

# **Axispoint Solutions Limited**

Company Registration No „05882122

## **Directors' report and financial statements**

**For the year ended 31 December 2011**



# AXISPOINT SOLUTIONS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D DiSano S Powell F Scanga
<b>Company secretary</b>	BPE Secretaries Limited
<b>Company number</b>	05882122
<b>Registered office</b>	First Floor St James' House Cheltenham Gloucestershire GL50 3PR
<b>Auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

# AXISPOINT SOLUTIONS LIMITED

## CONTENTS

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	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

# AXISPOINT SOLUTIONS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

### Directors' responsibilities statement

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 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 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.

### Principal activities

The principal activity of Axispoint Solutions Limited during the year was a fast growing and global Business Process Management and Business Rules firm focused on delivering value to our clients through process transformation and orchestration. We specialise in providing process centric solutions to a wide range of industries and clients, including Healthcare, Financial Services and Construction firms. Additionally, our R&D group develops process tools and templates to speed the time of implementations and provide cost efficiencies for our client projects for various solutions. Axispoint Solutions is a subsidiary of Axispoint Inc, which has several offices in the US. We partner with the world's leading technology providers to deliver exceptional value and measurable results to our clients.

### Review of business

The results for the period and financial position of the company are shown in the attached financial statements and are discussed further in the business review below.

The period under review reflects the challenging nature of the business environment in 2011 and the continued impact of the transition, which commenced during 2010, from development within the IT Services market and less planned creation of Intellectual Property to pure services delivery value. The core focus on global Business Process Management and Business Rules will increase our opportunity for operational profits and provide expected future scalability, while maintaining focus and cost stability.

The directors have taken the following actions to ensure that the company will offer an improved financial position for 2012:

- We have enhanced our cost reduction approach including staff level requirements and planned limiting of third party core delivery rates/hours
- We have increased focus on employee retention incentive plans to maintain key personnel and attract top talent through potential new methodology
- We have created a Balanced Scorecard and enhanced budgeting approach with a new vision toward

# AXISPOINT SOLUTIONS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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clients, delivery, profitability, employees and culture efficiency

### 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, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

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



**D DiSano**  
Director

Date 29 March 2012

# **AXISPOINT SOLUTIONS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXISPOINT SOLUTIONS LIMITED**

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We have audited the financial statements of Axispoint Solutions Limited for the year ended 31 December 2011 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

As explained more fully in the Directors' responsibilities statement set out on page 1, 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. 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 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.

### **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 website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# AXISPOINT SOLUTIONS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXISPOINT SOLUTIONS LIMITED

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### Opinion on the 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, 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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies' regime



Stephen Brown (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date 30 March 2012

# AXISPOINT SOLUTIONS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	1,2	3,755,395	3,095,607
Cost of sales		(2,438,115)	(1,737,226)
<b>Gross profit</b>		<b>1,317,280</b>	<b>1,358,381</b>
Distribution costs		(741,442)	(960,848)
Administrative expenses		(968,110)	(553,117)
<b>Operating loss</b>	3	<b>(392,272)</b>	<b>(155,584)</b>
Interest receivable and similar income		773	9,942
<b>Loss on ordinary activities before taxation</b>		<b>(391,499)</b>	<b>(145,642)</b>
Tax on loss on ordinary activities	4	(34,438)	63,484
<b>Loss for the financial year</b>	11	<b>(425,937)</b>	<b>(82,158)</b>

The notes on pages 7 to 13 form part of these financial statements



# AXISPOINT SOLUTIONS LIMITED

Registered number 05882122

## BALANCE SHEET

AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Intangible assets	5		-		193,148
Tangible assets	6		12,321		28,271
			<u>12,321</u>		<u>221,419</u>
<b>Current assets</b>					
Debtors	7	1,871,564		1,145,239	
Cash at bank		217,897		304,790	
		<u>2,089,461</u>		<u>1,450,029</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,113,427)</u>		<u>(1,252,733)</u>	
<b>Net current (liabilities)/assets</b>			<u>(23,966)</u>		<u>197,296</u>
<b>Total assets less current liabilities</b>			<u>(11,645)</u>		<u>418,715</u>
<b>Provisions for liabilities</b>					
Deferred tax	9		<u>(2,710)</u>		<u>(7,133)</u>
<b>Net (liabilities)/assets</b>			<u><u>(14,355)</u></u>		<u><u>411,582</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		10,000		10,000
Profit and loss account	11		<u>(24,355)</u>		<u>401,582</u>
<b>Shareholders' (deficit)/funds</b>			<u><u>(14,355)</u></u>		<u><u>411,582</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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



**D DiSano**  
Director

Date 29 March 2012

The notes on pages 7 to 13 form part of these financial statements

# AXISPOINT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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### 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 April 2008)

#### 1.2 Turnover

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

#### 1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Development costs are being amortised over a five year period  
Goodwill is being amortised over a two year period

#### 1.4 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

#### 1.5 Going concern

The financial statements have been prepared on a going concern basis on the assumption that the parent undertaking will make adequate funds available to the company, should they be required, in order to meet its liabilities as and when they fall due. The directors have no reason to believe that, should financial support be required, it would not be made available and consider it appropriate to adopt a going concern basis. The financial statements do not contain any adjustments that would be necessary should that basis not be appropriate.

#### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account 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.

# AXISPOINT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1. Accounting policies (continued)

#### 1.7 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

#### 1.8 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

#### 1.9 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project

At the year end all development costs were written off in the profit and loss account

With effect from 1 January 2012, all development costs will be written off in the profit and loss account

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account

#### 1.10 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

10.6% of the company's turnover (2010 - 2.2%) is attributable to geographical markets outside the United Kingdom

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# AXISPOINT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 3. Operating loss

The operating loss is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - intangible fixed assets	-	33,474
Depreciation of tangible fixed assets		
- owned by the company	23,378	26,549
Auditors' remuneration	8,400	11,400
Pension costs	40,747	31,647
Difference on foreign exchange	5,888	(4,108)
Operating lease - land & building	122,588	121,280
Amortisation of development costs	405,985	-
Amortisation not recognised	(24,000)	-

During the year, no director received any emoluments (2010 - £NIL)

### 4. Taxation

	2011 £	2010 £
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b>		
Adjustments in respect of prior periods	38,861	(62,712)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,423)	(490)
Effect of decreased tax rate on opening liability	-	(282)
<b>Total deferred tax (see note 9)</b>	(4,423)	(772)
<b>Tax on loss on ordinary activities</b>	34,438	(63,484)

#### Factors affecting tax charge for the year

At 31 December 2011 there were trading losses carried forward of £517,329 (2010 £123,598)

# AXISPOINT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 5. Intangible fixed assets

	Development costs £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2011	193,148	66,951	260,099
Additions	212,837	-	212,837
Goodwill not recognised	-	(24,000)	(24,000)
Amortised	(405,985)	-	(405,985)
At 31 December 2011	-	42,951	42,951
<b>Amortisation</b>			
At 1 January 2011	-	66,951	66,951
Amortisation not recognised	-	(24,000)	(24,000)
At 31 December 2011	-	42,951	42,951
<b>Net book value</b>			
At 31 December 2011	-	-	-
At 31 December 2010	193,148	-	193,148

The goodwill and amortisation not recognised above of £24,000 relates to contingent consideration in respect of the acquisition of Baseline Limited, which is no longer due

### 6. Tangible fixed assets

	Fixtures, fittings and computer equipment £
<b>Cost</b>	
At 1 January 2011	103,911
Additions	7,428
At 31 December 2011	111,339
<b>Depreciation</b>	
At 1 January 2011	75,640
Charge for the year	23,378
At 31 December 2011	99,018
<b>Net book value</b>	
At 31 December 2011	12,321
At 31 December 2010	28,271

# AXISPOINT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 7. Debtors

	2011 £	2010 £
Trade debtors	1,325,154	899,388
Amounts owed by group undertakings	3,936	-
Other debtors	542,474	245,851
	<u>1,871,564</u>	<u>1,145,239</u>

### 8. Creditors\* Amounts falling due within one year

	2011 £	2010 £
Trade creditors	778,179	164,478
Amounts owed to group undertakings	635,532	688,774
Corporation tax	38,861	-
Social security and other taxes	197,813	138,046
Other creditors	463,042	261,435
	<u>2,113,427</u>	<u>1,252,733</u>

### 9. Deferred taxation

	2011 £	2010 £
At beginning of year	7,133	7,905
Released during year	(4,423)	(772)
	<u>2,710</u>	<u>7,133</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>2,710</u>	<u>7,133</u>

# AXISPOINT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 10. Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
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>

### 11. Reserves

	<b>Profit and loss account £</b>
At 1 January 2011	401,582
Loss for the year	(425,937)
	<u>(24,355)</u>
At 31 December 2011	<u>(24,355)</u>

### 12. 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 £40,747 (2010 £31,647). Contributions totalling £5,386 (2010 £5,498) were payable to the fund at the balance sheet date and are included in creditors.

### 13. Operating lease commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	43,715	13,000	11,604	1,320
Between 2 and 5 years	-	98,400	7,800	19,404
	<u>43,715</u>	<u>111,400</u>	<u>19,404</u>	<u>20,724</u>

# AXISPOINT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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### **14. Related party transactions**

A commission charge of 10%, of the EMI and Medimmune sales made by the company is payable to the parent company Axispoint Inc. During the year a total commissions charge of £68,798 was incurred (2010 £215,254). A further commission income of the Providence Equity sale is due to the company from the parent company Axispoint Inc. of £3,936 (2010 £Nil).

As at 31 December 2011 there was a balance of £635,532 US \$982,199 owing to Axispoint Inc. by Axispoint Solutions Limited, (2010 £688,774 (US \$1,162,082)) and a balance of £3,936 US \$6,322 due to Axispoint Solutions Limited from Axispoint Inc.

### **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 350 Madison Avenue, 4th Floor, New York, 10017.