

Registered No. 02660615

**Actix Limited and its subsidiaries
Consolidated financial statements
for the year ended 31 January 2006**

ACTIX



ACTIX LIMITED AND ITS SUBSIDIARIES

Consolidated financial statements for the year ended 31 January 2006

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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
Mr J Huebner (appointed 22 March 2006)

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
70 Pall Mall
London
SW1Y 5EZ

Chairman's Statement

Actix concluded another year of significant revenue growth supported by continued demand for its wireless performance engineering solutions and strong engagements with large customers in all regions. This growth was achieved with the backdrop of the change in the ownership of the business to Summit Partners, a leading global private equity firm, which was concluded in March 2005.

In the financial year ended 31st January 2006, Actix achieved a 23% increase in revenues to £32.2m from £26.1m in the previous year, while pre-tax profits before amortisation and exceptional expenses grew to £5.1m from £4.6m.

Through the year Actix continued to execute on its strategy of engaging with large operators around solving complex business problems related to wireless engineering. This has resulted in substantial contracts with operators in Europe, Japan and the United States that are considerably larger than in previous years.

As wireless operators continue to search for revenue and earnings growth, Actix is well placed to help deliver solutions that optimise that growth – helping to deliver it sooner and more cost effectively. Demand for our 3G technology rollout solutions was strong in Europe during the year and is now shifting to other regions such as Asia-Pacific. Wireless growth in emerging markets continues to be substantial and Actix has established an operation in India in the last quarter of the year to address this significant opportunity. At the same time the pressure on our customers' operating margins and a shift to a more operational phase after the initial rollout of the new 3G networks, creates requirements that Actix can address with both existing and new products. As a consequence, Actix continues to invest significantly in research and new product development.

In February 2006, Actix's holding company, Summit Newco Limited (which is now proposed to be renamed Actix International Limited), completed the acquisition of Radioplan GmbH, the leading provider of 3G automated optimisation solutions. As well as a strong presence in Germany and a first class customer list the acquisition gives Actix a unique portfolio of performance optimisation products with which to create comprehensive solutions for our customers. Actix is rapidly integrating Radioplan into the business and expects to achieve significant joint customer wins, as well as announce new joint product offerings and solutions, in 2006.



SC Collins
Chairman

Directors' report for the year ended 31 January 2006

The directors present their report and the audited financial statements of the Group for the year ended 31 January 2006.

Principal activity

Actix supplies wireless performance engineering solutions to enhance the performance, capacity and profitability of mobile networks. The Company's expertise is in the 'air interface' (the wireless link between the transmitter and the mobile handset). Its 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 as well as improving the efficiency and return on capital of existing 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 7.

Dividends and transfer to reserves

No final dividend (2005: £nil) is proposed. A retained profit of £5,106,000 has been transferred to the profit and loss account reserve.

Directors and their interests

The directors of the Company at 31 January 2006, 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 2006 Ordinary shares of £0.0001 each	31 January 2005 Ordinary shares of £0.0001 each
Interest held in Actix Limited		
RWA Dobson	-	1,000,000
JM Berman (resigned 17 March 2005)	-	195,555

	31 January 2005 Options over Ordinary shares of £0.0001 each	Options exercised in the year	Options lapsing in the year	31 January 2006 Options over Ordinary shares of £0.0001 each
RWA Dobson	240,954	-	(240,954)	-
DRJ Wilkinson	160,000	(160,000)	-	-
JM Berman (resigned 17 March 2005)	47,596	(47,596)	-	-
EH Menzies	36,000	(36,000)	-	-
D Elalouf	18,330	(18,330)	-	-
PGB Jones	20,000	(20,000)	-	-

Details of share options, including exercise prices, are disclosed in note 24 to the financial statements.

Interest held in the immediate parent Company, Summit Newco Limited	31 January 2006	31 January 2006
	Preferred Ordinary Shares of \$0.01	Employee Shares of \$0.01
RWA Dobson	107,955	-
DRJ Wilkinson	12,149	33,000
EH Menzies	2,891	3,300
D Elalouf	1,297	-
PGB Jones	1,496	4,400

Employee shares have been granted under a senior management incentive scheme. These shares were purchased at market value and vest over a four year period. Upon certain Liquidity Events holders may receive value for their shares above the threshold value at which Summit Newco Limited acquired the entire share capital of Actix Limited.

Research and development

During the year the Company continued to invest in research and development (R&D). All expenditure whether incurred through internal staff costs or through third party suppliers, related to R&D is written off to the profit and loss account in the period incurred.

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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 January 2006 and that applicable accounting standards have been followed.

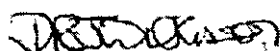
The directors are responsible for the maintenance and integrity of the Actix website. Information published on the Internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ 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 Group and parent Company financial statements ("the financial statements") of Actix Limited for the year ended 31 January 2006 which comprise the Group profit and loss account, the Group and Company balance sheets, the Group cash flow statement, the Group statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 into 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent Company's affairs as at 31 January 2006 and of the Group's profit and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London 6 July 2006

ACTIX LIMITED AND ITS SUBSIDIARIES

Group profit and loss account for the year ended 31 January 2006

	Notes	2006 £'000	2005 £'000
Turnover	1, 2	32,220	26,063
Cost of sales		(1,694)	(1,441)
Gross profit		30,526	24,622
Net operating expenses	5	(28,243)	(21,353)
Operating profit before goodwill and exceptional operating expense		5,013	4,592
Goodwill amortisation	9	(1,323)	(1,323)
Exceptional operating expenses	7	(1,407)	-
Operating profit		2,283	3,269
Interest receivable	6	50	17
Profit on ordinary activities before taxation	7	2,333	3,286
Taxation	8	2,773	(1,080)
Retained profit for the year	17	5,106	2,206

The results above relate entirely to continuing operations.

Statement of Group total recognised gains and losses

	2006 £'000	2005 £'000
Profit attributable to shareholders	5,106	2,206
Exchange differences offset in reserves	33	(118)
Total recognised gains for the year	5,139	2,088

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 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Intangible assets	9	-	1,323
Tangible assets	10	1,585	1,283
		<u>1,585</u>	<u>2,606</u>
Current assets			
Debtors	12	19,280	8,821
Cash at bank and in hand	22	4,342	3,471
		<u>23,622</u>	<u>12,292</u>
Creditors: amounts falling due within one year	13	<u>(9,017)</u>	<u>(7,430)</u>
Net current assets		<u>14,605</u>	<u>4,862</u>
Total assets less current liabilities		16,190	7,468
Creditors: amounts falling due after more than one year	14	(351)	(195)
Provisions for liabilities	8	-	(53)
		<u>15,839</u>	<u>7,220</u>
Net assets		15,839	7,220
Capital and reserves			
Called up share capital	15	-	-
Share premium account	17	3,989	500
Merger reserve	17	-	1,050
Other reserve	17	-	9
Profit and loss account	17	11,850	5,661
Equity shareholders' funds	18	<u>15,839</u>	<u>7,220</u>

The financial statements on pages 7 to 23 were approved by the board of directors on 6 July 2006 and were signed on its behalf by:



DRJ Wilkinson
Director

ACTIX LIMITED AND ITS SUBSIDIARIES

Company balance sheet as at 31 January 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	9	1,104	988
Investments	11	-	1,033
		<u>1,104</u>	<u>2,021</u>
Current assets			
Debtors	12	15,999	6,376
Cash at bank and in hand		627	1,365
		<u>16,626</u>	<u>7,741</u>
Creditors: amounts falling due within one year	13	<u>(5,521)</u>	<u>(3,976)</u>
Net current assets		<u>11,105</u>	<u>3,765</u>
Total assets less current liabilities		12,209	5,786
Creditors: amounts falling due after more than one year	14	(258)	(69)
Provisions for liabilities	8	-	(24)
Net assets		<u>11,951</u>	<u>5,693</u>
Capital and reserves			
Called up share capital	15	-	-
Share premium account	17	3,989	500
Other reserve	17	-	9
Profit and loss account	17	7,962	5,184
Equity shareholders' funds	18	<u>11,951</u>	<u>5,693</u>

The financial statements on pages 7 to 23 were approved by the board of directors on 6 July 2006 and were signed on its behalf by:



DRJ Wilkinson
Director

ACTIX LIMITED AND ITS SUBSIDIARIES

Group cash flow statement for the year ended 31 January 2006

	Notes	2006 £'000	2005 £'000
Operating activities			
Net cash (outflow) / inflow from operating activities	21	(1,562)	4,378
Returns on investment and servicing of finance			
Interest received		47	17
Taxation			
Corporation tax paid		(258)	(1,433)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(916)	(751)
Proceeds from sale of unlisted investment		-	46
		(916)	(705)
Acquisitions and disposals			
Purchase of subsidiary undertaking		-	(1,482)
Acquisition expenses		-	(59)
Cash acquired on purchase of subsidiary		-	159
Net cash outflow from acquisitions		-	(1,382)
Cash (outflow) / inflow before use of liquid resources and financing		(2,689)	875
Management of liquid resources			
Deposit in restrictive bank account	20	-	(101)
Financing			
Proceeds from exercise of share options	18	3,480	-
Proceeds on issue of share options		-	9
Increase in cash in the year	22	791	783
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		791	783
Non-cash movements		3	101
Exchange differences on translation		77	(125)
Movement in net funds in the year		871	759
Opening net funds		3,471	2,712
Closing net funds	22	4,342	3,471

ACTIX LIMITED AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 January 2006

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 2006. 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.

Revenue recognition

Revenue comprises the sale of perpetual and term software licences, associated maintenance and support services, training and consulting.

Revenue from the sale of perpetual 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. Revenue from the sale of term software licences is recognised evenly over the term of the contract unless it is fully separable with no further significant vendor obligations and then it is recognised on delivery.

Maintenance and support income is recognised evenly over the term of the contract.

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

In addition, revenue includes royalties receivable on the 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

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.

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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 19. 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.

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2 Turnover

Turnover attributable to each geographical market by destination is as follows:

	2006	2005
	£'000	£'000
United Kingdom	2,828	2,159
Europe	11,467	8,166
North America	12,688	8,762
Rest of the World	5,237	6,976
	<u>32,220</u>	<u>26,063</u>

3 Directors' emoluments

	2006	2005
	£'000	£'000
Fees and other emoluments (including benefits in kind)	851	641
Contributions to money purchase pension plans	<u>7</u>	<u>18</u>
Number of directors to whom benefits are accruing under money purchase plans	<u>1</u>	<u>3</u>
Highest paid director		
Emoluments	183	128
Gains made on the exercise of share options	<u>2,372</u>	<u>-</u>
	<u>2,555</u>	<u>128</u>

Of the gains made on the exercise of share options £1,649,000 was in the form of cash and £723,000 was in the form of fully paid up shares in Summit Newco Limited.

4 Employees

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

	Group		Company	
	2006	2005	2006	2005
	Number	Number	Number	Number
Product management and development	107	92	84	70
Sales and support	91	68	29	20
Administration and finance	33	24	16	9
Total	<u>231</u>	<u>184</u>	<u>129</u>	<u>99</u>
Staff costs (for the above persons)	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Wages and salaries	14,740	10,759	8,417	5,947
Social security costs	1,398	1,022	1,007	651
Pension costs	476	136	358	40
	<u>16,614</u>	<u>11,917</u>	<u>9,782</u>	<u>6,638</u>

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5 Net operating expenses

	2006 £'000	2005 £'000
Distribution expenses	10,869	8,574
Administrative expenses	17,374	12,779
	<u>28,243</u>	<u>21,353</u>

6 Interest receivable

	2006 £'000	2005 £'000
Bank interest receivable	<u>50</u>	<u>17</u>

7 Profit on ordinary activities before taxation

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	608	434
Loss on disposal of tangible fixed assets	23	8
Goodwill amortisation	1,323	1,323
Auditors' remuneration for audit services (company: £35,000; 2005: £23,000)	54	41
Auditors' remuneration for non-audit services	88	27
Operating lease rentals		
- land and buildings	691	445
Research and development	7,392	5,537
Foreign exchange loss	<u>103</u>	<u>103</u>

The exceptional operating charges of £1,407,000 relate to professional fees and other expenses incurred with respect to the acquisition of the Company's entire share capital by Summit Newco Limited in the year (see note 25).

Fees for non-audit services were in respect of taxation services and professional fees with respect to the aforementioned acquisition (2005: taxation services only).

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8 Tax on profit on ordinary activities

	2006 £'000	2005 £'000
Current tax		
United Kingdom corporation tax at 30% (2005: 30%)	-	787
Over provision in respect of prior years	(627)	(158)
Double tax relief	-	(159)
	<u>(627)</u>	<u>470</u>
Foreign tax	<u>(548)</u>	<u>546</u>
	<u>(1,175)</u>	<u>1,016</u>
Deferred tax		
(Credit) / charge for the year	(1,598)	64
Tax (credit) / charge for the year	<u>(2,773)</u>	<u>1,080</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.

(a) Reconciliation of tax charge

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	2,333	3,286
Tax on profit on ordinary activities at standard rate of 30% (2005: 30%)	700	986
Actual tax (credit) / charge	<u>(1,175)</u>	<u>1,016</u>
Difference to explain	<u>(1,875)</u>	<u>30</u>
Tax effects of:		
Differences in respect of overseas subsidiaries' tax rates	112	(21)
Deduction on exercise of stock options	(6,367)	-
Losses carried forward	3,578	217
Losses carried back	1,536	-
Over provision of current tax in respect of prior year – UK	(627)	(158)
Over provision of current tax in respect of prior year - Overseas	(540)	-
Non deductible expenses and other timing differences	380	(2)
Depreciation in excess of capital allowances	53	(6)
	<u>(1,875)</u>	<u>30</u>

Tax losses have been created by the exercise of stock options. The tax charge in future years is anticipated to increase once the tax losses carried forward (see note 8b) have been utilised.

ACTIX LIMITED AND ITS SUBSIDIARIES

(b) Deferred taxation

	Provided		Un-provided	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Tax effect of timing differences due to:				
Losses	1,542	-	2,183	217
Excess of capital allowances over depreciation	1	(53)	-	-
Total deferred tax (liability) / asset	<u>1,543</u>	<u>(53)</u>	<u>2,183</u>	<u>217</u>

The un-provided deferred tax asset of £2,183,000 (2005: £217,000) relates to losses in the Company and its overseas subsidiaries. This will become recoverable when the Group achieves sufficient profits in the future.

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

	2006
	£'000
Deferred tax liability at 1 February 2005	(53)
Charged to the profit and loss account	1,598
Exchange differences	(2)
Deferred tax asset at 31 January 2006 (note 12)	<u>1,543</u>

9 Intangible assets

Goodwill	£'000
Cost	
At 1 February 2005	2,646
At 31 January 2006	<u>2,646</u>
Amortisation	
At 1 February 2005	1,323
Charged to the profit and loss account	1,323
At 31 January 2006	<u>2,646</u>
Net book value	
At 31 January 2006	<u>-</u>
At 31 January 2005	<u>1,323</u>

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10 Tangible fixed assets

Group	Computer equipment £'000	Fixtures and fittings £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 February 2005	1,512	310	293	2,115
Additions	406	156	345	907
Disposals	(55)	(44)	(5)	(104)
Foreign exchange	18	13	9	40
At 31 January 2006	1,881	435	642	2,958
Depreciation				
At 1 February 2005	723	77	32	832
Charge for the year	476	80	52	608
Disposals	(50)	(25)	(3)	(78)
Foreign exchange	9	1	1	11
At 31 January 2006	1,158	133	82	1,373
Net book value				
At 31 January 2006	723	302	560	1,585
At 31 January 2005	789	233	261	1,283

Company	Computer equipment £'000	Fixtures and fittings £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 February 2005	1,182	195	276	1,653
Additions	286	60	216	562
At 31 January 2006	1,468	255	492	2,215
Depreciation				
At 1 February 2005	579	57	29	665
Charge for the year	364	49	33	446
At 31 January 2006	943	106	62	1,111
Net book value				
At 31 January 2006	525	149	430	1,104
At 31 January 2005	603	138	247	988

ACTIX LIMITED AND ITS SUBSIDIARIES

11 Investments

Company: Investments in subsidiaries	2006	2005
	£'000	£'000
Cost		
At 1 February	2,198	132
Additions in the year	-	2,066
At 31 January	<u>2,198</u>	<u>2,198</u>
Provision for impairment		
At 1 February	1,165	132
Charged to the profit and loss account	1,033	1,033
At 31 January	<u>2,198</u>	<u>1,165</u>
Net book value – 31 January	<u>-</u>	<u>1,033</u>

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	Software sales and consultancy	Sweden	100
Actix Ditong ⁽¹⁾	Software sales and consultancy	China	100

⁽¹⁾ Actix Ditong is 100% owned by Actix Pte Limited

ACTIX LIMITED AND ITS SUBSIDIARIES

12 Debtors

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	11,179	7,617	5,371	3,747
Other debtors	438	62	362	13
Prepayments and accrued income	493	988	373	934
Deferred taxation asset (see note 8)	1,543	-	1,054	-
Corporation tax	1,252	-	627	-
Amounts owed by group undertakings	4,184	-	8,058	1,528
	<u>19,089</u>	<u>8,667</u>	<u>15,845</u>	<u>6,222</u>
Amounts falling due in more than one year				
Rent deposits	191	154	154	154
	<u>19,280</u>	<u>8,821</u>	<u>15,999</u>	<u>6,376</u>

13 Creditors – amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Trade creditors	1,109	1,085	709	967
Other taxation and social security	280	346	245	266
Other creditors	140	189	96	14
Corporation tax	-	169	-	98
Amounts owed to group companies	-	-	940	-
Accruals and deferred income	7,488	5,641	3,531	2,631
	<u>9,017</u>	<u>7,430</u>	<u>5,521</u>	<u>3,976</u>

14 Creditors – amounts falling due after more than one year

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Deferred income	<u>351</u>	<u>195</u>	<u>258</u>	<u>69</u>

ACTIX LIMITED AND ITS SUBSIDIARIES

15 Called up share capital

	2006	2005
	£	£
Authorised		
7,104,445 'A' Ordinary shares of £0.0001 each	710	710
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	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
1,616,857 'C' Ordinary shares of £0.0001 each (2005:nil)	161	-
623,680 'D' Ordinary shares of £0.0001 each (2005: 262,439)	62	26
3,436,092	343	146

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.

16 Profits of holding company

Of the profit attributable to shareholders, a profit of £2,778,000 (2005: £1,959,000) is dealt with in the accounts of the Company.

ACTIX LIMITED AND ITS SUBSIDIARIES

17 Reserves

Group	Share premium account £'000	Merger reserve £'000	Other £'000	Profit and loss account £'000
At 1 February 2005	500	1,050	9	5,661
Retained profit for the year	-	-	-	5,106
Premium on issue of 'C' and 'D' shares on exercise of stock options	3,480	-	-	-
Transfer to share premium account	9	-	(9)	-
Realisation of merger reserve	-	(1,050)	-	1,050
Exchange translation differences	-	-	-	33
At 31 January 2006	3,989	-	-	11,850

Company	Share premium account £'000	Other reserve £'000	Profit and loss account £'000
At 1 February 2005	500	9	5,184
Retained profit for the year	-	-	2,778
Premium on issue of 'C' and 'D' shares on exercise of stock options	3,480	-	-
Transfer to share premium account	9	(9)	-
At 31 January 2006	3,989	-	7,962

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Opening shareholders' funds	7,220	4,073	5,693	3,725
Profit for the financial year	5,106	2,206	2,778	1,959
Exchange translation differences	33	(118)	-	-
Issue of share options	-	9	-	9
Issue of "C" and "D" shares on exercise of stock options	3,480	1,050	3,480	-
Closing shareholders' funds	15,839	7,220	11,951	5,693

ACTIX LIMITED AND ITS SUBSIDIARIES

19 Financial commitments

At 31 January 2006 the group had annual commitments under non-cancellable operating leases as follows:

	2006 £'000	2005 £'000
Land and buildings:		
Expiring within one year	13	168
Expiring in two to five years	124	-
Expiring in more than five years	556	249
	<u>693</u>	<u>417</u>

20 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 2006 is £108,609 after retranslation at the year end exchange rate.

21 Reconciliation of operating profit to net cash flow from operating activities

	2006 £'000	2005 £'000
Operating profit	2,283	3,269
Depreciation on tangible fixed assets	608	434
Amortisation of goodwill	1,323	1,323
Loss on disposal of tangible fixed assets	23	8
Increase in debtors	(7,335)	(2,527)
Increase in creditors due in less than one year	1,384	1,693
Increase in creditors due in more than one year	152	178
Net cash (outflow) / inflow from continuing operating activities	<u>(1,562)</u>	<u>4,378</u>

22 Analysis of changes in net funds

	At 31 January 2005 £'000	Cash flow £'000	Non-cash movement £'000	Exchange differences £'000	At 31 January 2006 £'000
Cash					
- Cash at bank	3,373	791	-	69	4,233
Liquid resources					
- Deposit in restrictive account	98	-	3	8	109
Net funds	<u>3,471</u>	<u>791</u>	<u>3</u>	<u>77</u>	<u>4,342</u>

ACTIX LIMITED AND ITS SUBSIDIARIES

23 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 2006 (31 January 2005: nil).

24 Share options

The company had a number of share options schemes whereby certain directors, employees and third parties were able to subscribe for and acquire "C" ordinary shares in the Company. On 17 March 2005 Summit Newco Limited acquired 100% of the share capital of Actix Limited and this triggered the ability to exercise the option early. At 31 January 2006 the total number of options outstanding was zero.

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

	At 31 January 2005	Exercised	Lapsed	At 31 January 2006
2001	803,000	(803,000)		-
2002	305,908	(305,908)		-
2003	403,838	(162,884)	(240,954)	-
2004	184,885	(184,885)		-
2005	160,180	(160,180)		-
	<u>1,857,811</u>	<u>(1,616,857)</u>	<u>(240,954)</u>	<u>-</u>

At the acquisition of Actix Limited by Summit Newco Limited, Co Holding AB exercised the right to acquire 332,747 additional shares at £1.50 per share and 28,494 additional shares at £2.55 per share.

25 Controlling party

The immediate parent undertaking is Summit Newco Limited who acquired the entire share capital of Actix Limited on 17 March 2005.

At 31 January 2006, the ultimate controlling party was a group of Summit Partners funds comprising Summit Ventures VI-A, L.P., Summit Ventures VI-B, L.P., Summit VI Advisors Fund, L.P., Summit VI Entrepreneurs Fund, L.P., and Summit Investors VI, L.P. The group of Summit Partners funds owns 72% of Summit Newco Limited.

26 Related parties transactions

During the year to 31 January 2006, Mr J Samuelsson received £20,000 in rent as landlord of the Helsingborg office of the subsidiary Actix AB. No other director entered any related party transactions.