

Axispoint Solutions Limited

Company Registration No 05882122

Directors' report and financial statements

For the year ended 31 December 2010

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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 Cheltenham Gloucestershire GL50 3PR
Auditors	Mazars LLP Chartered Accountants & Statutory Auditors The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

AXISPOINT SOLUTIONS LIMITED

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AXISPOINT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Statement of 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 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 growing and global IT Services firm focused on delivering complete, end-to-end, turn-key technology solutions. We specialise in providing Technology Consulting and Business Process Management, Application Development, Salesforce.com implementations, and Sharepoint initiatives to a wide range of industries and clients. Axispoint has several offices in the US and UK, and 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 2010 and the investing in Intellectual Property to enhance Axispoint's service offerings.

The acquisition of new business during the period under review fell below expectation due to the following core reasons:

- Significant market downturn due to recession and other external factors
- Slower uptake of IT Services / Network Infrastructure Business

The directors have taken the following actions to ensure that the company will offer an improved financial position for 2011:

- We have initiated a review of costs including staff and third party costs
- We have focused our efforts on the profitable and high growth Application Services business

AXISPOINT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

- Initiated a recovery plan, led by the Managing Director, to improve the performance of our Salesforce team and to drive further profitability

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

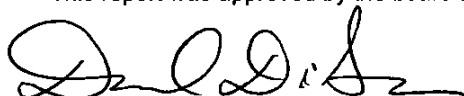
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing 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 21 April 2011

AXISPOINT SOLUTIONS LIMITED

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 2010, 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 statement of directors' responsibilities 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.

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 2010 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 provisions of the Companies Act 2006 applicable to small companies.

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.

AXISPOINT SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXISPOINT SOLUTIONS LIMITED

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

Stephen Brown (Senior Statutory Auditor)

for and on behalf of Mazars LLP,
Chartered Accountants and Statutory Auditors
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

26 April 2011

AXISPOINT SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Turnover	1,2	3,095,607	3,191,922
Cost of sales		(1,737,226)	(1,347,669)
Gross profit		1,358,381	1,844,253
Distribution costs		(960,848)	(1,302,443)
Administrative expenses		(553,117)	(564,142)
Operating loss	3	(155,584)	(22,332)
Interest receivable and similar income		9,942	5,998
Loss on ordinary activities before taxation		(145,642)	(16,334)
Tax on loss on ordinary activities	4	63,484	2,412
Loss for the financial year		(82,158)	(13,922)

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

AXISPOINT SOLUTIONS LIMITED

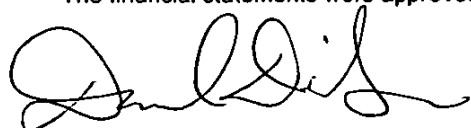
Registered number 05882122

BALANCE SHEET**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible assets	5		193,148		33,474
Tangible assets	6		28,271		32,736
			<u>221,419</u>		<u>66,210</u>
Current assets					
Debtors	7	1,145,239		1,143,608	
Cash at bank		304,790		530,817	
		<u>1,450,029</u>		<u>1,674,425</u>	
Creditors: amounts falling due within one year	8	(1,252,733)		(1,214,990)	
Net current assets			<u>197,296</u>		<u>459,435</u>
Total assets less current liabilities			<u>418,715</u>		<u>525,645</u>
Creditors: amounts falling due after more than one year	9		-		(24,000)
Provisions for liabilities					
Deferred tax	10		(7,133)		(7,905)
Net assets			<u>411,582</u>		<u>493,740</u>
Capital and reserves					
Called up share capital	11		10,000		10,000
Profit and loss account	12		401,582		483,740
Shareholders' funds			<u>411,582</u>		<u>493,740</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 *21 April 2011*

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 2010

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, 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.

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 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.

1.6 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.

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting policies (continued)

1.7 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

1.8 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

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

1.9 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

2.2% of the company's turnover (2009 - 12.8%) is attributable to geographical markets outside the United Kingdom

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

3. Operating loss

The operating loss is stated after charging/(crediting)

	2010 £	2009 £
Amortisation - intangible fixed assets	33,474	33,477
Depreciation of tangible fixed assets - owned by the company	26,549	29,327
Auditors' remuneration	11,400	9,400
Pension costs	31,647	23,209
Difference on foreign exchange	(4,108)	4,544
Operating lease - land & building	121,280	106,841

During the year, no director received any emoluments (2009 £nil)

4. Taxation

	2010 £	2009 £
Analysis of tax credit in the year		
Current tax		
Adjustments in respect of prior periods	(62,712)	(3,467)
Deferred tax		
Origination and reversal of timing differences	(490)	1,055
Effect of decreased tax rate on opening liability	(282)	-
Total deferred tax (see note 10)	(772)	1,055
Tax on loss on ordinary activities	(63,484)	(2,412)

Factors affecting tax charge for the year

At 31 December 2010 there were trading losses carried forward of £123,598 (2009 £nil)

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

5. Intangible fixed assets

	Development £	Goodwill £	Total £
Cost			
At 1 January 2010	-	66,951	66,951
Additions	193,148	-	193,148
At 31 December 2010	193,148	66,951	260,099
Amortisation			
At 1 January 2010	-	33,477	33,477
Charge for the year	-	33,474	33,474
At 31 December 2010	-	66,951	66,951
Net book value			
At 31 December 2010	193,148	-	193,148
At 31 December 2009	-	33,474	33,474

6. Tangible fixed assets

	Total £
Cost	
At 1 January 2010	81,827
Additions	22,084
At 31 December 2010	103,911
Depreciation	
At 1 January 2010	49,091
Charge for the year	26,549
At 31 December 2010	75,640
Net book value	
At 31 December 2010	28,271
At 31 December 2009	32,736

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

7. Debtors

	2010 £	2009 £
Trade debtors	899,388	902,385
Other debtors	245,851	241,223
	<u>1,145,239</u>	<u>1,143,608</u>

8. Creditors Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	-	188,610
Trade creditors	164,478	69,641
Amounts owed to group undertakings	688,774	557,055
Social security and other taxes	138,046	83,070
Other creditors	261,435	316,614
	<u>1,252,733</u>	<u>1,214,990</u>

9 Creditors Amounts falling due after more than one year

	2010 £	2009 £
Deferred consideration	-	24,000
	<u>-</u>	<u>24,000</u>

10. Deferred taxation

	2010 £	2009 £
At beginning of year	7,905	6,850
Released during year	(772)	1,055
	<u>7,133</u>	<u>7,905</u>
At end of year	<u>7,133</u>	<u>7,905</u>

The provision for deferred taxation is made up as follows

	2010 £	2009 £
Accelerated capital allowances	7,133	8,517
Other short term timing differences	-	(612)
	<u>7,133</u>	<u>7,905</u>

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

11 Share capital

	2010 £	2009 £
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>

12. Reserves

	Profit and loss account £
At 1 January 2010	483,740
Loss for the year	(82,158)
At 31 December 2010	<u>401,582</u>

13. Dividends

	2010 £	2009 £
Dividends paid on equity capital	<u>-</u>	<u>981,088</u>

14. 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 £31,647 (2009 £23,209). Contributions totalling £5,498 (2009 £3,204) were payable to the fund at the balance sheet date and are included in creditors.

15. Operating lease commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Expiry date				
Within 1 year	13,000	-	1,320	-
Between 2 and 5 years	<u>98,400</u>	<u>98,400</u>	<u>19,404</u>	<u>-</u>

AXISPOINT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

16. Related party transactions

A commission charge of 10% (15% up to July 2010), 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 £215,254 was incurred (2009 £703,828 which included £350,735 in respect of 2008 sales)

As at 31 December 2010 there was a balance of £688,774 US \$1,162,082 owing to Axispoint Inc by Axispoint Solutions Limited, (2009 £557,055 (US \$953,656))

17. 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