

**Jonas Computing (UK) Limited (Formerly
Ridgebook Limited)**

**Directors' report and financial
statements**

Registered number 5301607

31 December 2005



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and financial statements	2
Independent auditors' report to the members of Jonas Computing (UK) Limited	3
Profit and loss account	5
Balance sheet	6
Reconciliation of movement in shareholder's funds	7
Notes	8

Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 2005.

Principal activities

The principal activity of the company is that of software sales and consulting.

Business review

The company was incorporated as Ridgebook Limited on 1 December 2004. The company changed its name to Jonas Computing (UK) Limited on 13 December 2004 and commenced trading on 14 December 2004. The results for the period are set out on page 5 of the financial statements. On 1 October 2005 the company acquired the assets of Highcraft Services Limited.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of dividend.

The loss before taxation for the period is £1,160.

Directors and directors' interests

The directors who held office during the period were as follows:

Klavs Vejlang
Jeffrey McKee

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company or Group.

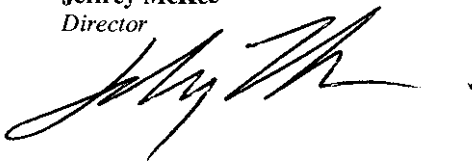
According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to the directors or their immediate families, or exercised by them, during the financial period.

Auditors

In accordance with section 384(1) of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Jeffrey McKee
Director



50 Victoria Embankment
Blackfriars
London
EC4Y 0DX

15 December 2006

Statement of directors' responsibilities in respect of the Directors' Report and financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



KPMG LLP

100 Temple Street
Bristol
BS1 6AG
United Kingdom

Independent auditors' report to the members of Jonas Computing (UK) Limited

We have audited the financial statements of Jonas Computing (UK) Limited for the period ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

Independent auditors' report to the members of Jonas Computing (UK) Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

15 December 2006

Profit and loss account

for the period from 13 December 2004 to 31 December 2005

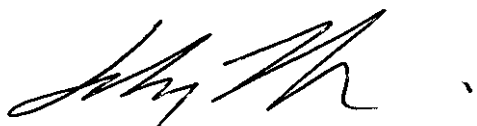
	Note	2005 £
Turnover	2	294,694
Cost of sales		(36,700)
Gross profit	3	257,994
Distribution costs	3	(13,520)
Administrative expenses	3	(246,199)
Operating loss	3	(1,725)
Interest receivable and similar income	6	565
Loss on ordinary activities before taxation	2-7	(1,160)
Tax on loss on ordinary activities	8	348
Loss on ordinary activities after taxation and retained for the financial period		(812)
Retained loss brought forward		-
Retained loss carried forward		(812)

The company is in its first period of operations and therefore has no recognised gains or losses other than the loss in the current period and the results above are all from continuing operations. No statement of total recognised gains and losses has been presented.

Balance sheet
at 31 December 2005

	<i>Note</i>	2005	
		£	£
Fixed assets			
Intangible assets	9, 11	171,899	
Fixed assets	10	2,850	
			174,749
Current assets			
Debtors	12	370,927	
Cash at bank and in hand		21,814	
		392,741	
Creditors: amounts falling due within one period	13	(568,301)	
Net current liabilities			(175,560)
Net liabilities			(811)
Capital and reserves			
Called up share capital	14		1
Profit and loss account			(812)
Shareholder's deficit			(811)

These financial statements were approved by the Board of Directors on 15 December 2006 and were signed on its behalf by:



Jeffrey McKee
Director

Reconciliation of movement in shareholder's deficit
for the period ended 31 December 2005

	2005
	£
Loss for the financial period	(812)
Change in called up capital in the period	1
Net increase in shareholder's deficit	(811)
Opening shareholder's deficit	-
Closing shareholder's deficit	(811)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Results of operations from acquired businesses are included in the combined financial statements from the date of acquisition. As this is the first period of operations, no comparative figures have been provided.

The financial statements have been prepared under the going concern basis on the assumption that the ultimate parent company, Constellation Software Inc, will continue to provide financial support. If the company were unable to continue to trade adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities that may arise, and to reclassify fixed assets as current assets.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. The financial statements present information about the individual company and not about its group.

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

As the company is a wholly owned subsidiary of Gary Jonas Computing Ltd. the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Taxation

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

The Company primarily sells bundled arrangements, including software, third party hardware, professional services and maintenance. Revenue from maintenance fees in software sales is unbundled and deferred based on the price charged for renewal maintenance fees.

The Company recognizes revenue on the elements when there is persuasive evidence of an agreement with customers, a fixed fee that is collectible, and delivery has occurred. The total revenue from such contracts is allocated to each element of the agreement based upon vendor-specific objective evidence.

Professional services revenue is recognized as such services are performed. Maintenance revenue is recognized rateably over the term of the related maintenance agreement, which is normally one year. Hardware revenue is recognized upon shipment.

Amounts billed in accordance with customer contracts, but not yet earned, are recorded as deferred revenue.

Provisions for estimated losses on contracts are recorded when identifiable.

Notes (continued)

1 Accounting policies (continued)

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised. Positive goodwill is amortised to nil by equal instalments over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment - 5 years

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Analysis of turnover and loss on ordinary activities before taxation

All of the company's turnover and loss on ordinary activities before taxation is derived in the UK and the Republic of Ireland from its principal activity.

3 Loss on ordinary activities before taxation

	2005 £
<i>Loss on ordinary activities before taxation is stated after charging</i>	
Amortisation	9,451
Depreciation	150
Auditors' remuneration	
- audit	7,500
Operating lease payments	11,776

Notes *(continued)*

4 Remuneration of directors

No emoluments were paid to the directors during the period.

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees
	2005
Sales and administration	4
Professional services and maintenance	5
	9

The aggregate payroll costs of these persons were as follows:

	2005 £
Wages and salaries	140,559
Social security costs	14,944
	155,503

6 Interest receivable and similar income

	2005 £
Foreign exchange gain	565

7 Interest receivable and similar income

There was no interest payable or foreign exchange loss during the period.

Notes (continued)

8 Taxation

Analysis of charge for the period

	2005 £
<i>UK corporation tax</i>	
Total current tax on loss for the period	-
<i>Deferred tax</i>	
Origination and reversal of tax	
Current year	(348)
Prior year	-
Total deferred tax (note 12)	(348)
	(348)
Tax on profit on or	(348)

Factors affecting the tax charge for the current period

	2005 £
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(1,160)
Current tax at 30%	(348)
<i>Effects of:</i>	
Capital allowances in excess of depreciation	-
Expenses not deductible for tax purposes	-
Utilisation of tax losses	-
Short term timing differences	(348)
Total current tax charge for the period	-

Notes (*continued*)

9 Intangible fixed assets

Goodwill

£

Cost

At beginning of period

-

Acquired during period (note 11)

189,028

Change in fair value adjustment during period

(7,678)

At end of period

181,350

Amortisation

At beginning of period

-

Charged in period

(9,451)

At end of period

(9,451)

Net book value

At 31 December 2005

171,899

10 Tangible fixed assets

Office equipment

£

Cost

At beginning of period

-

Acquired during period (note 11)

3,000

At end of period

3,000

Depreciation

At beginning of period

-

Charged in period

(150)

At end of period

(150)

Net book value

At 31 December 2005

2,850

Notes (continued)

11 Acquisition

On 1 October 2005, the company acquired certain assets and assumed certain liabilities from Highcraft LLC., a provider of software solutions for the private club and golf markets in the United Kingdom, for total consideration of £129,128 including legal costs. This acquisition has been accounted for under the purchase method of accounting, with the result of operations included in the combined financial statements from the date of acquisition.

The book values of the identifiable assets and liabilities acquired and their provisional fair value to the company are set out below:

	Book value	Fair value adjustment	Acquisition amounts
	£	£	£
Tangible fixed assets	3,000	-	3,000
Debtors	54,240	(15,495)	38,745
Creditors	(101,645)	-	(101,645)
Net identifiable assets and liabilities			(59,900)
Goodwill on acquisition			189,028
<i>Satisfied by:</i>			
Consideration paid including expenses £28,102			129,128

The fair value adjustment above is required to align the accounting policies of the acquired business with those of the Company.

12 Debtors: amounts falling due within one year

	2005 £
Trade debtors	278,098
Other debtors	38,155
Amounts owed by group undertakings	50,476
Deferred tax (note 8)	348
Prepayments and deposits	3,850
	<u>370,927</u>

13 Creditors: amounts falling due within one year

	2005 £
Trade creditors	27,037
Amounts owed to group undertakings	363,860
Taxation and social security	30,431
Other creditors	11,309
Accruals and deferred income	135,664
	<u>568,301</u>

Notes (continued)

14 Called up share capital

	2005 £
<i>Authorised</i>	
1,000 ordinary shares of £1 each	1,000
<i>Allotted, called up and fully paid</i>	
1 ordinary share of £1	1

15 Reserves

	Profit and loss account £
At beginning of period	-
Loss for the period	(812)
At end of period	(812)

16 Financial commitments

At 31 December 2005 the company had commitments under non-cancellable operating leases as follows:

	Property 2005 £
Operating leases which expire:	
Within one year	9,379
In the second to fifth years inclusive	-

17 Ultimate parent company

The company is a subsidiary of Constellation Software Inc, a company incorporated in Canada.

The smallest group in which the results of the company are consolidated is that headed by Gary Jonas Computing Ltd., a company incorporated in Canada. The largest group in which the results of the company are consolidated is that headed by Constellation Software Inc. The consolidated accounts of the company are available to the public and may be obtained from Gary Jonas Computing Ltd., 45 Vogell Road, Richmond Hill, Ontario, L4B 3P6.