

GLADSTONE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Company Registration Number 03327360

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GLADSTONE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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GLADSTONE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2011

The board of directors	J Billowits M Leonard S Saklad
Company secretary	F Noble
Business address	Hithercroft Road Wallingford Oxfordshire OX10 9BT
Registered office	Hithercroft Road Wallingford Oxfordshire OX10 9BT
Auditor	RSM Tenon Audit Limited Charterhouse Legge Street Birmingham B4 7EU

GLADSTONE LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

Principal activities and business review

The principal activity of the company during the year was that of a holding company for the Gladstone Limited group of companies which provide computer software and consultancy services in connection with the supply of membership facilities management systems

Business review

The principle risk for the company is the valuation of its investments in trading subsidiaries, the largest of which is by far Gladstone MRM Ltd. The investments also include Gladstone Education Ltd and Valuenetics A/S

Turnover for the year 2011 was £2.26 million which compares with £2.37 million for the 16 month period ended 31 December 2010. The company made an operating profit for the year ended 31 December 2011 of £1,408,002 versus a profit for the 16 month period ended 31 December 2010 of £455,416 which was after £1,030,855 of defence costs against the CSI bid and redundancy of former directors.

Results and dividends

The profit for the year amounted to £1,290,589. Particulars of dividends paid are detailed in note 10 to the financial statements.

Financial risk management objectives and policies

The management of the company conducted internal reviews and identified the risks and uncertainties faced by the business on an ongoing basis. The company has developed appropriate contingency plans and put in place clear operational and strategic actions to mitigate such risks.

Directors

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

J Billowits
M Leonard
S Saklad

S Saklad was appointed as a director on 29 March 2011.

Directors' responsibilities

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 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 those financial statements, the directors are required to

GLADSTONE LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2011

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors



S Saklad
Director

Approved by the directors on 17 Dec 2012

GLADSTONE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLADSTONE LIMITED
YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Gladstone Limited for the year ended 31 December 2011 on pages 6 to 19. 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 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 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2011 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 matters 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.

GLADSTONE LIMITED

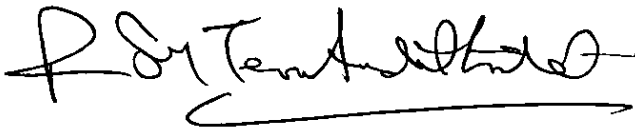
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLADSTONE LIMITED (continued)**

YEAR ENDED 31 DECEMBER 2011

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



Stephen Newman, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditors
Charterhouse
Legge Street
Birmingham
B4 7EU

Date - 19/12/12

GLADSTONE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	Year to 31 Dec 11 £	<i>Period from 1 Sep 09 to 31 Dec 10 £</i>
Turnover	3	2,256,083	2,367,040
Administrative expenses		(848,081)	(1,911,624)
Operating profit	4	1,408,002	455,416
Income from shares in group undertakings	7	—	4,000,000
Interest receivable		147	41,177
Interest payable and similar charges	8	(4,808)	(9,949)
Profit on ordinary activities before taxation		1,403,341	4,486,644
Tax on profit on ordinary activities	9	(112,752)	(251,955)
Profit for the financial year		1,290,589	4,234,689

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 21 form part of these financial statements

GLADSTONE LIMITED
Registered Number 03327360

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	11		1		1
Tangible assets	12		953,328		973,332
Investments	13		11,958,362		11,958,362
			<u>12,911,691</u>		<u>12,931,695</u>
Current assets					
Debtors	14	717,914		655,652	
Cash at bank		46,640		116,014	
			<u>764,554</u>		<u>771,666</u>
Creditors: Amounts falling due within one year	16	(63,080)		(220,774)	
Net current assets			701,474		550,892
Total assets less current liabilities			<u>13,613,165</u>		<u>13,482,587</u>
Creditors. Amounts falling due after more than one year	17		(1,275,618)		(473,719)
Provisions for liabilities					
Other provisions	18		-		(160,000)
			<u>12,337,547</u>		<u>12,848,868</u>
Capital and reserves					
Called-up share capital	20		4,297,039		4,297,039
Share premium account	21		1,373,026		1,373,026
Revaluation reserve	22		62,840		69,798
Other reserves	23		3,685,258		3,685,258
Profit and loss account	24		2,919,384		3,423,747
Shareholders' funds	25		<u>12,337,547</u>		<u>12,848,868</u>

These financial statements were approved by the directors and authorised for issue on 17 Dec 2012, and are signed on their behalf by

S Saklad
Director



The notes on pages 8 to 21 form part of these financial statements

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

Basis of preparation

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Related parties transactions

As the company is wholly owned subsidiary of Constellation Software Inc, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the period in which it is incurred

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

The freehold property is carried at its revalued amount. The property is revalued once every three years, the last time being as at 31 August 2009. An impairment review is carried out each year to ensure the value being carried forward is appropriate. Depreciation is charged on the revalued amount so as to write off the asset over its expected useful life, being 50 years. An equal amount to the excess of the annual depreciation charge over the historic cost depreciation charge is transferred annually from the revaluation reserve to the profit and loss reserve account.

Impairment of value

The company undertakes a review for impairment of a fixed asset if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is the higher of net realisable value and value in use, the fixed asset is written down to its recoverable amount. The value in use is determined from estimated discounted future net cash flows.

Investments

Fixed asset investments are stated at cost less any provision for impairment.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold properties	2% straight line basis
Office equipment and computers	4 years straight line basis

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Pension costs

Payments to employees' personal pension schemes are charged to the profit and loss account as they become payable.

Deferred taxation

Deferred tax is provided in full in respect of timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision is made for deferred tax on gains recognised on revaluing the Company's property to its market value unless the Company has a binding contract, at the balance sheet date, to sell the revalued assets.

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Share based payments

Following the acquisition of the Company by Constellation Software Inc during the prior period, all share option schemes were closed and there were no outstanding share options as at the Balance Sheet date.

Group accounts

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

2. Administrative expenses

Administrative expenses include non-recurring legal consultancy costs of £nil (2010 £496,359) that were incurred during the period following the announcement by Constellation Software Inc, of a cash offer for the share of the Company, and director termination payments of £nil (2010 £538,163) which were incurred following the acquisition of the Company by Constellation Software Inc.

3. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
United Kingdom	2,256,083	2,367,040

4. Operating profit

Operating profit is stated after charging/(crediting)

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Depreciation of owned fixed assets	20,004	26,668
Auditors remuneration	3,000	5,000
Net (profit)/loss on foreign currency translation	(15,132)	1,234

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	Year to 31 Dec 11 No	<i>Period from 1 Sep 09 to 31 Dec 10 No</i>
Number of directors	<u>—</u>	<u>1</u>

The aggregate payroll costs of the above were

	Year to 31 Dec 11 £	<i>Period from 1 Sep 09 to 31 Dec 10 £</i>
Wages and salaries	—	836,715
Social security costs	—	30,112
Pension contributions	—	38,325
	<u>—</u>	<u>905,152</u>

6. Directors' remuneration

The directors' aggregate remuneration and other payments in respect of qualifying services were

	Year to 31 Dec 11 £	<i>Period from 1 Sep 09 to 31 Dec 10 £</i>
Remuneration receivable	—	299,175
Value of company pension contributions to money purchase schemes	—	38,325
Compensation for loss of office	—	538,163
	<u>—</u>	<u>875,663</u>

Remuneration of highest paid director:

	Year to 31 Dec 11 £	<i>Period from 1 Sep 09 to 31 Dec 10 £</i>
Total remuneration (excluding pension contributions)	—	189,517
Value of company pension contributions to money purchase schemes	—	29,556
	<u>—</u>	<u>219,073</u>

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

6 Directors' remuneration (continued)

The number of directors accruing benefits under company pension schemes was as follows

	Year to 31 Dec 11 No	Period from 1 Sep 09 to 31 Dec 10 No
Money purchase schemes	<u>-</u>	<u>1</u>

No (2010 3,900,550) share options were exercised by the highest paid director during the year

S Saklad, M Leonard and J Billowits are also directors of other group companies. They received £nil remuneration (2010 £nil) in respect of their services of Gladstone Limited

7. Income from shares in group undertakings

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Income from group undertakings	<u>-</u>	<u>4,000,000</u>

8. Interest payable and similar charges

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Interest payable on bank borrowing	<u>4,808</u>	<u>9,949</u>

9. Taxation on ordinary activities

(a) Analysis of charge in the year

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
UK Corporation tax	12,118	4,721
Deferred tax		
Origination and reversal of timing differences	<u>100,634</u>	<u>247,234</u>
Tax on profit on ordinary activities	<u>112,752</u>	<u>251,955</u>

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

9. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26.49% (2010 - 28%)

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Profit on ordinary activities before taxation	1,403,341	4,486,644
Profit on ordinary activities by rate of tax	371,745	1,256,260
Effects of		
Expenses not deductible for tax purposes	5,344	73,760
Capital allowances for period in excess of depreciation	(1,940)	3,987
Unrelieved tax losses	(375,149)	(213,334)
Dividend received not subject to tax	-	(1,120,000)
Other tax adjustments	-	(673)
Foreign withholding tax written off	12,118	4,721
Total current tax (note 9(a))	12,118	4,721

10. Dividends

Equity dividends

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Paid during the year		
Dividends on equity shares	1,801,910	6,425,000

11 Intangible fixed assets

	Intellectual Property £
Cost	
At 1 January 2011 and 31 December 2011	1
Amortisation	
At 1 January 2011 and 31 December 2011	-
Net book value	
At 31 December 2011	1
At 31 December 2010	1

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

12. Tangible fixed assets

	Freehold Property £	Equipment £	Total £
Cost or valuation			
At 1 January 2011 and 31 December 2011	<u>1,000,000</u>	<u>36,621</u>	<u>1,036,621</u>
Depreciation			
At 1 January 2011	26,668	36,621	63,289
Charge for the year	<u>20,004</u>	<u>–</u>	<u>20,004</u>
At 31 December 2011	<u>46,672</u>	<u>36,621</u>	<u>83,293</u>
Net book value			
At 31 December 2011	<u>953,328</u>	<u>–</u>	<u>953,328</u>
At 31 December 2010	<u>973,332</u>	<u>–</u>	<u>973,332</u>

The freehold property at Hithercroft Road, Wallingford was revalued as at 31 August 2009 resulting in a reduction in value of £410,000 to £1,000,000. The valuation was based on the current open market value of the freehold interest with vacant possession for secured lending purposes. The revaluation was carried out by Robert Dipple MRICS of Carter Jonas, Summertown, Oxford who the directors consider to be independent of the Company. The directors are not aware of any material change in value since that date and therefore the value has not been updated.

13. Investments

Shares in subsidiary undertakings

	£
Cost	
At 1 January 2011 and 31 December 2011	<u>25,202,686</u>
Amounts written off	
At 1 January 2011 and 31 December 2011	<u>13,244,324</u>
Net book value	
At 31 December 2011 and 31 December 2010	<u>11,958,362</u>

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

13 Investments (continued)

To determine the recoverable amount of the investments, the management calculated value in use by using a pre-tax discount rate of 12% in a net present value calculation comprising 10 years of cash flows and a terminal value based on year ten cash flows. The cash flows were determined using the forecasts that are integral to business planning, and are updated by management and presented to the Board of Directors each quarter. These cash flows include the impacts of the investees product development and release programme and the associated impacts on the profitability of the investee. The cash flows assume no turnover growth after year five but include the expected improved profitability of an investee arising solely from agreed changes to intercompany royalties in that period.

The Company's subsidiary undertakings, all of which are 100% owned at 31 December 2011 are as follows

Name	Principal activity during the period	Capital and Reserves (£)	Profit (£)
Companies incorporated in the United Kingdom - held directly.			
Gladstone MRM Limited	Membership and facilities management systems	2,831,842	677,303
Gladstone Education Limited	E registration and cashless payments for the education market	(1,817,798)	(76,377)
Gladstone Corporate Services Limited	Dormant	1	-
Membertrack Limited	Dormant	1,583	-
The Fit Club Limited	Dormant	(158,375)	-
Ge Clear Limited	Dormant	(1,019,007)	-
The Electronic Club Limited	Dormant	(163,379)	-
In4mation net Limited	Dormant	50,500	-
Cascade Management Consultants Limited	Dormant	5,762	-
Torstar Limited	Dormant	(126,624)	-
Held indirectly:			
Microcache (Scotland) Limited	Dormant	(38,969)	-
Job4life net limited	Dormant	(50,374)	-
Like4like net Limited	Dormant	2	-
Global Technology Software Limited	Dormant	100	-
Companies incorporated in Denmark - held indirectly:			
Valuenetics A/S Limited	Software development	113,026	48,500
Gladstone Health & Leisure (Denmark) ApS	Software development	14,345	(823)
Companies incorporated in Australia - held indirectly:			
Gladstone MRM (Australia) Pty Limited	Membership and facilities	26,210	(57,019)

14. Debtors

	2011 £	2010 £
Prepayments and accrued income	193,232	30,336
Deferred taxation (note 15)	524,682	625,316
	<u>717,914</u>	<u>655,652</u>

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

15 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	Year to 31 Dec 11 £	<i>Period from 1 Sep 09 to 31 Dec 10 £</i>
Included in debtors (note 14)	<u>524,682</u>	<u>625,316</u>

The movement in the deferred taxation account during the year was

	Year to 31 Dec 11 £	<i>Period from 1 Sep 09 to 31 Dec 10 £</i>
At 1 January 2011	625,316	872,550
Profit and loss account movement arising during the year	<u>(100,634)</u>	<u>(247,234)</u>
At 31 December 2011	<u>524,682</u>	<u>625,316</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Tax losses available	<u>524,682</u>	<u>625,316</u>
	<u>524,682</u>	<u>625,316</u>

In accordance with FRS 19 Deferred tax the Company is required to re-assess its deferred tax asset with regard to unused tax losses at each balance sheet date to the extent that it is probable that future taxable profit will be available against which such losses can be utilised. The Company is consistently making profits before exceptional items and is expected to continue to do so in the foreseeable future. Therefore a deferred tax asset has been created on the tax losses resulting from management expenses brought forward that are expected to be relieved against future taxable profits.

A deferred tax debit of £100,634 has been recognised in the profit and account for the period to 31 December 2011 (2010 £247,234) arising from tax losses carried forward.

16 Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	—	47
PAYE and social security	24,485	20,718
VAT	98	156,097
Accruals and deferred income	<u>38,497</u>	<u>43,912</u>
	<u>63,080</u>	<u>220,774</u>

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

17. Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	<u>1,275,618</u>	<u>473,719</u>

18 Other provisions

	2011 £
Provision for liabilities:	
Balance brought forward	160,000
Movement for year	<u>(160,000)</u>
	<u>-</u>

19 Related party transactions

As a subsidiary undertaking of Constellation Software Inc, the company is exempt from disclosing related party transactions with other members of the group headed by Constellation Software Inc

20. Share capital

Allotted, called up and fully paid.

	2011 No	£	2010 No	£
59,650,933 Ordinary shares of £0.01 each	59,650,933	596,509	59,650,933	596,509
41,116,996 Non-voting deferred shares of £0.09 each	<u>41,116,996</u>	<u>3,700,530</u>	<u>41,116,996</u>	<u>3,700,530</u>
	<u>100,767,929</u>	<u>4,297,039</u>	<u>100,767,929</u>	<u>4,297,039</u>

During the previous period, the company issues 6,826,650 shares of 1 pence each, following exercise of some of its share options under the EMI scheme and the unapproved scheme. There was no such issue during the year ended 31 December 2011.

There are no share option schemes of any kind outstanding as at 31 December 2011.

21. Share premium account

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Balance brought forward	1,373,026	15,319,395
Premium on shares issued in the year	-	1,374,377
Cancellation of share premium	-	<u>(15,320,746)</u>
Balance carried forward	<u>1,373,026</u>	<u>1,373,026</u>

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

22. Revaluation reserve

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Balance brought forward	69,798	79,075
Transfer to the Profit and Loss Account on realisation	(9,664)	(12,885)
Deferred tax credited to revaluation reserve	2,706	3,608
Balance carried forward	<u>62,840</u>	<u>69,798</u>

23. Other reserves

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Treasury shares	(981,875)	(981,875)
Special reserve	4,667,133	4,667,133
	<u>3,685,258</u>	<u>3,685,258</u>

The company holds 4,525,000 treasury shares representing 7.6% of the Company's total called up share capital. As the Company has re-registered as a private company in the previous period, the directors commenced the process of cancelling the shares.

On 17 February 2010 a court order was obtained to cancel the share premium account.

The special reserve arose as a result of the demerger of Ge world UK and its subsidiaries, during the year ended 31 August 2001 and comprises the following:

	£
Amount transferred from share premium account to eliminate deficit in the company's profit and loss account at date of demerger	(25,000,000)
Transferred to profit and loss account	<u>20,332,867</u>
	<u>(4,667,133)</u>

24 Profit and loss account

	Year to 31 Dec 11 £	Period from 1 Sep 09 to 31 Dec 10 £
Balance brought forward	3,423,747	(9,937,571)
Profit for the financial year	1,290,589	4,234,689
Equity dividends	(1,801,910)	(6,425,000)
Transfer from revaluation reserve	6,958	9,277
Cancellation of share premium	—	15,320,746
Release of share based payment reserve following exercise of options	—	221,606
Balance carried forward	<u>2,919,384</u>	<u>3,423,747</u>

GLADSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

25. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	1,290,589	4,234,689
Equity dividends	(1,801,910)	(6,425,000)
Other recognised gains and losses		
Credit in relation to share based payments	-	18,446
New share capital subscribed (net of issue costs)	-	1,442,643
Net reduction to shareholders' funds	(511,321)	(729,222)
Opening shareholders' funds	12,848,868	13,578,090
Closing shareholders' funds	<u>12,337,547</u>	<u>12,848,868</u>

26. Ultimate parent company

The company is 100% owned and controlled by Constellation Software Inc, which is the ultimate controlling company

The largest group in which the results of the company are consolidated is that headed by Constellation Software Inc, incorporated in Canada. No other group financial statements include the results of the company. The consolidated financial statements of the group are available to the public and may be obtained from the parent company's registered office at 1200-20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6