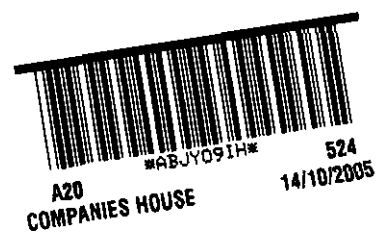


Registered No. 02660615

**Actix Limited and its subsidiaries
Consolidated financial statements
for the year ended 31 January 2005**

ACTIX



ACTIX LIMITED AND ITS SUBSIDIARIES

Consolidated financial statements for the year ended 31 January 2005

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ACTIX LIMITED AND ITS SUBSIDIARIES

Directors and Advisors

Directors

Mr RWA Dobson
Mr DRJ Wilkinson
Mr EH Menzies
Mr BJ Samuelsson
Mr D Elalouf
Mr PGB Jones
Mr SC Collins (appointed 17 March 2005)

Secretary

Mr RWA Dobson

Registered office

200 Hammersmith Road
Hammersmith
London
W6 7DL

Registered Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers

HSBC Bank plc
21 King's Mall
King Street
Hammersmith
London
W6 0QF

ACTIX LIMITED AND ITS SUBSIDIARIES

Chairman's Statement

Actix had a year of considerable growth, assisted by additional revenue from the ComOpt AB automated wireless optimisation business which was acquired in February 2004 (now renamed Actix AB).

In the financial year ended 31 January 2005, Actix achieved a 73% increase in pre-tax profits before amortisation to £4.6m from £2.7m in the previous year (profit before tax grew to £3.3m from £2.7m in the previous year), while revenues grew 65% to £26.1m from £15.8m. At the year end, cash balances stood at £3.5m

The combined Actix/ComOpt entity now addresses every aspect of performance engineering from systems verification to optimisation and troubleshooting, using drive test, protocol and predicted data, across voice and multi-media services. At the end of 2004 the first joint product offering, 'Veritune', was launched which combines Actix's expertise in measured data with ComOpt's optimisation algorithms to address the problems of antenna optimisation during network roll out.

Demand for our 3G performance engineering solutions has continued to grow, contributing half of new orders in 2005. A large part of this demand has come from the major infrastructure vendors who are increasingly leading the rollout of these complex technologies and now represent more than a quarter of Actix's business globally.

At the same time, operators are recognising that network optimisation is a business critical process in the operation of a 3G network and that Actix's solutions can deliver quantifiable and provable value. Engaging with customers at a more senior level has enabled us to win substantial business with major European operators, in addition to the large US operators who we continue to work with closely.

In the last quarter Actix engaged with Summit Partners, a leading global private equity firm. In March 2005 Summit NewCo Limited acquired 100% of Actix Limited. Summit Partners took a majority interest in Summit NewCo Limited. Actix now has a strong financial partner for the next stage of growth with senior management retaining a significant minority stake in the acquiring entity.



SC Collins
Chairman

ACTIX LIMITED AND ITS SUBSIDIARIES

Directors' report for the year ended 31 January 2005

The directors present their report and the audited financial statements of the group for the year ended 31 January 2005.

Principal activity

Actix supplies wireless performance engineering solutions to enhance the performance, capacity and profitability of mobile networks. The company's expertise in the 'air interface' (the wireless link between the transmitter and the mobile handset) and its cutting-edge knowledge of wireless data and IP protocols are embodied in a set of vendor independent software products. These enable operators, infrastructure vendors and consulting companies to both optimise and troubleshoot the radio network, so accelerating the rollout of new generation networks; and to perform end-to-end analysis of complex data services, thus allowing operators to bring them to market faster and with higher quality.

Review of business and future developments

A review of the business of the group and future developments is contained in the Chairman's Statement. The results for the year are set out in the profit and loss account on page 6.

Dividends and transfer to Reserves

No final dividend (2004: £nil) is proposed. A retained profit of £2,206,491 has been transferred to the profit and loss account reserve.

Directors and their interests

The directors of the company at 31 January 2005, all of whom have been directors for the whole of the year ended except as noted below, and their beneficial interests in the ordinary shares of the company are as follows:

	31 January 2005 Ordinary shares of £0.0001 each	31 January 2005 Options over Ordinary shares of £0.0001 each	31 January 2004 Ordinary shares of £0.0001 each	31 January 2004 Options over Ordinary shares of £0.0001 each
RWA Dobson	1,000,000	240,954	990,000	240,954
Yiu Fai Ko (resigned 8 June 2004)	-	330,000	-	330,000
DRJ Wilkinson	-	160,000	-	160,000
JM Berman (resigned 17 March 2005)	195,555	47,596	195,555	47,596
EH Menzies	-	36,000	-	36,000
BJ Samuelsson (appointed 6 February 2004)	-	-	-	-
D Elalouf (appointed 16 June 2004)	-	18,330	-	-
PGB Jones (appointed 16 June 2004)	-	20,000	-	20,000

Details of share options, including exercise prices, are disclosed in note 25 to the financial statements.

Post balance sheet events

Post balance sheet events are detailed in note 27 to the financial statements.

ACTIX LIMITED AND ITS SUBSIDIARIES

Directors' responsibilities statement

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and the group as at the end of the financial period and of the profit or loss of the group for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently except as explained under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 January 2005 and that applicable accounting standards have been followed.

The directors are responsible for the maintenance and integrity of the Actix website. Information published on the Internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the next Annual General Meeting.

By order of the Board



DRJ Wilkinson
Director

Independent auditors' report to the members of Actix Limited

We have audited the financial statements which comprise the Group profit and loss account, Group balance sheet, Company balance sheet, Group cash flow statement, the Statement of group total recognised gains and losses and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the directors' responsibilities statement.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the chairman's statement and the directors' report.

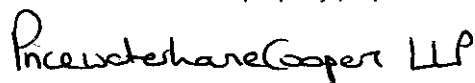
Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 of the state of affairs of the company and the group as at 31 January 2005 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London 11th October 2005

ACTIX LIMITED AND ITS SUBSIDIARIES

Group profit and loss account for the year ended 31 January 2005

	Notes	2005 £	2004 Restated* £
Turnover	1, 2, 3		
- continuing operations		22,916,126	15,779,844
- acquired operations		3,147,185	-
Turnover – total continuing operations		26,063,311	15,779,844
Cost of sales		(1,441,344)	(640,915)
Gross profit		24,621,967	15,138,929
Net operating expenses	2	(21,352,860)	(12,477,156)
Goodwill amortisation	9	(1,323,106)	-
Other operating expenses		(20,029,754)	(12,477,156)
Operating profit/(loss)			
- continuing operations		4,962,902	2,661,773
- acquired operations		(1,693,795)	-
Operating profit – total continuing operations		3,269,107	2,661,773
Interest receivable	6	17,486	10,803
Profit on ordinary activities before taxation	7	3,286,593	2,672,576
Taxation	8	(1,080,102)	(876,666)
Retained profit for the year	18	2,206,491	1,795,910

In the 2004 comparatives £7,347,698 has been reclassified from cost of sales to net operating expenses to more accurately reflect the nature of the expense.

Statement of group total recognised gains and losses

	2005 £	2004 Restated* £
Profit attributable to shareholders	2,206,491	1,795,910
Exchange differences offset in reserves	(117,901)	(263,570)
Total recognised gains for the year	2,088,590	1,532,340
Prior year adjustment (as explained in note 1)	264,156	
Total recognised gains since last annual report	2,352,746	

*Restated (see note 1)

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

ACTIX LIMITED AND ITS SUBSIDIARIES

Group balance sheet as at 31 January 2005

	Notes	2005 £	2004 £
Fixed assets			
Intangible assets	9	1,323,106	-
Tangible assets	10	1,282,781	863,517
		<u>2,605,887</u>	<u>863,517</u>
Current assets			
Debtors	12	8,821,317	5,882,658
Cash at bank and in hand	23	3,471,184	2,712,467
		<u>12,292,501</u>	<u>8,595,125</u>
Creditors: amounts falling due within one year	13	<u>(7,430,795)</u>	<u>(5,367,913)</u>
Net current assets		<u>4,861,706</u>	<u>3,227,212</u>
Total assets less current liabilities		7,467,593	4,090,729
Creditors: amounts falling due after more than one year	14	(194,806)	(18,232)
Provisions for liabilities and charges	8	(52,814)	-
Net assets		<u>7,219,973</u>	<u>4,072,497</u>
Capital and reserves			
Called up share capital	16	146	120
Share premium account	18	499,980	499,980
Merger reserve	18	1,049,730	-
Other reserve	18	9,130	-
Profit and loss account	18	5,660,987	3,572,397
Equity shareholders' funds	19	<u>7,219,973</u>	<u>4,072,497</u>

The financial statements on pages 6 to 24 were approved by the board of directors on 7th October 2005 and were signed on its behalf by:


DRJ Wilkinson
Director

ACTIX LIMITED AND ITS SUBSIDIARIES

Company balance sheet as at 31 January 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	9	988,128	771,377
Investments	11	1,032,825	-
		<u>2,020,953</u>	<u>771,377</u>
Current assets			
Debtors	12	6,376,182	4,344,940
Cash at bank and in hand		1,365,388	1,377,642
		<u>7,741,570</u>	<u>5,722,582</u>
Creditors: amounts falling due within one year	13	<u>(3,976,588)</u>	<u>(2,768,524)</u>
Net current assets		<u>3,764,982</u>	<u>2,954,058</u>
Total assets less current liabilities		5,785,935	3,725,435
Creditors: amounts falling due after more than one year	14	(68,629)	-
Provisions for liabilities and charges	8	(23,678)	-
Net assets		<u>5,693,628</u>	<u>3,725,435</u>
Capital and reserves			
Called up share capital	16	146	120
Share premium account	18	499,980	499,980
Other reserve	18	9,130	-
Profit and loss account	18	5,184,372	3,225,335
Equity shareholders' funds	19	<u>5,693,628</u>	<u>3,725,435</u>

ACTIX LIMITED AND ITS SUBSIDIARIES

Group cash flow statement for the year ended 31 January 2005

	Notes	2005 £	2004 Restated* £
Operating activities			
Net cash inflow from operating activities	22	4,377,481	1,984,281
Returns on investment and servicing of finance			
Interest received		17,486	10,803
Taxation			
Corporation tax paid		(1,433,040)	(480,442)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(751,292)	(724,014)
Proceeds from sale of unlisted investment		46,461	-
		(704,831)	(724,014)
Acquisitions and disposals			
Purchase of subsidiary undertaking	15	(1,482,092)	-
Acquisition expenses	15	(58,611)	-
Cash acquired on purchase of subsidiary	15	159,009	-
Net cash outflow from acquisitions		(1,381,694)	-
Equity dividends paid			
		-	(358,667)
Group net cash inflow before use of liquid resources and financing			
		875,402	431,961
Management of liquid resources			
Deposit in restrictive bank account	21	(101,101)	-
Financing			
Proceeds on issue of share options		9,130	-
Increase in cash in the year			
	23	783,431	431,961
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		783,431	431,961
Cash outflow from liquid resources		101,101	-
Exchange differences on translation		(125,815)	(331,567)
Movement in net funds in the year		758,717	100,394
Opening net funds		2,712,467	2,612,073
Closing net funds			
	23	3,471,184	2,712,467

* Restated (see note 1)

ACTIX LIMITED AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 January 2005

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 January 2005. Intra group sales and profits are eliminated fully on consolidation. The results of subsidiaries acquired are included in the consolidated profit and loss account from the date control passes. The results of subsidiaries disposed of are included in the consolidated profit and loss account to the date control passes.

Changes in accounting policy

Comparative figures have been restated to reflect a change in accounting policy.

Trading results of overseas subsidiaries denominated in foreign currencies are translated into sterling at average rates of exchange. Previously trading results were translated at the rates of exchange ruling at the year end. The accounting policy has been changed because the directors consider the new policy gives a fairer presentation of group's results and cash flows as they arise during the course of the accounting period.

As a result comparatives have been restated as follows:

2004 Retained profit for the year	£
As previously reported	1,531,754
Effect of the change to average rates	264,156
As restated	<u>1,795,910</u>

Revenue recognition

Revenue comprises the sale of software licences and associated maintenance and support services.

Revenue from the sale of software licences is recognised upon the later of unfettered delivery or signing of a contract or purchase order. Where there are significant vendor obligations, software licence fee income is recognised when the obligations have been satisfied. Annual licences are recognised evenly over the period of the contract.

Maintenance and support income is recognised on a straight line basis over the term of the contract.

Consultancy and training revenue is recognised on performance of the service.

In addition, revenue includes royalties receivable on sale of software licences and maintenance by the company's third party distributors. Such royalties are recognised as turnover upon recognition of the related sale by the distributor.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computer equipment	33%
Fixtures and fittings	20%
Leasehold improvements	Over the life of the lease

ACTIX LIMITED AND ITS SUBSIDIARIES

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets/liabilities acquired. Goodwill is capitalised on the balance sheet and amortised on a straight line basis over its useful economic life which is assessed by the directors to be 2 years. The carrying value of goodwill is assessed annually and any impairment value is charged to the profit and loss account.

Where an acquisition satisfies the provisions of section 131 to 134 of the Companies Act 1985, merger relief has been utilised.

Investments

Investments in subsidiaries are stated at cost less any provision for impairment.

Related party transactions

The group has taken advantage of the exemption available in Financial Reporting Standard No. 8 not to disclose transactions with subsidiary undertakings where more than 90% of voting rights are controlled within the group.

Foreign currency

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 of exchange ruling at the date of the transaction, except, where the transaction is settled at a contracted rate, the contracted rate is used.

Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at rates of exchange ruling at the end of the year, and results in foreign subsidiaries are translated at an average rate. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies and any related loans, together with the differences between profit and loss accounts translated at average rates rather than rates ruling at the year end, are taken to reserves and reported in the statement of total recognised gains and losses. All other exchange differences are taken to the Profit and Loss account as they arise.

Pension costs

The group contributes to certain employees' and directors' personal money purchase pension plans as well as a Company stakeholder scheme. Contributions are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at that balance sheet date, where transactions or events have occurred which result in an obligation to pay more or less tax in the future.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is more likely than not that there will be adequate future taxable profits against which to recover carried forward tax losses.

Leased assets

The group enters into operating leases as described in note 20. Rentals under operating leases are charged on a straight line basis over the lease term even if the payments are not made on such a basis.

Research and development

All research and development expenditure is written off as incurred.

ACTIX LIMITED AND ITS SUBSIDIARIES

2 Cost of sales, gross profit, distribution costs and administrative expenses

	Continuing operations £	Acquired operations £	Total continuing operations £	Year ended 31 January 2004 Restated* £
Turnover	22,916,126	3,147,185	26,063,311	15,779,844
Cost of sales	(1,392,385)	(48,959)	(1,441,344)	(640,915)
Gross profit	21,523,741	3,098,226	24,621,967	15,138,929
Distribution expenses	(7,680,541)	(893,311)	(8,573,852)	(5,066,803)
Administrative expenses	(8,880,298)	(3,898,710)	(12,779,008)	(7,410,353)
Operating profit / (loss)	4,962,902	(1,693,795)	3,269,107	2,661,773

3 Turnover

Turnover attributable to each geographical market is as follows:

	Continuing operations £	Acquired operations £	Total continuing operations £	Year ended 31 January 2004 Restated* £
United Kingdom	2,122,871	36,005	2,158,876	944,134
Europe	7,308,482	857,927	8,166,409	4,756,149
North America	6,807,849	1,954,587	8,762,436	5,860,800
Rest of the World	6,676,924	298,666	6,975,590	4,218,761
	22,916,126	3,147,185	26,063,311	15,779,844

* Restated (see note 1)

ACTIX LIMITED AND ITS SUBSIDIARIES

4 Directors' emoluments

	2005	2004
	£	£
Fees and other emoluments (including benefits in kind)	641,231	516,222
Contributions to money purchase pension plans	18,018	4,200
Number of directors to whom benefits are accruing under money purchase plans	3	1
Highest paid director		
Emoluments	127,968	139,267

5 Employees

The average number of employees during the year was as follows:

	2005	2004
	Number	Number
Product management and development	92	56
Sales and support	68	47
Administration and finance	24	13
Total	184	116

Staff costs (for the above persons)

	2005	2004
	£	Restated*
	£	£
Wages and salaries	10,758,860	6,934,733
Social security costs	1,021,917	760,479
Pension costs	136,222	68,595
	11,916,999	7,763,807

* Restated (see note 1)

ACTIX LIMITED AND ITS SUBSIDIARIES

6 Interest receivable

	2005 £	2004 Restated* £
Bank interest receivable	<u>17,486</u>	<u>10,803</u>

7 Profit on ordinary activities before taxation

	2005 £	2004 Restated* £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	434,329	291,224
Loss on disposal of tangible fixed assets	7,646	21,744
Goodwill amortisation	1,323,106	-
Auditors' remuneration for audit services (company: £23,000; 2004: £12,500)	41,056	27,129
Auditors' remuneration for non-audit services	27,440	24,900
Operating lease rentals		
- land and buildings	444,725	380,135
Research and development	<u>5,536,994</u>	<u>3,320,883</u>

8 Tax on profit on ordinary activities

	2005 £	2004 Restated* £
Current tax		
United Kingdom corporation tax at 30% (2004: 30%)	787,419	586,343
Over provision in respect of prior years	(157,543)	(17,280)
Double tax relief	(159,449)	(124,464)
	<u>470,427</u>	<u>444,599</u>
Foreign tax	545,855	428,925
	<u>1,016,282</u>	<u>873,524</u>
Deferred tax		
Charge for the year	63,820	3,142
Tax charge for the year	<u>1,080,102</u>	<u>876,666</u>

Foreign tax includes corporation tax borne by overseas subsidiaries as well as withholding tax suffered by the company and its subsidiaries on sales to overseas destinations.

* Restated (see note 1)

ACTIX LIMITED AND ITS SUBSIDIARIES

(a) Reconciliation of tax charge

	2005 £	2004 Restated* £
Profit on ordinary activities before taxation	3,286,593	2,672,576
Tax on profit on ordinary activities at standard rate of 30% (2004: 30%)	985,978	801,773
Actual tax charge	1,016,282	873,524
Difference to explain	<u>30,304</u>	<u>71,751</u>
Tax effects of:		
Differences in respect of overseas subsidiaries' tax rates	(21,316)	36,411
Losses carried forward	216,944	-
Over provision of current tax in respect of prior year	(157,543)	(17,280)
Non deductible expenses	(2,058)	39,081
Depreciation in excess of capital allowances	(5,723)	13,539
	<u>30,304</u>	<u>71,751</u>

Following the post balance sheet event and the arising tax issues, the tax charge in future years is anticipated to reduce.

(b) Deferred taxation

	Provided		Un-provided	
	2005	2004	2005	2004
	£	£	£	£
Tax effect of timing differences due to:				
Losses	-	-	216,944	-
Excess of capital allowances over depreciation	(52,814)	11,006	-	3,497
Total deferred tax (liability) / asset	<u>(52,814)</u>	<u>11,006</u>	<u>216,944</u>	<u>3,497</u>

The un-provided deferred tax asset of £216,944 (2004: £3,497) relates to an overseas subsidiary.

The movement in the deferred taxation asset during the year was as follows:

	2005 £
Deferred tax asset at 1 February 2004 (note 12)	11,006
Charged to the profit and loss account	(63,820)
Deferred tax liability at 31 January 2005	<u>(52,814)</u>

* Restated (see note 1)

ACTIX LIMITED AND ITS SUBSIDIARIES

9 Intangible assets

Goodwill	£
Cost	
At 1 February 2004	-
Additions in the year (see note 15)	2,646,212
At 31 January 2005	<u>2,646,212</u>
Amortisation	
At 1 February 2004	-
Charged to the profit and loss account	1,323,106
At 31 January 2005	<u>1,323,106</u>
Net book value	
At 31 January 2005	<u>1,323,106</u>
At 31 January 2004	-

Goodwill has been created on the acquisition of Actix AB, see note 15.

Listed below are the subsidiary undertakings of Actix Limited, all of which are included in the consolidation:

Name	Principal activity	Country of incorporation	% of nominal share capital and voting rights held (company and group)
Actix Inc	Software sales and consultancy	USA	100
Actix Pte Limited	Software sales and consultancy	Singapore	100
Actix Limited	Software sales and consultancy	Hong Kong	100
Actix AB (formerly ComOpt AB)	Software sales and consultancy	Sweden	100

ACTIX LIMITED AND ITS SUBSIDIARIES

10 Tangible fixed assets

Group	Computer Equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
Cost				
At 1 February 2004	854,248	185,421	267,366	1,307,035
Acquisitions	73,214	-	-	73,214
Additions	625,948	138,286	25,712	789,946
Disposals	(36,797)	(13,291)	-	(50,088)
Foreign exchange	(5,045)	(173)	(146)	(5,364)
At 31 January 2005	1,511,568	310,243	292,932	2,114,743

Depreciation				
At 1 February 2004	393,874	37,200	12,444	443,518
Charge for the year	367,556	47,498	19,275	434,329
Disposals	(35,397)	(6,610)	-	(42,007)
Foreign exchange	(2,970)	(828)	(80)	(3,878)
At 31 January 2005	723,063	77,260	31,639	831,962

Net book value				
At 31 January 2005	788,505	232,983	261,293	1,282,781
At 31 January 2004	460,374	148,221	254,922	863,517

Company	Computer equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
Cost				
At 1 February 2004	682,882	149,606	261,872	1,094,360
Additions	499,234	44,903	14,635	558,772
At 31 January 2005	1,182,116	194,509	276,507	1,653,132

Depreciation				
At 1 February 2004	290,028	21,695	11,260	322,983
Charge for the year	288,562	35,309	18,150	342,021
At 31 January 2005	578,590	57,004	29,410	665,004

Net book value				
At 31 January 2005	603,526	137,505	247,097	988,128
At 31 January 2004	392,854	127,911	250,612	771,377

ACTIX LIMITED AND ITS SUBSIDIARIES

11 Investments

Company: Investments in subsidiaries		2005	2004
		£	£
Cost			
At 1 February		132,228	132,228
Additions in the year		2,065,649	-
At 31 January		2,197,877	132,228
Provision for impairment			
At 1 February		132,228	132,228
Charged to the profit and loss account		1,032,824	-
At 31 January		1,165,052	132,228
Net book value – 31 January		1,032,825	-

Additions in the year relate to the acquisition of Actix AB.

12 Debtors

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Amounts falling due within one year				
Trade debtors	7,617,151	5,509,170	3,746,812	3,055,400
Other debtors	62,033	64,704	13,662	23,455
Prepayments and accrued income	987,913	143,558	933,980	98,560
Deferred taxation asset	-	11,006	-	11,006
Amounts owed by group undertakings	-	-	1,527,508	1,002,299
	8,667,097	5,728,438	6,221,962	4,190,720
Amounts falling due in more than one year				
Rent deposits	154,220	154,220	154,220	154,220
	8,821,317	5,882,658	6,376,182	4,344,940

ACTIX LIMITED AND ITS SUBSIDIARIES

13 Creditors – amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade creditors	1,084,546	459,636	967,200	395,607
Other taxation and social security	346,409	180,153	265,652	168,269
Other creditors	189,498	-	14,163	-
Corporation tax	169,071	577,641	98,165	335,201
Accruals and deferred income	5,641,271	4,150,483	2,631,408	1,869,447
	<u>7,430,795</u>	<u>5,367,913</u>	<u>3,976,588</u>	<u>2,768,524</u>

No dividend is proposed in the current year.

14 Creditors – amounts falling due after more than one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Deferred income	<u>194,806</u>	<u>18,232</u>	<u>68,629</u>	<u>-</u>

15 Acquisition of subsidiary

ComOpt AB was acquired on 6 February 2004. It has subsequently changed its name to Actix AB. The book value of assets and liabilities has been taken from the management accounts of Actix AB at the exchange rates existing on that date. The fair value adjustments contain some provisional amounts which will be finalised within the next 12 months.

	Book value	Adjustments ¹	Total provisional fair value
	£	£	£
Net assets / (liabilities) acquired:			
Tangible fixed assets	73,214	-	73,214
Unlisted investments	-	46,461	46,461
Debtors	491,902	-	491,902
Cash	159,009	-	159,009
Creditors and provisions	(462,526)	(363,813)	(826,339)
Net assets / (liabilities)	261,599	(317,352)	(55,753)
Goodwill			2,646,212
Consideration			<u>2,590,459</u>
Consideration satisfied by:			
'D' ordinary shares issued at fair value			1,049,756
Cash paid			1,482,092
Fees and costs in respect of acquisition			58,611
			<u>2,590,459</u>

ACTIX LIMITED AND ITS SUBSIDIARIES

1 The adjustment of £363,813 relates to an accounting policy alignment in respect of annual licences and the £46,461 relates to a fair value adjustment of an unlisted investment.

A contingent consideration was also agreed dependent on the turnover of Actix AB in the year to 31 December 2004. The turnover level required for contingent consideration to become payable was not achieved and therefore no additional contingent consideration has been accounted for above.

Actix AB's financial year prior to acquisition began on 1 January 2004. Revenue, operating loss and loss after tax in the period 1 January 2004 to 6 February 2004 were £128,724, £345,141, and £345,141 respectively.

Actix AB's profit after tax in the year ended 31 December 2003 was £204,720.

16 Called up share capital

	2005	2004
	£	£
Authorised		
7,104,445 'A' Ordinary shares of £0.0001 each	710	780
195,555 'B' Ordinary shares of £0.0001 each	20	20
2,000,000 'C' Ordinary shares of £0.0001 each	200	200
700,000 'D' Ordinary shares of £0.0001 each	70	-
10,000,000	1,000	1,000
Allotted and fully paid		
1,000,000 'A' Ordinary shares of £0.0001 each	100	100
195,555 'B' Ordinary shares of £0.0001 each	20	20
262,439 'D' Ordinary shares of £0.0001 each	26	-
1,457,994	146	120

700,000 Authorised 'A' ordinary shares were reclassified at 'D' ordinary shares

262,439 'D' ordinary shares were issued in relation to the acquisition detailed in note 15.

Ordinary 'A', 'B' and 'D' Shares

Ordinary 'A', 'B' and 'D' shares rank pari passu in all respects, including rights to dividends, voting and amounts receivable on winding up.

Ordinary 'C' Shares

The Ordinary 'C' shares rank pari passu in all distributions of the company but carry no rights to vote at any General Meeting of the company, except on any resolution abrogating or varying the rights attached to the 'C' shares.

17 Profits of holding company

Of the profit attributable to shareholders after dividends, a profit of £1,959,037(2004: £1,206,869) is dealt with in the accounts of Actix Limited.

ACTIX LIMITED AND ITS SUBSIDIARIES

18 Reserves

Group	Share premium account £	Merger Reserve £	Other reserve £	Profit and loss account £
At 1 February 2004	499,980	-	-	3,572,397
Retained profit for the year	-	-	-	2,206,491
Issue of 'D' shares on acquisition of a subsidiary	-	1,049,730	-	-
Proceeds on issue of share options	-	-	9,130	-
Exchange translation differences	-	-	-	(117,901)
At 31 January 2005	499,980	1,049,730	9,130	5,660,987

Company	Share premium account £	Other reserve £	Profit and loss account £
At 1 February 2004	499,980	-	3,225,335
Retained profit for the year	-	-	1,959,037
Proceeds on issue of share options	-	9,130	-
At 31 January 2005	499,980	9,130	5,184,372

ACTIX LIMITED AND ITS SUBSIDIARIES

19 Reconciliation of movements in shareholders' funds

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Opening shareholders' funds	4,072,497	2,540,157	3,725,435	2,518,566
Profit for the financial year	2,206,491	1,531,754	1,959,037	1,206,869
Prior year adjustment (see note 1)	-	264,156	-	-
Profit for the year (as restated)	2,206,491	1,795,910	1,959,037	1,206,869
Exchange translation differences	(117,901)	586	-	-
Prior year adjustment (see note 1)	-	(264,156)	-	-
Exchange translation differences (as restated)	(117,901)	(263,570)	-	-
 'D' shares issued in connection with acquisition of subsidiary	 26	 -	 26	 -
Proceeds received for issue of share options	9,130	-	9,130	-
Premium on issue of "D" shares	1,049,730	-	-	-
 Closing shareholders' funds	 7,219,973	 4,072,497	 5,693,628	 3,725,435

20 Financial commitments

At 31 January 2005 the group had annual commitments under non-cancellable operating leases as follows:

	2005	2004
	£	£
Land and buildings		
Expiring within one year	168,519	16,796
Expiring in two to five years	-	175,633
Expiring in more than five years	248,628	131,250
	417,147	323,679

21 Contingent liabilities

On 30 September 2004, Actix Inc (subsidiary of Actix Limited) issued a letter of credit for US \$186,144 in relation to securing the lease on its new property in Reston, USA. The letter of credit is automatically renewed each year for one year up to 30 June 2012. This letter of credit was arranged through the Wachovia Bank USA which required that cash for the same amount be held in a restrictive account. The cash held in this restrictive account at 31 January 2005 is £98,140 after retranslation at the year end exchange rate.

ACTIX LIMITED AND ITS SUBSIDIARIES

22 Reconciliation of operating profit to net cash inflow from operating activities

	2005 £	2004 Restated £
Operating profit	3,269,107	2,661,773
Depreciation on tangible fixed assets	434,329	291,224
Amortisation of goodwill	1,323,106	-
Loss on disposal of tangible fixed assets	7,646	21,744
Increase in debtors	(2,526,903)	(2,678,477)
Increase in creditors due in less than one year	1,691,945	1,751,123
Increase / (decrease) in creditors due in more than one year	178,251	(63,106)
Net cash inflow from continuing operating activities	<u>4,377,481</u>	<u>1,984,281</u>

Net cash outflow generated from the acquired business was £315,110.

23 Analysis of changes in net funds

	At 1 February 2004 £	Cash flow £	Exchange differences £	At 31 January 2005 £
Cash				
- Cash at bank	2,712,467	783,431	(122,854)	3,373,044
Liquid resources				
- Deposit in restrictive account	-	101,101	(2,961)	98,140
Net funds	<u>2,712,467</u>	<u>884,532</u>	<u>(125,815)</u>	<u>3,471,184</u>

24 Security

By way of a debenture agreement with HSBC Bank plc, the overdraft facility of Actix Limited is secured by a fixed charge over the assets of the group.

There was no overdraft balance outstanding as at 31 January 2005 (31 January 2004: nil).

25 Share options

The company has a number of share options schemes whereby certain directors, employees and third parties are able to subscribe for and acquire ordinary shares in the company. At 31 January 2005 the total number of options outstanding was 1,857,811. The options may be exercisable at any time between the fifth and tenth anniversary of the date of grant or in the event of a sale or listing of the company. The exercise price is £1.50 for 1,512,746 options, £2.55 for 184,885 options and £3.30 for 160,180 options.

Year of grant	Exercise price £	Exercise period	2005	2004
2001	1.50	2006-2011	803,000	803,800
2002	1.50	2007-2012	305,908	308,208
2003	1.50	2008-2013	403,838	427,838
2004	2.55	2009-2014	184,885	174,139
2005	3.30	2010-2015	160,180	-
			<u>1,857,811</u>	<u>1,713,985</u>

ACTIX LIMITED AND ITS SUBSIDIARIES

Following the acquisition of Actix AB from Co Holding AB, Co Holding AB has been given the right to acquire 332,747 additional shares at £1.50 per share and 28,494 additional shares at £2.55 per share in the event of a sale or listing of the company. Following the post balance sheet event, Co Holding AB exercised this right to acquire the additional shares.

26 Controlling party

The ultimate controlling party as at 31 January 2005 is Mr RWA Dobson who owns 1,000,000 'A' ordinary shares in the company.

27 Post balance sheet events

On 17 March 2005, Summit NewCo Limited acquired 100% of the share capital of Actix Limited. The ultimate controlling party of Summit NewCo Limited is Summit Partners.

28 Related parties transactions

During the year to 31 January 2005, Mr J Samuelsson received £32,428 in rent as landlord of the Helsingborg office of the subsidiary Actix AB. No other director had any related party transactions.