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REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

FOR

RECKON ACCOUNTABLE TECHNOLOGY LIMITED 3081021

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RECKON ACCOUNTABLE TECHNOLOGY LIMITED

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for the Year Ended 31 December 2012

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RECKON ACCOUNTABLE TECHNOLOGY LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2012

DIRECTORS	C Hagglund M Zlotnick C A Rabie G J Wilkinson
REGISTERED OFFICE	Manor Court Chambers 126 Manor Court Road Nuneaton Warwickshire CV11 5HL
REGISTERED NUMBER	03081021 (England and Wales)
AUDITORS	Stewart Fletcher and Barrett Chartered Accountants Registered Auditors Manor Court Chambers 126 Manor Court Road Nuneaton Warwickshire CV11 5HL

RECKON ACCOUNTABLE TECHNOLOGY LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 December 2012

The directors present their report with the financial statements of the company for the year ended 31 December 2012

CESSATION OF TRADING
The company ceased trading on 31 December 2012

CHANGE OF NAME
The company passed a special resolution on 13 December 2012 changing its name from Advanced Professional Solutions Limited to Reckon Accountable Technology Limited

PRINCIPAL ACTIVITY
Until 31 December 2012 the company's principal activity was the supply of software and related services to professional service organisations However on 31 December 2012, the directors took the decision to cease trading The effect of this is explained in note one

REVIEW OF BUSINESS
We aim to present a balanced and comprehensive review of the performance of our business during the year and its position at the year end Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face

The management of the business and the execution of the company's strategy were subject to common commercial risks such as the economy and stakeholders

The external commercial environment remained as competitive as it was in previous years A decision was taken to sell the company's trade and assets, and on 31st December 2012 these were sold and the company ceased to trade As a result of this sale, it was not deemed necessary to report on key performance indicators relating to the development, performance and position of this company

The results for the company show a pre-tax profit of £215k (2011 loss of £103k) for the year ended 31st December 2012 and sales of £1,270k (2011 £1,088k)

The company had a net asset value of £396k (2011 £221k) at 31st December 2012

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2012

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

C Hagglund
M Zlotnick
C A Rabie
G J Wilkinson

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent,

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

As explained in note 1 to the notes to financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Stewart Fletcher and Barrett, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD

C Hagglund - Director

31 July 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RECKON ACCOUNTABLE TECHNOLOGY LIMITED

We have audited the financial statements of Reckon Accountable Technology Limited for the year ended 31 December 2012 on pages five to twelve These financial statements have been prepared under the accounting policies set out therein As described in note one, they have not been prepared on a going concern basis

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 a Report of the Auditors 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 auditors
As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 Report of the Directors 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Paul Carvell (Senior Statutory Auditor)
for and on behalf of Stewart Fletcher and Barrett
Chartered Accountants
Registered Auditors
Manor Court Chambers
126 Manor Court Road
Nuneaton
Warwickshire
CV11 5HL

31 July 2013

RECKON ACCOUNTABLE TECHNOLOGY LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2012

	Notes	2012 £	2011 £
TURNOVER	2	1,269,865	1,088,041
Cost of sales		737,877	793,327
GROSS PROFIT		531,988	294,714
Administrative expenses		317,047	490,620
		214,941	(195,906)
Other operating income		-	93,376
OPERATING PROFIT/(LOSS)	4	214,941	(102,530)
Interest receivable and similar income		5	23
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		214,946	(102,507)
Tax on profit/(loss) on ordinary activities	5	39,382	(46,182)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		175,564	(56,325)

DISCONTINUED OPERATIONS
All of the company's activities were discontinued during the current year

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

RECKON ACCOUNTABLE TECHNOLOGY LIMITED (REGISTERED NUMBER 03081021)

BALANCE SHEET
31 December 2012

	Notes	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	6		8,371		39,695
CURRENT ASSETS					
Debtors	7	729,913		653,060	
Cash at bank		85,489		45,837	
		815,402		698,897	
CREDITORS					
Amounts falling due within one year	8	427,591		517,974	
NET CURRENT ASSETS			387,811		180,923
TOTAL ASSETS LESS CURRENT LIABILITIES			396,182		220,618
CAPITAL AND RESERVES					
Called up share capital	11		276,583		276,583
Profit and loss account	12		119,599		(55,965)
SHAREHOLDERS' FUNDS	16		396,182		220,618

The financial statements were approved by the Board of Directors on 31 July 2013 and were signed on its behalf by



C Hagglund - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2012

1 ACCOUNTING POLICIES

Accounting convention
Due to the sale of the trade and assets of the business on 31 December 2012, as required by FRS 18 21 and as permitted by SI 2008/420 Schedule 1(10) (2), the directors have prepared the financial statements on the basis that the company is no longer a going concern The company ceased to trade on the 31st December 2012

The financial statements have been prepared on a break up basis and the main result of this is that the assets are all shown at recoverable values

Financial Reporting Standard Number 1
Under the Financial Reporting Standard (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements

Turnover
Turnover represents amounts invoiced during the year, exclusive of value added tax, modified as follows

Software license fees for the software sales are recognised as revenue at the point when the customer is in agreement for a "live-operation" position (i e when all users can use the system on a fully functional basis)

Support and maintenance fee revenue Revenue from support and maintenance contracts is recognised on a straight line basis over the period of the contract

Consulting services revenue Consulting and other service related revenues are recognised over the period in which the services are provided This is determined on either a percentage of completion or time and material basis, depending on the particular type of contract

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	-	20% on cost
Computer equipment	-	33% on cost

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the 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 transaction Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

continued

2 TURNOVER

The turnover and loss (2011 - loss) before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market for the year ended 31st December 2102 is given below

	2012	2011
	£	£
UK Income	1,133,828	742,755
Overseas Income	136,037	345,286
	1,269,865	1,088,041

The turnover and profit before tax are attributable to the principal activity of the company All the company's turnover arose in the United Kingdom

3 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	312,336	520,596
Social security costs	31,133	57,888
Other pension costs	10,530	13,976
	353,999	592,460

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

	2012	2011
Administrative staff	-	1
Support	4	5
Consulting	-	4
Sales	2	2
	6	12

4 OPERATING PROFIT/(LOSS)

The operating profit (2011 - operating loss) is stated after charging

	2012	2011
	£	£
Other operating leases	35,677	29,178
Depreciation - owned assets	24,817	33,923
Loss on disposal of fixed assets	7,000	-
Auditors' remuneration	4,420	6,080
Foreign exchange differences	9,706	1,050
Directors' remuneration	-	113,670
Directors' pension contributions to money purchase schemes	-	2,275

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	-	1

All the above activities are discontinued in the year

5 TAXATION

Analysis of the tax charge/(credit)
The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	31,762	-
Over provision in prior years	-	(30,171)
Total current tax	31,762	(30,171)
Deferred tax	7,620	(16,011)
Tax on profit/(loss) on ordinary activities	39,382	(46,182)

UK corporation tax has been charged at 24 50%

Factors affecting the tax charge/(credit)
The tax assessed for the year is lower than the standard rate of corporation tax in the UK The difference is explained below

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	214,946	(102,507)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 500% (2011 - 26 500%)	52,662	(27,164)
Effects of		
Expenses not deductible for tax purposes	409	2,912
Capital allowances in excess of depreciation	(1,007)	(284)
Utilisation of tax losses	-	24,536
Adjustments to tax charge in respect of previous periods	(20,302)	(30,171)
Current tax charge/(credit)	31,762	(30,171)

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2012	25,883	112,949	138,832
Additions	-	493	493
Disposals	-	(7,000)	(7,000)
At 31 December 2012	25,883	106,442	132,325
DEPRECIATION			
At 1 January 2012	18,713	80,424	99,137
Charge for year	4,858	19,959	24,817
At 31 December 2012	23,571	100,383	123,954
NET BOOK VALUE			
At 31 December 2012	2,312	6,059	8,371
At 31 December 2011	7,170	32,525	39,695

continued

7 DEBTORS

	2012 £	2011 £
Amounts falling due within one year		
Trade debtors	197,492	297,813
Amounts owed by group undertakings	358,360	196,438
Other debtors	37,660	35,297
Deferred tax asset	23,983	31,603
Prepayments	12,418	91,909
	629,913	653,060
Amounts falling due after more than one year		
Trade debtors	100,000	-
Aggregate amounts	729,913	653,060

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	67,868	66,776
Taxation	52,064	-
Social security and other taxes	54,292	27,817
Other creditors	6,008	440
Amounts owing to group undertakings	204,810	-
Accruals and deferred income	42,549	422,941
	427,591	517,974

9 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring				
Between one and five years	-	63,396	-	6,490

10 DEFERRED TAX

	£
Balance at 1 January 2012	(31,603)
Provided during year	7,620
Balance at 31 December 2012	(23,983)

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2012 £	2011 £
276,583	Ordinary shares	£1	276,583	276,583

continued

12 RESERVES

	Profit and loss account £
At 1 January 2012	(55,965)
Profit for the year	175,564
At 31 December 2012	119,599

13 PENSION COMMITMENTS

The company contributes to personal pension plans of various employee The pension cost charge represents contribution payable by the company and amounted to £10,530 (2011 - £13,976) As at 31 December 2012 an amount of £nil was receivable in respect of pensions (2011 - £724 was receivable)

14 ULTIMATE PARENT COMPANY

The directors consider the company's immediate and ultimate parent undertaking to be Reckon Limited ("Reckon"), a company incorporated in Australia Reckon is listed on the Australian stock exchange and prepares consolidated financial statements which are publicly available from Level 12, 65 Berry Street, North Sydney, NSW 2060, Australia

15 RELATED PARTY DISCLOSURES

The company is exempt from disclosing its transaction with fellow group undertakings as a result of it being a 100% subsidiary of Reckon Limited

On 31 December 2012, the company transferred its customer base, fixed assets, leave provisions, ESX Server and its deferred maintenance income balance of £282,706 to a business in which the Chief Executive Officer for the parent company Advanced Professional Solutions Ltd, Brian Coventry, is involved As the company has performed all duties required to receive the deferred maintenance income, it has been included in sales on the profit and loss account (£282,706), Trade debtors due within one year on the balance sheet (£182,706) and Trade debtors due in more than one year (£100,000)

This transaction was undertaken on normal commercial terms

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit/(loss) for the financial year	175,564	(56,325)
Net addition/(reduction) to shareholders' funds	175,564	(56,325)
Opening shareholders' funds	220,618	276,943
Closing shareholders' funds	396,182	220,618

17 GOING CONCERN

The company ceased to trade on 31 December 2012 These financial statements have not been prepared on a going concern basis

RECKON ACCOUNTABLE TECHNOLOGY LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2012

	2012		2011	
	£	£	£	£
Sales		1,269,865		1,088,041
Cost of sales				
Software costs	148,906		128,693	
Consultancy time costs	110,755		31,162	
Wages	230,608		394,840	
Social security	27,399		41,483	
Pensions	6,532		11,342	
Royalties	213,677		185,807	
		737,877		793,327
GROSS PROFIT		531,988		294,714
Other income				
Management charges receivable	-		93,376	
Deposit account interest	5		23	
		5		93,399
		531,993		388,113
Expenditure				
Wages	81,728		12,086	
Social security	3,734		1,665	
Pensions	3,998		359	
Rent	35,677		29,178	
Rates and water	7,284		8,273	
Insurance	11,643		15,705	
Light and heat	1,721		1,812	
Management charges payable	-		36,411	
Directors' salaries	-		113,670	
Directors' social security	-		14,740	
Directors' pension contributions	-		2,275	
Telephone	11,283		14,782	
Post and stationery	5,387		9,386	
Advertising	2,045		9,959	
Travel and subsistence	61,546		53,656	
Cleaning	1,461		1,562	
Repairs and renewals	833		977	
Conferences	612		549	
Marketing	9,147		10,857	
Computer costs	17,007		24,583	
Staff training	1,250		11,563	
Subscriptions	4,811		7,717	
Sundry expenses	2,263		12,039	
Staff welfare	4,303		5,568	
Consultancy fees	10,471		15,660	
Legal and professional fees	4,385		12,026	
Auditors' remuneration	4,420		6,080	
Foreign exchange differences	9,706		1,050	
Entertainment	331		2,444	
Bad debts	(638)		16,042	
		296,408		452,674
Carried forward		235,585		(64,561)

RECKON ACCOUNTABLE TECHNOLOGY LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2012

	2012		2011	
	£	£	£	£
Brought forward		235,585		(64,561)
Finance costs				
Bank charges		761		4,023
		234,824		(68,584)
Depreciation				
Fixtures and fittings	2,429		8,523	
Computer equipment	10,449		25,400	
		12,878		33,923
		221,946		(102,507)
Loss on disposal of fixed assets				
Computer equipment		7,000		-
NET PROFIT/(LOSS)		214,946		(102,507)