

Registered number 06722270

IWAVE SOFTWARE LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2011

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IWAVE SOFTWARE LIMITED

CONTENTS

	Page
Company information page	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

IWAVE SOFTWARE LIMITED

COMPANY INFORMATION

Directors	P Brandt D Braun
Company secretaries	D Braun Taylor Wessing Secretaries Limited
Company number	06722270
Registered office	5 New Street Square London EC4A 3TW
Auditor	Blick Rothenberg Chartered Accountants & Statutory Auditor 12 York Gate Regent's Park London NW1 4QS

IWAVE SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

Principal activities

The principal activities of the company are that of software development and sales support

Directors

The directors who served during the year were

P Brandt
D Braun

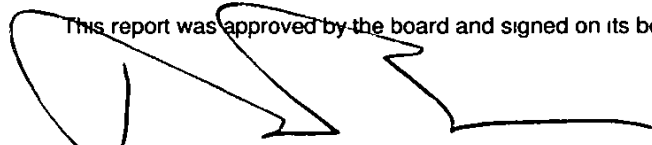
Provision of information to auditor

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

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 Braun
Director

Date

17 September 2012

IWAVE SOFTWARE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

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,
- 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 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.

IWAVE SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF IWAVE SOFTWARE LIMITED FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of iWave Software Limited for the year ended 31 December 2011, set out on pages 6 to 12. 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)

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, 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 the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' 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 applicable to Smaller Entities, 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.

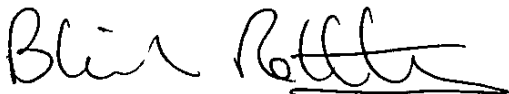
IWAVE SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF IWAVE SOFTWARE LIMITED FOR THE 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Ross Fabian (senior statutory auditor)

for and on behalf of
Blick Rothenberg

Chartered Accountants
Statutory Auditor

12 York Gate
Regent's Park
London
NW1 4QS

24 September 2012

IWAVE SOFTWARE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	1	1,154,471	757,111
Administrative expenses		<u>(1,059,147)</u>	<u>(665,491)</u>
Profit on ordinary activities before taxation		95,324	91,620
Tax on profit on ordinary activities	3	<u>(21,870)</u>	<u>(14,848)</u>
Profit for the financial year	11	<u>73,454</u>	<u>76,772</u>

The notes on pages 8 to 12 form part of these financial statements

IWAVE SOFTWARE LIMITED

REGISTERED NUMBER 06722270

**BALANCE SHEET
AS AT 31 DECEMBER 2011**

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	4		5,440		-
Current assets					
Debtors	5	126,454		13,840	
Cash at bank		88,269		241,596	
		<u>214,723</u>		<u>255,436</u>	
Creditors , amounts falling due within one year	6	(98,043)		(206,770)	
Net current assets			<u>116,680</u>		<u>48,666</u>
Net assets			<u>122,120</u>		<u>48,666</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		121,120		47,666
Shareholder's deficit			<u>122,120</u>		<u>48,666</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. Braun
Director

Date 17 September 2012

IWAVE SOFTWARE LIMITED

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

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 Going concern

The financial statements have been prepared on a going concern basis as the company has received a letter of continued financial support from its parent undertaking to fund its working capital requirements over the next 12 months

1.3 Turnover

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

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

Computer equipment	-	Depreciated over its useful life of 3 years
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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

1.6 Pensions

Contributions to individuals' personal pension schemes are charged to the profit and loss account as they fall due

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 using the tax rates enacted or substantively enacted by the balance sheet date and which are expected to apply in the periods in which the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

IWAVE SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting policies (continued)

1.8 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.9 Equity settled share-based payments

In accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) equity settled share-based payment arrangements are not recognised in the financial statements, information relating thereto is reported on a disclosure basis only in the financial statements.

2. Operating profit

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	1,404	-
Auditor's remuneration	9,632	4,000
Pension costs	27,373	24,134
	<u>27,373</u>	<u>24,134</u>

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

3. Taxation

	2011 £	2010 £
UK corporation tax charge on profit for the year	21,870	14,848
	<u>21,870</u>	<u>14,848</u>

Factors that may affect future tax charges

During the year, the UK main corporation tax rate was reduced to 26%. This was substantively enacted on 29 March 2011 and was effective from 1 April 2011.

Further reductions to the UK main corporation tax rate to 24% and 23% that will be effective from 1 April 2012 and 1 April 2013 respectively were substantively enacted on 3 July 2012.

IWAVE SOFTWARE LIMITED

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

4. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2011	-
Additions	6,844
At 31 December 2011	6,844
Depreciation	
At 1 January 2011	-
Charge for the year	1,404
At 31 December 2011	1,404
Net book value	
At 31 December 2011	5,440
At 31 December 2010	-

5. Debtors

	2011 £	2010 £
Amounts owed by group undertaking	85,781	-
Other debtors	40,673	13,840
	126,454	13,840

6. Creditors. Amounts falling due within one year

	2011 £	2010 £
Trade creditors	20,305	4,859
Amounts owed to group undertaking	-	175,863
Corporation tax	21,870	14,848
Other creditors	55,868	11,200
	98,043	206,770

IWAVE SOFTWARE LIMITED

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

7. Share-based payments

The parent company, iWave Software LLC, has a share option scheme for eligible employees of the group. In the prior year, iWave Software LLC granted 154,000 share options to seven employees. One quarter of the shares vested on the grant date and one quarter of the shares vest each year for 3 years on the anniversary of the grant date. Options are exercisable at any time, unless the employee's contract has been terminated for any reason, including (without limitation) death or disability in which case the options shall be automatically forfeited and cancelled after 90 days. During the year 4,000 options expired.

Details of the number of share options outstanding at the year end are as follows:

Grant date	Exercise price	2011 No
18 May 2010	0.26	104,000
24 August 2010	0.26	50,000
Expired during the year	0.26	(4,000)
		<u>150,000</u>

8. Operating lease commitments

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

	2011 £	2010 £
Expiry date:		
Within 1 year	<u>22,400</u>	<u>7,698</u>

9. Related party transactions

The company has taken advantage of the exemption from disclosing transactions with entities which are a wholly owned part of the group.

10. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

IWAVE SOFTWARE LIMITED

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

11 Reserves

	Profit and loss account £
At 1 January 2011	47,666
Profit for the year	73,454
	<hr/>
At 31 December 2011	121,120
	<hr/>

12. Ultimate parent undertaking and controlling party

The immediate parent undertaking is iWave Software LLC, a company incorporated in the United States of America. Group financial statements are not prepared.

The ultimate parent undertaking is Hall Financial Group, a company incorporated in the United States of America. Group financial statements are not prepared.

The immediate controlling party is iWave Software LLC. The ultimate controlling party is C Hall.