

Axispoint Solutions Limited

Company Registration No: 05882122

Directors' report and financial statements

For the year ended 31 December 2008

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AXISPOINT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	D DiSano S Powell F Scanga
Company secretary	BPE Secretaries Limited
Company number	05882122
Registered office	First Floor St James' House St James' Square Cheltenham Gloucestershire GL50 3PR
Auditors	Mazars LLP Chartered accountants & Registered auditors Sovereign Court Witan Gate Milton Keynes MK9 2HP

AXISPOINT SOLUTIONS LIMITED

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AXISPOINT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 these 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;
- 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 proper accounting records that 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 1985. 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.

Principal activities

The principal activity of Axispoint Solutions Limited during the period was software programming.

Directors

The directors who served during the year were:

D DiSano
S Powell
F Scanga

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, who were appointed during the period, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

AXISPOINT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board and signed on its behalf.



D DiSano
Director

Date: 4.23.09

Independent auditors' report to the members of Axispoint Solutions Limited

We have audited the financial statements of Axispoint Solutions Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and the accounting policies set out in the notes to the financial statements.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Mazars LLP – Sovereign Court - Witan Gate - Milton Keynes - Buckinghamshire - MK9 2HP
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Mazars LLP is the UK firm of Mazars, an integrated international advisory and accountancy organisation. Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at Tower Bridge House, St Katharine's Way, London E1W 1DD.

Registered by the Institute of Chartered Accountants in England and Wales to carry out audit work.



Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies; and
- the information given in the Directors' Report is consistent with the financial statements.

Mazars LLP

Mazars LLP
Chartered Accountants
and Registered Auditors

Date:

24 April 2009

AXISPOINT SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

		31 December 2008 £	20 July 2006 to 31 December 2007 £
	Note		
Turnover	1,2	2,780,715	1,989,537
Cost of sales		(922,376)	(954,370)
Gross profit		1,858,339	1,035,167
Selling and distribution costs		(236,213)	-
Administrative expenses		(311,914)	(376,725)
Operating profit	3	1,310,212	658,442
Interest receivable		29,047	8,447
Profit on ordinary activities before taxation		1,339,259	666,889
Tax on profit on ordinary activities	4	(335,398)	(192,000)
Profit for the financial year	10	1,003,861	474,889

The notes on pages 7 to 12 form part of these financial statements.

AXISPOINT SOLUTIONS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible fixed assets	5		29,103		4,835
Current assets					
Debtors	6	664,334		383,773	
Cash at bank		1,393,609		461,178	
		<u>2,057,943</u>		<u>844,951</u>	
Creditors: amounts falling due within one year	7	(591,446)		(364,897)	
Net current assets			1,466,497		480,054
Total assets less current liabilities			<u>1,495,600</u>		<u>484,889</u>
Provisions for liabilities					
Deferred tax	8		(6,850)		-
Net assets			<u>1,488,750</u>		<u>484,889</u>
Capital and Reserves					
Called up share capital	9		10,000		10,000
Profit and loss account	10		1,478,750		474,889
Shareholders' funds			<u>1,488,750</u>		<u>484,889</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D DiSano
Director

Date: 4.23.09

The notes on pages 7 to 12 form part of these financial statements.

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	50%	straight line
Computer equipment	-	50%	straight line

1.4 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies (continued)

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

0.8% of the company's turnover (2007 - 1.5%) is attributable to geographical markets outside the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting):

	31 December 2008 £	20 July 2006 to 31 December 2007 £
Depreciation of tangible fixed assets:		
- owned by the company	15,677	4,087
Auditors' remuneration	9,000	8,750
Pension costs	9,701	-
Difference on foreign exchange	(9,742)	(3,212)
Operating lease - land & building	110,625	83,293

During the year, no director received any emoluments (2007 - £NIL).

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

4. Taxation

	31 December 2008 £	20 July 2006 to 31 December 2007 £
Analysis of tax (credit)/charge in the year/period		
Current tax		
UK corporation tax charge on profit for the year/period	377,000	192,000
Adjustments in respect of prior periods	(48,452)	-
Total current tax	<u>328,548</u>	<u>192,000</u>
Deferred tax (see note 8)		
Origination and reversal of timing differences	6,850	-
Tax on profit on ordinary activities	<u>335,398</u>	<u>192,000</u>

The adjustment in respect of prior periods relates to the R&D tax relief claim for the period ended 31 December 2007.

5. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 1 January 2008	8,922
Additions	39,945
At 31 December 2008	<u>48,867</u>
Depreciation	
At 1 January 2008	4,087
Charge for the year	15,677
At 31 December 2008	<u>19,764</u>
Net book value	
At 31 December 2008	<u>29,103</u>
At 31 December 2007	<u>4,835</u>

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. Debtors

	2008 £	2007 £
Trade debtors	604,853	356,589
Amounts owed by group undertakings	40,669	8,494
Other debtors	18,812	18,690
	<u>664,334</u>	<u>383,773</u>

7. Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	77,395	83,248
Corporation tax	364,042	192,000
Social security and other taxes	116,520	60,883
Other creditors	33,489	28,766
	<u>591,446</u>	<u>364,897</u>

8. Deferred taxation

	2008 £	2007 £
At beginning of year	-	-
Released during year	6,850	-
	<u>6,850</u>	<u>-</u>
At end of year		

The provision for deferred taxation is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	7,338	-
Other short term timing differences	(488)	-
	<u>6,850</u>	<u>-</u>

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

9. Share capital

	2008 £	2007 £
Authorised		
9,500 'A' Ordinary shares of £1 each	9,500	9,500
2,500 'B' Ordinary shares of £1 each	2,500	2,500
	<u>12,000</u>	<u>12,000</u>
Allotted, called up and fully paid		
9,500 'A' Ordinary shares of £1 each	9,500	9,500
500 'B' Ordinary shares of £1 each	500	500
	<u>10,000</u>	<u>10,000</u>

10. Reserves

	Profit and loss account £
At 1 January 2008	474,889
Profit for the year	1,003,861
	<u>1,478,750</u>
At 31 December 2008	

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,701 (2007: £NIL). Contributions totalling £2,405 (2007: £NIL) were payable to the fund at the balance sheet date and are included in creditors.

12. Operating lease commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
Expiry date:		
Within 1 year	-	18,945
Between 2 and 5 years	98,400	-
	<u>98,400</u>	<u>-</u>

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

13. Related party transactions

During the year Axispoint Solutions Limited made sales of £23,293 (US \$43,427), (2007: £30,214 (US \$61,919)) to Axispoint Inc, the ultimate parent company. In 2007 a sales credit note of £49,903 (US \$100,000) was raised to Axispoint Inc. as a result of a renegotiation of a customer contract.

During the year Axispoint Inc settled £945 (US \$1,916) of liabilities relating to Axispoint Solutions Limited, (2007: £880).

During the prior period Axispoint Solutions Limited settled £5,221 of liabilities relating to Axispoint Inc.

As at 31 December 2008 there was a balance of £40,669 \$58,474 (2007: £8,494 (US \$16,964)) owing to Axispoint Solutions Limited by Axispoint Inc.

14. Post balance sheet events

Shortly after the year end the company acquired the trade and assets of Baseline Consultancy Limited.

15. Ultimate parent undertaking and controlling party

The ultimate parent and controlling party is Axispoint Inc., a company incorporated in the USA.

Consolidated financial statements are produced by Axispoint Inc. which is the parent of the smallest and largest group of which Axispoint Solutions Limited is a member.

The consolidated financial statements are available from 21 West 38th Street, Floor 12, New York, NY 10018.