but the group has not in the past experienced significant bad debts

The group monitors cash flow as part of its day to day control procedures The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary

Directors

The directors who served the company during the year were as follows

GM Gilbert	
J Ardron	
MI Norcliffe	(resigned 18 May 2012)
SE Butterworth	(resigned 18 May 2012)
RE Lancashire	(appointed 18 May 2012)

Donations

During the year the group made charitable donations of £4,835 *(2011 £2,242)* The company made no political donations in either year

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the group's auditor is unaware, and each director 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 group's auditor is aware of that information

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

Signed on behalf of the directors

J Ardron
Director

Approved by the directors on 23 August 2012

Statement of directors' responsibility in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

KPMG

Independent auditor's report to the members of BigHand Limited

We have audited the financial statements of BigHand Limited for the year ended 31 March 2012 set out on pages 5 to 19 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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, and express an opinion on, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Wayne Cox

Wayne Cox *(Senior Statutory Auditor)*

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

23 August 2012

Consolidated profit and loss account
for the year ended 31 March 2012

	Note	2012 £000	2011 £000
Group turnover	2	**15,648**	13,244
Cost of sales		**(2,137)**	(2,119)
Gross profit		**13,511**	11,125
Administrative expenses		**(8,517)**	(7,728)
Operating profit	3	**4,994**	3,397
Interest receivable and similar income	6	**8**	33
Profit on ordinary activities before taxation		**5,002**	3,430
Tax on profit on ordinary activities	7	**(1,185)**	(645)
Profit for the financial year	17	**3,817**	2,785

In both the current and preceding year, the company had no discontinued operations

There is no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis

Consolidated statement of total recognised gains and losses
for the year ended 31 March 2012

	Note	2012 £000	2011 £000
Profit for the financial year		**3,817**	2,785
Currency translation differences on foreign currency net investments	18	**21**	(8)
Total recognised gains and losses related to the year		**3,838**	2,777

Consolidated balance sheet
as at 31 March 2012

	Note	2012		2011	
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*9*		**2,217**		2,334
Tangible assets	*10*		**297**		362
			2,514		2,696
Current assets					
Stocks	*12*	**81**		102	
Debtors	*13*	**16,708**		10,364	
Cash at bank and in hand		**5,862**		5,436	
		22,651		15,902	
Creditors amounts falling due within one year	*15*	**(11,502)**		(8,773)	
Net current assets			**11,149**		7,129
Net assets			**13,663**		9,825
Capital and reserves					
Called-up equity share capital	*16*		**1**		1
Share premium account	*17*		**71**		71
Profit and loss account	*17*		**13,591**		9,753
Shareholders' funds	*18*		**13,663**		9,825

These financial statements were approved by the board of directors on 23 August 2012 and signed on their behalf by

J Ardron
Director

R Lancashire
Director

Company registered number 03128724

Balance sheet
as at 31 March 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Tangible assets	*10*		**292**		362
Investments	*11*		**2,252**		2,252
			2,544		2,614
Current assets					
Stocks	*12*	**74**		95	
Debtors	*13*	**11,863**		8,185	
Cash at bank and in hand		**5,020**		4,683	
		16,957		12,963	
Creditors: amounts falling due within one year	*15*	**(9,165)**		(6,751)	
Net current assets			**7,792**		6,212
Net assets			**10,336**		8,826
Capital and reserves					
Called-up equity share capital	*16*		**1**		1
Share premium account	*17*		**71**		71
Profit and loss account	*17*		**10,264**		8,754
Shareholders' funds	*18*		**10,336**		8,826

These financial statements were approved by the board of directors on 15 August 2012 and signed on their behalf by

J Ardron
Director

R Lancashire
Director

Company registered number 03128724

Consolidated cash flow statement
for the year ended 31 March 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Net cash flow from operating activities	*19*		**1,030**		3,836
Returns on investment and servicing of finance					
Interest received		**8**		33	
Net cash flow from returns on investments and servicing of finance			**8**		33
Taxation			**(480)**		(135)
Capital expenditure					
Payments to acquire tangible fixed assets		**(132)**		(252)	
Net cash flow from capital expenditure			**(132)**		(252)
Increase in cash	*21*		**426**		3,482

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of accounting

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

The group and ultimate parent company have financing comprising loans and other funding which are subject to periodic review and are subject to certain covenants The directors are of the opinion that the necessary finance and other facilities will continue to be made available and the group and company will have the funding necessary to continue to trade The going concern basis is therefore believed to be appropriate and the financial statements do not include any adjustments which may be necessary should the facilities not be available.

Basis of consolidation

The consolidated financial statements incorporate the results of BigHand Limited and all of its subsidiary undertakings as at 31 March 2012 using the acquisition method of accounting where the results of the subsidiary undertakings are included from the date of acquisition

The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and have not presented an income statement for the company alone

Turnover and revenue recognition

The group has a number of distinct areas of business and turnover and where applicable profits are recognised as follows

Sale of software

The group provides licences for use of its software Generally revenue is recognised on despatch of the software or granting of the licence as there are no significant remaining vendor obligations other than the collection of the related trade receivable

Sale of IT hardware and associated goods

The revenue relating to the sale of IT hardware is recognised on despatch to the customer

Implementation of IT equipment

The group provides project management, training and engineering support on implementation of IT equipment with new customers The group recognises the revenue and associated costs on the basis of the value of the work performed Generally this would equate to the percentage of completion of the implementation work

Maintenance and support income

The group is contracted to provide IT support services to its customers This work is normally billed in advance to the customer for a specified period The revenue is deferred equally over the period for which the support services will be provided

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	-	Amortised over 20 years

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold property	-	10% straight line
Fixtures and fittings	-	25% reducing balance
Equipment	-	50% straight line

Investments

Investments held as fixed assets are stated at cost less any provision for impairment

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accountancy purposes

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the operating profit

The assets and liabilities of overseas subsidiary undertakings are translated at closing exchange rates Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings

Notes *(continued)*

1 Accounting policies *(continued)*

Finance costs

Interest payable is charged to the profit and loss account on an accruals basis Loan issue costs are initially recognised as a reduction in loan proceeds and are subsequently charged to the profit and loss account over the term of the loan

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group An analysis of turnover is given below

	2012	2011
	£000	£000
United Kingdom	**10,826**	9,218
North America	**2,294**	2,356
Europe	**790**	334
Australasia	**1,738**	1,336
	15,648	13,244

3 Operating profit

	2012	2011
	£000	£000
Operating profit is stated after charging/(crediting)		
Amortisation of intangible assets	**117**	123
Depreciation of owned fixed assets	**197**	146
Operating lease rentals – land and buildings	**221**	221
Loss on disposal of fixed assets	**-**	6
Net profit on foreign currency translation	**82**	(84)
Auditor's remuneration		
- audit of the financial statements	**14**	14

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent BigHand Holdings Limited

4 Particulars of employees

The average number of employees (including directors) during the year was 104 *(2011 88)*

	2012	2011
	£000	£000
The aggregate payroll costs of the above were		
Wages and salaries	**4,800**	3,649
Social security costs	**662**	388
	5,462	4,037

Notes *(continued)*

5 Directors' remuneration

	2012 £000	2011 £000
The directors' aggregate remuneration in respect of qualifying services was		
Remuneration receivable	**447**	446
Remuneration of highest paid director		
Total remuneration (excluding pension contributions)	**164**	182

6 Interest receivable and similar income

	2012 £000	2011 £000
Bank interest receivable	**8**	33

7 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2012 £000	2012 £000	2011 £000	2011 £000
Current tax				
UK taxation				
UK corporation tax based on the results for the year	**1,063**		491	
Adjustment in respect of prior years	**9**		14	
		1,072		505
Foreign tax				
Current tax on income for the year	**84**		44	
		84		44
Total current tax		**1,156**		549
Deferred tax				
Origination and reversal of timing differences	**29**		96	
Total deferred tax (note 14)		**29**		96
Tax on profit on ordinary activities		**1,185**		645

Notes *(continued)*

7 Tax on profit on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on ordinary activities for the year is lower *(2011 lower)* than the standard rate of corporation tax in the UK of 26% *(2011 28%)* The differences are explained below

	2012	2011
	£000	£000
Profit on ordinary activities before taxation	**5,002**	3,430
Profit on ordinary activities by rate of tax	**1,301**	960
Effects of		
Expenses not deductible for tax purposes	**33**	(69)
Capital allowances for the year less than/(in excess of) depreciation	**5**	(6)
Group relief	**(258)**	(278)
Movement in short term timing differences	**66**	(73)
Losses carried forward	**-**	1
Adjustments in respect of prior years	**9**	14
	1,156	549

(c) Factors affecting future tax charge

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively This will reduce the group's and the company's future current tax charge accordingly

8 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £1,510,000 *(2011 profit of £1,909,000)*

9 Intangible fixed assets

	Goodwill
Group	**£000**
Cost	
At 1 April 2011 and 31 March 2012	2,459
Accumulated amortisation	
At 1 April 2011	125
Charge for the year	117
At 31 March 2012	242
Net book value	
At 31 March 2012	**2,217**
At 31 March 2011	2,334

Notes *(continued)*

10 Tangible fixed assets

Group	Leasehold property £000	Fixtures and fittings £000	Equipment £000	Total £000
Cost				
At 1 April 2011	226	142	607	975
Additions	18	18	96	132
At 31 March 2012	244	160	703	1,107
Accumulated depreciation				
At 1 April 2011	111	85	417	613
Charge for the year	24	15	158	197
At 31 March 2012	135	100	575	810
Net book value				
At 31 March 2012	**109**	**60**	**128**	**297**
At 31 March 2011	115	53	194	362

Company	Leasehold property £000	Fixtures and fittings £000	Equipment £000	Total £000
Cost				
At 1 April 2011	226	142	607	975
Additions	18	18	91	127
At 31 March 2012	244	160	698	1,102
Accumulated depreciation				
At 1 April 2011	111	85	417	613
Charge for the year	24	15	158	197
At 31 March 2012	135	100	575	810
Net book value				
At 31 March 2012	**109**	**60**	**123**	**292**
At 31 March 2011	115	53	194	362

Notes *(continued)*

11 Investments

	Group companies £000
Cost	
At 1 April 2011	2,252
Additions	-
At 31 March 2012	2,252
Net book value	
At 31 March 2012	**2,252**
At 31 March 2011	2,252

The company owns 100% of the issued share capital of the companies listed below

Name	Country of incorporation
nFlow Software Limited	UK
BigHand Inc	USA
BigHand Software Inc	Canada
BigHand Software Pty Inc	Australia

The principal activity of all of the companies is the provision of voice productivity solutions to the professional services and healthcare markets

12 Stocks

	Group		Company	
	2012 £000	2011 £000	**2012 £000**	2011 £000
Goods for resale	**81**	102	**74**	95

13 Debtors

	Group		Company	
	2012 £000	2011 £000	**2012 £000**	2011 £000
Trade debtors	**3,101**	2,840	**2,084**	1,906
Amounts owed by group undertakings	**13,364**	7,267	**9,572**	6,086
Other debtors	**243**	228	**207**	167
Deferred taxation (note 14)	**-**	29	**-**	26
	16,708	10,364	**11,863**	8,185

Notes *(continued)*

14 Deferred taxation

The movement in the deferred taxation asset during the year was

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Asset brought forward	**29**	125	**26**	125
Decrease in asset	**(29)**	(96)	**(26)**	(99)
Asset carried forward	**-**	29	**-**	26

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Excess of depreciation over taxation allowances	**-**	20	**-**	17
Other timing differences	**-**	9	**-**	9
	-	29	**-**	26

15 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Trade creditors	**459**	557	**397**	427
Corporation tax	**1,074**	419	**906**	320
Other taxation and social security	**1,421**	1,123	**1,356**	942
Deferred income	**7,257**	5,860	**5,358**	4,273
Accruals	**1,291**	814	**1,148**	789
	11,502	8,773	**9,165**	6,751

16 Share capital

	2012	2011
	£000	£000
Allotted, called up and fully paid		
108,748 ordinary shares of £0 01 each	**1**	1

Notes *(continued)*

17 Reserves

	Group		Company	
	Share premium account £000	**Profit and loss account £000**	**Share premium account £000**	**Profit and loss account £000**
Balance brought forward	71	9,753	71	8,754
Profit for the year	-	3,817	-	1,510
Foreign exchange movement	-	21	-	-
Balance carried forward	**71**	**13,591**	**71**	**10,264**

18 Reconciliation of movement in shareholders' funds

	Group		Company	
	2012 £000	2011 £000	**2012 £000**	2011 £000
Profit for the financial year	**3,817**	2,785	**1,510**	1,909
Foreign exchange movement	**21**	(8)	-	-
Net movement in shareholders' funds	**3,838**	2,777	**1,510**	1,909
Opening shareholders' funds	**9,825**	7,048	**8,826**	6,917
Closing shareholders' funds	**13,663**	9,825	**10,336**	8,826

19 Reconciliation of operating profit to net cash flow from operating activities

	2012 £000	2011 £000
Operating profit	**4,994**	3,397
Amortisation	**117**	123
Depreciation	**197**	146
Loss on disposal of fixed assets	-	6
Decrease in stocks	**21**	50
Increase in debtors	**(6,373)**	(727)
Increase in creditors	**2,074**	841
	1,030	3,836

Notes *(continued)*

20 Reconciliation of net cash flow to movement in net funds

	2012 £000	2011 £000
Increase in cash in the year	**426**	3,482
Movement in net funds in the period	**426**	3,482
Opening net funds	**5,436**	1,954
Closing net funds	**5,862**	5,436

21 Analysis of changes in net debt

	Opening balance £000	Cash flows £000	Other changes £000	Closing balance £000
Net cash				
Cash in hand and at bank	5,436	426	-	**5,862**
	5,436	426	-	**5,862**

22 Commitments under operating lease

At 31 March 2012 the group and company had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings 2012 £000	2011 £000
Operating leases which expire		
Between two and five years	**221**	-
After more than five years	**-**	221
Company		
Operating leases which expire		
Between two and five years	**206**	-
After more than five years	**-**	206

23 Cross guarantees

The company has entered into a cross guarantee arrangement to secure the bank loans and debenture loans of its parent company, BigHand Holdings Limited The loans are secured by fixed and floating charges over all of the assets of the group The total amount outstanding on the loans at 31 March 2012 is £6,746,000 *(2011 £10,126,000)*

24 Related party transactions

The company has taken advantage of the exemption conferred by FRS 8 'Related party disclosures' not to disclose transactions with members of the group

Notes *(continued)*

25 Ultimate parent company

The company's ultimate parent company is BigHand Holdings Limited

Copies of the consolidated financial statements of BigHand Holdings Limited are available from Companies House

26 Post balance sheet event

On the 18 May 2012, the BigHand group was acquired by Bridgepoint Development Capital ("BDC") together with management in a transaction totalling £49 million BDC and the management team remain committed to the Group's five year strategy, however BDC have also put aside funds for the management team to undertake a number of acquisitions of companies that would further enhance and complement BigHand's market position