THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange plc on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document.

This document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the proposed admission to trading of the issued Ordinary Shares of Ideagen Plc (the "Company") on AIM. This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the Financial Services Authority in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

The Company and the Directors, whose names appear on page 8 of this document, accept responsibility individually and collectively, in accordance with the AIM Rules for Companies, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the Ordinary Shares of the Company to be admitted to trading on AIM. It is expected that dealings in the Ordinary Shares will commence on 2 July 2012.

The whole of this document should be read. An investment in the Company includes a significant degree of risk and the attention of investors is drawn in particular to the Risk Factors set out in Part 2 of this document.

Ideagen Plc

(Incorporated and registered in England and Wales with registered number 02805019)

Admission to trading on AIM of 77,881,558 Ordinary Shares of 1p each

Nominated Adviser and Broker

finnCap

FinnCap, which is authorised and regulated by the Financial Services Authority, is acting as the Company's nominated adviser and broker for the purposes of the AIM Rules for Companies in connection with the proposed admission of the Ordinary Shares to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by FinnCap as to any of the contents of this document and FinnCap has not authorised the contents of any part of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by FinnCap for the accuracy of any information or opinions contained in, or for the omission of any material information from this document for which the Company and the Directors are solely responsible. FinnCap will not be offering advice, and is not acting for, and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the proposals described in this document.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa, nor has any prospectus in relation to the Ordinary Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into or within United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This document must not be copied or distributed by recipients (save as set out above) and, in particular, must not be distributed by any means, including electronic transmission, to persons with addresses in United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa, their respective possessions and territories or to any citizen of any of them or to any corporation, partnership or other entity created or organised under the laws of any of them. Any such distribution could result in a violation of the laws of those countries. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action and observe any such restriction.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company's registered office and at the offices of FinnCap at 60 New Broad Street, London EC2M 1JJ from the date of this document and for a period of at least one month from Admission.

CONTENTS

STATISTICS

Number of Ordinary Shares	77,881,558
ISIN	GB00B0CM0C50
PLUS Markets symbol	IDGP
AIM trading symbol	IDEA

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	25 June 2012
Admission and commencement of dealings in the Ordinary Shares on AIM	2 July 2012

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"Admission"	the admission of the Ordinary Share Capital to trading on AIM and such admission becoming effective in accordance with rule 6 of the AIM Rules for Companies
"Admission Agreement"	the conditional agreement dated 25 June 2012 between the Company, the Directors and finnCap relating to, *inter alia*, the Admission, details of which are set out at paragraph 1.10.3 of Part V of this document
"Admission Document"	this document
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"AIM Rules for Companies"	the rules for companies relating to the admission of securities to trading on AIM, as published by the London Stock Exchange from time to time
"AIM Rules for Nominated Advisers"	the rules relating to nominated advisers operating on AIM, as published by the London Stock Exchange from time to time
"applicable employee"	as defined in the AIM Rules for Companies
"Articles"	the articles of association of the Company in force on Admission, a summary of which is set out in paragraph 1.4 of Part V of this document
"certificated" or "in certificated form"	a share or other security which is not in uncertificated form (i.e. not in CREST)
"Companies Act" or "Act"	the Companies Act 2006
"Company" or "Ideagen"	Ideagen Plc, a company incorporated in England and Wales with registered number 02805019
"Compliance Solutions"	the software applications Workbench and Proquis Enterprise which help companies comply with ISO standards for quality and compliance with industry standards
"Corporate Governance Code"	the UK Corporate Governance Code dated May 2010, issued by the Financial Reporting Council
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
"Directors" or "Board"	the directors of the Company being David Hornsby, Leslie Paul, Graeme Spenceley, Jonathan Wearing, Graham Harrop and Alan Carroll
"DTR"	the Disclosure and Transparency Rules issued by the FSA
"EMI"	Enterprise Management Incentive

"EMI Option Scheme"	the Company's EMI option scheme, a summary of which is set out in paragraph 1.6 of Part V of this document
"equity securities"	as defined in section 560 of the Companies Act
"EU"	European Union
"FinnCap"	finnCap Limited, nominated adviser and broker to the Company
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time)
"Group"	the Company and its subsidiaries as at the date of this document
"IFRS"	International Financial Reporting Standards as adopted by the EU
"ISIN"	International Securities Identification Number
"ISO"	International Organization for Standardization
"London Stock Exchange"	London Stock Exchange plc
"Nasdaq"	the Nasdaq stock exchange
"Official List"	the Official List of the UK Listing Authority
"On Demand Information"	information which is delivered via the Internet using a Software as a Service (SaaS) delivery model
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company
"Ordinary Share Capital"	the Ordinary Shares in issue, being 77,881,558 Ordinary Shares
"PLUS"	the PLUS Market, operated by PLUS Markets Group Plc
"Pounds Sterling" or "£"	the official currency of the UK
"Prospectus Rules"	the rules published by the FSA under section 73A FSMA
"relevant system"	any computer based system and its related facilities and procedures that is provided by an operator and by means of which title to units of a security can be evidenced and transferred without a written instrument
"Shareholders"	holders of Ordinary Shares
"subsidiary"	as defined in section 1159 of the Companies Act
"substantial shareholder"	as defined in the AIM Rules for Companies
"Takeover Code"	the City Code on Takeovers and Mergers
"UK"	United Kingdom
"UKLA" or "UK Listing Authority"	the FSA acting in its capacity as competent authority for the purposes of Part VI FSMA
"Unapproved Option Scheme"	the Company's unapproved share option scheme, a summary of which is set out in paragraph 1.6 of Part V of this document

"uncertificated"	an Ordinary Share recorded on the Company's register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US" or "United States"	the United States of America
"US$"	the official currency of the US
"USDVA"	the US Department of Veterans Affairs
"VHA Contract"	the contract between Proquis Inc. and the US Department of Veterans Affairs awarded on 22 September 2011

All references to times in this document are to UK time unless otherwise stated. In this document, words denoting any gender include all genders.

A glossary of the technical terms used in this document is set out on page 7 of this document.

GLOSSARY

"Client Server"	a computing model that acts as a distributed application which partitions tasks or workloads between the providers of a resource or service, called servers, and service requesters, called clients
"cloud"	the delivery of computing and storage capacity delivered as a service to a community of end-recipients via the Internet typically using a web browser
"Compliance Based Enterprise Information Management Software"	Information Management solutions which are biased towards solving Regulatory and Quality Compliance issues within an organisation
"content"	the information typically stored within Information Management systems such as text documents, images and multi-media files
"content lifecycle solutions"	the lifecycle management of content from its creation through to modification, storage and final disposition
"data capture"	the acquisition of data from paper documents by scanning and Optical Character Recognition processing
"ECM"	Enterprise Content Management
"Integrated Quality Management System"	a number of individual modules which have been integrated to create a solution for addressing Quality Management issues
"ISO9000"	the ISO9000 family of standards published by the International Organization for Standardization related to quality management systems and designed to help organisations ensure that they meet the needs of customers and other stakeholders
"ISO9001"	a member of the ISO9000 family of standards
"KnowledgeWorker®"	trade mark for the KnowledgeWorker software system registered by Ideagen on 4 July 2002 under trade mark number 2304398
"line-of-business"	an internal department or business unit within an organisation
"multi-tenanted"	a principle in software architecture where a single instance of the software serves multiple client organisations (tenants)
"Proquis Enterprise"	the web based Regulatory and Quality Compliance solution for enterprises developed in-house by the Group
"Regulatory and Quality Compliance"	the rules, regulations and guidance which organisations are expected to comply with published by governmental, regulatory or standards bodies
"SaaS"	Software as a Service. Where software is typically supplied via the cloud and licensed on a pay as you go type model rather than the traditional perpetual licence model
"SME"	small and medium-sized enterprises
"Workbench" or "Workbench Professional"	the Client Server Regulatory and Quality Compliance solution developed in-house by the Group

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Jonathan Wearing	*Non-Executive Chairman*
	David Hornsby	*Chief Executive Officer*
	Graham Harrop	*Chief Operating Officer*
	Leslie Paul	*Chief Technology Officer*
	Graeme Spenceley	*Finance Director*
	Alan Carroll	*Non-Executive Director*
	all of 4 Meadway Court, Meadway Technology Park, Stevenage, Hertfordshire, SG1 2EF	
Company Secretary	Leslie Paul	
Registered Office	4 Meadway Court Meadway Technology Park Stevenage Hertfordshire SG1 2EF	
Website on Admission	www.ideagenplc.com	
Nominated Adviser & Broker	finnCap Limited 60 New Broad Street London EC2M 1JJ	
Reporting Accountant and Auditors	RSM Tenon Audit Limited The Poynt 45 Wollaton Street Nottingham NG1 5FW	
Solicitors to the Company	Finers Stephens Innocent LLP 179 Great Portland Street London W1W 5LS	
Registrars	SLC Registrars Limited Thames House Portsmouth Road Esher Surrey KT10 9AD	

PART I

INFORMATION ON THE GROUP

INTRODUCTION

Ideagen Plc is a supplier of 'Compliance Based Enterprise Information Management Software' with operations in the United Kingdom and the United States serving a number of sectors. The Group has grown both organically and through acquisition and is joining AIM in order to support the Group's strategy to become a leading supplier of Compliance Based Enterprise Information Management Software solutions to the UK in general and to the US healthcare market in particular.

The Company, formerly Datum International plc, was incorporated on 30 March 1993 and acquired the entire share capital of Ideagen Capture Limited (formerly Root3 Systems Limited) on 16 March 2010, the entire share capital of Filebutton Limited on 4 April 2011 and the entire share capital of Proquis Limited on 10 January 2012.

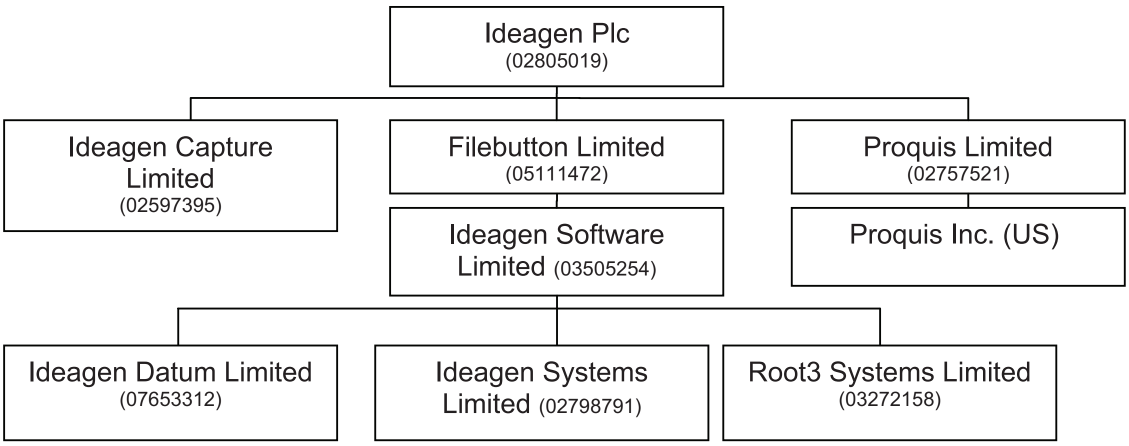
Application has been made for the admission of the Ordinary Share Capital to trading on AIM. Admission is expected to become effective on 2 July 2012.

BACKGROUND TO IDEAGEN

The Business

The Group is a software development business specialising in information management solutions for organisations that generally operate within industries that are subject to high regulatory standards. As authors of Workbench Professional, Proquis Enterprise and KnowledgeWorker® software products, the Group is able to provide complete content lifecycle solutions that enable organisations to meet their Regulatory and Quality Compliance standards, helping them to reduce costs and improve efficiency.

The Group comprises 9 companies headed by Ideagen, details of each Group entity are set out in Part V of this document. The subsidiaries are all wholly owned by Ideagen and the Group is structured as follows:



At the date of this document, the Group employs 55 staff based at four locations across the UK, at Bristol, Matlock, Stevenage and Sittingbourne, and one location in Schaumburg, Illinois, USA. The Group has, historically, principally operated in the UK but following the acquisition of Proquis Limited the Directors now believe significant opportunities for growth exist in the US.

Customers range from internationally recognised organisations, governments and local authorities through to SMEs. Recurring revenue streams from product support and maintenance make up approximately 38 per cent. of total revenue. Further revenues are generated from licence sales and product implementation.

The Directors believe that the Group has good client retention which they believe is due to a combination of offering market leading solutions together with a level of service which they believe to be both high and competitively priced.

History

The Company was incorporated in 1993 by Leslie Paul as a consultancy business providing advice, training and implementation resources for Enterprise Content Management (ECM) to organisations.

In 2000, the Company embarked on the development of the ECM software application known as "KnowledgeWorker®" (further details of which are below), which Ideagen continues to develop, supply, implement and support.

The Company, then Datum International Limited, was floated on PLUS in 2005 and became a public limited company in 2010. David Hornsby, the current chief executive officer, joined the Company in 2009, investing personally in the business at that time and in later placings. The Group has grown substantially since David Hornsby's appointment, completing three company acquisitions and increasing the Company's share price from 2.1 pence on 1 May 2009 to 14 pence and the market capitalisation from approximately £600,000 to approximately £10.9 million as at 22 June 2012 (being the latest practicable business day prior to the date of this document).

Ideagen Capture Limited (formerly Root3 Systems Limited), a document capture business, was acquired by the Company in 2010 for an initial consideration of £600,000 which was raised through an equity placing.

In 2011, Filebutton Limited, together with its wholly owned trading subsidiary Ideagen Software Limited, was acquired by the Company for approximately £1.4 million net of cash. Ideagen Software Limited develops, supplies and supports the Group's Regulatory and Quality Compliance software known as "Workbench" (further details of which are set out below). Funds for this acquisition were raised through an equity placing.

Following a general meeting on 12 July 2011, Datum International Plc then changed its name to Ideagen Plc.

In January 2012, the Company acquired Proquis Limited, together with its wholly owned US subsidiary Proquis Inc., a Regulatory and Quality Compliance solutions software provider with a .NET Internet based platform called "Proquis Enterprise" for an initial consideration of £1.04 million with potential additional deferred consideration of up to £2.2 million (further details of which are set out below). Proquis has clients across multiple sectors with a focus on aerospace and defence, healthcare, energy and manufacturing markets and with operations in both the UK and the US. Proquis Inc. has a significant contract with the US Department of Veterans Affairs to supply an Integrated Quality Management System through this flagship product. The contract had an effective commencement date of 28 November 2011. Proquis Inc., based in Illinois, employs 10 people and its principal activity is the sale of the Group's products within the US.

The Group's Products and Services

The Group generates revenues from the sale of software licences, product implementation and ongoing customer support and maintenance.

The Group's software products are as follows:

(a) *Proquis Enterprise*

Proquis Enterprise is a highly scalable Internet based platform which helps businesses improve processes associated with the management of Regulatory and Quality Compliance. Proquis Enterprise consists of a number of modules including audit management, personnel/training and competency, document control, customer care, issues & actions, equipment control, management review, health & safety, supplier control and process management. These modules when combined should in the opinion of the Directors enable organisations to deliver:

- Improvement in Regulatory and Quality Compliance
- Risk assessment and analysis
- Effective complaint handling
- Asset and equipment management
- Controlled processes and controlled documentation

- Auditing and non-conformance management
- Skills/duties/competency appraisal system

Proquis Enterprise was developed in-house by Proquis Limited and this software was added to the Group's portfolio when Proquis Limited was acquired by the Company in January 2012.

(b) *Allclear*

Allclear is a process charting tool which can be run independently as a client application. It can also be used as a module within Proquis Enterprise for displaying process diagrams. A unique charting feature allows text input to be automatically converted to a graphical process chart. This feature has been patented under United States Patent number 5617578.

(c) *Workbench*

Workbench is the Group's Client Server Regulatory and Quality Compliance software which is modular based and configurable for customers' specific requirements. Through Workbench documents are controlled and stored in the tailored system which can then be used as a resource by the customer organisation to improve quality, environmental and other standards and compliance management such as audits, change management and document control. Workbench was developed in-house by Ideagen Software Limited and was added to the Group's product portfolio when Filebutton Limited was acquired by the Company in 2011.

(d) *KnowledgeWorker®*

KnowledgeWorker® is the ECM software system built in-house by Ideagen with Microsoft development tools and designed to work with Microsoft Office and Outlook. KnowledgeWorker® addresses content/document management and collaboration by storing, indexing, classifying and cataloguing information from many sources including electronic documents, scanned documents, web forms, email and output from back office business software applications. The system combines content administration with workflow, thereby integrating information content with business processes. Once the information is captured the search technology in KnowledgeWorker® allows users to then easily retrieve the stored information and view related records and data, unlocking the wealth of data contained in corporate documentation. KnowledgeWorker® is also available as a Software as a Service (SaaS) product and is operated as a multi-tenanted ECM platform.

In addition to the above software products, Ideagen Capture Limited, a subsidiary of the Company, provides data capture services, as follows:

(e) *Data Capture*

Ideagen Capture Limited provides integrated scanning and capture solutions that enable customers to transform their paper documents and business forms into searchable electronic documents and information which can be used to power front and back office line-of-business applications. Typically, digitally captured documents are stored either in the Group's on-site KnowledgeWorker® SaaS platform or on other third parties' document management systems. When used with KnowledgeWorker's web services architecture, customers are able to scan directly to the "cloud" and automatically initiate business processes (workflow) to be processed across an organisation and its supply chain or customers.

Sectors

The Group is focused on providing compliance based information management solutions to businesses in highly regulated industries. The Group's solutions are used by companies to help them maintain compliance with internationally recognised standards and business processes. These have included:

ISO9000 Quality	OHSAS 18001 Health and Safety
ISO14001 Environmental	ISO27001 Information Security
ISO16949 Automotive	FDA 21 CFR Part 11
Sarbanes Oxley	COMAH
COSHH	GAMP/GXP

The Group's particular sector focus is in industries such as aerospace and defence, pharmaceuticals, food and beverage, healthcare and utilities.

Competition

The Group's software and services fall within two recognised markets; these being Enterprise Governance, Risk Management and Compliance (GRC) and Enterprise Content Management (ECM). By specialising in quality and ISO standards compliance, the Group occupies a niche which crosses these two established markets.

The Directors are aware of a number of suppliers which have addressed this niche market, including Gael Ltd and Lennox Hill in the UK and MasterControl Inc. and Harrington Group Inc. in the US, the Directors believe that there is no clear global leader in this particular niche. With over 250 active customers, including the US's largest integrated healthcare system, the Directors believe that the Group could be considered a leading supplier not only within the UK but also in the US healthcare market.

The Directors are of the opinion that the Group's primary competition comes from internal IT departments within larger organisations developing 'bespoke' Regulatory and Quality Compliance solutions, often based around Microsoft SharePoint. The Group's own experience of developing a SharePoint based solution and anecdotal evidence from its own customers suggest, in the opinion of the Directors, that often such projects require significant development and can be expensive to build and maintain when compared with Commercial Off The Shelf (COTS) products.

Summary financials

The following consolidated information has been extracted from the accountants report on the Group for the three financial periods ending 30 April 2011 as set out in Part III Part A of this document.

	16 months ended 30 April 2009 (£000)	*Year ended 30 April 2010 (£000)*	*Year ended 30 April 2011 (£000)*
Revenue	512	966	2,253
Profit/(loss) from operating activities before adjustments for the following:	(542)	192	523
Depreciation and amortisation	(12)	(20)	(122)
Costs of acquiring businesses	–	(89)	(93)
Share-based payment charges	–	(17)	(44)
Profit/(loss) from operating activities	(554)	66	264
Profit/(loss) before taxation	(579)	72	371
Taxation	–	–	199
Total comprehensive income	(579)	72	570

THE MARKET OPPORTUNITY

There are over 19,000 ISO standards which are published by the International Organisation for Standardization. Whilst the Group's software covers a number of specific standards relating to health and safety, information security, the automotive industry and environmental compliance, the main standards which the Group's products help customers comply with are based around ISO9000 Quality Management. The ISO9000 family of standards are related to quality management systems and are designed to ensure that organisations meet the needs of customers and other stakeholders.

In the Directors' experience with customers, proper quality management can improve business performance, often having a positive effect on investment, market share, sales growth, sales margins, competitive advantage, and avoidance of litigation.

It has been shown that implementing ISO can give an organisation the following benefits:

1. Promotes a more efficient, effective operation
2. Increases customer satisfaction and loyalty
3. Reduces the frequency of customer audits
4. Promotes flexibility to react quickly to new opportunities
5. Improves employee motivation, commitment and involvement
6. Promotes international trade
7. Increases revenues
8. Reduces costs

Any organisation which has implemented a standards based quality management system in the Directors' opinion represents a potential customer for the Group's products. As of December 2009, more than one million organisations worldwide were independently certified for ISO9001 suggesting that this standard is one of the most widely used management tools in the world today.

The Directors believe that this significant market opportunity can be exploited through the Group's Proquis Enterprise and Workbench Regulatory and Quality Compliance software solutions.

STRATEGY OF IDEAGEN

The Directors' strategic objective is for the Group to become a leading supplier of compliance based Enterprise Information Management (EIM) solutions to the UK in general and to the US healthcare market. EIM is focused on the capture, storage, retrieval and distribution of 'unstructured' information such as documents, web pages and content, email, video and scanned images. It has been independently estimated that 'unstructured' information accounts for more than 80 per cent. of all data within an organisation and the Directors believe that its effective management is a corporate necessity. When organisations are obliged to demonstrate compliance with industry standards, regulations and KPIs this acts as a compelling driver for those organisations to invest in the Group's products.

The Company intends to deliver its strategy through a combination of organic and acquisitive growth which will enhance and complement the Group's product set and provide scale within the business. The Directors are of the opinion that the UK market and the US healthcare sector are both fragmented with no dominant compliance based EIM supplier and that consolidation in this sector will offer attractive opportunities over the next few years. Furthermore, the emergence of "cloud" based computing has provided the Group with the opportunity to develop a SaaS business model which the Directors expect to drive significant new business growth and recurring revenue opportunities.

CURRENT TRADING AND PROSPECTS FOR THE GROUP

The Group intends to issue its preliminary announcement of its results for the year ended 30 April 2012 by the end of July 2012. Trading for the year has been robust and profits are comfortably in line with market expectations. Results will show significant growth in revenues, profits and earnings per share allied to strong cash generation. The Company looks forward to continuing its growth on AIM.

DIRECTORS

The details of the Directors are as below:

Jonathan Wearing, aged 59, *Non-Executive Chairman*

Jonathan was formerly a director in the London corporate finance department of Citicorp Investment Bank Limited and previously worked in the corporate banking group of Citibank in London. He has run corporate advisory and consultancy businesses in the City of London for the last 20 years and has worked on training and lecturing assignments with a wide variety of institutions in many parts of the world. He is an early stage investor in technology companies and holds a number of directorships. Jonathan has an MA in Economics from Cambridge University. Jonathan joined the Board in September 2000 and became Non-Executive Chairman in 2005.

David Hornsby, aged 44, *Chief Executive Officer*

David has been the Chief Executive of Ideagen Plc since June 2009 and has over 20 years' experience in the technology sector. David has held a number of senior management positions in both UK and US based software companies including Smart Workforce Management Plc, Parametric Technology Corporation and Profund Systems Limited.

Graham Harrop, aged 51, *Chief Operating Officer*

Graham has significant senior executive experience within the IT industry having worked for a number of Nasdaq-listed software companies including Informix, Oracle and Microsoft. Graham held a number of senior positions at Microsoft including director of the UK Government Business where he led a number of strategic sales campaigns. Since 2009 Graham has worked as a consultant in IT procurement to both the UK Government and to industry and has contributed to a number of research papers on the future of IT in UK government. Graham is currently a director of CTPR Limited, the Centre for Technology Policy Research, which engages with politicians and public sector policy makers on the establishment and implementation of public sector IT policy and which he co-founded in 2009. Graham was appointed to the Board in March 2012.

Graeme Spenceley, aged 47, *Finance Director*

Graeme has been a chartered accountant for over 20 years. He spent 18 years with KPMG, initially specialising in audit where he managed a number of public company clients and later as an associate director in transaction services which specialised in the provision of due diligence and reporting accountant services to corporates, private equity companies and banks. Graeme joined the Board in March 2010.

Leslie Paul, aged 53, *Chief Technical Officer*

Les was the founder of the Company and has over 30 years' experience in the IT industry. He started his career as an industrial engineer before moving into IT and during his career has been involved in designing and implementing warehousing, distribution, and financial systems across Western Europe while at Rank Xerox. In the late 1980s he developed the "Altair" financial accounting system which was subsequently sold to McDonnell Douglas Information Systems. In 2000, Les began the development of the KnowledgeWorker ECM system, one of the Group's key products, which continues to be updated and supported today. Les has been on the Board since the Company's incorporation and is the Group's Chief Technology Officer.

Alan Carroll, aged 60, *Independent Non-Executive Director*

Alan has 25 years' experience in the information systems industry during which he has worked in a senior capacity in the development of the Ministry of Defence's Information System Strategy. He has also been a senior sales manager and advisor to a number of major companies including Unisys where he was head of sales for defence. More recently he has founded a number of systems and software consultancies and been an early stage investor in technology start-ups. He is currently managing director of Ultris Limited and Ultris Information Services Limited which are both primarily focused on the UK confidential government market.

Alan has an MSc in Design of Information Systems from Cranfield Institute of Technology. Alan was appointed to the Board on 31 May 2012.

WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

FINANCIAL INFORMATION – SUMMARY

Part III of this document contains historical financial information on the Company.

DIVIDEND POLICY

The Board anticipates that, following Admission, the Group's cash resources will be used for investment in the development of the Group's assets and will not be available for distribution until such time as the Company has an appropriate level of distributable profits. The declaration and payment by the Company of any dividends and the amount thereof will depend on the results of the Group's operations, its financial position, anticipated cash requirements, prospects, profits available for distribution, and other factors deemed to be relevant at the time. As at the date of this document, the Company has not declared any dividends.

SHARE DEALING CODE

The Directors intend to comply with Rule 21 of the AIM Rules for Companies relating to directors' and applicable employees' dealings in the Company's securities. Accordingly, the Company has adopted a share dealing code for directors and applicable employees and the Company will take all reasonable steps to ensure compliance by its directors and applicable employees with the provisions of the AIM Rules for Companies relating to dealings in securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board confirms that following Admission the Directors intend to observe the requirements of the Corporate Governance Code to the extent that they consider appropriate in light of the Company's size, stage of development and resources and in accordance with the Corporate Governance Guidelines for AIM companies issued by the Quoted Companies Alliance.

The Corporate Governance Code provides that the board of directors of a public company should include a balance of executive and non-executive directors, with independent non-executive directors comprising at least one-half of the board (excluding the Chairman). The Corporate Governance Code states that the board should determine whether a director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment.

The Board is comprised of 6 directors consisting of 4 executive directors and 2 non-executive directors which it believes is appropriate at this stage of its development. The Board considers that Alan Carroll can be considered as independent within the meaning of the Corporate Governance Code but that Jonathan Wearing cannot be considered as independent within the meaning of the Corporate Governance Code due to the size of his shareholding in the Company.

The Directors have formed, and have adopted terms of reference for, an audit committee and a remuneration committee as detailed below. In light of the Group's size the Directors do not at this time consider that a nomination committee is required but shall keep the position under review.

COMMITTEES OF THE DIRECTORS

Audit Committee

The audit committee comprises Alan Carroll and Jonathan Wearing and is chaired by Alan Carroll. It shall meet not less than twice a year. The audit committee receives and reviews reports from management and from the Company's auditors relating to the interim and annual accounts and to the internal control procedures in use throughout the Group. It is responsible for ensuring that the financial performance of the Group is properly reported with particular regard to legal requirements, accounting standards and the AIM Rules for Companies. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

Remuneration Committee

The remuneration committee comprises Alan Carroll and Jonathan Wearing and is chaired by Alan Carroll. It shall meet not less than twice a year. It is responsible for determining and reviewing the terms and conditions of service (including remuneration) and termination of executive directors and senior employees and the grant of options under any share option scheme of the Company implemented from time to time.

SHARE OPTION SCHEMES AND OPTIONS

The Directors believe that the success of the Group will depend to a high degree on the retention and future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group.

The Company operates an EMI Option Scheme and an Unapproved Option Scheme, details of which are set out in paragraphs 1.6.1 and 1.6.2 respectively of Part V of this document.

Details of the outstanding options over the share capital of the Company are set out in paragraph 1.6 of Part V of this document.

SETTLEMENT, DEALINGS AND CREST

Application will be made for the Ordinary Share Capital to be admitted to AIM. Admission is expected to take place and dealings in the Ordinary Share Capital to commence, at 8.00 a.m. (London time) on 2 July 2012. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Company will apply for the Ordinary Shares to be admitted to CREST with effect from Admission. The Articles permit the holding and transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

TAXATION

Information regarding United Kingdom taxation is set out in paragraph 4 of Part V of this document. **If prospective investors are in any doubt as to their tax position, they should consult an appropriate professional adviser immediately.**

ADDITIONAL INFORMATION

Prospective investors should read the whole of this document, which provides additional information on the Company, the Group and Admission, and not rely on summaries or individual parts only. Your attention is drawn to the additional information set out in Part V of this document which contains, among other things, further information on the Group.

RISK FACTORS

Your attention is drawn to the Risk Factors set out in Part II of this document.

FORWARD-LOOKING STATEMENTS

This admission document contains forward-looking statements which reflect the current view of the Company or, as appropriate, of the Directors with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's products and services).

These forward-looking statements relate to the Group and the sectors and industries in which the Group operates. Statements which include the words “expects”, “intends”, “plans”, “believes”, “projects”, “anticipates”, “will”, “targets”, “aims”, “may”, “would”, “could”, “continue”, the negative of these words, or similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements included in this admission document address matters that involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group’s actual results of operations, performance, achievements or financial condition to differ materially from those indicated in these statements. These factors include but are not limited to those described in Part II of this admission document on Risk Factors, which should be read in conjunction with the other cautionary statements that are included in this admission document. Although the Company and the Directors have attempted to identify all factors that may influence the accuracy of any forward-looking statement there remain factors which are impossible to foresee and which may cause results or events to differ materially from those predicted. Any forward-looking statements in this admission document reflect the Company’s and Directors’ current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity.

PART II

RISK FACTORS

Investing in Ordinary Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this document, including the following risk factors, before investing in the Ordinary Shares. Additional risks and uncertainties not presently known to the Company and the Directors or that the Company and the Directors currently consider to be immaterial may also adversely affect the Group's business, operations and financial condition. If any events or circumstances giving rise to any of the following risks, together with possible additional risks and uncertainties of which the Company and the Directors are currently unaware or which the Company and the Directors consider not to be material in relation to the Group's business, actually occur, the Group's business, financial condition and results of future operations could be materially and adversely affected. In such circumstances, the value of the Ordinary Shares could decline due to any of these risks occurring and investors could lose part or all of their investment.

There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Company will achieve its objectives.

1. Investment in AIM securities

Although the Company is applying for the admission of its share capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. Investment in shares traded on AIM is perceived to involve a higher degree of risk than investment in a company whose shares are listed on the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

2. Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company and news reports relating to trends in the Group's markets. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

3. Estimates in financial statements

Preparation of consolidated financial statements requires the Group to use estimates and assumptions. Accounting for estimates requires the Group to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. The Group's accounting policies require management to make certain estimates and assumptions as to future events and circumstances. In addition, the carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. If the estimates and assumptions are inaccurate, the Group could be required to write down the value of certain assets. On an ongoing basis, the Group re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

4. Holding company structure and restrictions on dividends

The Company's operating results and its financial condition are dependent on the trading performance of members of the Group. The Company's ability to pay dividends will depend on the level of distributions, if any, received from the Company's subsidiaries. Members of the Group may from time to time be subject to restrictions on their ability to make distributions to the Company, as a result of factors such as restrictive covenants contained within loan agreements, foreign exchange limitations, regulatory, fiscal or other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Group's business, operating results and financial condition.

The Company has not, since the date of its incorporation, declared or paid any dividends on its Ordinary Shares, and does not currently have a policy with respect to the payment of dividends.

The Company does not plan to pay cash dividends on its Ordinary Shares for the foreseeable future, although this will be reviewed periodically by the Board.

5. Dependence upon key management personnel and executives

The Group is dependent on a small number of key management personnel. The loss of the services of one or more of such key management personnel may have an adverse effect on the Group. The Group's ability to manage its financing and development activities will depend in large part on the efforts of these individuals. The Company has entered into incentivised employment agreements with its identified key executives and managers.

6. Possible conflicts of interest of Directors and officers of the Company

The Company expects that any decision made by its directors and officers involving the Company will be made in accordance with their duty to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill which a reasonably prudent person would exercise in comparable circumstances but there can be no assurance in this regard. In addition, each of the directors is required to declare any matter in which they are interested as required by the Companies Act.

7. Ability to attract employees

The Group depends on qualified and experienced employees to enable it to generate and retain business. Should the Group be unable to attract new employees or retain existing employees this could have a material adverse effect on the Group's ability to grow or maintain its business.

8. Litigation risks

All industries, including the technology industry, are subject to legal claims, with and without merit. The Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Group's financial position or results of operations.

9. Market Competition

The Group will operate in a competitive market and as a result of this will face pressure to maintain pricing and consulting staff utilisation rates. Failure to do this could result in an adverse impact on the Group's financial performance.

10. Third Party Intellectual Property Rights

Although the Directors believe that the Group's intellectual property rights do not infringe the intellectual property rights of others, third parties may assert claims that the Group has violated a patent or infringed a particular copyright, trade mark or other proprietary right or confidential information belonging to them. Any such intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and information.

11. Share price volatility and trading basis

The Ordinary Shares are not listed on the Official List and although the Ordinary Shares are to be traded on AIM, this should not be taken as implying that there will be a liquid market in the Ordinary Shares. A return on investment in the Ordinary Shares may, therefore, in certain circumstances be difficult to realise. The price at which the Ordinary Shares may trade and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and some which may affect quoted companies generally. These factors could include the performance of the Group's operations, large purchases or sales of shares, liquidity (or absence of liquidity) in its shares, currency fluctuations, legislative or regulatory changes and general economic conditions. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market price for securities and which may be unrelated to the Group's performance. The value of the Ordinary Shares will therefore fluctuate and may not reflect their underlying asset value.

Application has been made for the Ordinary Share Capital to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the Official List. Neither the London Stock Exchange nor the UKLA have examined or approved this document.

12. Investment Risk

An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time.

13. Additional capital

Depending upon market conditions, the Group's financial performance and ongoing strategy, the Group may need to raise further capital and/or debt financing. The success or otherwise and the pricing of any such capital raising and/or debt financing will depend upon the prevailing market conditions at that time, the relative success of the Group and other factors. If additional capital is raised by an issue of securities, this may have the effect of diluting shareholders' interests in the Group. Any debt financing, if available, may involve financial covenants which limit the Group's operating flexibility. If the Group cannot obtain such additional capital, the Group may not be able to complete the development of its projects or may be required to reduce the scope of any expansion which could adversely affect its business, operating results and financial condition.

Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Group's business, financial conditions and results of operations.

14. Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Board, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits.

15. Ordinary Shares available for future sale

The Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following Admission. Any sales of substantial amounts of Ordinary Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Ordinary Shares.

16. Exposure to Economic Cycle

The Company will be exposed to the general economic cycle. Another downturn in the public or private sector could have an impact on the future profitability of the business.

17. US Department of Veterans Affairs Contract

Proquis Inc. has won a contract, the VHA Contract, with the US Department of Veterans Affairs (USDVA) which is expected to generate revenue of approximately US$10.6 million over the 5 year period commencing 28 November 2011. The contract is for a base year and four option years. The base year revenue is US$2,078,000 and this is the only amount that the USDVA has obligated to the contract to date. The USDVA is under no contractual or legal obligation to exercise any of the option years. Appropriated funds will be obligated to the contract if and when an option year is exercised by the USDVA. The USDVA also has the authority to terminate the contract at any point in time under the "Termination for Convenience" clause which could result in termination without cause with immediate effect. Such a termination or failure to secure annual options years would have a material impact on the Company's revenues. Contractors to the US Government are bound by numerous contractual, regulatory and statutory provisions that expose the contractor to close scrutiny, audits and investigations. Failure of the Group's officers or employees to comply with such provisions could result in a loss of revenues or other potential liabilities.

18. Technology and Software risks

The Group operates in an industry where competitive advantage can be dependent on technology and the strength of the Group's software proposition. Failure to continue to follow a product roadmap by developing the Group's products and taking advantage of new technology may render obsolete any of the Group's products in development or currently available.

19. Exchange rate risk

Exchange rate fluctuations could have a material adverse effect on the Group's profitability. The Group has both sales and operations based in the United States and therefore revenues are earned in US$. There can be no guarantee that the Group would be able to compensate or hedge against such adverse effects and therefore exchange rate movements could have a material adverse effect on the Group's business and prospects, and its financial performance.

20. Suitability

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor or accountant or other professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom.

The risks listed above do not necessarily comprise all those faced by the Group and are not intended to be presented in any order of priority.

PART III

HISTORICAL FINANCIAL INFORMATION ON IDEAGEN PLC

PART A
ACCOUNTANTS REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF IDEAGEN PLC

RSM Tenon Audit Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

The Directors

Ideagen Plc
4 Meadway Court
Meadway Technology Park
Stevenage
Hertfordshire
SG1 2EF

finnCap Ltd
60 New Broad Street
London
EC2M 1JJ

Dear Sirs,

Ideagen Plc ("the Company")

We report on the financial information set out below in respect of the years ended 30 April 2011 and 2010 and the 16 months ended 30 April 2009. This financial information has been prepared for inclusion in the AIM Admission Document dated 25 June 2012 of Ideagen Plc ("the Admission Document") on the basis of the accounting policies set out on pages 28 to 32 of this financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Ideagen plc are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Directors of Ideagen Plc are responsible for the document in which the financial information is included.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Ideagen Plc as at the dates stated and of its performance, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 and in accordance with IFRS adopted by the EU.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

RSM Tenon Audit Limited
25 June 2012

Ideagen plc
Consolidated Statement of Comprehensive Income
For the 3 years and 4 months ended 30 April 2011

	Note	*16 months ended 30 April 2009*	*Year ended 30 April 2010*	*Year ended 30 April 2011*
		£	£	£
Revenue	2	511,779	965,783	2,253,407
Cost of sales		(15,234)	(63,671)	(268,314)
Gross profit		496,545	902,112	1,985,093
Administration expenses		(1,050,299)	(836,183)	(1,721,521)
Profit/(loss) from operating activities	3	(553,754)	65,929	263,572
Profit/(loss) from operating activities before adjustments for the following:		(542,044)	191,960	523,206
Depreciation and amortisation	3	(11,710)	(19,586)	(122,024)
Costs of acquiring businesses	18	–	(89,445)	(93,610)
Share-based payment charges	20	–	(17,000)	(44,000)
Profit/(loss) from operating activities	3	(553,754)	65,929	263,572
Movement in fair value of contingent consideration	15	–	–	113,000
Finance income/(costs)	6	(25,219)	6,166	(5,595)
Profit/(loss) before taxation		(578,973)	72,095	370,977
Taxation credit	7	–	–	198,893
Total comprehensive income/(deficit) for the period attributable to equity holders of the parent		(578,973)	72,095	569,870
Earnings per share		*pence*	*pence*	*pence*
Basic	8	(3.40)	0.22	1.1
Diluted	8	(3.40)	0.21	1.0

Ideagen plc
Consolidated Statement of Financial Position

	Notes	30 April 2009	30 April 2010	30 April 2011
		£	£	£
Assets and liabilities				
Non-current assets				
Intangible assets	9	–	1,269,036	3,113,388
Property, plant and equipment	10	23,429	58,927	69,742
Deferred tax asset	7	–	–	213,000
		23,429	1,327,963	3,396,130
Current assets				
Trade and other receivables	12	77,135	424,113	1,101,508
Cash and cash equivalents		6,226	220,054	762,468
		83,361	644,167	1,863,976
Current liabilities				
Trade and other payables	13	374,692	523,381	859,168
Borrowings	14	38,325	39,590	10,000
Other financial liabilities	15	–	–	187,000
Current tax liabilities	16	–	–	137,713
Deferred revenue		65,977	250,509	576,639
Other liabilities	17	–	–	422,180
		478,994	813,480	2,192,700
Non-current liabilities				
Borrowings	14	105,600	–	–
Other financial liabilities	15	–	300,000	–
		105,600	300,000	–
Net assets/(liabilities)		(477,804)	858,650	3,067,406

	Notes	30 April 2009	30 April 2010 restated (Note 26)	30 April 2011 restated (Note 26)
		£	£	£
Equity				
Issued share capital	19	301,456	508,623	697,316
Share premium	19	2,152,659	2,932,851	1,406,193
Merger-reserve	19, 26	–	260,000	260,000
Share-based payments reserve	20	–	17,000	61,000
Retained earnings		(2,931,919)	(2,859,824)	642,897
Equity attributable to owners of the parent		(477,804)	858,650	3,067,406

Ideagen plc
Consolidated Statement of Changes in Equity
For the 3 years and 4 months ended 30 April 2011

	Share capital £	*Share premium restated (Note 26)* £	*Merger reserve restated (Note 26)* £	*Share based payments reserve* £	*Retained earnings restated (Note 26)* £	*Total attributable to owners of the parent* £
Balance at 1 January 2008	160,631	1,945,354	–	–	(2,352,946)	(246,961)
Share placing (note 19)	140,825	220,487	–	–	–	361,312
Share placing issue costs (note 19)	–	(13,182)	–	–	–	(13,182)
Loss for the period	–	–	–	–	(578,973)	(578,973)
Balance at 30 April 2009	301,456	2,152,659	–	–	(2,931,919)	(477,804)
Share placing (note 19)	167,167	835,833	–	–	–	1,003,000
Share placing issue costs (note19)	–	(55,641)	–	–	–	(55,641)
Shares issued as part consideration to acquire Root3 Systems Ltd (note19)	40,000	–	260,000	–	–	300,000
Share-based payments (note 20)	–	–	–	17,000	–	17,000
Profit for the year	–	–	–	–	72,095	72,095
Balance at 30 April 2010	508,623	2,932,851	260,000	17,000	(2,859,824)	858,650
Share placing (note 19)	188,693	1,509,544	–	–	–	1,698,237
Share placing issue costs (note19)	–	(103,351)	–	–	–	(103,351)
Capital reduction (note 19)	–	(2,932,851)	–	–	2,932,851	–
Share-based payments (note 20)	–	–	–	44,000	–	44,000
Profit for the year	–	–	–	–	569,870	569,870
Balance at 30 April 2011	697,316	1,406,193	260,000	61,000	642,897	3,067,406

Ideagen plc
Consolidated Statement of Cash Flows
For the 3 years and 4 months ended 30 April 2011

	Note	*16 months ended 30 April 2009* £	*Year ended 30 April 2010* £	*Year ended 30 April 2011* £
Cash flows from operating activities				
Profit/(loss) for the period		(578,973)	72,095	569,870
Depreciation of property, plant and equipment	10	11,710	7,445	14,845
Amortisation of intangible non-current assets	9	–	12,141	107,179
Share-based payment charge	20	–	17,000	44,000
Finance costs recognised in profit or loss		25,219	(6,166)	5,595
Tax credit recognised in profit or loss	7	–	–	(198,893)
Gain recognised on fair value of contingent consideration	15	–	–	(113,000)
Decrease/(increase) in trade and other receivables		265,833	(232,166)	(616,366)
Increase/(decrease) in trade and other payables		158,349	(135,058)	167,131
(Decrease)/Increase in deferred revenue		(105,436)	24,160	(16,916)
Cash used by operations		(223,298)	(240,549)	(36,555)
Interest paid		(25,219)	(5,833)	(5,595)
Net cash used in operating activities		(248,517)	(246,382)	(42,150)
Cash flows from investing activities				
Net cash outflow on acquisition of subsidiaries	18	–	(213,239)	(824,260)
Payments for intangible assets		–	–	(152,138)
Payments for property, plant and equipment		(2,132)	(2,521)	(4,334)
Net cash used in investing activities		(2,132)	(215,760)	(980,732)
Cash flows from financing activities				
Proceeds from issue of equity shares	19	313,256	906,000	1,698,237
Payment for share issue costs	19	(13,182)	(55,641)	(103,351)
Repayment of borrowings		(27,792)	(22,529)	(29,590)
Proceeds of new loans		48,056	37,292	–
Repayment of loan acquired in subsidiary		–	(167,054)	–
Net cash generated by financing activities		320,338	698,068	1,565,296
Net increase in cash and cash equivalents during the period		69,689	235,926	542,414
Cash and cash equivalents at the beginning of the period		(85,561)	(15,872)	220,054
Cash and cash equivalents at the end of the period	23	(15,872)	220,054	762,468

Ideagen plc

1. Significant accounting policies

General information

Ideagen plc is a public limited company, incorporated and domiciled in England & Wales. During the year ended 30 April 2011, the Company re-registered as a public limited company and has recently changed its name to Ideagen plc from Datum International plc (formerly Datum International Limited). The ordinary shares of the company have a quotation on the PLUS market of the London Stock Exchange.

This consolidated financial information has been prepared in accordance with the AIM Rules and International Financial Reporting Standards (IFRSs), as adopted by the European Union, and IFRIC interpretations applicable as at 30 April 2011.

This financial information has been prepared in sterling on an historical cost basis, unless otherwise stated, and has been rounded to the nearest pound.

A summary of the significant accounting policies used in the preparation of this financial information is set out below.

Basis of consolidation

This financial information includes the parent Company and all of its subsidiary undertakings which are consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances and transactions are eliminated.

Revenue recognition

Revenue is measured at the fair value of the consideration received from the sale of software licences and the rendering of services, net of value added tax and any discounts. Revenue is recognised as follows:

(a) *Perpetual software licences*

Revenue is recognised on delivery of the licence to the customer.

(b) *Services*

Revenue in respect of professional services such as consulting days, training and bespoke development are recognised as these services are delivered.

(c) *Annual maintenance*

Revenue is recognised on a time-basis over the length of the maintenance period. Annual maintenance is normally invoiced in advance and a deferred revenue liability is recognised in the statement of financial position to represent the element of the maintenance revenue deferred to be recognised as revenue in the future.

Foreign Currencies

In preparing the financial information of each individual group entity, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the date of those transactions. At the end of the financial period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of the consolidated financial information, the assets and liabilities of foreign operations are translated into sterling using exchange rates prevailing at the end of each financial period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising are recognised in other comprehensive income and accumulated in a foreign currency translation reserve within equity.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are expensed in the Statement of Comprehensive Income on a straight line basis over the lease term.

Taxation

The tax charge or credit is based on the result for the period and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period end date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities included in the financial information and the tax base of those assets and liabilities. Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits in the future against which an asset can be utilised.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the period end date.

Pensions and post retirement benefits

Payments are made to individual private defined contribution pension arrangements for certain employees. Contributions are charged in the Statement of Comprehensive Income as they become payable.

Goodwill

Goodwill arising on business combinations is initially measured at cost being the excess of the fair value of the consideration paid over the group's interest in the net fair value of the identifiable assets and liabilities acquired. Goodwill is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is reviewed annually for impairment. Impairment is determined by assessing the recoverable amount of the cash-generating unit which contains the goodwill. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Statement of Comprehensive Income.

Other intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed annually with the effect of any changes being reflected on a prospective basis.

Research costs are expensed as incurred. An intangible asset arising from expenditure on a project is only recognised if management considers that it is technically feasible and that there are sufficient resources available to complete the asset so that it will be available for use or sale, that it intends to complete and is able to sell or use the asset to generate future economic benefits and that the costs of the development project can be measured reliably. Following the initial recognition of the expenditure, the asset will be carried at cost less accumulated amortisation and impairment losses. Amortisation is applied once the asset is available for sale to write off the cost over the period which is expected to benefit from the sale of the asset. This is anticipated to be 5 years.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less amortisation and accumulated impairment losses.

Software is amortised on a 20 per cent. or 25 per cent. per annum reducing balance basis. Customer relationships are amortised on a 10 per cent. per annum straight line basis.

Amortisation charges are included in Administration expenses in the Statement of Comprehensive Income.

Impairment

The Group reviews the carrying amounts of its tangible and intangible assets at least annually to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount provided that this does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated at 25 per cent. on a reducing balance basis so as to write off the cost, less any estimated residual values, over the expected useful economic lives of the assets concerned.

The remaining useful lives and residual values of plant and equipment are reassessed by the directors each year.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any indication exists, the carrying values are written down to the recoverable amount.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost using the effective interest method less any impairment provision. An impairment provision is made against a trade receivable only when there is objective evidence that the group may not be able to recover the whole invoiced amount as a result of events occurring after the initial recognition of the asset.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity date of 3 months or less. For the purpose of the statement of cash flows, cash and cash equivalents as defined above are stated net of any outstanding bank overdrafts.

Financial liabilities and equity instruments

Equity and debt instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Group's financial liabilities include trade and other payables and borrowings which are measured at amortised cost using the effective interest rate method.

An equity instrument is any contract which evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group, such as share capital and share premium, are recognised at the proceeds received net of direct issue costs.

Contingent consideration

Contingent consideration arising on business combinations is initially recorded at its fair value at the acquisition date. The accounting for changes in the fair value of contingent consideration arising on business combinations that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is remeasured to fair value at subsequent reporting dates and the corresponding gain or loss is recognised in the Statement of Comprehensive Income.

Share-based payments

The cost of equity settled transactions with employees is measured by reference to the fair value on the date they are granted. The fair value is determined using a Black-Scholes pricing model based on a range of inputs. An estimate is made of the number of equity-settled transactions which are eventually expected to vest and the fair value of those equity-settled transactions which are expected to vest is charged to the Statement of Comprehensive Income over the period in which the service conditions are fulfilled with a corresponding credit to equity.

Use of estimates and judgements

The preparation of this financial information requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the period end date and the amounts reported for revenues and expenses during the period. However the nature of estimation means that actual outcomes could differ from those estimates.

In applying the Group's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial information.

Deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits. Details of the deferred tax asset recognised in respect of trading losses are given in Note 7.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Judgement is required in determining the most appropriate valuation model and the most appropriate inputs into the model including the level of volatility, the number of options which are expected to vest and the expected life of the option. Further information is given in Note 20.

Impairment of goodwill

The Group tests goodwill for impairment on an annual basis in line with the accounting policy noted above. This involves judgement regarding the future development of the business and the estimation of the level of future profitability and cash flows to support the carrying value of goodwill.

Impairment of other assets

The Group reviews the carrying value of all other assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

Contingent consideration

An additional amount of consideration may become payable to the vendors of Ideagen Capture Limited (formerly Root3 Systems Limited) contingent on the level of profitability of that business in the 12 month period immediately following its acquisition by the Group. The level of profitability achieved by the business has not yet been finally agreed upon and, as a result, the Directors have used judgement in estimating the amount of contingent consideration which may become payable under this arrangement. Further information is given in Note 15 and Note 18.

IFRSs in issue but not yet effective at 30 April 2011

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 7 – Disclosures on transfers of financial assets

Effective for annual periods beginning on or after 1 July 2011. These amendments increase the disclosure requirements involving transfers of financial assets and are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. They also require additional disclosures where transfers of financial assets are not evenly distributed throughout the period. The Directors do not anticipate that these amendments will have a significant effect on the Group's disclosures regarding financial assets.

Amendments to IFRS 1 – Severe hyperinflation

Effective for annual periods beginning on or after 1 July 2011. These amendments provide guidance for entities emerging from severe hyperinflation. They will have no impact on the Group's results and financial position as the parent company and all of the Group's subsidiary undertakings are based in the UK.

Amendments to IAS 12 – Deferred tax: recovery of underlying assets

Effective for annual periods beginning on or after 1 January 2012. The amendments provide a practical approach for measuring deferred tax assets and liabilities when investment property is measured using the fair value model under IAS 40. The Group does not currently have any investment properties so the amendments will not affect the Group's financial statements.

IFRS 9 – Financial Instruments

Effective for annual periods beginning on or after 1 January 2013. IFRS 9 introduces new requirements for the classification and recognition of financial assets and liabilities. IFRS 9 requires all financial assets within the scope of IAS 39 to be subsequently measured at amortised cost or fair value. All other debt investments or equity investments are measured at fair values at the end of subsequent accounting periods. The Group's financial assets are primarily trade and other receivables. It is anticipated that there will be no impact on the Group's financial assets from the adoption of IFRS 9. The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at fair value through profit or loss which are attributable to changes in the credit risk of that liability. The Group will adopt IFRS 9 in the period beginning on 1 May 2013, however the Directors consider that adoption of IFRS 9 would not currently have a material effect on the financial statements of the Group. This will be kept under review if new types of financial assets and liabilities are entered into by the Group in the future.

Other new or amended accounting standards issued after 30 April 2011

The new accounting Standards issued after 30 April 2011, in May 2011, IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint arrangements), IFRS 12 (Disclosure of interests in other entities) and IFRS 13 (Fair value measurement) and the amendments to IAS 27 (Separate financial statements), IAS 28 (Investments in associates and joint ventures), IAS 1 (Presentation of financial statements) and IAS 19 (Employee benefits) are still under review, however the Directors do not currently anticipate that these new and amended standards will have a material impact on the financial information of the Group.

2. Revenue

The group has a single reportable segment. An analysis of revenue by product or service which is reported to the chief operating decision maker is given below.

	16 months ended 30 April 2009	*Year ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*
Software licence sales	102,522	436,783	1,023,038
Maintenance and support	307,109	419,661	888,200
Professional services	102,148	109,339	342,169
	511,779	965,783	2,253,407

An analysis of revenue by geographical market is given below:

	16 months ended 30 April 2009	*Year ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*
UK	355,946	852,792	2,225,753
Other EU countries	155,833	112,991	27,654
	511,779	965,783	2,253,407

Annual revenue from one customer in the year ended 30 April 2011 amounted to £392,325.

3. Profit/(loss) from operating activities

Profit/(loss) from operating activities is stated after charging the following:

	16 months ended 30 April 2009	*Year ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*
Auditors' remuneration:			
The audit of the company's annual accounts	14,000	10,000	11,205
The audit of the company's subsidiaries' annual accounts	–	4,000	9,545
Tax services	1,000	1,000	4,250
Services in connection with re-registration as a public company	–	–	5,500
Other Services – due diligence	–	10,650	10,750
Operating lease charges – land & buildings	31,000	25,215	74,726
Depreciation of owned assets	11,710	7,445	14,845
Amortisation of acquisition-related intangible assets	–	12,141	92,042
Amortisation of other intangible assets	–	–	15,137
Total amortisation of intangible assets	–	12,141	107,179

4. Particulars of employees

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

	16 months ended 30 April 2009	*Year ended 30 April 2010*	*Year ended 30 April 2011*
	No.	*No.*	*No.*
Administrative staff	2	2	2
Sales and marketing	4	2	5
Technical and support	3	4	10
	9	8	17

The aggregate payroll costs of these persons were as follows:

	16 months ended 30 April 2009 £	*Year ended 30 April 2010* £	*Year ended 30 April 2011* £
Wages and salaries	543,275	370,992	731,658
Social security costs	59,195	40,601	81,837
Other pension costs	14,179	167	3,910
Share based payment costs	–	17,000	44,000
	616,649	428,760	861,405

5. Directors' emoluments

The directors' emoluments (including fees) were as follows:

	16 months ended 30 April 2009 £	*Year ended 30 April 2010* £	*Year ended 30 April 2011* £
Directors' remuneration including benefits in kind	209,843	163,766	181,475
Share-based payments costs	–	12,750	22,875
Directors' pension contributions	8,888	–	–
	218,731	176,516	204,350

The emoluments of the highest paid director during the year ended 30 April 2011 were £90,200 (2010: £81,950; 16 months to 30 April 2009: £78,509). None of the directors accrued any benefits under company pension schemes during the year ended 30 April 2011 (2010: nil; 16 months ended 30 April 2009: 3).

6. Finance costs/(income)

	16 months ended 30 April 2009 £	*Year ended 30 April 2010* £	*Year ended 30 April 2011* £
Bank interest payable	15,389	4,498	2,469
Other interest payable	2,058	674	3,126
Loan interest	7,772	(11,338)	–
	25,219	(6,166)	5,595

7. Taxation

The current period tax credit can be analysed as follows:

	16 months ended 30 April 2009 £	*Year ended 30 April 2010* £	*Year ended 30 April 2011* £
Current tax			
UK corporation tax on profit for the current period	–	–	14,107
Deferred tax			
Deferred tax credit for the current period	–	–	(213,000)
Tax credit in the Statement of Comprehensive Income	–	–	(198,893)

Reconciliation of the current period tax credit

The tax credit for the period is lower than the standard rate of corporation tax for smaller companies in the UK of 21 per cent. (2010 and 2009: 21 per cent.):

The differences are reconciled below:

	16 months ended 30 April 2009 £	*Year ended 30 April 2010* £	*Year ended 30 April 2011* £
Profit/(loss) before taxation	(578,973)	72,095	370,977
Tax on profit/(loss) at standard rate of 21%	(121,584)	15,140	77,905
Effect of the following:			
Expenses not deductible for tax purposes	290	24,502	39,234
Capital allowances in excess of depreciation	(1,132)	52	(280)
Gain not taxable	–	–	(23,730)
Change in tax rate	–	–	(706)
Temporary differences recognised	–	–	(213,000)
Losses of the current period carried forward unutilised	122,426	–	–
Utilisation of tax losses brought forward	–	(39,694)	(78,316)
Tax credit for the period	–	–	(198,893)

The deferred tax asset recognised is as follows:

	30 April 2009 £	*30 April 2010* £	*30 April 2011* £
Trading losses	–	–	213,000
	–	–	213,000

The deferred tax asset on trading losses has been recognised to the extent that it is considered probable that it can be recovered against future taxable profits based on profit forecasts for the foreseeable future.

Total trading losses of certain group companies available for offset against future trading profits amounted to £2,035,000 at 30 April 2011 (2010: £2,408,000; 2009 £2,213,000). Trading losses of £922,000 have been recognised in deferred tax at 30 April 2011 (2010 and 2009: £nil) and in addition there were trading losses not recognised in deferred tax carried forward in the Group at 30 April 2011 of £1,113,000 (2010: £2,408,000; 2009: £2,213,000).

The group also has capital losses not recognised in deferred tax of £63,000 at 30 April 2011 (2010 and 2009: £63,000).

8. Earnings per share

Basic earnings per share is computed by dividing the profit for the period attributable to equity holders of the parent by the weighted-average number of ordinary shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit for the period attributable to equity holders of the parent by the weighted-average number of ordinary shares outstanding during the period as adjusted for the effect of all potentially dilutive shares, including share options.

The following tables set out the computations for basic and diluted earnings per share:

	Earnings £	*Weighted average number of shares*	*Per-share amount Pence*
Year ended 30 April 2011			
Basic EPS			
Profit for the year attributable to equity holders of the parent	569,870	52,464,854	1.1
Effect of dilutive securities: share options	–	3,003,891	
Diluted EPS			
Profit for the year attributable to equity holders of the parent	569,870	55,468,745	1.0
Year ended 30 April 2010			
Basic EPS			
Profit for year attributable to equity holders of the parent	72,095	32,882,896	0.22
Effect of dilutive securities: share options	–	1,529,010	
Diluted EPS			
Profit for the year attributable to equity holders of the parent	72,095	34,411,906	0.21
Year ended 30 April 2009			
Basic EPS			
Loss for period attributable to equity holders of the parent	(578,973)	17,024,506	(3.40)
Effect of dilutive securities: share options	–	–	
Diluted EPS			
Profit for the year attributable to equity holders of the parent	(578,973)	17,024,506	(3.40)

In order to better demonstrate the performance of the Group, an adjusted earnings per share calculation has been presented below which adds back or deducts items typically adjusted for by users of the financial statements. The weighted average numbers of shares used in the calculation of both the adjusted basic and diluted earnings per share amounts are the same as those used for the unadjusted earnings per share amounts as presented above.

The calculations of the adjusted basic and diluted earnings per share amounts are based on the following earnings.

	16 months ended 30 April 2009 £	*Year ended 30 April 2010* £	*Year ended 30 April 2011* £
Profit/(loss) for the period attributable to equity holders of the parent	(578,973)	72,095	569,870
Adjustments:			
Costs of acquiring businesses	–	89,445	93,610
Share-based payment costs	–	17,000	44,000
Amortisation of acquisition-related intangibles (Note 3)	–	12,141	92,042
Movement in fair value of contingent consideration	–	–	(113,000)
Taxation credit	–	–	(198,893)
Adjusted earnings	(578,973)	190,681	487,629

	16 months ended 30 April 2009 pence	*Year ended 30 April 2010 pence*	*Year ended 30 April 2011 pence*
Adjusted earnings per share:			
Basic	(3.40)	0.58	0.93
Diluted	(3.40)	0.55	0.88

9. Intangible assets

	Goodwill £	*Software* £	*Customer relationships* £	*Development costs* £	*Total* £
Cost					
At 1 January 2008 and 30 April 2009	–	–	–	273,894	273,894
Acquisition through business combination	686,005	110,172	485,000	–	1,281,177
At 30 April 2010	686,005	110,172	485,000	273,894	1,555,071
Additions	–	121,097	–	–	121,097
Acquisition through business combination	1,127,393	137,000	420,000	–	1,684,393
Additions from internal development	–	–	–	146,041	146,041
At 30 April 2011	1,813,398	368,269	905,000	419,935	3,506,602
Amortisation					
At 1 January 2008 and 30 April 2009	–	–	–	273,894	273,894
Amortisation expense	–	7,641	4,500	–	12,141
At 30 April 2010	–	7,641	4,500	273,894	286,035
Amortisation expense	–	67,579	39,600	–	107,179
At 30 April 2011	–	75,220	44,100	273,894	393,214
Net carrying amount					
At 1 January 2008 and 30 April 2009	–	–	–	–	–
At 30 April 2010	686,005	102,531	480,500	–	1,269,036
At 30 April 2011	1,813,398	293,049	860,900	146,041	3,113,388

Goodwill arose on the acquisition of Ideagen Capture Limited (formerly Root3 Systems Limited) in March 2010 and on the acquisition of Filebutton Ltd in April 2011. See note 18 for further information.

The carrying value of goodwill acquired with Ideagen Capture Limited (formerly Root3 Systems Limited) of £686,005 was tested for impairment at 30 April 2011 by comparing the carrying value with the recoverable amount. The recoverable amount was determined using a value in use methodology. The key assumptions used in the value in use calculations were as follows:

(i) The operating cash flows for this business for the next 12 months were based on a budget which was closely linked with recent historical performance and current sales opportunities. The operating cash flow budget was most sensitive to the level of new business sales.

(ii) No growth was assumed in operating cash flows for the remainder of the value in use calculation period.

(iii) A discount rate of 10 per cent. was used.

On the basis of the above assumptions, over a 15 year period the value in use for this business was estimated at £1,270,000. Over a 10 year period, value in use was estimated at £1,026,000. Annual operating cash inflows would need to be consistently 34 per cent. below the no-growth assumptions used in the value in use calculation over a 10 year period to trigger an impairment. Over a 15 year value in use period, operating cash inflows would need to be consistently 46 per cent. below the assumption used to trigger an impairment. Management did not expect this to happen based on the consistent historic sales performance of the business and actions being taken to grow the business further.

Development costs are internally generated.

10. Property, plant and equipment

	Fixtures and fittings £	*Office equipment* £	*Total* £
Cost			
At 1 January 2008	19,380	103,272	122,652
Additions	–	2,132	2,132
At 30 April 2009	19,380	105,404	124,784
Additions	2,300	221	2,521
Acquisition through business combination	24,448	15,974	40,422
At 30 April 2010	46,128	121,599	167,727
Additions	–	4,334	4,334
Acquisition through business combination		21,326	21,326
At 30 April 2011	46,128	147,259	193,387
Accumulated depreciation			
At 1 January 2008	9,543	80,102	89,645
Depreciation expense	3,278	8,432	11,710
At 30 April 2009	12,821	88,534	101,355
Depreciation expense	2,620	4,825	7,445
At 30 April 2010	15,441	93,359	108,800
Depreciation expense	9,745	5,100	14,845
At 30 April 2011	25,186	98,459	123,645
Net carrying amount			
As at 30 April 2009	6,559	16,870	23,429
As at 30 April 2010	30,687	28,240	58,927
As at 30 April 2011	20,942	48,800	69,742

11. Subsidiary companies

Details of investments in which the Company held 20 per cent. or more of the nominal value of any class of share capital as at 30 April 2011 are as follows. All of these subsidiaries are incorporated in England & Wales.

Name of subsidiary	*Nature of business*	*Class*	*%*
Ideagen Capture Limited	Sale of software licences, software maintenance and related professional services	Ordinary	100
Ideagen Software Limited	Sale of software licences, software maintenance and related professional services	Ordinary	100
Filebutton Limited	Intermediate holding company	Ordinary	100
Root3 Systems Limited	Dormant	Ordinary	100
Ideagen Systems Limited	Dormant	Ordinary	100

12. Trade and other receivables

	30 April 2009 £	*30 April 2010* £	*30 April 2011* £
Trade receivables	52,209	361,778	1,062,405
Prepayments and accrued income	12,246	40,855	22,396
Other receivables	12,680	21,480	16,707
	77,135	424,113	1,101,508

During the year ended 30 April 2011, £115,000 of trade receivables were settled by the transfer of the legal ownership of certain intellectual property rights to the Company. This is included in additions to software in Note 9 to this financial information. The directors consider that the fair value of this software acquired is worth at least the amounts at which it is included in the financial information.

All trade and other receivables have been reviewed for impairment. Unless specific agreement has been reached with individual customers, sales invoices are due for payment 30 days after the date of the invoice. Where customers delay making payment, an assessment of the potential loss of customer goodwill arising from the enforcement of contractual payment terms may take place when considering actions to be taken to secure payment.

An analysis of trade receivables that are not yet due or past the due date but not impaired is set out below.

	30 April 2009	*30 April 2010*	*30 April 2011*
	£	*£*	*£*
Not yet due	167	169,706	330,940
0 – 30 days overdue	40,382	86,424	509,435
30 – 60 days overdue	6,674	48,058	42,855
60+ days overdue	4,986	62,590	196,246
	52,209	366,778	1,079,476
Less: provisions (all against debts 60+ days overdue)	–	(5,000)	(17,071)
	52,209	361,778	1,062,405

Trade receivables are shown net of a provision for doubtful amounts, movements on which are set out below.

	30 April 2009	*30 April 2010*	*30 April 2011*
	£	*£*	*£*
Balance at the start of the period	26,808	–	5,000
Additional provisions	17,026	5,000	49,374
Write-offs	(43,834)	–	(37,303)
Balance at the end of the period	–	5,000	17,071

13. Trade and other payables

	30 April 2009	*30 April 2010*	*30 April 2011*
	£	*£*	*£*
Trade payables	185,207	244,037	346,697
Other taxes and social security payables	77,825	155,044	305,126
Other payables	15,377	8,311	–
Accruals	96,283	115,989	207,345
	374,692	523,381	859,168

14. Borrowings

	30 April 2009	*30 April 2010*	*30 April 2011*
	£	*£*	*£*
Current			
Bank loan	16,227	14,298	–
Bank overdraft	22,098	–	–
Other loans	–	25,292	10,000
	38,325	39,590	10,000
Non-current			
Bank loan	20,600	–	–
Other loans	85,000	–	–
	105,600	–	–

Interest was payable at 3 per cent. per annum over the bank base rate on the amounts owed on the bank loan. Interest is payable at 4 per cent. over the bank base rate (2010 & 2009: 4 per cent. over the bank base rate) on the amounts owed on the bank overdraft.

The bank overdraft facility is secured by a fixed and floating charge over all the assets of Ideagen plc.

Other loans are loans to the Company from directors and are non-interest bearing. Further information is given in Note 24.

An analysis of the maturity of borrowings is given below.

Amounts repayable:

	Bank loans and overdrafts	*Other loans*	*Total*
	£	*£*	*£*
As at 30 April 2011			
In one year or less on demand	–	10,000	10,000
Between one and two years	–	–	–
	–	10,000	10,000
As at 30 April 2010			
In one year or less on demand	14,298	25,292	39,590
Between one and two years	–	–	–
	14,298	25,292	39,590
As at 30 April 2009			
In one year or less on demand	38,325	–	38,325
Between one and two years	20,600	85,000	105,600
	58,925	85,000	143,925

15. Other financial liabilities

	30 April 2009 £	30 April 2010 £	30 April 2011 £
Current			
Contingent consideration on a business combination	–	–	187,000
	–	–	187,000
Non-current			
Contingent consideration on a business combination	–	300,000	–
	–	300,000	–

Part of the consideration for the acquisition of Ideagen Capture Limited (formerly Root3 Systems Ltd) in March 2010 was contingent on the achievement of certain revenue and profitability targets in the period following the acquisition. Details of this arrangement are included at note 18. At 30 April 2010, the fair value of the contingent consideration was estimated at £300,000 and, under the terms of the arrangement, this is considered to be a financial liability. The amount of contingent consideration payable under this arrangement has not yet been finally agreed with the vendors. Based on information currently available, the directors have re-assessed the estimated fair value of the contingent consideration at 30 April 2011 at £187,000.

The resulting gain of £113,000 due to the reduction in the estimated fair value of the contingent consideration payable at 30 April 2011 has been included as a separate item in the Statement of comprehensive income for the year ended 30 April 2011.

16. Current tax liabilities

	30 April 2009 £	30 April 2010 £	30 April 2011 £
Current corporation tax liability recognised on business combination	–	–	123,606
Current year corporation tax liability	–	–	14,107
	–	–	137,713

The current tax liability recognised on a business combination was in respect of the acquisition of Filebutton Limited and its subsidiaries in April 2011. Further details can be found in note 18.

17. Other liabilities

	30 April 2009 £	30 April 2010 £	30 April 2011 £
Deferred consideration on a business combination	–	–	422,180
	–	–	422,180

The deferred consideration payable is in respect of the acquisition of Filebutton Limited and is payable in two instalments in October 2011 and April 2012. Interest is payable on £350,000 of this balance at a rate of 2.5 per cent. above the bank base rate of Barclays Bank plc. Early repayment is permitted.

18. Business combinations

Acquisition of Ideagen Capture Limited (formerly Root3 Systems Limited)

On 16 March 2010, the company acquired 100 per cent. of the issued ordinary share capital of Ideagen Capture Limited (formerly Root3 Systems Limited). This business was acquired primarily in order to broaden the product offering of the group.

The fair values of the identifiable assets acquired and liabilities recognised at the date of acquisition are summarised in the table below.

Identifiable assets acquired and liabilities recognised:

	£
Non-current assets	
Customer relationships intangible	485,000
Software intangible	110,172
Property plant and equipment	40,422
Current assets	
Trade and other receivables	114,812
Cash and cash equivalents	274
Current liabilities	
Trade and other payables	(295,746)
Deferred revenue	(160,372)
Bank overdraft	(80,567)
Other loans	(167,054)
Net identifiable assets acquired	46,941

The directors expect that all of the above receivables will be collected.

The fair value of the consideration at the date of acquisition was as follows:

	£
Shares issued (note 19)	300,000
Cash paid	132,946
Contingent consideration arrangement (see below & note 15)	300,000
Total consideration	732,946

Consideration paid in shares

The initial consideration for the acquisition was 4,000,000 ordinary shares in Ideagen plc (formerly Datum International Limited) at a mid-market value of 7.5 pence per share and a cash payment of £222,391 including acquisition costs. Immediately following acquisition, a further £167,054 was loaned to Ideagen Capture Limited (formerly Root3 Systems Limited) to enable that company to repay loans from certain current and former directors.

Contingent consideration arrangement

In addition to the initial consideration, further consideration may become payable to the former shareholders of Ideagen Capture Limited (formerly Root3 Systems Limited) contingent on the achievement of certain sales and profitability targets. The amount of any further consideration will range from £nil to a maximum of £386,000 depending on the level of sales and profitability of the business in the 12 months from the date of acquisition. Any further consideration is to be satisfied in equal amounts of cash and ordinary shares in Ideagen plc. At 30 April 2010 the estimated fair value of the contingent consideration was £300,000 and was considered to be a financial liability. See Note 15 for further information on the estimated fair value of this contingent consideration at 30 April 2011.

Goodwill arising on acquisition is as follows:

	£
Consideration	732,946
Less: fair value of net identifiable assets acquired	(46,941)
Goodwill arising on acquisition	686,005

Goodwill arose on the acquisition of Ideagen Capture Limited (formerly Root3 Systems Limited) as the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies and the assembled workforce of Ideagen Capture Limited (formerly Root3 Systems Limited). These benefits are not recognised separately from goodwill because they do not meet the criteria for recognition as identifiable intangible assets. None of this goodwill was expected to be deductible for tax purposes.

The costs of the acquisition of £89,445 have been expensed in the statement of comprehensive income for the year ended 30 April 2010.

The net cash outflow on acquisition of Ideagen Capture Limited (formerly Root3 Systems Limited) was as follows:

	£
Consideration paid in cash	132,946
Less: cash acquired	(274)
Plus: bank overdraft recognised	80,567
Net cash outflow on acquisition of subsidiary	213,239

Acquisition of Filebutton Limited

On 4 April 2011, the Company acquired 100 per cent. of the issued ordinary share capital of Filebutton Limited and its 100 per cent. owned trading subsidiary, Ideagen Software Limited. These companies were acquired primarily to expand the group's product offering into the compliance market.

The fair values of the identifiable assets acquired and liabilities recognised at the date of acquisition are summarised in the table below.

Identifiable assets acquired and liabilities recognised:

	£
Non-current assets	
Customer relationships intangible	420,000
Software intangible	137,000
Property plant and equipment	21,326
Current assets	
Trade and other receivables	176,029
Cash and cash equivalents	463,213
Current liabilities	
Trade and other payables	(168,656)
Deferred revenue	(343,046)
Current tax	(123,606)
Net identifiable assets acquired	582,260

The directors expect that all of the above receivables acquired will be collected.

The fair value of the consideration at the date of acquisition is as follows:

	£
Cash paid	1,287,473
Deferred consideration payable	422,180
Total consideration	1,709,653

The deferred consideration is payable in two instalments in October 2011 and April 2012. Interest is payable on £350,000 of this balance at a rate of 2.5 per cent. above the bank base rate of Barclays Bank plc. Early repayment is permitted.

Goodwill arising on acquisition is as follows:

	£
Consideration	1,709,653
Less: fair value of net identifiable assets acquired	(582,260)
Goodwill arising on acquisition	1,127,393

Goodwill arose on the acquisition of Filebutton Limited and its principal trading subsidiary Ideagen Software Limited as the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and the assembled workforce of these companies. These benefits are not recognised separately from goodwill because they do not meet the criteria for recognition as identifiable intangible assets. None of this goodwill was expected to be deductible for tax purposes.

Net cash outflow on acquisition of Filebutton Limited:

	£
Consideration paid in cash	1,287,473
Less: cash acquired	(463,213)
Net cash outflow on acquisition of subsidiary	824,260

The costs of the acquisition of £93,610 have been expensed in the statement of comprehensive income for the year ended 30 April 2011.

The statement of comprehensive income for the year ended 30 April 2011 includes revenue of £140,151 and profit after taxation of £56,427 in respect of the companies acquired. If this business combination had been completed on 1 May 2010, the estimated revenue of the enlarged group for the year ended 30 April 2011 would have been £3,320,000 and the estimated profit before tax would have been £703,000.

19. Equity share capital and share premium

	30 April 2009 £	*30 April 2010* £	*30 April 2011* £
Authorised share capital			
100,000,000 ordinary shares of £0.01	1,000,000	1,000,000	1,000,000
Issued and fully paid share capital			
69,731,558 ordinary shares at 30 April 2011 (2010: 50,862,256 shares and 2009: 30,145,590 shares)	301,456	508,623	697,316

	30 April 2009 £	*30 April 2010 restated (Note 26)* £	*30 April 2011 restated (Note 26)* £
Share premium	2,152,659	2,932,851	1,406,193
Merger reserve	–	260,000	260,000

Shares issued in the 16 month period ended 30 April 2009

In March 2008, 100,000 shares were issued for cash at 11.75 pence per share resulting in gross proceeds of £11,750. The share premium on this issue was £10,750.

In April 2009, 12,060,250 ordinary shares were issued at 2.5 pence per share for cash resulting in gross proceeds of £301,506. The share premium on this issue was £180,904 less share issue costs of £13,182.

In April 2009 loans to the company from directors and other amounts payable to directors amounting in total to £48,056 were converted into shares by the issue of a further 1,922,240 shares at 2.5 pence per share. The share premium on this issue was £28,833.

Shares issued in the year ended 30 April 2010

On 12 March 2010 a placing of 15,100,000 ordinary shares was made for cash at 6 pence per share resulting in gross proceeds of £906,000. The share premium on this issue was £755,000 excluding share issue costs.

In addition, as part of the placing, a further 1,616,666 ordinary shares were issued at 6 pence per share on the conversion of loans from directors to the company amounting to £97,000. The share premium on this issue was £80,833 excluding share issue costs.

The total share issue costs on the 16,716,666 shares placed as described above were £55,641.

On 16 March 2010, 4,000,000 ordinary shares were issued at 7.5 pence per share as part of the initial consideration for the purchase of the whole of the ordinary share capital of Ideagen Capture Limited (formerly Root3 Systems Limited) (note 18). The 6.5 pence per share premium above nominal value on this issue, amounting to £260,000, has been credited to a merger reserve (Note 26).

Shares issued in the year ended 30 April 2011

On 31 March 2011 a placing of 18,869,302 ordinary shares was made for cash at 9 pence per share resulting in gross proceeds of £1,698,237. The share premium on this issue was £1,509,544 excluding share issue costs charged to the share premium account of £103,351.

Capital reduction

During the year ended 30 April 2011, a special resolution was passed at a general meeting of the company to carry out a capital reduction under the Companies Act 2006. The effect of this was to transfer the balance on the share premium account at that time of £2,932,851 to retained earnings.

20. Share-based payments and Share Options

The company operates an Enterprise Management Incentive share option Scheme and an Unapproved share option Scheme which permit the grant to directors and staff of options in respect of ordinary shares in the company. The terms of the Unapproved share option Scheme are identical to the terms of the Enterprise Management Incentive Scheme save only that the tax benefits under the Enterprise Management Incentive Scheme do not apply to options granted under the Unapproved share option Scheme. These schemes are equity-settled arrangements and options granted under the schemes have a maximum life of 10 years from the date of grant. Options are capable of being exercised in stages. One third can be exercised one year after grant date, a further third can be exercised two years after grant date and all options are capable of being exercised three years from the grant date. There are no other vesting conditions except to note that the options will lapse on leaving employment with the company.

The following is a summary of the share options outstanding under the schemes.

16 month period ended 30 April 2009

	Number of options	*Weighted average exercise price*
Outstanding at 1 January 2008	154,000	15.5 pence
Granted during the period	25,000	2.5 pence
Outstanding at 30 April 2009	179,000	13.6 pence
Exercisable as at 30 April 2009	87,333	17.3 pence

The exercise prices of the options outstanding at 1 January 2008 ranged from 13 pence to 20 pence. The exercise price of the options granted during the period to 30 April 2009 was 2.5 pence. The weighted average remaining contractual life of the options outstanding at 30 April 2009 was 8.0 years. No share options were exercised during the period. The fair value of the options granted during the period was not material.

Year ended 30 April 2010

	Number of options	*Weighted average exercise price*
Outstanding at 1 May 2009	179,000	13.6 pence
Granted during the year	4,000,000	2.5 pence
Outstanding at 30 April 2010	4,179,000	3.0 pence
Exercisable as at 30 April 2010	179,000	13.6 pence

The exercise prices of the options outstanding at 1 May 2009 range from 2.5 pence to 20 pence. The exercise price of the options granted during the year ended 30 April 2010 was 2.5 pence. The weighted average remaining contractual life of the options outstanding at 30 April 2010 was 9.2 years. No share options were exercised during the year.

The fair value of the options granted during the year ended 30 April 2010 was estimated at the date of grant using the Black-Scholes option pricing model. The inputs to the option pricing model are summarised below.

Share price at grant date	2.38 pence
Exercise price	2.5 pence
Expected volatility	64%
Expected dividend yield	0%
Expected option life	5 years
Risk-free interest rate	2.69%
Fair value of option	1.28 pence

Future share price volatility has been estimated by using historic share price volatility over the most recent period commensurate with the expected life of the option.

During the year ended 30 April 2010 the company recognised expenses of £17,000 in the profit and loss account in relation to its equity-settled share option scheme. These option charges have been credited to a share-based payment reserve within equity. The balance on this reserve at 30 April 2010 amounted to £17,000.

Year ended 30 April 2011

The movements in outstanding options during the year ended 30 April 2011 were as follows.

	Number of options	*Weighted average exercise price*
Outstanding at 1 May 2010	4,179,000	3.0 pence
Granted during the year	1,410,000	8.5 pence
Lapsed during the year	(118,000)	14.1 pence
Outstanding at 30 April 2011	5,471,000	4.2 pence
Exercisable as at 30 April 2011	1,386,000	3.0 pence

Of the options outstanding at 30 April 2011, 36,000 options have an exercise price of 20 pence, 4,025,000 options have an exercise price of 2.5 pence and 1,410,000 options have an exercise price of 8.5 pence.

The weighted average remaining contractual life of these options at 30 April 2011 is 8.7 years. No share options were exercised during the year.

The fair value of the options granted during the year ended 30 April 2011 was estimated at the date of grant using the Black-Scholes option pricing model. The inputs to the option pricing model are summarised below.

Share price at grant date	9.5 pence
Exercise price	8.5 pence
Expected volatility	67%
Expected dividend yield	0%
Expected option life	5 years
Risk-free interest rate	2.66%
Fair value of option	5.7 pence

Future share price volatility has been estimated by using historic share price volatility over the most recent period commensurate with the expected life of the option.

During the year ended 30 April 2011 the company recognised expenses of £44,000 in the statement of comprehensive income in relation to its equity-settled share option scheme. These option charges have been credited to a share-based payment reserve within equity. The balance on this reserve at 30 April 2011 amounted to £61,000 (2010: £17,000; 2009: £nil).

Other outstanding share options

In addition to the options granted under the terms of the schemes disclosed above, a total of 217,850 further options have been granted by the company and remain outstanding at 30 April 2011. Of this total, 114,100 options are exercisable at any time prior to 12 May 2015 at an exercise price of 28 pence each, 15,000 options are exercisable at any time prior to 6 July 2015 at 28 pence and 88,750 options are exercisable at any time prior to 21 November 2015 at 20 pence.

21. Operating lease commitments

As at 30 April 2011 the group had aggregate commitments under non-cancellable operating leases which expire as follows:

	Land & Buildings 30 April 2009 £	*Land & Buildings 30 April 2010 £*	*Land & Buildings 30 April 2011 £*
Within one year	13,833	–	–
Between one and two years	–	–	40,865
Between two and five years	–	284,545	297,388
Over 5 years	–	–	–
	13,833	284,545	338,253

22. Pension schemes

The pension cost charge for the period represents contributions payable by the group into individual pension arrangements in respect of certain employees on a defined contribution basis and amounted to £3,910 (2010: £167; 2009: £14,179).

23. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and at banks, net of outstanding overdrafts as follows.

	30 April 2009 £	*30 April 2010 £*	*30 April 2011 £*
Cash and bank balances	6,226	220,054	762,468
Bank overdrafts	(22,098)	–	–
	(15,872)	220,054	762,468

24. Related party transactions

Ultimate Controlling entity

Ideagen plc is the parent company of the group. There was no party in overall control of Ideagen plc.

Related party transactions

Balances and transactions between the Company and its wholly owned subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this financial information. Details of transactions between the Company and other related parties are disclosed below.

During the 16 month period ended 30 April 2009, a loan of £22,000 was made to the company by Mr. J P Wearing, a director of the Company. In April 2009 this loan was converted into 880,000 ordinary shares in the Company at a price of 2.5 pence per share. Included in non-current borrowings at 1 January 2008 and 30 April 2009 was a further loan to the Company of £85,000 from Mr. Wearing. In March 2010 this loan was converted into 1,416,666 ordinary shares in the company at a price of 6 pence per share. The total interest accruing on this loan amounting to £14,726 was waived by Mr. Wearing during the year ended 30 April 2010. Mr. Wearing made a further loan to the Company of £2,700 during the year ended 30 April 2010 which was included in current borrowings at 30 April 2010. This loan of £2,700 was repaid to Mr. Wearing during the year ended 30 April 2011. At 30 April 2011, no amounts are due to or from Mr. Wearing.

During the 16 month period ended 30 April 2009 a loan of £26,056 was made to the Company by the director Mr. L D Paul. In April 2009, this loan was converted into 1,042,240 ordinary shares in the Company at a price of 2.5 pence per share. During the year ended 30 April 2010, a further loan of £12,000 was made to the Company by Mr. Paul. In March 2010 this loan was converted into 200,000 ordinary shares in the company at a price of 6 pence per share. Expenses amounting to £4,000 were waived by Mr. Paul during the year ended 30 April 2010. At 30 April 2011 and 30 April 2010, no amounts were due to or from Mr. Paul.

At the time of the placing in March 2011, the Company issued 112,500 ordinary shares to Mr. Paul for a consideration of 9 pence per share resulting in gross proceeds of £10,125.

During the year ended 30 April 2010, a loan was made to the Company by the director, Mr. DRK Hornsby amounting to £22,592. This loan was included in current borrowings at 30 April 2010. During the year ended 30 April 2011, £12,592 of this loan was repaid to Mr. Hornsby. The balance of this loan owing to Mr. Hornsby at 30 April 2011 of £10,000 is included in current borrowings at 30 April 2011. No interest is payable on this loan.

At the time of the placing in March 2010, the Company issued 1,533,333 ordinary shares to Mr. Hornsby for a consideration of 6 pence per share resulting in gross proceeds of £92,000.

Trade payables in the Company at 30 April 2011 also include £86,487 (2010: £40,191) payable to Glacier Software Limited, a company controlled by Mr. Hornsby. These amounts are in respect of fees payable to Mr. Hornsby as a director of the Company.

At the time of the placing in March 2011, the Company issued 335,000 ordinary shares to Mr. Hornsby for a consideration of 9 pence per share resulting in gross proceeds of £30,150.

At 30 April 2011, trade payables in the Company include £7,100 (2010: £6,074) payable to Mr. GP Spenceley, a director of the company. The balances payable to Mr. Spenceley are also included in directors' emoluments at note 5. These amounts are in respect of fees payable to Mr. Spenceley as a director of the Company.

At the time of the placing in March 2011, the Company issued 112,500 ordinary shares to Mr. D P Spillane, a director of the Company, for a consideration of 9 pence per share resulting in gross proceeds of £10,125.

Administration expenses for the 16 month period to 30 April 2009 include £33,025 payable to Bornforth Business Services, a company controlled by a former director of the Company, Mr. D Rose, for his services as a director to the Company. Trade payables at 30 April 2009 included £32,361 due to Bornforth Business Services. Administration expenses for the year ended 30 April 2010 include a credit amount of £2,400 which arises from the waiver of amounts payable to Bornforth Business Services for the services provided by Mr. Rose. At 30 April 2010 and 30 April 2011 no amounts were payable to or receivable from Mr. Rose.

Administration expenses for the 16 month period ended 30 April 2009 include £32,628 due to Simon Orme Associates for the services of the former director, Mr. S D Orme. Trade payables at 30 April 2009 included £32,244 due to Simon Orme Associates. Administration expenses for the year ended 30 April 2010 include a credit amount of £13,441 which arises from the waiver of amounts payable to Simon Orme Associates for the services provided by the former director Mr. SD Orme. At 30 April 2010 and 30 April 2011 no amounts were payable to or receivable from Simon Orme Associates or Mr. Orme.

For the purposes of this note there are not considered to be any key management personnel other than the directors of the Company. The compensation payable to the directors is disclosed in Note 5 of this financial information.

25. Events after the end of the reporting period

Incorporation of new subsidiary

On 1 June 2011, Ideagen Limited was incorporated in England & Wales with 1 ordinary share of £1 as a wholly owned subsidiary of Ideagen Software Limited which is a wholly owned subsidiary of Ideagen plc. On 19 July 2011, Ideagen Limited changed its name to Ideagen Datum Limited. This company has remained dormant since its incorporation.

Acquisition of a business

On 10 January 2012, Ideagen plc acquired the whole of the issued share capital of Proquis Limited, a company domiciled in England, together with its subsidiary Proquis Inc. a company domiciled in the United States of America. The acquisition of Proquis is expected to enhance the Group's existing compliance business through the addition of the client base of Proquis and by providing access to a highly scalable technology platform.

The fair value of the consideration payable at the date of acquisition was £3.24 million consisting of cash of £300,000 and 28 million ordinary shares in Ideagen plc at 10.5 pence per share. The initial consideration on the date of acquisition was 8 million ordinary shares in Ideagen plc issued at 10.5 pence per share together with cash consideration of £200,000 which was paid on 1 May 2012. In addition, contingent consideration of up to 20 million ordinary shares in Ideagen plc at 10.5 pence per share plus further cash consideration of £100,000 may become payable as set out below. This contingent consideration is subject to the level of future revenue from a major customer in the United States in the first twelve months after acquisition and also on the annual take-up of an option by that major customer to continue with a particular contract.

- 10 January 2013: the issue of up to 7,275,270 ordinary shares in Ideagen plc
- 10 January 2014: the issue of up to 5,775,060 ordinary shares in Ideagen plc
- 10 January 2015: the issue of up to 6,949,670 ordinary shares in Ideagen plc
- from 10 January 2016: four cash payments of £25,000 payable on a quarterly basis

Of the 7,275,270 shares contingently issuable on 10 January 2013, 4,000,000 are contingent on the level of revenue from a major US customer in the twelve months following acquisition. The remaining 3,275,270 shares are contingent on the take-up of an option by the same major US customer in November 2012 to continue with a particular contract. All of the remaining issues of shares and cash payments noted above from 2014 onwards are contingent on the take-up of annual options by the same customer on the same contract. If the option is taken up each year, the above amounts will be payable in full. If the option is not taken up then none of the contingent consideration linked to the contract for subsequent years will become payable.

Some aspects of the initial accounting for the acquisition and in particular an assessment of the fair value of the intangible assets acquired in the business combination has not yet been completed and accordingly information has not been presented on assets and liabilities assumed at the date of acquisition.

26. Re-statement of reserves

On 16 March 2010, 4,000,000 ordinary shares were issued at 7.5 pence per share as part of the initial consideration for the purchase of the whole of the ordinary share capital of Ideagen Capture Limited (formerly Root3 Systems Limited). Share premium of £260,000 was recognised on this share issue in the financial statements for that year. During the year ended 30 April 2011, a special resolution was passed at a general meeting of the company to carry out a capital reduction under the provisions set out in chapter 10 of part 17 of the Companies Act 2006. The effect of this was to transfer the balance on the share premium account as at 30 April 2010 of £3,192,851 to retained earnings.

However, the issue of shares on 16 March 2010 fell within the merger relief provisions set out in Section 612 of the Companies Act 2006. Consequently, the premium arising on issue of these shares should have been credited to a merger reserve which would not have been reduced as part of the capital reduction process.

The financial information presented has been restated from the figures previously reported in the statutory financial statements. A merger reserve of £260,000 has been recognised and a commensurate reduction in retained earnings made in the consolidated statement of financial position and the consolidated statement of changes in equity as at 30 April 2010 and 30 April 2011. These adjustments have no impact on the reported results or on the total of shareholders' equity for any period presented within this financial information.

PART III

HISTORICAL FINANCIAL INFORMATION ON IDEAGEN PLC

PART B
ACCOUNTANTS REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF IDEAGEN SOFTWARE LIMITED

RSM Tenon Audit Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

The Directors
Ideagen Plc
4 Meadway Court
Meadway Technology Park
Stevenage
Hertfordshire
SG1 2EF

finnCap Ltd
60 New Broad Street
London
EC2M 1JJ

Dear Sirs,

Ideagen Software Limited ("the Company")

We report on the financial information set out below in respect of the 9 months ended 30 April 2011, Year ended 31 July 2010, 2009, 2008. This financial information has been prepared for inclusion in the AIM Admission Document dated 25 June 2012 of Ideagen Plc ("the Admission Document") on the basis of the accounting policies set out on pages 57 to 60 of this financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Ideagen Software Limited are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Directors of Ideagen Software Limited are responsible for the document in which the financial information is included.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Ideagen Software Limited as at the dates stated and of its performance, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 and in accordance with IFRS adopted by the EU.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

RSM Tenon Audit Limited
25 June 2012

Ideagen Software Limited
Statement of Comprehensive Income
For the 3 years and 9 months ended 30 April 2011

	Note	*Year ended 31 July 2008* £	*Year ended 31 July 2009* £	*Year ended 31 July 2010* £	*9 months ended 30 April 2011* £
Revenue	2	952,873	1,056,042	1,322,762	879,864
Cost of sales		(62,850)	(109,272)	(42,840)	(45,201)
Gross profit		890,023	946,770	1,279,922	834,663
Distribution expenses		(28,542)	(21,412)	(25,268)	(16,346)
Administration expenses		(1,073,213)	(1,100,583)	(1,074,704)	(572,742)
Income from government grant		–	53,687	91,453	970
Income from management charges	14	240,000	135,000	–	–
Profit from operating activities	3	28,268	13,462	271,403	246,545
Dividend income from group companies	6	–	79,069	–	–
Bank interest income		24,308	12,044	1,107	931
Loss on impairment of investment in a subsidiary company	10	–	(999)	–	–
Loss on write-off of current asset investments		–	(1,132)	–	–
Profit before taxation		52,576	102,444	272,510	247,476
Taxation	7	(7,434)	(9,358)	(119,232)	(10,000)
Profit for the period		45,142	93,086	153,278	237,476

The profit for each period shown above is all attributable to the owners of the company.

Ideagen Software Limited
Statement of Financial Position

	Note	*31 July 2008*	*31 July 2009*	*31 July 2010*	*30 April 2011*
		£	£	£	£
Assets and liabilities					
Non-current assets					
Intangible assets	8	–	–	–	–
Property, plant and equipment	9	19,063	24,489	30,996	20,057
Investments in subsidiaries	10	1,000	1	1	1
		20,063	24,490	30,997	20,058
Current assets					
Inventories		–	–	3,335	–
Trade and other receivables	11	522,232	518,218	730,291	781,424
Investments		1,132	–	–	–
Cash and cash equivalents		612,015	530,425	374,728	518,444
		1,135,379	1,048,643	1,108,354	1,299,868
Current liabilities					
Trade and other payables	12	(711,476)	(537,146)	(516,500)	(524,599)
Current tax liability		(10,585)	(8,770)	(123,606)	(133,606)
		(722,061)	(545,916)	(640,106)	(658,205)
Non-current liabilities					
Deferred tax liability	7	–	(750)	–	–
		–	(750)	–	–
Net assets		433,381	526,467	499,245	661,721
Equity					
Issued share capital	15	75,000	75,000	75,000	75,000
Share premium	15	70,000	70,000	70,000	70,000
Retained earnings		288,381	381,467	354,245	516,721
Equity attributable to the owners of the company		433,381	526,467	499,245	661,721

Ideagen Software Limited
Statement of changes in equity
For the 3 years and 9 months ended 30 April 2011

	Issued share capital	*Share premium*	*Retained earnings*	*Total*
	£	*£*	*£*	*£*
Balance at 1 August 2007	75,000	70,000	243,239	388,239
Profit for the year	–	–	45,142	45,142
Balance at 31 July 2008	75,000	70,000	288,381	433,381
Profit for the year	–	–	93,086	93,086
Balance at 31 July 2009	75,000	70,000	381,467	526,467
Profit for the year	–	–	153,278	153,278
Payment of equity dividends at £2.4066 per share	–	–	(180,500)	(180,500)
Balance at 31 July 2010	75,000	70,000	354,245	499,245
Profit for the period	–	–	237,476	237,476
Payment of equity dividends at £1.00 per share	–	–	(75,000)	(75,000)
Balance at 30 April 2011	75,000	70,000	516,721	661,721

Ideagen Software Limited
Statement of cash flows
For the 3 years and 9 months ended 30 April 2011

	Note	*Year ended 31 July 2008* £	*Year ended 31 July 2009* £	*Year ended 31 July 2010* £	*9 months ended 30 April 2011* £
Cash flows from operating activities					
Profit for the period		45,142	93,086	153,278	237,476
Depreciation of property, plant and equipment	9	11,943	11,936	14,125	11,975
Interest income in profit and loss		(24,308)	(12,044)	(1,107)	(931)
Dividend income in profit and loss		–	(79,069)	–	–
Taxation expense in profit and loss		7,434	9,358	119,232	10,000
Impairment of investment in subsidiary		–	999	–	–
Loss on write-off of investment		–	1,132	–	–
Decrease/(increase) in inventories		–	–	(3,335)	3,335
Decrease/(increase) in trade and other receivables		33,431	6,342	(161,118)	87,967
Decrease/(increase) in intra-group receivables		(13,341)	(2,328)	(50,955)	(139,100)
Increase/(decrease) in trade and other payables		82,550	(88,489)	(20,647)	8,099
Increase/(decrease) in intra-group payables		(13,986)	(85,841)	1	–
Cash generated/(used) by operations		128,865	(144,918)	49,474	218,821
Corporation tax paid		(19,087)	(10,423)	(5,146)	–
Net cash generated/(used) by operating activities		109,778	(155,341)	44,328	218,821
Cash flows from investing activities					
Purchase of property, plant & equipment		(11,430)	(17,362)	(20,632)	(1,036)
Interest received		24,308	12,044	1,107	931
Dividend received from subsidiary		–	79,069	–	–
Net cash generated/(used) by investing activities		12,878	73,751	(19,525)	(105)
Cash flows from financing activities					
Dividends paid to equity shareholders		–	–	(180,500)	(75,000)
Net cash used by financing activities		–	–	(180,500)	(75,000)
Net increase/(decrease) in cash and cash equivalents during the period		122,656	(81,590)	(155,697)	143,716
Cash and cash equivalents at the start of the period		489,359	612,015	530,425	374,728
Cash and cash equivalents at the end of the period		612,015	530,425	374,728	518,444

Ideagen Software Limited
Notes to the Financial Information
For the 3 years and 9 months ended 30 April 2011

1. Significant accounting policies

General information

Ideagen Software Limited is domiciled in England & Wales and since 4 April 2011, its ultimate parent undertaking has been Ideagen plc. The ordinary shares of Ideagen plc have a quotation on the PLUS market of the London Stock Exchange.

This financial information has been prepared in accordance with the AIM Rules and International Financial Reporting Standards (IFRSs), as adopted by the European Union, and IFRIC interpretations applicable as at 30 April 2011.

A summary of the significant accounting policies used in the preparation of this financial information is set out below.

Basis of accounting

This financial information has been prepared in sterling on an historical cost basis and has been rounded to the nearest pound.

Revenue recognition

Revenue is measured at the fair value of the consideration received from the sale of software licences and the rendering of services, net of value added tax and any discounts. Revenue is recognised as follows:

(a) *Perpetual software licences*

Revenue is recognised on delivery of the licence to the customer.

(b) *Services*

Revenue in respect of professional services such as consulting days, training and bespoke development are recognised as these services are delivered.

(c) *Annual maintenance*

Revenue is recognised on a time-basis over the length of the maintenance period. Annual maintenance is normally invoiced in advance and a deferred revenue liability is recognised in the statement of financial position to represent the element of the maintenance revenue deferred to be recognised as revenue in the future.

Foreign currencies

Foreign currency assets and liabilities are converted to sterling at the rates of exchange at the end of the financial period. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the Statement of Comprehensive Income as they arise.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the company should purchase or construct non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit and loss on a systematic basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred are recognised in profit or loss in the period in which they become receivable.

Taxation

The tax charge or credit is based on the result for the period and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period end date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities included in the financial information and the tax base of those assets and liabilities. Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits in the future against which an asset can be utilised.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the period end date.

Pensions and post retirement benefits

Payments are made to individual private defined contribution pension arrangements for certain employees and directors. Contributions are charged in the Statement of Comprehensive Income as they become payable.

The company operated an Employer Funded Retirement Benefits Scheme for key employees during the year ended 31 July 2010, providing benefits on a money purchase basis. The assets of the scheme were held separately from those of the company and the contributions payable were charged to the profit and loss account. During the period ended 30 April 2011, this Scheme was wound up by the Company.

Goodwill

Goodwill arising on business combinations is initially measured at cost being the excess of the fair value of the consideration paid over the group's interest in the net fair value of the identifiable assets and liabilities acquired. Goodwill is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is reviewed annually for impairment. Impairment is determined by assessing the recoverable amount of the cash-generating unit which contains the goodwill. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Statement of Comprehensive Income.

Other intangible assets

Research costs are expensed as incurred. An intangible asset arising from development expenditure on a project is only recognised if management considers that it is technically feasible and that there are sufficient resources available to complete the asset so that it will be available for use or sale, that it intends to complete and is able to sell or use the asset to generate future economic benefits which will outweigh the costs and that the costs of the development project can be measured reliably. Following the initial recognition of the expenditure, the asset will be carried at cost less accumulated amortisation and impairment losses. Amortisation is applied once the asset is available for sale to write off the cost over the period which is expected to benefit from the sale of the asset.

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset which is as follows:

Office Equipment – 3 years straight line basis

The remaining useful lives and residual values of plant and equipment are reassessed by the directors each year.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any indication exists, the carrying values are written down to the recoverable amount.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost using the effective interest method less any impairment provision. An impairment provision is made against a trade receivable only when there is objective evidence that the group may not be able to recover the whole invoiced amount as a result of events occurring after the initial recognition of the asset.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity date of 3 months or less. For the purpose of the statement of cash flows, cash and cash equivalents as defined above are stated net of any outstanding bank overdrafts.

Financial liabilities and equity instruments

Equity and debt instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The company's financial liabilities include trade and other payables which are measured at amortised cost using the effective interest rate method.

An equity instrument is any contract which evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued, such as share capital and share premium, are recognised at the proceeds received net of direct issue costs.

Use of estimates and judgements

The preparation of this financial information requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the period end date and the amounts reported for revenues and expenses during the period. However the nature of estimation means that actual outcomes could differ from those estimates.

In applying the company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial information.

Impairment of goodwill

The Group tests goodwill for impairment on an annual basis in line with the accounting policy noted above. This involves judgement regarding the future development of the business and the estimation of the level of future profitability and cash flows to support the carrying value of goodwill.

Impairment of other assets

The company reviews the carrying value of all assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

IFRSs in issue but not yet effective

The company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 7 – Disclosures on transfers of financial assets

Effective for annual periods beginning on or after 1 July 2011. These amendments increase the disclosure requirements involving transfers of financial assets and are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. They also require additional disclosures where transfers of financial assets are not evenly distributed throughout the period. The Directors do not anticipate that these amendments will have a significant effect on the company's disclosures regarding financial assets.

Amendments to IFRS 1 – Severe hyperinflation

Effective for annual periods beginning on or after 1 July 2011. These amendments provide guidance for entities emerging from severe hyperinflation. They will have no impact on the company's results and financial position as the company is based in the UK.

Amendments to IAS 12 – Deferred tax: recovery of underlying assets

Effective for annual periods beginning on or after 1 January 2012. The amendments provide a practical approach for measuring deferred tax assets and liabilities when investment property is measured using the fair value model under IAS 40. The company does not currently have any investment properties so the amendments will not affect the company's financial statements.

IFRS 9 – Financial Instruments

Effective for annual periods beginning on or after 1 January 2013. IFRS 9 introduces new requirements for the classification and recognition of financial assets and liabilities. IFRS 9 requires all financial assets within the scope of IAS 39 to be subsequently measured at amortised cost or fair value. All other debt investments or equity investments are measured at fair values at the end of subsequent accounting periods. The company's financial assets are primarily trade and other receivables. It is anticipated that there will be no impact on the company's financial assets from the adoption of IFRS 9. The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at fair value through profit or loss which are attributable to changes in the credit risk of that liability. The company will adopt IFRS 9 in the period beginning on 1 May 2013, however the Directors consider that adoption of IFRS 9 would not currently have a material effect on the financial statements of the company. This will be kept under review if new types of financial assets and liabilities are entered into by the company in the future.

Other new or amended accounting standards issued after 30 April 2011

The four new accounting Standards issued after 30 April 2011, in May 2011, IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint arrangements), IFRS 12 (Disclosure of interests in other entities) and IFRS 13 (Fair value measurement) and the amendments to IAS 27 (Separate financial statements), IAS 28 (Investments in associates and joint ventures), IAS 1 (Presentation of financial statements) and IAS 19 (Employee benefits) are still under review, however the Directors do not currently anticipate that these new and amended standards will have a material impact on the financial information of the company.

2. Revenue

An analysis of revenue by geographical market is given below.

	Year ended 31 July 2008	*Year ended 31 July 2009*	*Year ended 31 July 2010*	*9 months ended 30 April 2011*
	£	*£*	*£*	*£*
United Kingdom	921,033	1,032,176	1,026,310	738,659
Europe	31,840	2,181	190,130	52,700
Rest of the world	–	21,685	106,322	88,505
	952,873	1,056,042	1,322,762	879,864

3. Profit from operating activities

Profit from operating activities is stated after charging:

	Year ended 31 July 2008	*Year ended 31 July 2009*	*Year ended 31 July 2010*	*9 months ended 30 April 2011*
	£	*£*	*£*	*£*
Depreciation of owned assets	11,943	11,936	14,125	11,975
Auditor's remuneration	4,400	4,220	4,345	5,810
Operating lease costs – land & buildings	25,000	25,000	25,000	18,750

4. Employees and payroll costs

The average number of staff, excluding directors, employed by the company during the period was as follows.

	Year ended 31 July 2008	*Year ended 31 July 2009*	*Year ended 31 July 2010*	*9 months ended 30 April 2011*
Administration	2	3	3	1
Sales and marketing	4	4	4	5
Technical and support	11	11	11	11
	17	18	18	17

The aggregate payroll costs of these employees during the period were as follows.

	Year ended 31 July 2008	*Year ended 31 July 2009*	*Year ended 31 July 2010*	*9 months ended 30 April 2011*
	£	*£*	*£*	*£*
Wages and salaries	421,145	454,549	427,983	372,042
Social security costs	44,419	46,603	44,458	34,095
Staff pension costs	56,050	43,879	47,748	32,539
	521,614	545,031	520,189	438,676

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Year ended 31 July 2008	*Year ended 31 July 2009*	*Year ended 31 July 2010*	*9 months ended 30 April 2011*
	£	*£*	*£*	*£*
Directors' remuneration	–	–	25,210	4,000
Directors' pension contributions	–	–	200,200	–
	–	–	225,410	4,000

During the years ended 31 July 2008 and 31 July 2009, no remuneration was paid directly by the company to the sole director at that time. However remuneration was paid to the director of Ideagen Software Ltd during this period by Filebutton Limited, the company's immediate parent company.

The number of directors on whose behalf the company made pension contributions was as follows:

	Year ended 31 July 2008	*Year ended 31 July 2009*	*Year ended 31 July 2010*	*9 months ended 30 April 2011*
Money purchase schemes	–	–	1	–

6. Dividend income from group companies

During the year ended 31 July 2009, the company received a dividend of £79,069 from Root3 Systems Limited (formerly Ideagen Software International Limited), a wholly owned subsidiary company. No other dividends were received in any of the other periods covered by this financial information.

7. Taxation

The taxation charge can be analysed as follows:

	Year ended 31 July 2008	*Year ended 31 July 2009*	*Year ended 31 July 2010*	*9 months ended 30 April 2011*
	£	*£*	*£*	*£*
Current tax on the profit for the period	10,585	8,770	123,606	10,000
Over provision in prior period	(3,151)	(162)	(3,624)	–
	7,434	8,608	119,982	10,000
Deferred tax charge/(credit) for the period	–	750	(750)	–
Taxation charge for the period	7,434	9,358	119,232	10,000

The taxation charge is lower than the standard rate of UK corporation tax of 21 per cent. (2010: 28 per cent.; 2009 & 2008: 21 per cent.). The differences are reconciled below:

	Year ended 31 July 2008 £	Year ended 31 July 2009 £	Year ended 31 July 2010 £	9 months ended 30 April 2011 £
Profit before taxation	52,576	102,444	272,510	247,476
Taxation on profit at 21% (2010:28%; 2009: 21%; 2008: 21%)	11,041	21,513	76,303	51,970
Expenses and losses not deductible	1,619	6,116	606	1,519
Depreciation in excess of capital allowances	(2,075)	(2,255)	(2,988)	1,680
Deferred tax charge/(credit) for the year	–	750	(750)	–
Group relief not paid for	–	–	(1,288)	–
Payments into Employer Funded Retirement Benefit Scheme not deductible for tax	–	–	56,056	–
Funds released from Employer Funded Retirement Benefit Scheme not taxable	–	–	–	(45,169)
Marginal relief	–	–	(5,083)	–
Non-taxable income	–	(16,604)	–	–
Over provision in prior period	(3,151)	(162)	(3,624)	–
Taxation charge for the period	7,434	9,358	119,232	10,000

The movement in the deferred tax liability was as follows:

	31 July 2008 £	31 July 2009 £	31 July 2010 £	30 April 2011 £
Opening balance	–	–	750	–
Recognised in profit and loss in respect of property plant and equipment	–	750	(750)	–
Closing balance	–	750	–	–

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 August 2007, 31 July 2008, 31 July 2009, 31 July 2010 and 30 April 2011	24,161
Accumulated impairment	
At 1 August 2007, 31 July 2008, 31 July 2009, 31 July 2010 and 30 April 2011	24,161
Net carrying amount	
At 31 July 2008, 31 July 2009, 31 July 2010 and 30 April 2011	Nil

The net carrying amount of goodwill at 31 July 2007 under UK GAAP was £24,161 which has been used as the cost of this asset at 1 August 2007 for IFRS purposes. The directors considered that an impairment provision of £24,161 was required at this date and the associated impairment loss has been reflected in retained earnings at 1 August 2007.

9. Property, plant and equipment

	Office Equipment £
Cost	
At 1 August 2007	236,348
Additions	11,430
At 31 July 2008	247,778
Additions	17,362
At 31 July 2009	265,140
Additions	20,632
Disposals	(201,063)
At 31 July 2010	84,709
Additions	1,036
At 30 April 2011	85,745
Accumulated depreciation	
At 1 August 2007	216,772
Depreciation expense	11,943
At 31 July 2008	228,715
Depreciation expense	11,936
At 31 July 2009	240,651
Depreciation expense	14,125
Disposals	(201,063)
At 31 July 2010	53,713
Depreciation expense	11,975
At 30 April 2011	65,688
Net carrying amount	
At 30 April 2011	20,057
At 31 July 2010	30,996
At 31 July 2009	24,489
At 31 July 2008	19,063

10. Investments in subsidiaries

	Shares in subsidiary undertakings £
Cost	
At 1 August 2007, 31 July 2008, 31 July 2009, 31 July 2010 and 30 April 2011	1,000
Accumulated impairment losses	
At 1 August 2007 and 31 July 2008	–
Impairment loss recognised in the year ended 31 July 2009	999
At 31 July 2009, 31 July 2010 and 30 April 2011	999
Net carrying amount	
At 30 April 2011, 31 July 2010 and 31 July 2009	1
At 31 July 2008	1,000

At 30 April 2011 the company had two dormant subsidiaries, Root3 Systems Limited (formerly Ideagen Software International Ltd) and Ideagen Systems Ltd (formerly EQ Software Group Ltd). Both of these companies are wholly owned subsidiaries and both were incorporated in England & Wales. During the period ended 30 April 2011 and the year ended 31 July 2010, Root3 Systems Limited was dormant. During the year ended 31 July 2009, Root3 Systems Limited reported a profit after tax of £881 (year ended 31 July 2008: £5,642). At 30 April 2011 Root3 Systems Limited had net assets of £1 (31 July 2010 & 31 July 2009: £1; 31 July 2008: £78,189). Prior to 1 August 2009, Root3 Systems Ltd was engaged in the sale of business software and the provision of associated support services. Ideagen Software Limited took over the trade of Root3 Systems Limited on 31 July 2009.

Ideagen Systems Ltd has been dormant and had net assets of £1,000 throughout the period since 1 August 2007.

11. Trade and other receivables

	31 July 2008	*31 July 2009*	*31 July 2010*	*30 April 2011*
	£	*£*	*£*	*£*
Trade receivables	122,262	117,223	254,575	189,891
Amounts receivable from group companies	389,225	391,553	442,508	581,608
Other receivables	10,745	9,442	33,208	9,925
	522,232	518,218	730,291	781,424

All trade and other receivables have been reviewed for impairment. Unless specific agreement has been reached with individual customers, sales invoices are due for payment 30 days after the date of the invoice. Where customers delay making payment, an assessment of the potential loss of customer goodwill arising from the enforcement of contractual payment terms may take place when considering actions to be taken to secure payment.

An analysis of trade receivables that are not yet due or past the due date but not impaired is set out below:

	31 July 2008	*31 July 2009*	*31 July 2010*	*30 April 2011*
	£	*£*	*£*	*£*
Not yet due	90,516	57,857	148,015	133,650
0 – 30 days overdue	30,620	56,462	77,310	41,758
30 – 60 days overdue	1,126	2,904	29,250	6,683
60+ days overdue	–	–	–	7,800
	122,262	117,223	254,575	189,891

There were no provisions for doubtful receivables and no amounts were written off in any of these periods.

12. Trade and other payables

	31 July 2008	*31 July 2009*	*31 July 2010*	*30 April 2011*
	£	*£*	*£*	*£*
Trade payables	58,941	75,924	51,715	49,829
Amounts payable to group companies	86,841	1,000	1,001	1,001
Other taxation and social security	60,802	37,853	49,911	64,417
Accruals and deferred income	504,892	422,369	413,873	409,352
	711,476	537,146	516,500	524,599

13. Commitments under operating leases

At 30 April 2011 the company had aggregate commitments under non-cancellable operating leases which expire as follows.

	31 July 2008	*31 July 2009*	*31 July 2010*	*30 April 2011*
	£	*£*	*£*	*£*
Land & buildings:				
In less than 1 year	–	–	14,583	–
Between 1 and 2 years	–	39,583	–	–
Between 2 and 5 years	64,583	–	–	120,833

14. Related party transactions

During the year ended 31 July 2009, the company received management charge income of £135,000 (2008: £240,000) from Root3 Systems Ltd (formerly Ideagen Software International Ltd), a subsidiary of the company. No management charge income was received in the periods ended 30 April 2011 and 31 July 2010.

During the year ended 31 July 2009, the company paid management charges of £340,000 (2008: £336,250) to its immediate parent company Filebutton Ltd. These amounts are included within Administration Expenses in the Statement of total comprehensive income. No management charges were paid in the periods ended 30 April 2011 and 31 July 2010.

15. Share capital and share premium

	31 July 2008	*31 July 2009*	*31 July 2010*	*30 April 2011*
	£	*£*	*£*	*£*
Authorised share capital:				
100,000 Ordinary shares of £1 each	100,000	100,000	100,000	100,000
Allotted, issued and fully paid:				
75,000 Ordinary shares of £1 each	75,000	75,000	75,000	75,000

The balance on the share premium account was unchanged at £70,000 throughout the period from 1 August 2007 to 30 April 2011.

16. Ultimate parent company

The company is a wholly owned subsidiary of Filebutton Limited which the directors regard as the immediate parent company. The ultimate parent company is Ideagen plc (formerly Datum International Limited), a company registered in England and Wales. There is no overall controlling party of Ideagen plc.

PART III

HISTORICAL FINANCIAL INFORMATION ON IDEAGEN PLC

PART C
ACCOUNTANTS REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF IDEAGEN CAPTURE LIMITED

RSM Tenon Audit Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

The Directors

Ideagen Plc
4 Meadway Court
Meadway Technology Park
Stevenage
Hertfordshire
SG1 2EF

finnCap Ltd
60 New Broad Street
London
EC2M 1JJ

Dear Sirs,

Ideagen Capture Limited ("the Company")

We report on the financial information set out below in respect of the year ended 30 April 2011, 7 months ended 30 April 2010, Year ended 30 September 2009 and 2008. This financial information has been prepared for inclusion in the AIM Admission Document dated 25 June 2012 of Ideagen Plc ("the Admission Document") on the basis of the accounting policies set out on pages 73 to 76 of this financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Ideagen Capture Limited are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Directors of Ideagen Capture Limited are responsible for the document in which the financial information is included.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Ideagen Capture Limited as at the dates stated and of its performance, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 and in accordance with IFRS adopted by the EU.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

RSM Tenon Audit Limited
25 June 2012

Ideagen Capture Limited
Statement of Comprehensive Income
For the 3 years and 7 months ended 30 April 2011

	Note	*Year ended 30 September 2008*	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
		£	*£*	*£*	*£*
Revenue	2	970,483	1,080,309	456,690	1,010,674
Cost of sales		(203,692)	(160,170)	(70,445)	(231,413)
Gross profit		766,791	920,139	386,245	779,261
Administration expenses		(951,812)	(842,885)	(441,072)	(719,932)
Profit/(loss) from operating activities	3	(185,021)	77,254	(54,827)	59,329
Finance costs	6	(2,825)	(3,962)	(3,355)	(128)
Profit/(loss) before taxation		(187,846)	73,292	(58,182)	59,201
Taxation	7	5,302	(354)	–	41,000
Profit/(loss) for the period		(182,544)	72,938	(58,182)	100,201
Other comprehensive income					
Gain on revaluation of assets		–	38,929	–	–
Total comprehensive income for the period		(182,544)	111,867	(58,182)	100,201

The total comprehensive income for each period shown above is all attributable to the owners of the company.

Ideagen Capture Limited
Statement of Financial Position

	Note	*30 September 2008* £	*30 September 2009* £	*30 April 2010* £	*30 April 2011* £
Assets and liabilities					
Non-current assets					
Intangible assets	8	175,510	138,189	102,531	65,101
Property, plant and equipment	9	7,423	42,722	39,465	31,992
Deferred tax asset	7	–	–	–	41,000
		182,933	180,911	141,996	138,093
Current assets					
Trade and other receivables	10	336,744	343,831	143,326	156,794
Cash and cash equivalents		466	174	99,431	70,382
		337,210	344,005	242,757	227,176
Current liabilities					
Trade and other payables	11	(651,645)	(687,418)	(493,227)	(340,847)
Borrowings	12	(156,654)	(170,120)	–	–
Amounts payable to group companies		–	–	(115,276)	(147,971)
		(808,299)	(857,538)	(608,503)	(488,818)
Non-current liabilities					
Amounts payable to group companies		–	–	(167,054)	(167,054)
Borrowings	12	(156,333)	–	–	–
		(156,333)	–	(167,054)	(167,054)
Net liabilities		(444,489)	(332,622)	(390,804)	(290,603)
Equity					
Issued share capital	17	1,000	1,000	1,000	1,000
Revaluation reserve		–	38,929	35,143	28,652
Retained earnings		(445,489)	(372,551)	(426,947)	(320,255)
Deficit of equity		(444,489)	(332,622)	(390,804)	(290,603)

Ideagen Capture Limited
Statement of changes in equity
For the 3 years and 7 months ended 30 April 2011

	Issued share capital	*Revaluation reserve*	*Retained earnings*	*Total*
	£	*£*	*£*	*£*
Balance at 1 October 2007	1,000	–	(262,945)	(261,945)
Loss for the year	–	–	(182,544)	(182,544)
Balance at 30 September 2008	1,000	–	(445,489)	(444,489)
Profit for the year	–	–	72,938	72,938
Other comprehensive income for the year	–	38,929	–	38,929
Balance at 30 September 2009	1,000	38,929	(372,551)	(332,622)
Loss for the period	–	–	(58,182)	(58,182)
Transfer to retained earnings	–	(3,786)	3,786	–
Balance at 30 April 2010	1,000	35,143	(426,947)	(390,804)
Profit for the year	–	–	100,201	100,201
Transfer to retained earnings	–	(6,491)	6,491	–
Balance at 30 April 2011	1,000	28,652	(320,255)	(290,603)

Ideagen Capture Limited
Statement of cash flows
For the 3 years and 7 months ended 30 April 2011

	Note	*Year ended 30 September 2008* £	*Year ended 30 September 2009* £	*7 months ended 30 April 2010* £	*Year ended 30 April 2011* £
Cash flows from operating activities					
Profit/(loss) for the period		(182,544)	72,938	(58,182)	100,201
Depreciation of property, plant and equipment		6,820	3,837	4,421	7,678
Amortisation of intangible assets		68,039	73,756	35,658	50,159
Loss on disposal of intangible assets		1,668	–	–	–
Finance costs in profit and loss		2,825	3,962	3,355	128
Taxation cost/(credit) in profit and loss		(5,302)	354	–	(41,000)
Decrease/(increase) in trade and other receivables		77,836	(7,087)	195,203	(13,468)
Increase/(decrease) in trade and other payables		53,142	35,419	(194,191)	(152,380)
Increase in intra-group payables		–	–	282,330	32,695
Cash generated/(used) by operations		22,484	183,179	268,594	(15,987)
Corporation tax recovered		–	–	5,302	–
Interest paid		(2,825)	(3,962)	(3,355)	(128)
Net cash generated/(used) by operating activities		19,659	179,217	270,541	(16,115)
Cash flows from investing activities					
Purchase of property, plant & equipment		(3,404)	(207)	(1,164)	(205)
Payment of development costs		(22,851)	(36,435)	–	(12,729)
Net cash used by investing activities		(26,255)	(36,642)	(1,164)	(12,934)
Cash flows from financing activities					
Repayment of loans from directors		(112,312)	(11,466)	(144,867)	–
New other loans		26,050	–	–	–
Repayment of other loans		–	(10,001)	(16,049)	–
Net cash used by financing activities		(86,262)	(21,467)	(160,916)	–
Net increase/(decrease) in cash and cash equivalents during the period		(92,858)	121,108	108,461	(29,049)
Cash and cash equivalents at the start of the period		(37,280)	(130,138)	(9,030)	99,431
Cash and cash equivalents at the end of the period	15	(130,138)	(9,030)	99,431	70,382

Ideagen Capture Limited
Notes to the Financial Information
For the 3 years and 7 months ended 30 April 2011

1. Significant accounting policies

General information

Ideagen Capture Limited is a wholly owned subsidiary of Ideagen plc and is domiciled in England & Wales. The ordinary shares of Ideagen plc have a quotation on the PLUS market of the London Stock Exchange.

This financial information has been prepared in accordance with the AIM Rules and International Financial Reporting Standards (IFRSs), as adopted by the European Union, and IFRIC interpretations applicable as at 30 April 2011.

The significant accounting policies used in the preparation of this financial information are set out below.

Basis of accounting

This financial information has been prepared in sterling on an historical cost basis, modified to include the revaluation of certain fixed assets and has been rounded to the nearest pound.

The company had net liabilities of £290,603 at 30 April 2011 however this includes £315,025 of balances owing to the parent company, Ideagen plc. The parent company, Ideagen plc, has agreed not to demand settlement of these balances until the company is in a position to make repayments on these balances. This financial information has therefore been prepared on a going concern basis which is deemed appropriate based on the existence of the continued financial support of the parent company, Ideagen plc.

Revenue recognition

Revenue is measured at the fair value of the consideration received from the sale of software licences and the rendering of services, net of value added tax and any discounts. Revenue is recognised as follows:

(a) *Perpetual software licences*

Revenue is recognised on delivery of the licence to the customer.

(b) *Services*

Revenue in respect of professional services such as consulting days, training and bespoke development are recognised as these services are delivered.

(c) *Annual maintenance*

Revenue is recognised on a time-basis over the length of the maintenance period. Annual maintenance is normally invoiced in advance and a deferred revenue liability is recognised in the statement of financial position to represent the element of the maintenance revenue deferred to be recognised as revenue in the future.

Foreign currencies

Foreign currency assets and liabilities are converted to sterling at the rates of exchange at the end of the financial period. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the Statement of Comprehensive Income as they arise.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are expensed in the Statement of Comprehensive Income on a straight line basis over the lease term.

Taxation

The tax charge or credit is based on the result for the period and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period end date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities included in the financial information and the tax base of those assets and liabilities. Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits in the future against which an asset can be utilised.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the period end date.

Pensions and post retirement benefits

Payments are made to individual private defined contribution pension arrangements for certain employees. Contributions are charged in the Statement of Comprehensive Income as they become payable.

Other intangible assets

Research costs are expensed as incurred. An intangible asset arising from development expenditure on a project is only recognised if management considers that it is technically feasible and that there are sufficient resources available to complete the asset so that it will be available for use or sale, that it intends to complete and is able to sell or use the asset to generate future economic benefits and that the costs of the development project can be measured reliably. Following the initial recognition of the expenditure, the asset will be carried at cost less accumulated amortisation and impairment losses. Amortisation is applied once the asset is available for sale to write off the cost over the period which is expected to benefit from the sale of the asset which is usually 5 years.

Amortisation charges are included in Administration expenses in the Statement of Comprehensive Income.

Property, plant and equipment

Plant and equipment are stated at revalued cost less accumulated depreciation and any impairment in value. A revaluation of plant and equipment assets, based on the directors' own assessment of fair value, was carried out in 2009 and revaluations amounting to £38,929 were included in the financial statements at 30 September 2009. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures and Fittings	–	over the remaining life of the lease which expires in 2017
Office Equipment	–	25% reducing balance basis

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to retained earnings.

The remaining useful lives and residual values of plant and equipment are reassessed by the directors each year.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any indication exists, the carrying values are written down to the recoverable amount.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost using the effective interest method less any impairment provision. An impairment provision is made against a trade receivable only when there is objective evidence that the group may not be able to recover the whole invoiced amount as a result of events occurring after the initial recognition of the asset.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity date of 3 months or less. For the purpose of the statement of cash flows, cash and cash equivalents as defined above are stated net of any outstanding bank overdrafts.

Financial liabilities and equity instruments

Equity and debt instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The company's financial liabilities include trade and other payables which are measured at amortised cost using the effective interest rate method.

An equity instrument is any contract which evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued, such as share capital and share premium, are recognised at the proceeds received net of direct issue costs.

Use of estimates and judgements

The preparation of this financial information requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the period end date and the amounts reported for revenues and expenses during the period. However the nature of estimation means that actual outcomes could differ from those estimates.

In applying the company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial information.

Deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits. Details of the deferred tax asset recognised in respect of trading losses are given in Note 6.

Impairment of assets

The company reviews the carrying value of all assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

IFRSs in issue but not yet effective

The company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 7 – Disclosures on transfers of financial assets

Effective for annual periods beginning on or after 1 July 2011. These amendments increase the disclosure requirements involving transfers of financial assets and are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. They also require additional disclosures where transfers of financial assets are not evenly distributed throughout the period. The Directors do not anticipate that these amendments will have a significant effect on the Group's disclosures regarding financial assets.

Amendments to IFRS 1 – Severe hyperinflation

Effective for annual periods beginning on or after 1 July 2011. These amendments provide guidance for entities emerging from severe hyperinflation. They will have no impact on the Group's results and financial position as the parent company and all of the Group's subsidiary undertakings are based in the UK.

Amendments to IAS 12 – Deferred tax: recovery of underlying assets

Effective for annual periods beginning on or after 1 January 2012. The amendments provide a practical approach for measuring deferred tax assets and liabilities when investment property is measured using the fair value model under IAS 40. The Group does not currently have any investment properties so the amendments will not affect the Group's financial statements.

IFRS 9 – Financial Instruments

Effective for annual periods beginning on or after 1 January 2013. IFRS 9 introduces new requirements for the classification and recognition of financial assets and liabilities. IFRS 9 requires all financial assets within the scope of IAS 39 to be subsequently measured at amortised cost or fair value. All other debt investments or equity investments are measured at fair values at the end of subsequent accounting periods. The Group's financial assets are primarily trade and other receivables. It is anticipated that there will be no impact on the Group's financial assets from the adoption of IFRS 9. The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at fair value through profit or loss which are attributable to changes in the credit risk of that liability. The Group will adopt IFRS 9 in the period beginning on 1 May 2013, however the Directors consider that adoption of IFRS 9 would not currently have a material effect on the financial statements of the Group. This will be kept under review if new types of financial assets and liabilities are entered into by the Group in the future.

IFRS 10 – Consolidated financial statements

Effective for annual periods beginning on or after 1 January 2013. IFRS 10 provides additional guidance on the concept of control in determining whether an entity should be included in consolidated financial information. This will not affect how the group currently consolidates its subsidiary.

IFRS 11 – Joint arrangements

Effective for annual periods beginning on or after 1 January 2013. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. The group does not currently have any joint arrangements.

IFRS 12 – Disclosure of interests in other entities

Effective for annual periods beginning on or after 1 January 2013. IFRS 12 provides comprehensive disclosure requirements for interests in other entities including joint arrangements, associates and special purpose vehicles.

IFRS 13 – Fair value measurement

Effective for annual periods beginning on or after 1 January 2013. IFRS 13 provides a single source of fair value measurement and disclosure requirements for use across all standards. The Directors do not consider that this will currently have a significant impact on the reported results or financial position of the group.

Amendments to IAS 27 (Separate financial statements), IAS 28 (Investments in associates and joint ventures), IAS 1 (Presentation of financial statements) and IAS 19 (Employee benefits) were announced during 2011 which will be effective for annual periods beginning on or after 1 January 2013. The Directors do not currently anticipate that these amendments will have a material impact on the financial information of the group.

2. Revenue

All of the company's revenue is generated from customers based in the UK.

3. Profit/(loss) from operating activities

Profit/(loss) from operating activities is stated after charging:

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*	*£*
Amortisation of intangible assets	68,039	73,756	35,658	50,159
Depreciation of owned assets	6,820	3,837	4,421	7,678
Auditor's remuneration	2,250	3,875	4,000	4,500
Loss on disposal of intangible assets	1,668	–	–	–

4. Employees and payroll costs

The average number of staff employed by the company during the period was as follows.

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
Administration	3	3	1	1
Sales and marketing	4	3	2	2
Technical and support	7	6	5	5
	14	12	8	8

The aggregate payroll costs of these employees including directors during the period were as follows.

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*	*£*
Wages and salaries	540,824	486,697	243,051	381,296
Social security costs	59,968	56,033	25,688	42,523
Pension costs	16,700	12,380	1,167	3,712
	617,492	555,110	269,906	427,531

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*	*£*
Directors' remuneration	199,194	195,715	102,732	211,806
Directors' pension contributions	11,610	7,740	–	–
	210,804	203,455	102,732	211,806

The remuneration of the highest paid director in the year ended 30 April 2011 amounted to £82,649.

The number of directors on whose behalf the company made pension contributions was as follows:

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
Money purchase schemes	3	3	–	–

6. Finance costs

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*	*£*
Bank interest payable	5,069	3,426	190	128
Interest payable to group companies	–	–	1,668	–
Other interest payable	(2,244)	536	1,497	–
	2,825	3,962	3,355	128

7. Taxation

The taxation charge/(credit) can be analysed as follows:

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*	*£*
Current tax on the profit/(loss) for the period	–	–	–	–
Under/(over) provision in prior period	(5,302)	354	–	–
Deferred tax credit for the period	–	–	–	(41,000)
Taxation charge/(credit) for the period	(5,302)	354	–	(41,000)

The taxation charge/(credit) is lower than the standard rate of UK corporation tax of 21 per cent. The differences are reconciled below:

	Year ended 30 September 2008	*Year ended 30 September 2009*	*7 months ended 30 April 2010*	*Year ended 30 April 2011*
	£	*£*	*£*	*£*
Profit/(loss) before taxation	(187,846)	73,292	(58,182)	59,201
Taxation on profit before tax at 21%	(39,448)	15,391	(12,218)	12,432
Expenses not deductible for tax	200	200	200	210
(Utilisation of)/increase in tax losses	39,248	(15,591)	12,018	(12,642)
Deferred tax credit for the period	–	–	–	(41,000)
Under/(over) provision in prior period	(5,302)	354	–	–
Taxation charge/(credit) for the period	(5,302)	354	–	(41,000)

At 30 April 2011, a deferred tax asset on trading losses of £41,000 (2010, 2009 & 2008: £nil) was recognised to the extent that it is considered probable that it could be recovered against future taxable profits based on profit forecasts for the foreseeable future.

Total trading losses available for offset against future trading profits amounted to £274,000 at 30 April 2011 (2010: £334,000; 2009: £277,000; 2008: £351,000). Of this, trading losses of £205,000 were recognised in deferred tax at 30 April 2011 (2010, 2009 & 2008: £nil).

8. Intangible fixed assets

	Development costs £
Cost	
At 1 October 2007	898,416
Additions	22,851
Disposals	(49,651)
At 30 September 2008	871,616
Additions	36,435
At 30 September 2009 and 30 April 2010	908,051
Additions	12,729
At 30 April 2011	920,780
Amortisation	
At 1 October 2007	676,050
Amortisation expense	68,039
Eliminated on disposals	(47,983)
At 30 September 2008	696,106
Amortisation expense	73,756
At 30 September 2009	769,862
Amortisation expense	35,658
At 30 April 2010	805,520
Amortisation expense	50,159
At 30 April 2011	855,679
Net book value	
At 30 April 2011	65,101
At 30 April 2010	102,531
At 30 September 2009	138,189
At 30 September 2008	175,510

9. Property, plant and equipment

	Fixtures and Fittings	*Office Equipment*	*Total*
	£	*£*	*£*
Cost or valuation			
At 1 October 2007	48,584	69,230	117,814
Additions	–	3,404	3,404
At 30 September 2008	48,584	72,634	121,218
Additions	–	207	207
At 30 September 2009	48,584	72,841	121,425
Additions	–	1,164	1,164
At 30 April 2010	48,584	74,005	122,589
Additions	–	205	205
At 30 April 2011	48,584	74,210	122,794
Depreciation			
At 1 October 2007	48,407	58,568	106,975
Depreciation expense	138	6,682	6,820
At 30 September 2008	48,545	65,250	113,795
Depreciation expense	39	3,798	3,837
Revaluation	(25,934)	(12,995)	(38,929)
At 30 September 2009	22,650	56,053	78,703
Depreciation expense	1,891	2,530	4,421
At 30 April 2010	24,541	58,583	83,124
Depreciation expense	3,242	4,436	7,678
At 30 April 2011	27,783	63,019	90,802
Net book value			
At 30 April 2011	20,801	11,191	31,992
At 30 April 2010	24,043	15,422	39,465
At 30 September 2009	25,934	16,788	42,722
At 30 September 2008	39	7,384	7,423

Both asset classes are held at a revalued amount.

If the directors had not revalued the office equipment, the historical cost as at 30 April 2011 would have been £74,210 and the cumulative depreciation would have been £70,700.

If the directors had not revalued the fixtures and fittings the historical cost as at 30 April 2011 would have been £48,585 and the cumulative depreciation would have been £48,585.

10. Trade and other receivables

	30 September 2008 £	*30 September 2009* £	*30 April 2010* £	*30 April 2011* £
Trade receivables	317,794	322,157	128,018	149,206
Corporation tax receivable	5,302	5,302	–	–
Prepayments and accrued income	13,648	16,372	15,308	7,588
	336,744	343,831	143,326	156,794

All trade and other receivables have been reviewed for impairment. Unless specific agreement has been reached with individual customers, sales invoices are due for payment 30 days after the date of the invoice. Where customers delay making payment, an assessment of the potential loss of customer goodwill arising from the enforcement of contractual payment terms may take place when considering actions to be taken to secure payment.

An analysis of trade receivables that are not yet due or past the due date but not impaired is set out below:

	30 September 2008 £	*30 September 2009* £	*30 April 2010* £	*30 April 2011* £
Not yet due	72,018	82,849	31,229	113,745
0 – 30 days overdue	65,743	52,443	72,048	14,407
30 – 60 days overdue	172,219	183,060	24,741	19,720
60+ days overdue	7,814	3,805	–	8,955
	317,794	322,157	128,018	156,827
Less: Provisions (all against debts 60+ days overdue)	–	–	–	(7,621)
	317,794	322,157	128,018	149,206

Trade receivables are shown net of a provision for doubtful amounts, movements on which are set out below:

	30 September 2008 £	*30 September 2009* £	*30 April 2010* £	*30 April 2011* £
Balance at the start of the period	–	–	–	–
Additional provisions	–	–	–	7,621
Balance at the end of the period	–	–	–	7,621

11. Trade and other payables

	30 September 2008 £	*30 September 2009* £	*30 April 2010* £	*30 April 2011* £
Trade payables	154,565	148,850	117,861	83,771
Other taxation and social security	127,840	174,375	102,894	62,324
Accruals and deferred income	369,240	364,193	272,472	194,752
	651,645	687,418	493,227	340,847

12. Borrowings

	30 September 2008 £	30 September 2009 £	30 April 2010 £	30 April 2011 £
Current liabilities:				
Bank overdraft	130,604	9,204	–	–
Loans from directors	–	144,867	–	–
Other loans	26,050	16,049	–	–
	156,654	170,120	–	–
Non-current liabilities:				
Loans from directors	156,333	–	–	–

The bank overdraft was secured by a fixed and floating charge over the assets of the company.

13. Pensions

The company operates two defined contribution pension schemes. The pension cost charge for the period represents contributions payable by the company and amounted to £3,712 (2010: £1,167; 2009: £12,380; 2008: £16,700).

There were no outstanding or prepaid contributions at the beginning of the year. Outstanding contributions at 30 April 2011 amounted to £1,713 (2010, 2009 and 2008 – £nil).

14. Commitments under operating leases

At 30 April 2011 the company had aggregate commitments under non-cancellable operating leases which expire as follows.

	30 September 2008 £	30 September 2009 £	30 April 2010 £	30 April 2011 £
Between 2 and 5 years	–	–	270,000	222,000
In more than 5 years	358,000	297,000	–	–

15. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and at banks, net of outstanding overdrafts as follows.

	30 September 2008 £	30 September 2009 £	30 April 2010 £	30 April 2011 £
Cash and bank balances	466	174	99,431	70,382
Bank overdrafts	(130,604)	(9,204)	–	–
	(130,138)	(9,030)	99,431	70,382

16. Related party transactions

During the period ended 30 April 2011 the company was charged £35,627 (2010: £21,000; 2009: £51,027; 2008: £54,236) by ABF Pension Scheme, in respect of rent on the property leased by the Company. Three of the directors of the company who held office during the period, Mr. RJ Allerston, Mr. PA Bromley and Mr. PR Ford are also Trustees of the ABF Pension Scheme. At the year end there is an outstanding balance included within trade creditors of £12,615 (2010: £21,594; 2009: £18,038; 2008: £18,038) and a prepayment of £6,064 (2010: £4,682; 2009 and 2008 £nil).

The following loans from directors to the company were outstanding as set out below. All loans from directors were repaid in March 2010 and no further loans have been made to the company since then.

	30 September 2008	*30 September 2009*	*30 April 2010*	*30 April 2011*
	£	*£*	*£*	*£*
Mr. RJ Allerston	24,493	20,168	–	–
Mr. PR Ford	11,747	8,176	–	–
Mr. PA Bromley	20,093	16,523	–	–
Mr. D Parsonage	100,000	100,000	–	–

17. Share capital

	30 September 2008	*30 September 2009*	*30 April 2010*	*30 April 2011*
	£	*£*	*£*	*£*
Authorised share capital:				
250,000 Ordinary shares of £1 each	250,000	250,000	250,000	250,000
Allotted, issued and fully paid:				
1,000 Ordinary shares of £1 each	1,000	1,000	1,000	1,000

18. Ultimate parent company

The directors regard Ideagen plc (formerly Datum International Limited), a company registered in England and Wales, as the immediate and ultimate parent company. The directors of Ideagen plc consider that no party has overall control of that company.

PART III

HISTORICAL FINANCIAL INFORMATION ON IDEAGEN PLC

PART D
ACCOUNTANTS REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PROQUIS LIMITED

RSM Tenon Audit Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

The Directors
Ideagen Plc
4 Meadway Court
Meadway Technology Park
Stevenage
Hertfordshire
SG1 2EF

finnCap Ltd
60 New Broad Street
London
EC2M 1JJ

Dear Sirs,

Proquis Limited ("the Company")

We report on the financial information set out below in respect of the year ended 30 September 2011, 2010 and 2009. This financial information has been prepared for inclusion in the AIM Admission Document dated 25 June 2012 of Ideagen Plc ("the Admission Document") on the basis of the accounting policies set out on pages 90 to 94 of this financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Proquis Limited are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Directors of Proquis Limited are responsible for the document in which the financial information is included.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Proquis Limited as at the dates stated and of its performance, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 and in accordance with IFRS adopted by the EU.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

RSM Tenon Audit Limited
25 June 2012

Proquis Limited
Consolidated Statements of Comprehensive Income
For the 3 years ended 30 September 2011

	Note	*Year ended 30 September 2009* £	*Year ended 30 September 2010* £	*Year ended 30 September 2011* £
Revenue		1,380,293	977,861	757,800
Cost of sales		(100,683)	(139,849)	(73,678)
Gross profit		1,279,610	838,012	684,122
Administration expenses		(1,127,482)	(1,005,638)	(530,178)
Profit/(loss) from operating activities	2	152,128	(167,626)	153,944
Finance costs		(10,069)	(6,782)	(6,715)
Profit/(loss) before taxation		142,059	(174,408)	147,229
Taxation	5	(13,500)	29,257	(23,956)
Profit/(loss) for the year		128,559	(145,151)	123,273
Other comprehensive income				
Exchange differences on translating foreign operation		(41,906)	(6,758)	(2,590)
Total comprehensive income/(costs) for the year		86,653	(151,909)	120,683

The total comprehensive income for each period shown above is all attributable to the equity holders of the parent at that time.

Proquis Limited
Consolidated Statements of Financial Position

	Note	*30 September 2009* £	*30 September 2010* £	*30 September 2011* £
Assets and liabilities				
Non-current assets				
Intangible assets	6	66,077	25,507	20,137
Property, plant and equipment	7	13,535	7,175	1,829
		79,612	32,682	21,966
Current assets				
Trade and other receivables	9	323,188	112,723	145,030
Cash and cash equivalents		9,272	2,474	20,363
		332,460	115,197	165,393
Current liabilities				
Trade and other payables	10	(105,917)	(71,719)	(54,997)
Current tax liability		(28,045)	2,119	(22,477)
Borrowings	11	(195,178)	(183,368)	(87,369)
Deferred revenue		(245,802)	(206,421)	(249,967)
		(574,942)	(459,389)	(414,810)
Non-current liabilities				
Borrowings	11	(123,489)	(135,792)	(99,667)
Deferred tax liability	5	(12,411)	(3,377)	(2,878)
		(135,900)	(139,169)	(102,545)
Net liabilities		(298,770)	(450,679)	(329,996)
Equity				
Share capital	15	21,000	21,000	21,000
Retained earnings		(277,864)	(423,015)	(299,742)
Foreign currency translation reserve		(41,906)	(48,664)	(51,254)
Deficit of equity attributable to the owners of the parent at that time		(298,770)	(450,679)	(329,996)

Proquis Limited
Consolidated Statement of changes in equity
For the 3 years ended 30 September 2011

	Share capital	*Retained earnings*	*Foreign currency translation reserve*	*Total*
	£	£	£	£
Balance at 1 October 2008	21,000	(406,423)	–	(385,423)
Profit for the year	–	128,559	–	128,559
Other comprehensive income for the year	–	–	(41,906)	(41,906)
Balance at 30 September 2009	21,000	(277,864)	(41,906)	(298,770)
Loss for the year	–	(145,151)	–	(145,151)
Other comprehensive income for the year	–	–	(6,758)	(6,758)
Balance at 30 September 2010	21,000	(423,015)	(48,664)	(450,679)
Profit for the year	–	123,273	–	123,273
Other comprehensive income for the year	–	–	(2,590)	(2,590)
Balance at 30 September 2011	21,000	(299,742)	(51,254)	(329,996)

Proquis Limited
Consolidated Statement of cash flows
For the 3 years ended 30 September 2011

	Note	*Year ended 30 September 2009* £	*Year ended 30 September 2010* £	*Year ended 30 September 2011* £
Cash flows from operating activities				
Profit/(loss) for the year		128,559	(145,151)	123,273
Depreciation of property, plant and equipment	7	12,027	6,502	5,340
Amortisation of intangible assets	6	59,070	40,570	5,370
Finance costs in profit and loss		10,069	6,782	6,715
Taxation expense/(credit) in profit and loss		13,500	(29,257)	23,956
Foreign exchange difference in profit and loss		(22,389)	(2,858)	(176)
Decrease/(increase) in trade and other receivables		(165,037)	215,401	(31,568)
Increase/(decrease) in trade and other payables and deferred revenue		41,182	(78,601)	24,801
Cash generated by operations		76,981	13,388	157,711
Current income tax paid		(6,600)	(9,941)	–
Finance costs paid		(8,987)	(5,670)	(5,602)
Net cash generated/(used) by operating activities		61,394	(2,223)	152,109
Cash flows from investing activities				
Purchase of property, plant & equipment		(3,414)	–	–
Net cash generated/(used) by investing activities		(3,414)	–	–
Cash flows from financing activities				
(Repayment of)/increase in loans from directors		(45,777)	1,717	(1,000)
Increase in bank loans		3,224	–	–
Repayment of bank loans		(25,081)	(40,181)	(24,556)
Increase in/(repayment of) other loans		–	27,500	(27,500)
Net cash used by financing activities		(67,634)	(10,964)	(53,056)
Net (decrease)/increase in cash and cash equivalents during the year		(9,654)	(13,187)	99,053
Cash and cash equivalents at the start of the year		(61,873)	(72,873)	(87,972)
Effects of exchange rate changes on cash balances		(1,346)	(1,912)	(378)
Cash and cash equivalents at the end of the year		(72,873)	(87,972)	10,703

Proquis Limited
Notes to the Consolidated Financial Information
For the 3 years ended 30 September 2011

1. Significant accounting policies

General information

Proquis Limited is domiciled in England & Wales and since 10 January 2012, its ultimate parent undertaking has been Ideagen plc. The ordinary shares of Ideagen plc have a quotation on the PLUS market of the London Stock Exchange.

This consolidated financial information has been prepared in accordance with the AIM Rules and International Financial Reporting Standards (IFRSs), as adopted by the European Union, and IFRIC interpretations applicable as at 30 September 2011.

A summary of the significant accounting policies used in the preparation of this financial information is set out below.

Basis of consolidation

This consolidated financial information includes Proquis Limited and its wholly owned subsidiary, Proquis Inc., a company domiciled in the United States of America. Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances and transactions are eliminated.

Basis of accounting

This financial information has been prepared in sterling on an historical cost basis and has been rounded to the nearest pound.

Revenue recognition

Revenue is measured at the fair value of the consideration received from the sale of software licences and the rendering of services, net of value added tax and any discounts. Revenue is recognised as follows:

(a) *Perpetual software licences*

Revenue is recognised on delivery of the licence to the customer.

(b) *Services*

Revenue in respect of professional services such as consulting days, training and bespoke development are recognised as these services are delivered.

(c) *Annual maintenance*

Revenue is recognised on a time-basis over the length of the maintenance period. Annual maintenance is normally invoiced in advance and a deferred revenue liability is recognised in the statement of financial position to represent the element of the maintenance revenue deferred to be recognised as revenue in the future.

Foreign currencies

In preparing the financial information of each individual group entity, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the date of those transactions. At the end of the financial period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of the consolidated financial information, the assets and liabilities of foreign operations are translated into sterling using exchange rates prevailing at the end of each financial period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income and accumulated in a foreign currency translation reserve within equity.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are expensed in the Statement of Comprehensive Income on a straight line basis over the lease term.

Taxation

The tax charge or credit is based on the result for the period and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period end date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities included in the financial information and the tax base of those assets and liabilities. Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits in the future against which an asset can be utilised.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the period end date.

Pensions and post retirement benefits

Any contributions made by group into the defined contribution stakeholder pension arrangement on behalf of employees are charged in the Statement of Comprehensive Income as they become payable.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed annually with the effect of any changes being reflected on a prospective basis.

Research costs are expensed as incurred. An intangible asset arising from development expenditure on a project is only recognised if management considers that it is technically feasible and that there are sufficient resources available to complete the asset so that it will be available for use or sale, that it intends to complete and is able to sell or use the asset to generate future economic benefits and that the costs of the development project can be measured reliably. Following the initial recognition of the expenditure, the asset will be carried at cost less accumulated amortisation and impairment losses. Amortisation is applied once the asset is available for sale to write off the cost over the period which is expected to benefit from the sale of the asset.

Amortisation charges are included in Administration expenses in the Statement of Comprehensive Income. Purchased software is being amortised over its estimated useful economic life of 10 years. Development costs are amortised over either 2 years or 5 years.

The Group reviews the carrying amounts of its tangible and intangible assets at least annually to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount provided that this does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset. The following basis is used:

Office equipment & fixtures – 25% per annum on a reducing balance basis

The remaining useful lives and residual values of plant and equipment are reassessed by the directors each year.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any indication exists, the carrying values are written down to the recoverable amount.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost using the effective interest method less any impairment provision. An impairment provision is made against a trade receivable only when there is objective evidence that the group may not be able to recover the whole invoiced amount as a result of events occurring after the initial recognition of the asset.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity date of 3 months or less. For the purpose of the statement of cash flows, cash and cash equivalents as defined above are stated net of any outstanding bank overdrafts.

Financial liabilities and equity instruments

Equity and debt instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The group's financial liabilities include trade and other payables which are measured at amortised cost using the effective interest rate method.

An equity instrument is any contract which evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued, such as share capital and share premium, are recognised at the proceeds received net of direct issue costs.

Use of estimates and judgements

The preparation of this financial information requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the period end date and the amounts reported for revenues and expenses during the period. However the nature of estimation means that actual outcomes could differ from those estimates.

In applying the group's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial information.

Impairment of assets

The group reviews the carrying value of all assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

IFRSs in issue but not yet effective

The group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 7 – Disclosures on transfers of financial assets

Effective for annual periods beginning on or after 1 July 2011. These amendments increase the disclosure requirements involving transfers of financial assets and are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. They also require additional disclosures where transfers of financial assets are not evenly distributed throughout the period. The Directors do not anticipate that these amendments will have a significant effect on the company's disclosures regarding financial assets.

Amendments to IFRS 1 – Severe hyperinflation

Effective for annual periods beginning on or after 1 July 2011. These amendments provide guidance for entities emerging from severe hyperinflation. They will have no impact on the company's results and financial position as the company is based in the UK.

Amendments to IAS 12 – Deferred tax: recovery of underlying assets

Effective for annual periods beginning on or after 1 January 2012. The amendments provide a practical approach for measuring deferred tax assets and liabilities when investment property is measured using the fair value model under IAS 40. The company does not currently have any investment properties so the amendments will not affect the company's financial statement.

IFRS 9 – Financial Instruments

Effective for annual periods beginning on or after 1 January 2013. IFRS 9 introduces new requirements for the classification and recognition of financial assets and liabilities. IFRS 9 requires all financial assets within the scope of IAS 39 to be subsequently measured at amortised cost or fair value. All other debt investments or equity investments are measured at fair values at the end of subsequent accounting periods. The company's financial assets are primarily trade and other receivables. It is anticipated that there will be no impact on the company's financial assets from the adoption of IFRS 9. The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at fair value through profit or loss which are attributable to changes in the credit risk of that liability. The company will adopt IFRS 9 in the period beginning on 1 May 2013, however the Directors consider that adoption of IFRS 9 would not currently have a material effect on the financial statements of the company. This will be kept under review by the Company in the future when entering into contracts that give rise to financial assets or financial liabilities.

IFRS 10 – Consolidated financial statements

Effective for annual periods beginning on or after 1 January 2013. IFRS 10 provides additional guidance on the concept of control in determining whether an entity should be included in consolidated financial information. This will not affect how the group currently consolidates its subsidiary.

IFRS 11 – Joint arrangements

Effective for annual periods beginning on or after 1 January 2013. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. The group does not currently have any joint arrangements.

IFRS 12 – Disclosure of interests in other entities

Effective for annual periods beginning on or after 1 January 2013. IFRS 12 provides comprehensive disclosure requirements for interests in other entities including joint arrangements, associates and special purpose vehicles.

IFRS 13 – Fair value measurement

Effective for annual periods beginning on or after 1 January 2013. IFRS 13 provides a single source of fair value measurement and disclosure requirements for use across all standards. The Directors do not consider that this will currently have a significant impact on the reported results or financial position of the group.

Amendments to IAS 27 (Separate financial statements), IAS 28 (Investments in associates and joint ventures), IAS 1 (Presentation of financial statements) and IAS 19 (Employee benefits) were announced during 2011 which will be effective for annual periods beginning on or after 1 January 2013. The Directors do not currently anticipate that these amendments will have a material impact on the financial information of the group.

2. Profit/(loss) from operating activities

Profit/(loss) from operating activities is stated after charging:

	Year ended 30 September 2009	*Year ended 30 September 2010*	*Year ended 30 September 2011*
	£	*£*	*£*
Amortisation of intangible assets	59,070	40,570	5,370
Depreciation of owned assets	12,027	6,502	5,340
Operating lease costs – land & buildings	44,464	44,315	38,613

3. Employees and payroll costs

The average number of staff, including directors, employed by the group during the period was as follows.

	Year ended 30 September 2009	*Year ended 30 September 2010*	*Year ended 30 September 2011*
Administration	2	2	2
Sales and marketing	6	6	4
Technical and support	12	10	4
	20	18	10

The aggregate payroll costs of these employees during the period were as follows.

	Year ended 30 September 2009	*Year ended 30 September 2010*	*Year ended 30 September 2011*
	£	*£*	*£*
Wages and salaries	716,291	649,135	348,614
Social security costs	48,009	37,550	18,136
	764,300	686,685	366,750

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was as follows.

	Year ended 30 September 2009	*Year ended 30 September 2010*	*Year ended 30 September 2011*
	£	*£*	*£*
Directors' remuneration	46,450	64,950	102,773

5. Taxation

The taxation charge can be analysed as follows:

	Year ended 30 September 2009	*Year ended 30 September 2010*	*Year ended 30 September 2011*
	£	*£*	*£*
Current tax on the profit/(loss) for the year	22,645	(20,223)	25,355
Over provision in prior year	–	–	(900)
	22,645	(20,223)	24,455
Deferred tax credit for the year	(9,145)	(9,034)	(499)
Taxation charge/(credit) for the year	13,500	(29,257)	23,956

The taxation charge/(credit) is lower than the standard rate of UK corporation tax of 20.5 per cent. (2010 & 2009: 21 per cent.). The differences are reconciled below:

	Year ended 30 September 2009	*Year ended 30 September 2010*	*Year ended 30 September 2011*
	£	*£*	*£*
Profit/(loss) before taxation	142,059	(174,408)	147,229
Taxation on profit at 20.5% (2010 & 2009: 21%)	29,832	(36,626)	30,182
Expenses and losses not deductible	92	37	60
Depreciation and amortisation in excess of capital allowances	13,029	9,034	2,433
Deferred tax charge/(credit)	(9,145)	(9,034)	(499)
Increase in tax losses in other countries	–	7,332	–
Utilisation of tax losses brought forward in other countries	(20,308)	–	(7,320)
Over provision in prior year	–	–	(900)
Taxation charge/(credit) for the year	13,500	(29,257)	23,956

The movement in the deferred tax liability was as follows:

	30 September 2009	*30 September 2010*	*30 September 2011*
	£	*£*	*£*
Opening balance	21,556	12,411	3,377
Recognised in profit and loss in respect of intangibles and property plant and equipment	(9,145)	(9,034)	(499)
Closing balance	12,411	3,377	2,878

6. Intangible fixed assets

	Software £	*Development costs* £	*Total* £
Cost			
At 1 October 2008, 30 September 2009, 30 September 2010 and 30 September 2011	405,699	956,868	1,362,567
Accumulated amortisation			
At 1 October 2008	299,052	938,368	1,237,420
Amortisation expense	40,570	18,500	59,070
At 30 September 2009	339,622	956,868	1,296,490
Amortisation expense	40,570	–	40,570
At 30 September 2010	380,192	956,868	1,337,060
Amortisation expense	5,370	–	5,370
At 30 September 2011	385,562	956,868	1,342,430
Net carrying amount			
At 30 September 2011	20,137	–	20,137
At 30 September 2010	25,507	–	25,507
At 30 September 2009	66,077	–	66,077

7. Property, plant and equipment

	Office Equipment £
Cost	
At 1 October 2008	104,176
Additions	3,414
Foreign currency exchange difference	3,988
At 30 September 2009	111,578
Additions	–
Foreign currency exchange difference	1,010
At 30 September 2010	112,588
Additions	–
Foreign currency exchange difference	524
At 30 September 2011	113,112
Accumulated depreciation	
At 1 October 2008	82,896
Depreciation expense	12,027
Foreign currency exchange difference	3,120
At 30 September 2009	98,043
Depreciation expense	6,502
Foreign currency exchange difference	868
At 30 September 2010	105,413
Depreciation expense	5,340
Foreign currency exchange difference	530
At 30 September 2011	111,283

	Office Equipment
	£
Net carrying amount	
At 30 September 2011	1,829
At 30 September 2010	7,175
At 30 September 2009	13,535

8. Subsidiary company

The Company holds an investment of 200 $1 ordinary shares representing 100 per cent. of the share capital of Proquis Inc., a company domiciled and registered in the United States of America. Proquis Inc. is engaged in the sale of software licences, software support and related professional service

9. Trade and other receivables

	30 September 2009	*30 September 2010*	*30 September 2011*
	£	*£*	*£*
Trade receivables	315,704	111,739	133,907
Prepayments	1,788	–	2,817
Other receivables	5,696	984	8,306
	323,188	112,723	145,030

All trade and other receivables have been reviewed for impairment. Unless specific agreement has been reached with individual customers, sales invoices are due for payment 30 days after the date of the invoice. Where customers delay making payment, an assessment of the potential loss of customer goodwill arising from the enforcement of contractual payment terms may take place when considering actions to be taken to secure payment.

An analysis of trade receivables that are not yet due or past the due date but not impaired is set out below:

	30 September 2009	*30 September 2010*	*30 September 2011*
	£	*£*	*£*
Not yet due	183,526	84,122	63,595
0 – 30 days overdue	98,127	13,456	27,687
30 – 60 days overdue	17,148	8,873	40,752
60+ days overdue	20,641	15,309	3,600
	319,442	121,760	135,634
Less: Provisions (all against debts 60+ days overdue)	(3,738)	(10,021)	(1,727)
	315,704	111,739	133,907

Trade receivables are shown net of a provision for doubtful amounts, movements on which are set out below:

	30 September 2009	*30 September 2010*	*30 September 2011*
	£	*£*	*£*
Balance at the start of the year	1,955	3,738	10,021
Additional provisions	2,731	9,015	720
Amounts written off	(1,053)	(2,800)	(9,130)
Foreign exchange difference	105	68	116
Balance at the end of the year	3,738	10,021	1,727

10. Trade and other payables

	30 September 2009 £	30 September 2010 £	30 September 2011 £
Trade payables	83,360	58,313	30,763
Other taxation and social security	20,332	13,406	22,734
Other payables	2,225	–	1,500
	105,917	71,719	54,997

11. Borrowings

	30 September 2009 £	30 September 2010 £	30 September 2011 £
Current			
Bank overdraft	82,145	90,446	9,660
Bank loans – secured	25,376	16,772	10,227
Bank loans – unsecured	40,123	26,899	19,231
Loans from directors	47,534	49,251	48,251
	195,178	183,368	87,369
Non-current			
Bank loans – secured	29,849	12,704	2,476
Loans from directors	93,640	95,588	97,191
Other loans	–	27,500	–
	123,489	135,792	99,667

The bank overdraft and the secured bank loans are subject to a debenture over the assets of the company in favour of the bank. Other loans at 30 September 2010 comprised an unsecured commercial loan from Tenbury Ltd, a company controlled by Mr. P Bramall, who was a director of Proquis Ltd at the time. Further information on loans from directors is given in note 14.

12. Commitments under operating leases

At 30 April 2011 the group had aggregate commitments under non-cancellable operating leases which expire as follows.

	30 September 2009 £	30 September 2010 £	30 September 2011 £
In less than 1 year	33,572	–	–
Between 1 and 2 years	–	–	21,244
Between 2 and 5 years	–	36,694	140,385
More than 5 years		162,152	–

13. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and at banks, net of outstanding overdrafts as follows.

	30 September 2009	*30 September 2010*	*30 September 2011*
	£	*£*	*£*
Cash and bank balances	9,272	2,474	20,363
Bank overdrafts	(82,145)	(90,446)	(9,660)
	(72,873)	(87,972)	10,703

14. Related party transactions

Loans made by the following directors to the company and its subsidiary Proquis Inc. were outstanding as follows.

	30 September 2009	*30 September 2010*	*30 September 2011*
	£	*£*	*£*
Mr. WP Best			
Loan to Proquis Limited	56,967	55,967	55,467
Loan to Proquis Inc.	16,820	17,794	18,595
Mr. DG Best			
Loan to Proquis Limited	50,567	53,284	52,785
Loan to Proquis Inc.	16,820	17,794	18,595

A loan of £27,500 was made by Tenbury Limited to the company during the year ended 30 September 2010. Mr. P Bramall, a director of Proquis Limited at the time, is also a director of and controls Tenbury Limited. This loan was repaid by the company during the year ended 30 September 2011. Charges in respect of accountancy and other services provided to the company by Tenbury Limited during the year ended 30 September 2011 amounted to £4,005 (2010: £3,747; 2009: £3,213). The balance owing to Tenbury Limited in respect of these services at 30 September 2011 was £1,179 (2010: £1,995; 2009: £1,247).

15. Share capital

	30 September 2009	*30 September 2010*	*30 September 2011*
	£	*£*	*£*
Allotted, issued and fully paid:			
210,000 Ordinary shares of 10p each	21,000	21,000	21,000

16. Ultimate parent company

The directors regard Ideagen plc (formerly Datum International Limited), a company registered in England and Wales, as the ultimate parent company. There is no party in overall control of Ideagen plc.

PART III

HISTORICAL FINANCIAL INFORMATION ON IDEAGEN PLC

PART E
INFORMATION ON THE DORMANT GROUP SUBSIDIARIES

1 – Filebutton Ltd
2 – Ideagen Systems Ltd (formerly EQ Software Group Ltd)
3 – Ideagen Datum Ltd
4 – Root3 Systems Ltd (formerly Ideagen Software International Ltd)

1 – Filebutton Limited has not made any sales or carried out any trading activities since incorporation with the exception of intercompany recharges to and dividends received from its trading subsidiary, Ideagen Software Limited. Filebutton Limited has been wholly dormant since 1 May 2011 and does not have any assets or liabilities which are material to the Group except for the value of its investment in Ideagen Software Limited which is incorporated within the Ideagen plc consolidated accounts and therefore no financial statements have been presented.

2 – Ideagen Systems Limited (formerly EQ Software Group Ltd) has not traded since the year ending 31/07/2001 and has made neither profits or losses since this date nor has it an material assets or liabilities and therefore no financial statements have been presented.

3 – Ideagen Datum Limited has not traded since incorporation and has made neither profits or losses, nor has it any material assets or liabilities and therefore no financial statements have been presented.

4 – Root3 Systems Limited has not traded since the year ended 31 July 2009 and has made neither profits or losses since this date. During the years ended 31 July 2009 and 31 July 2008 sales made by Root3 Systems Limited were offset by an intercompany charge with Ideagen Software Limited and therefore the trading activity in these years is materially reflected in the financial statements of Ideagen Software Limited. The Company does not have any material assets or liabilities and therefore no financial statements have been presented.

PART IV

UNAUDITED INTERIM FINANCIAL INFORMATION ON THE GROUP

Ideagen plc
Consolidated Statement of comprehensive income
For the six months ended 31 October 2011

	Six months ended 31 October 2011 £	*Six months ended 31 October 2010* £
Revenue	1,705,679	1,083,720
Cost of sales	(128,824)	(177,099)
Gross profit	1,576,855	906,621
Administration expenses	(1,191,763)	(715,199)
Profit from operating activities	385,092	191,422
Profit from operating activities before adjustments for the following:	513,109	253,755
Depreciation and amortisation	(106,017)	(53,833)
Share-based payment charges	(22,000)	(8,500)
Profit from operating activities	385,092	191,422
Finance costs	(4,043)	(2,379)
Profit before taxation	381,049	189,043
Taxation	(75,000)	–
Profit for the period attributable to equity holders of the parent	306,049	189,043
Earnings per share	*pence*	*pence*
Basic	0.44	0.37
Diluted	0.42	0.35

Ideagen plc
Consolidated Statement of Financial Position
At 31 October 2011

Assets and liabilities	*31 October 2011* £	*30 April 2011 restated* £	*31 October 2010* £
Non-current assets			
Intangible assets	3,065,569	3,113,388	1,331,707
Property, plant and equipment	77,789	69,742	56,476
Deferred tax asset	213,000	213,000	–
	3,356,358	3,396,130	1,388,183
Current assets			
Trade and other receivables	955,401	1,101,508	828,902
Cash and cash equivalents	1,167,116	762,468	37,539
	2,122,517	1,863,976	866,441
Current liabilities			
Trade and other payables	698,477	859,168	510,475
Borrowings	–	10,000	78,512
Other financial liabilities	187,000	187,000	300,000
Current tax liabilities	89,107	137,713	–
Deferred revenue	686,656	576,639	309,444
Other liabilities	422,180	422,180	–
	2,083,420	2,192,700	1,198,431
Net assets	3,395,455	3,067,406	1,056,193
Equity			
Issued share capital	697,316	697,316	508,623
Share premium	1,406,193	1,406,193	–
Merger reserve	260,000	260,000	260,000
Share-based payments reserve	83,000	61,000	25,500
Retained earnings	948,946	642,897	262,070
Equity attributable to owners of the parent	3,395,455	3,067,406	1,056,193

Ideagen plc
Consolidated Statement of cash flows
For the six months ended 31 October 2011

	Six months ended 31 October 2011 £	*Six months ended 31 October 2010* £
Cash flows from operating activities		
Profit for the period	306,049	189,043
Depreciation of property, plant and equipment	14,293	6,786
Amortisation of intangible non-current assets	91,724	47,047
Share-based payment charge	22,000	8,500
Finance costs recognised in profit or loss	4,043	2,379
Tax charge recognised in profit or loss	75,000	–
Decrease/(Increase) in trade and other receivables	146,107	(404,789)
Decrease in trade and other payables	(179,072)	(12,906)
Increase in deferred revenue	110,017	58,935
Cash generated/(used) by operations	590,161	(105,005)
Corporation tax paid	(123,606)	–
Interest paid	(300)	(2,379)
Net cash generated/(used) by operating activities	466,255	(107,384)
Cash flows from investing activities		
Payments for intangible assets	(43,905)	(109,718)
Payments for property, plant and equipment	(7,702)	(4,335)
Net cash used by investing activities	(51,607)	(114,053)
Cash flows from financing activities		
Repayment of borrowings	(10,000)	(14,941)
Net cash used by financing activities	(10,000)	(14,941)
Net increase/(decrease) in cash and cash equivalents during the period	404,648	(236,378)
Cash and cash equivalents at the beginning of the period	762,468	220,054
Cash and cash equivalents at the end of the period	1,167,116	(16,324)

Notes to the interim financial information

The previously reported comparative profit for the six months to 31 October 2010 of £207,093 has been adjusted by £18,050 to £189,043 to reflect new accounting policies adopted as a result of the transition to using IFRS for the first time in the annual accounts to 30 April 2011. The adjustment of £18,050 is in respect of the amortisation of acquisition intangibles which are now recognised under IFRS.

Earnings per share and adjusted profit before tax information

In order to better demonstrate the performance of the Group, adjusted earnings per share calculations and adjusted profit before tax figures have been presented below which add back or deduct items typically adjusted for by users of financial information.

	Six months ended 31 October 2011	*Six months ended 31 October 2010*
	£	*£*
Earnings	306,049	189,043
Adjustments:		
Share-based payment charges	22,000	8,500
Amortisation of acquisition intangibles	77,207	47,047
Adjusted earnings	405,256	244,590
Current taxation	75,000	–
Adjusted profit before tax	480,256	244,590
Basic weighted average number of shares	69,731,558	50,862,256
Diluted weighted average number of shares	73,066,796	53,789,529
Basic earnings per share	0.44 pence	0.37 pence
Diluted earnings per share	0.42 pence	0.35 pence
Basic adjusted earnings per share	0.58 pence	0.48 pence
Diluted adjusted earnings per share	0.55 pence	0.45 pence

Basic and diluted adjusted earnings per share are calculated using the adjusted earnings figures and the weighted average number of shares shown above.

Re-statement of reserves

On 16 March 2010, 4,000,000 ordinary shares were issued at 7.5 pence per share as part of the initial consideration for the purchase of the whole of the ordinary share capital of Ideagen Capture Limited (formerly Root3 Systems Limited). Share premium of £260,000 was recognised on this share issue in the financial statements for that year. During the year ended 30 April 2011, a special resolution was passed at a general meeting of the company to carry out a capital reduction under the provisions set out in chapter 10 of Part 17 of the Companies Act 2006. The effect of this was to transfer the balance on the share premium account as at 30 April 2010 of £3,192,851 to retained earnings.

However, the issue of shares on 16 March 2010 fell within the merger relief provisions set out in Section 612 of the Companies Act 2006. Consequently, the premium arising on issue of these shares should have been credited to a merger reserve which would not have been reduced as part of the capital reduction process.

The financial information presented has been restated from the figures previously reported in the statutory financial statements. A merger reserve of £260,000 has been recognised and a commensurate reduction in retained earnings made in the consolidated statement of financial position as at 31 October 2010, 30 April 2011 and 31 October 2011. These adjustments have no impact on the reported results or on the total of shareholders' equity for any period presented within this financial information.

PART V

ADDITIONAL INFORMATION

1. INFORMATION ON THE COMPANY

1.1 Directors

1.1.1 The Directors of the Company are as follows:

Jonathan Peter Wearing	*Non-Executive Chairman*
David Robert Knight Hornsby	*Chief Executive Officer*
Graham Charles Harrop	*Chief Operating Officer*
Graeme Peter Spenceley	*Finance Director*
Leslie Derek Paul	*Chief Technology Officer*
Alan Michael Carroll	*Non-Executive Director*

1.1.2 There are no changes to the Board proposed on Admission.

1.2 Incorporation of the Company

1.2.1 The Company was incorporated and registered in England and Wales on 30 March 1993, as a private limited company under the Companies Act 1985 with the name Timo Limited with registered number 02805019. The Company changed its name to Altair International Systems Limited on 23 April 1993, to Datum Software Products Limited on 1 March 1996, to Datum Consultants Limited on 10 June 1999, to Datum Consulting Limited on 27 September 2000 and to Datum International Limited on 24 February 2005. On 22 December 2010, the Company was re-registered as a public company limited by shares with the name Datum International Plc. The name of the Company was changed to Ideagen Plc on 19 July 2011.

1.2.2 The Company is subject to and operates pursuant to the provisions of the Act.

1.2.3 The liability of the members of the Company is limited.

1.2.4 The registered office of the Company is at 4 Meadway Court, Meadway Technology Park, Stevenage, Hertfordshire, SG1 2EF.

1.2.5 The Company's telephone number is 01438 347110.

1.2.6 The accounting reference date of the Company is 30 April.

1.2.7 The ISIN for the Ordinary Shares following Admission will be GB00B0CM0C50.

1.3 Share capital of the Company

1.3.1 The issued share capital of the Company at the date of this document, and as it will be immediately following Admission, is and will be as follows:

	Number of Ordinary Shares	*£*
As at 25 June 2012 and on Admission	77,881,558	778,815.58

1.3.2 On incorporation the Company had two ordinary shares of £1.00 each in issue. As at 1 May 2010 the Company had 50,862,256 Ordinary Shares in issue and as at 30 April 2011 the Company had 69,731,558 Ordinary Shares in issue. As at the date of this document the Company has 77,881,558 Ordinary Shares in issue. Save for the issue of ordinary shares of £0.01 each pursuant to the Root3 Acquisition Agreement and the Proquis Acquisition Agreement, as defined and detailed in paragraphs 1.10.7 and 1.10.5 below respectively, the Company has not used more than 10 per cent. of its issued share capital for the purchase of assets other than for cash since incorporation.

1.3.3 The Company was incorporated with an authorised share capital of £100 divided into 100 ordinary shares of £1 each of which two were issued as subscriber shares to the subscribers to the Company's memorandum of association. On 26 September 2000, the issued and unissued share capital of the Company was subdivided into Ordinary Shares of 1p each. On 27 September 2000 the authorised share capital was increased from £100 to £10,000 and then on 7 April 2004 the authorised share capital was increased from £10,000 to £100,000 by the creation of 9,000,000 additional Ordinary Shares. On 28 January 2005 the authorised share capital was further increased by £900,000 to £1,000,000. On adoption of the Articles on 31 October 2011 the Company no longer has an authorised share capital, as permitted by the Act.

1.3.4 On 7 July 2005, the Company commenced trading its shares on PLUS, its total issued share capital on that date being 10,265,600 Ordinary Shares, including an issue of 30,000 Ordinary Shares pursuant to a placing with a market maker on admission to PLUS.

1.3.5 On 21 November 2005, 1,775,000 Ordinary Shares were issued in respect of a private placing.

1.3.6 On 25 October 2006, 1,600,000 Ordinary Shares were issued in respect of a private placing and a further 960,500 Ordinary Shares were issued pursuant to the capitalisation of director and other loans.

1.3.7 On 12 September 2007, 1,462,000 Ordinary Shares were issued in respect of a private placing.

1.3.8 The total issued share capital at 31 December 2007 was 16,063,100 Ordinary Shares.

1.3.9 On 31 March 2008, 100,000 Ordinary Shares were issued to David Rose, the Company's finance director at that time.

1.3.10 On 1 April 2009, 2,840,250 Ordinary Shares were issued in respect of a private placing.

1.3.11 On 16 April 2009, 9,220,000 Ordinary Shares were issued in respect of a private placing, 1,042,240 Ordinary Shares were issued to Leslie Paul pursuant to the capitalisation of a director's loan and a further 880,000 Ordinary Shares were issued to Jonathan Wearing pursuant to the capitalisation of a director's loan.

1.3.12 On 12 March 2010, 15,100,000 Ordinary Shares were issued in respect of a placing to, *inter alia*, raise funding for the purchase of Ideagen Capture Limited (formerly Root3 Systems Limited). On the same date Jonathan Wearing and Leslie Paul capitalised their loans to the Company by the issue of 1,416,666 Ordinary Shares and 200,000 Ordinary Shares respectively.

1.3.13 On 16 March 2010, pursuant to the terms of the Root3 Acquisition Agreement (further details of which are set out at paragraph 1.10.7 below) the Root3 Vendors (as defined below) transferred the entire share capital of Ideagen Capture Limited (formerly Root3 Systems Limited) to the Company in consideration for the issue and allotment to the Root3 Vendors, in aggregate, of 4,000,000 Ordinary Shares.

1.3.14 On 2 September 2010 the Company approved a capital reduction in accordance with the Act thereby reducing its share premium account by £3,192,850.83.

1.3.15 On 31 March 2011, 18,869,302 Ordinary Shares were issued in respect of a placing to, *inter alia*, raise funding for the purchase of Filebutton Limited.

1.3.16 On 11 January 2012, pursuant to the terms of the Proquis Acquisition Agreement (further details of which are set out at paragraph 1.10.5 below) the Proquis Vendors (as defined below) transferred the entire share capital of Proquis Limited to the Company in consideration for the issue and allotment to the Proquis Vendors, in aggregate, of 8,000,000 Ordinary Shares.

1.3.17 On 9 February 2012, an employee, Andrew McIntyre, exercised part of an option granted under the EMI Option Scheme resulting in the issue to him of 150,000 Ordinary Shares. Further details regarding the EMI Option Scheme are set out in paragraph 1.6 of this Part V below.

1.3.18 On 30 March 2011, the Directors were generally and unconditionally authorised, for the purposes of section 551 of the Act, to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to a maximum of £421,131.55 provided that such authority is to expire at the end of the next annual general meeting of the Company to be held after the date of the passing of such resolution or, if earlier, 15 months from the date of the passing of the resolution, save that the Company may prior to such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors are entitled to allot shares and to grant rights pursuant to any such offer or agreement as if such authority had not expired.

1.3.19 On 30 March 2011, the Directors were empowered pursuant to sections 570 and 573 of the Act to allot equity securities as if section 561(1) of the Act did not apply to any allotment made in accordance with the preceding paragraph 1.3.18 above, such authority being limited to the allotment of equity securities up to an aggregate amount of £258,424.58. This authority expires at the earlier of fifteen months of the passing of the resolution or conclusion of the next annual general meeting of the Company, save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred had not expired.

1.3.20 On 31 October 2011, the Directors were generally and unconditionally authorised, for the purposes of section 551 of the Act, to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to a maximum of £232,438.53 provided that such authority is to expire at the end of the next annual general meeting of the Company to be held after the date of the passing of such resolution or, if earlier, 15 months from the date of the passing of the resolution save that the Company may prior to such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors are entitled to allot shares and to grant rights pursuant to any such offer or agreement as if such authority had not expired.

1.3.21 On 31 October 2011, the Directors were empowered pursuant to sections 570 and 573 of the Act to allot equity securities as if section 561(1) of the Act did not apply to any allotment made in accordance with the preceding paragraph 1.3.20 above, such authority being limited to the allotment of equity securities up to an aggregate amount of £104,597.34. This authority expires at the earlier of fifteen months of the passing of the resolution or conclusion of the next annual general meeting of the Company, save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred had not expired.

1.3.22 On 9 January 2012, the Directors were generally and unconditionally, for the purposes of section 551 of the Act, authorised to allot shares in the Company and/or grant rights to subscribe for, or convert any security into, shares up to an aggregate nominal amount of £280,000 such authority to expire on the fifth anniversary of the date of the passing of the resolution, save that the Company may, at any time before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares and grant rights in pursuance of such an offer or agreement as if such authority had not expired.

1.3.23 All the Ordinary Shares rank *pari passu* and no shareholder of the Company has different voting rights to other shareholders of the Company.

1.3.24 The Ordinary Shares are freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is duly stamped and deposited in accordance with the Articles and is in favour of not more than four joint transferees and is in respect of one class only.

1.3.25 No Ordinary Shares are held by or on behalf of the Company or any of its subsidiaries.

1.3.26 The par value of each Ordinary Share is 1p and the Company has not issued Ordinary Shares that are not fully paid up.

1.3.27 Other than set out in paragraphs 1.6.1 to 1.6.3, 1.10.5.5 and 1.10.7 of this Part V, no person has any rights to purchase the authorised but unissued share capital of the Company and no person has been given an undertaking by the Company to increase its authorised share capital.

1.3.28 The Directors have authority to allot equity securities for cash limited to a maximum nominal amount of £363,021.92 representing in aggregate 36,302192 Ordinary Shares, such authority expiring on 30 June 2012 in respect of £258,424.58 (being 25,842,458 Ordinary Shares) and in respect of the balance of £104,597.34 (being 10,459,734 Ordinary Shares) on the earlier of 31 March 2013 or the conclusion of the next Annual General Meeting of the Company.

1.3.29 Save on the exercise of options granted pursuant to the EMI Option Scheme, the Unapproved Share Option Scheme or as otherwise disclosed in this document, no share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

1.3.30 On Admission there will be no increase in the issued share capital of the Company and therefore there shall be no dilution to Shareholders as a result of the Admission.

1.3.31 Save as disclosed in this document:

1.3.31.1 no share or loan capital of the Company has been issued or is proposed to be issued;

1.3.31.2 there are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

1.3.31.3 there are no shares in the Company not representing capital;

1.3.31.4 there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;

1.3.31.5 no person has any preferential or subscription rights for any share capital of the Company; and

1.3.31.6 no share or loan capital of the Company or any member of the Group is under option or agreed conditionally or unconditionally to be put under option.

1.3.32 A Shareholder is required pursuant to the DTR to notify the Company if, as a result of his acquisition or disposal of Ordinary Shares or of changes in the Company's voting rights, the percentage of voting rights which that Shareholder holds reaches or exceeds 3 per cent., and each additional 1 per cent., or falls below 3 per cent.

1.3.33 The Ordinary Shares are not redeemable or convertible.

1.4 Articles of association

The main object and purpose for which the Company is incorporated is that of a general trading company, as set out at clause 3 of the Company's memorandum of association. The operative provisions of the Company's constitution are contained in the Company's Articles, *inter alia*, to the following effect:

1.4.1 *Share capital*

The Company may by ordinary resolution:

1.4.1.1 increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe;

1.4.1.2 consolidate its share capital into shares of larger amounts than its existing shares; and

1.4.1.3 sub-divide its shares, or any of them, into shares of smaller amounts.

The Company may by special resolution reduce its share capital and any capital redemption reserve and any share premium account in any manner subject to the provisions of the Act. The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders. Subject to the provisions of the Act and the rights of holders of any class of shares, the Company may purchase its own shares, including redeemable shares.

1.4.2 *Voting*

Subject to any special terms as to voting upon which any shares for the time being may be held, on a show of hands every member who (being an individual) is present in person or by proxy not being himself a member or (being a corporation) is present by its duly appointed representative shall have one vote, and on a poll every member present in person, or by representative, or proxy, shall have one vote for every share in the capital of the Company held by him. A proxy need not be a member of the Company. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 793 of the Act, then not earlier than 14 days after service of such notice if the member has a holding of less than 0.25 per cent. of any class of shares or not earlier than 28 days after service of such notice if the member has a holding of at least 0.25 per cent. of any class of shares, the shares in question may be disenfranchised.

1.4.3 *Procedures for general meetings*

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and such meeting must be held within six months from the day following the Company's accounting reference date. Subject to the provisions of the Act, the annual general meeting shall be held at such time and place as the Directors may determine.

The Board may convene a general meeting whenever it thinks fit. A general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Act. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except as stated by the requisition or proposed by the Board.

Subject to the provisions of the Act, an annual general meeting shall be called by at least twenty one clear days' notice, and all other general meetings shall be called by at least fourteen clear days' notice.

Shorter notice than that specified above may be deemed to have been given in the case of an annual general meeting by all the members entitled to attend and vote at the meeting; and in the case of any other meeting, by a majority number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

Subject to certain exceptions provided for in the Articles and subject to Section 318(2) of the Act, two members present in person or by proxy or by a duly authorised corporate representative of a corporation which is a member and entitled to vote at the meeting shall be a quorum for all purposes.

Subject to certain exceptions provided for in the Articles, any shareholder, any proxy appointed by a shareholder, any director or alternate director and any other person invited by the Chairman shall be entitled to attend and speak at any general meeting.

1.4.4 *Dividends*

The Company may by ordinary resolution in general meeting declare dividends provided that they shall be paid in accordance with the Act and out of profits available for distribution and shall not exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified by the profits of the Company and are permitted by the Act.

Subject to the rights of persons, if any, holding shares with special dividend rights, and unless the terms of issue otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is payable. Amounts paid or credited as paid in advance of calls shall not be regarded as paid on shares for this purpose.

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall, if the Directors so resolve, be forfeited and shall revert to the Company.

Where, in respect of any shares, any registered holder or any other person appearing to be interested in the shares of the Company fails to comply with any notice given by the Company under Section 793 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may withhold dividends on such shares.

There are no dividend restrictions or special procedures for non resident holders. There is no fixed date on which an entitlement to a dividend arises.

1.4.5 *Variation of Rights*

All or any of the special rights for the time being attached to any class of shares for the time being forming part of the capital of the Company may, subject to the provisions of the Act, be varied or abrogated either:

- in such manner (if any) as may be provided by such rights; or
- in the absence of any such provision, with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class, but not otherwise. To every such meeting all the provisions of the Articles of Association of the Company relating to general meetings or to the proceedings thereat shall, so far as applicable and with the necessary modifications, apply, except as provided for by the provision of Section 334 of the Act.

1.4.6 ***Transferability***

Transfers of Ordinary Shares, which are in registered form, shall be effected in the manner authorised by the Stock Transfer Act 1963. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The Directors may decline, without giving any reason, to recognise any instrument of transfer unless:

- the instrument of transfer (duly stamped) is deposited at the Company's registered office accompanied by the share certificate for the shares to which it relates and such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of share;
- the instrument of transfer is in favour of not more than four transferees; and
- the instrument of transfer is in respect of a share in respect of which all sums presently payable to the Company have been paid.

Where, in respect of any shares, any registered holder or any person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 793 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may prohibit transfers of such shares or agreements to transfer any of such shares.

1.4.7 ***Directors of the Company***

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and shall not be less than two. Subject to certain exceptions, a Director shall not vote (or be counted in the quorum) in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest and, if he shall do so, his vote shall not be counted.

The Directors may, subject to the quorum and voting requirements set out in the Articles, authorise any matter which relates to a situation in which a director has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in a breach of duty by the relevant director under Section 175 of the Act.

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two.

Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote. A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at the meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote.

It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom.

Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or any other form of communications equipment, including electronic mail.

The Directors may delegate any of their powers to committees consisting of at least one member of their body as they think fit, provided that at least one half of the members of any such committee shall be directors of the Company and no resolution of a committee shall be effective unless at least half of those present when it is passed are Directors or alternate Directors. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. The meetings and proceedings of any such committee consisting of two or more Directors shall be governed by the provisions of the Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations imposed by the Directors under the relevant Article.

Any remuneration paid for the services of the Directors, as fixed by the Company in general meeting, may be divided between the Directors as they shall agree or, failing agreement, equally and shall be deemed to accrue from day to day. The Company may remunerate a Director who serves on any committee or devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, by way of salary, lump sum, percentage of profits or otherwise as the Directors may determine.

At each annual general meeting of the Company one-third of the Directors who are subject to retirement by rotation, or if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire. A retiring Director is eligible for re-election. In addition, any Director who as at the date of the relevant annual general meeting has been in office more than three years since his appointment or last election or who was elected or last elected at the annual general meeting preceding by three years the relevant annual general meeting, and who in either case is not otherwise to retire by reason of the Articles, shall also retire by rotation.

Each Director (other than an alternate director) may appoint another Director or (subject to the approval of a majority of the Directors) any other person to be an alternate Director of the Company, and may at any time remove an alternate Director so appointed by him from office and, subject to any requisite approval, appoint another person in his place.

The Company may purchase and maintain for any director insurance against any liability which by virtue of any law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

1.4.8 ***Borrowing Powers***

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled share capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and its subsidiaries so as to ensure that the aggregate of the amounts borrowed by the Company and all its subsidiaries and remaining outstanding at any time shall not without previous sanction of an ordinary resolution of the Company exceed an amount equal to two times the gross asset value of the Group where gross asset value is defined as total fixed plus total current assets as measured under UK GAAP or total current plus total non-current assets as measured under IFRS as appropriate.

1.4.9 ***Distribution of assets on liquidation***

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company or any other sanction required by the Act, divide amongst the members *in specie* or in kind the whole or any part of the assets of the Company, those assets to be set at such values as he deems fair. The liquidator may also vest the whole or part of the assets of the Company in trustees on trust for the benefit of the contributories.

1.4.10 ***Uncertificated Shares***

The Directors may implement such arrangements as they think fit in order for any class of shares to be held, evidenced and transferred in uncertificated form. The Company will not be required to issue a certificate to any person holding shares in uncertificated form.

1.5 **Directors and other interests**

1.5.1 As at 22 June 2012 (the latest practicable business day prior to the date of this document), and immediately following Admission, insofar as known to the Company, the interest of the Directors and their immediate families and those of any connected person (within the meaning of the provisions of the DTR), the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company together with any options in respect of such capital are as follows:

As at 22 June 2012 and on Admission

Name	*Number of issued Ordinary Shares*	*Percentage of issued Ordinary Shares*	*Ordinary Shares in respect of which EMI Options granted*	*Ordinary Shares in respect of which Unapproved Options granted*
Leslie Paul(1)	7,268,640	9.33%	Nil	Nil
David Hornsby(2)	8,284,833	10.64%	1,333,333	2,800,000
Graeme Spenceley	Nil	Nil	800,000	200,000
Alan Carroll(3)	169,000	0.22%	Nil	Nil
Jonathan Wearing(4)	4,514,066	5.80%	Nil	Nil
Graham Harrop	Nil	Nil	750,000	Nil

Notes:

(1) Included in Leslie Paul's shareholding are 112,500 Ordinary Shares which are held by J M Finn Nominees Limited as nominee.

(2) Included in David Hornsby's shareholding are 6,000,000 Ordinary Shares which are held by J M Finn Nominees Limited as nominee and 751,500 Ordinary Shares which are held by Rock Nominees Limited as nominee.

(3) Alan Carroll's shareholding is held by TD Wealth International Nominees (UK) Limited as nominee.

(4) Included in Jonathan Wearing's shareholding are 420,000 Ordinary Shares which are held by Tri Castle Investments Limited, a company which is controlled by Jonathan Wearing.

1.5.2 In addition to the holdings disclosed at paragraph 1.5.1 above and as set out below, the Directors are not aware of any person who, directly or indirectly, had an interest in 3 per cent. or more of the voting rights of the Company which is notifiable to the Company under the DTR as at the date of the publication of this document and immediately following Admission:

Name	*Number of issued Ordinary Shares*	*Percentage of issued Ordinary Shares*
David George Best	2,636,190	3.38%
William Peter Best	3,550,476	4.56%
Maven Income and Growth VCT5	10,689,231	13.72%
Hargreave Hale Nominees Limited	2,651,106	3.40%
Williams de Broe Limited	11,633,482	14.94%
HSBC Global Custody Nominee UK Limited	2,666,673	3.42%

1.5.3 As at 22 June 2012 (the latest practicable business day prior to the date of this document) the Directors held interests in options granted under the EMI Option Scheme over Ordinary Shares as follows:

Name	*Ordinary Shares in respect of which EMI Options granted*	*Option price*	*Date of grant*	*Earliest exercise date*[(1)]	*Expiry date*
David Hornsby	1,333,333	9 pence	20 October 2011	20 October 2012	19 October 2021
Graeme Spenceley	800,000	9 pence	20 October 2011	20 October 2012	19 October 2021
Graham Harrop	750,000	14 pence	13 June 2012	13 June 2013	12 June 2022

Note:

(1) See section 1.6.1 below for further information as regards the earliest exercise date of options granted under the EMI Option Scheme.

1.5.4 As at 22 June 2012 (the latest practicable business day prior to the date of this document) the Directors held interests in options granted under the Unapproved Option Scheme over Ordinary Shares as follows:

Name	*Ordinary Shares in respect of which Unapproved Options granted*	*Option price*	*Date of grant*	*Earliest exercise date*[(1)]	*Expiry date*
David Hornsby	2,800,000	2.5 pence	14 August 2009	14 August 2010	13 August 2019
Graeme Spenceley	200,000	7 pence	12 March 2010	12 March 2011	11 March 2020

Note:

(1) See section 1.6.2 below for further information as regards the earliest exercise date of options granted under the Unapproved Option Scheme.

1.5.5 Save as disclosed in Part III of this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Group during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

1.5.6 Save as disclosed in this paragraph 1.5, none of the Directors are aware of any interest held by a connected adviser of the Company.

1.6 Summary of existing share option schemes

1.6.1 *The EMI Option Scheme*

Introduction

The Company has established and operates the EMI Option Scheme, which was adopted on 5 October 2005. The purpose of the scheme is to seek to recruit and retain employees and directors of the Group.

The EMI Option Scheme is a discretionary arrangement and is operated and administered by the board of directors of the Company.

An enterprise management incentive scheme is a form of UK tax favoured share option scheme which must comply with the rules and regulations from HMRC.

Eligibility

All employees and directors (but not non-executive directors) of the Group who satisfy certain eligibility requirements, will generally be eligible to have options granted to them under the EMI Option Scheme. In order to qualify for favourable UK tax treatment, eligible employees have to be employed by a company within the Group for at least 25 hours per week or, if less, 75 per cent. of their working time.

Grant of Options

Options over Ordinary Shares under the EMI Option Scheme may be granted at the discretion of the board of directors of the Company. Options may be granted at any time prior to the tenth anniversary of the date of adoption of the EMI Option Scheme.

Options cannot be granted under the EMI Option Scheme after the tenth anniversary of the adoption of the EMI Option Scheme.

Non transferability of options

No option may be transferred, assigned or charged in any way, although the executors and personal representatives of a deceased optionholder may, in certain circumstances, exercise options held by the deceased optionholder.

Exercise Price

The price payable by an option holder on the exercise of an option granted under the EMI Option Scheme will be fixed by the board of directors of the Company at the time of the grant of the relevant option. The price payable will be what the board of directors of the Company consider to be the market value of the Ordinary Shares at the time of the grant (which will normally be the mid-market price of an Ordinary Share over the five dealing days preceding the date of grant) or, if the Ordinary Shares are not then traded, at a price as determined by a valuation or if higher, the nominal value of an Ordinary Share.

Exercise

Options which have not lapsed will become exercisable as to one-third on the first anniversary of the date of grant, as to two-thirds on the second anniversary of the date of grant and as to all of the option on the third anniversary of the date of grant and will generally remain exercisable until the tenth anniversary of the day immediately preceding the date of grant. To the extent that options have not been exercised at the end of this period, they will lapse.

The exercise of any options may be subject to the satisfaction of any performance conditions stipulated by the board of directors of the Company at the date of grant of the option and must be based on objective criteria (unless they have been waived by the board of directors of the Company). Options may be exercised in whole or in part on a number of occasions, subject to certain conditions. The recipient of an option is required to enter into an election in respect of National Insurance Contributions.

If an optionholder dies or ceases to be an employee of the Group as a result of injury, disability, incapacity, retirement or redundancy then the employee's options will remain exercisable for a limited period provided that is within the exercise period and they are otherwise exercisable as referred to above.

In addition if an optionholder gives or is given notice to terminate employment then the option will immediately lapse unless the board of directors of the Company determine otherwise within 30 days of the date of cessation of employment, in which case the option may be exercised within 6 months of the date of termination and shall lapse thereafter.

In addition in certain other circumstances, including if a general offer is made to acquire the whole of the issued share capital of the Company or if there is a reconstruction or amalgamation or a Court sanctioned compromise or arrangement, an option may then become exercisable or may in certain circumstances be exchanged for a new option in any company which has otherwise obtained control of the Company.

Ordinary Shares allotted on the exercise of options will rank equally with all the other Ordinary Shares for the time being in issue.

Individual limits

Share options with a market value of up to £250,000 (or such other amount as is specified under the Income Tax (Earnings and Pensions) Act 2003) may be granted under the EMI Option Scheme to a qualifying employee.

There is an overall limit that not more than £3,000,000 (or such other amount as is specified under the Income Tax (Earnings and Pensions) Act 2003) worth of unexercised options (valued at the date of grant) which may be granted under the EMI Option Scheme in order for the scheme to qualify as an enterprise management incentive scheme.

The number of Ordinary Shares in respect of which options have been granted by the Company under the EMI Option Scheme as at 22 June 2012 (the latest practicable business day prior to the date of this document) is 5,057,490 with a weighted average exercise price of 8.57 pence per share.

1.6.2 ***The Unapproved Share Option Scheme***

The Company also operates the Unapproved Share Option Scheme which is identical to the EMI Option Scheme save only that the tax benefits under the enterprise management incentive legislation do not apply to options granted under this scheme.

The number of Ordinary Shares in respect of which options have been granted by the Company under the Unapproved Share Option Scheme as at 22 June 2012 (the latest practical business day prior to the date of this document) is 3,364,693 with a weighted average exercise price of 4.47 pence per share.

1.6.3 The Company granted the following share options to St. Helen's Capital Plc: i) an option over 114,100 Ordinary Shares exercisable at any time prior to 12 May 2015 at an exercise price per Ordinary Share of 28 pence; ii) an option over 15,000 Ordinary Shares exercisable at any time prior to 6 July 2015 at an exercise price per Ordinary Share of 28 pence; iii) an option over 88,750 Ordinary Shares exercisable at any time prior to 21 November 2015 at an exercise price per Ordinary Share of 20 pence.

1.7 **Directors' service agreements/letters of appointment**

1.7.1 On 1 June 2009, David Hornsby was appointed as Chief Executive of the Company at a salary of £73,500 per annum. On 21 June 2012 David Hornsby entered into a new service agreement with the Company. The terms of the service agreement may be terminated upon either party giving to the other not less than 6 months' notice, which can be served at any time. The agreement contains provisions for early termination including in the circumstances of a material breach by David Hornsby. The agreement contains post termination restrictive covenants and certain non-solicitation provisions. Upon termination of the service agreement, no benefits (other than those accruing in respect of the notice period) are due to David Hornsby. David Hornsby is currently paid an annual salary of £95,000 together with a car allowance of £5,000 per annum, life assurance, private medical insurance and employer pension contributions.

1.7.2. On 12 March 2010, Graeme Spenceley was appointed as Finance Director of the Company on a part time basis at a salary of £24,000 per annum plus a further £5,000 payment in respect of additional work associated with each of the acquisitions of Root3 Systems Limited, Filebutton Limited and Proquis Limited. On 21 June 2012 Graeme Spenceley entered into a new service agreement with the Company pursuant to which he is employed on a full time basis. The terms of the service agreement may be terminated upon either party giving to the other not less than 6 months' notice, which can be served at any time. The agreement contains provisions for early termination including in the circumstances of a material breach by Graeme Spenceley. The agreement contains post termination restrictive covenants and certain non-solicitation provisions. Upon termination of the service agreement, no benefits (other than those accruing in respect of the notice period) are due to Graeme Spenceley. Graeme Spenceley is currently paid an annual salary of £70,000, together with life assurance, private medical insurance and employer pension contributions. In addition, the Board have agreed that Graeme Spenceley shall receive a bonus payment of £15,000 on Admission.

1.7.3 On 20 September 2000, Jonathan Wearing was appointed as Non-Executive Chairman of the Company. On 19 April 2012 Jonathan Wearing entered into a letter of appointment with the Company setting out his terms of appointment as a non-executive director of the Company at an annual fee of £10,000. The appointment may be terminated by either party giving to the other not less than one month's notice. The terms of appointment allow for early termination, *inter alia*, in the event of a breach by Jonathan Wearing. Upon termination of appointment, no contractual benefits (other than those accruing in respect of the notice period) are due to Jonathan Wearing.

1.7.4 On 30 March 1993, Leslie Paul was appointed managing director of the Company at a salary of £75,000 per annum. On 21 June 2012 Leslie Paul entered into a new service agreement with the Company. The terms of the service agreement may be terminated upon either party giving to the other not less than 6 months' notice, which can be served at any time. The agreement contains provisions for early termination including in the circumstances of a material breach by Leslie Paul. The agreement contains post termination restrictive covenants and certain non-solicitation provisions. Upon termination of the service agreement, no benefits (other than those accruing in respect of the notice period) are due to Leslie Paul. Leslie Paul is currently paid an annual salary of £57,800 together with a car allowance of £5,000 per annum, life assurance, private medical insurance and employer pension contributions.

1.7.5 On 15 March 2012, Graham Harrop was appointed a non-executive director of the Company. On 31 May 2012 Graham Harrop was appointed as an executive director and entered into a new service agreement with the Company. The terms of the service agreement may be terminated upon either party giving to the other not less than 6 months' notice, which can be served at any time. The agreement contains provisions for early termination including in the circumstances of a material breach by Graham Harrop. The agreement contains post termination restrictive covenants and certain non-solicitation provisions. Upon termination of the service agreement, no benefits (other than those accruing in respect of the notice period) are due to Graham Harrop. Graham Harrop is currently paid an annual salary of £85,000 together with a car allowance of £5,000 per annum, life assurance, private medical insurance and employer pension contributions.

1.7.6 On 31 May 2012, Alan Carroll was appointed a non-executive director of the Company. On 31 May 2012 Alan Carroll entered into a letter of appointment with the Company setting out his terms of appointment as a non-executive director of the Company at an annual fee of £12,000. The appointment may be terminated by either party giving to the other not less than one month's notice. The terms of appointment allow for early termination, *inter alia*, in the event of a breach by Alan Carroll. Upon termination of appointment, no contractual benefits (other than those accruing in respect of the notice period) are due to Alan Carroll.

1.7.7 There are no service contracts, existing or proposed, between any Director and the Company that provide for any commission or profit sharing arrangements, compensation payable upon early termination of the contract or any other arrangements that are not described in paragraphs 1.7.1 to 1.7.6 above.

1.7.8 Save as disclosed in paragraphs 1.7.1 to 1.7.6 above, there are no service contracts, existing or proposed, between any Director and the Company and no such contract provides for any benefits on termination or has been amended within six months prior to the date of this document.

1.7.9 The aggregate remuneration and benefits in kind paid by the Company to the Directors in respect of the 12 month period ended 30 April 2011 was £204,350 including share-based payment charges of £22,875.

1.8 Additional information on the Board

1.8.1 In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document.

Directors

Name	*Current directorships/partnerships*	*Directorships/partnerships in the last 5 years*
David Hornsby	Ideagen Capture Limited Filebutton Limited Ideagen Software Limited Ideagen Systems Limited Ideagen Datum Limited Proquis Limited Root3 Systems Limited Glacier Software Limited	None
Graeme Spenceley	Ideagen Software Limited Proquis Limited Headlands Hotel (partnership)	None
Jonathan Peter Wearing	Hurstmount Limited JP Wearing & Co Limited Tri Castle Investments Limited Harborough Limited Cityunit Residents Management Limited Garlic Plant Products Ltd Ideagen Capture Limited Emros Partners Ltd	Garlic Farms (UK) Limited
Leslie Paul	None	Data Retrieval Technologies Limited
Graham Harrop	CTPR Limited	Ultris Limited Koios Group Limited Badonicus Limited Ultris Asg LLP (as designated member)

Name	*Current directorships/partnerships*	*Directorships/partnerships in the last 5 years*
Alan Carroll	Ultris Limited Ultris Software Limited Ultris Information Services Limited Docmanager Limited	Koios Group Limited Ultris ASG LLP (partnership)

1.8.1.1 *Leslie Derek Paul*

Leslie Paul has previously been a director of the following companies:

(a) Altair Information Systems Limited ("Altair") until it was dissolved on 18 December 1996. Altair was put into creditors voluntary liquidation on 21 May 1993. According to the statement of affairs there was an estimated deficiency to creditors of approximately £215,564.35. Altair was dissolved on 18 December 1996 following the final meeting of the creditors dated 16 September 1996 that the company be wound up under the provisions of the Insolvency Act 1986; and

(b) GDI Limited ("GDI") until it was dissolved on 12 August 1999. GDI was put into creditors voluntary liquidation on 12 March 1996. According to the statement of affairs on 4 September 1996 there was an estimated deficiency to creditors of approximately £300,210. GDI was dissolved on 12 August 1999 following the final meeting of the creditors dated 7 May 1999 that the company be wound up under the provisions of the Insolvency Act 1986.

1.8.1.2 *Jonathan Peter Wearing*

Jonathan Wearing has previously been a director of the following companies:

(c) Geoffrey Parker's Country Workshop Limited ("GPCW") until it was dissolved on 8 August 1997. GPCW was put into creditors voluntary liquidation on 16 May 1995. According to the statement of affairs there was an estimated deficiency to creditors of approximately £105,294. GPCW was dissolved on 8 August 1997 following the final meeting of the creditors dated 2 May 1997 that the company be wound up under the provisions of the Insolvency Act 1986; and

(d) Garlic Farms (UK) Limited ("Garlic Farms") until it was dissolved on 22 April 2010. On 4 May 2006 an administration order was made in respect of Garlic Farms. The administration order was discharged on 16 May 2007 when Garlic Farms went into creditors voluntary liquidation. According to the statement of affairs on 4 June 2007 there was an estimated deficiency to creditors of approximately £258,816. Garlic Farms was dissolved on 22 April 2010 following the final meeting of the creditors dated 12 January 2010 that the company be wound up under the provisions of the Insolvency Act 1986.

1.9 Save as disclosed above, none of the Directors has:

1.9.1 any unspent convictions in relation to indictable offences;

1.9.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

1.9.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

1.9.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

1.9.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

1.9.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

1.9.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

1.10 **Material contracts of the Group**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and its subsidiaries within the two years immediately preceding the date of this document and are, or may be, material:

1.10.1 A placing agreement dated 11 March 2010, between the Company (1) David Hornsby, Jonathan Wearing and Leslie Paul ("the Warrantors") (2) and FinnCap (3) pursuant to which FinnCap agreed, conditional upon, *inter alia*, completion of the Root3 Acquisition Agreement (as defined and detailed further in paragraph 1.10.7 below), to use its reasonable endeavours to procure subscribers for 15,100,000 new Ordinary Shares at 6 pence per share. Under the terms of the agreement the Company agreed to pay FinnCap a corporate finance fee and commission on the aggregate value of the number of Ordinary Shares placed by FinnCap pursuant to such agreement. The Warrantors agreed to give certain of the warranties under the agreement in favour of FinnCap subject to certain limitations as to both quantum and time.

1.10.2 A placing agreement dated 10 March 2011, between the Company (1) David Hornsby, Jonathan Wearing and Leslie Paul ("the Warrantors") (2) and FinnCap (3) pursuant to which FinnCap agreed, conditional upon, *inter alia*, the passing of certain resolutions at a general meeting of Shareholders, to use its reasonable endeavours to procure subscribers for 18,869,302 new Ordinary Shares at 9 pence per share. Under the terms of the agreement the Company agreed to pay FinnCap a corporate finance fee and commission on the aggregate value of the number of Ordinary Shares placed by FinnCap pursuant to such agreement. The Warrantors agreed to give certain of the warranties under the agreement in favour of FinnCap subject to certain limitations as to both quantum and time.

1.10.3 An agreement dated 25 June 2012 between the Directors (1) FinnCap (2) and the Company (3) pursuant to which the Company appointed FinnCap as its agent for the purposes of the Admission. The Admission Agreement contains certain representations and warranties given by the Company (and limited warranties given by the Directors) and in addition contains an indemnity given by the Company in favour of FinnCap and together with certain provisions which enable FinnCap to terminate the Admission Agreement in certain circumstances prior to Admission, including circumstances where any warranties are found to be untrue or inaccurate in any material respect. The Company agreed to pay FinnCap a corporate finance fee in connection with Admission of £95,000 and has agreed to pay all costs and expenses of and incidental to Admission (together with value added tax on such costs and expenses).

1.10.4 Nominated Adviser and Broker Agreement dated 25 June 2012 between (1) the Company and (2) FinnCap pursuant to which the Company agreed to appoint FinnCap to act as nominated adviser and broker to the Company. Under this agreement, the Company has agreed to pay an annual fee to FinnCap of £40,000 (exclusive of VAT) in return for nominated adviser and broker services rendered. The agreement contains certain indemnities by the Company in favour of FinnCap. The agreement is terminable by either party on 3 months' notice, such notice not to expire before 2 July 2013.

1.10.5 An agreement ("the Proquis Acquisition Agreement") for the sale and purchase of the entire issued share capital of Proquis Limited between David Best and others (the "Proquis Vendors") and the Company dated 22 December 2011. Under the terms of the Proquis Acquisition Agreement the Company agreed to purchase the entire issued share capital of Proquis Limited subject to satisfaction of a number of conditions. These conditions were satisfied on 10 January 2012 and the Proquis Acquisition Agreement was completed that day.

The total consideration payable by the Company pursuant to the Proquis Acquisition Agreement is up to £3,239,997. Subject to certain conditions in the Proquis Acquisition Agreement, the consideration is comprised of:

1.10.5.1 a cash payment of £200,000 to be made on or before 1 May 2012;

1.10.5.2 a payment of £840,000 that was satisfied on completion by the issue of 8,000,000 Ordinary Shares in the Company, credited as fully paid at 10.5p per share;

1.10.5.3 a payment of £420,000, conditional upon total invoices under the VHA Contract being not less than US$2,078,000 prior to 10 January 2013, which shall be satisfied on the first anniversary of the date of completion by the issue of 4,000,000 Ordinary Shares in the Company at 10.5p per share;

1.10.5.4 a further cash payment of £100,000 payable in four equal quarterly installments of £25,000 commencing on the fourth anniversary of the date of completion which is conditional upon the USDVA renewing in writing the VHA Contract (or in the event that the USDVA does not renew the VHA Contract, it enters into a substantially similar contract or series of contracts) for a fifth year prior to the fourth anniversary of completion; and

1.10.5.5 three further deferred payments of £343,903, £606,381 and £729,713 to be satisfied by the issue of 3,275,270, 5,775,060 and 6,949,670 Ordinary Shares in the Company at 10.5p per share respectively on the first, second and third anniversaries of the date of completion respectively each conditional upon the VHA Contract being renewed for three years and that total invoices issued to the USDVA under the VHA Contract prior to the first anniversary of the Completion Date being not less than US$2,078,000.

In respect of any shares issued, and to be issued, as consideration under the Proquis Acquisition Agreement, the Proquis Vendors have irrevocably undertaken not to dispose of or otherwise encumber such shares for the period of 12 months from the date of allotment of such shares without the prior consent of the Company. Thereafter for a further 12 month period the Proquis Vendors may only dispose of such shares through finnCap, subject to certain exceptions including a disposal (i) in acceptance of a board approved offer to acquire the whole of the ordinary share capital of the Company or an irrevocable commitment in respect of the same, or (ii) pursuant to an offer by the Company to purchase its own shares on identical terms to all holders of ordinary shares, or (iii) to family members or the trustees of a family trust of which the shareholder is a beneficiary.

The Proquis Acquisition Agreement contains warranties in favour of the Company given by the Proquis Vendors. The Proquis Vendors also gave an indemnity in favour of the Company whereby they agreed to pay to the Company the amount of any tax liability incurred in respect of Proquis Limited which might arise after completion of the Proquis Acquisition Agreement but is attributable to the period prior to completion.

The time limit for bringing any claims in terms of the warranties given (other than tax warranties) expires on the second anniversary of the date of the Proquis Acquisition Agreement (being 10 January 2014) and the time limit for any claims pursuant to the tax warranties or the tax indemnity expires on the seventh anniversary of completion of the date of the Proquis

Acquisition Agreement (being 10 January 2019). The maximum aggregate liability of the Proquis Vendors under the warranties and the tax covenant is £3,000,000.

The Proquis Vendors are subject to post-completion restrictive covenants.

1.10.6 An agreement ("the Filebutton Acquisition Agreement") for the sale and purchase of the entire issued share capital of Filebutton Limited ("Filebutton") between the then shareholders of Filebutton, being Anthony Barry Saunders and Clare June Holdich ("the Filebutton Vendors") and the Company dated 10 March 2011. Pursuant to the Filebutton Acquisition Agreement, the Company agreed to purchase the entire issued share capital of Filebutton subject to satisfaction of a number of conditions on or before 5 April 2011. These conditions were satisfied on 5 April 2011 and the Filebutton Acquisition Agreement was completed that day.

The total consideration payable by the Company pursuant to the Filebutton Acquisition Agreement was comprised as follows:

1.10.6.1 an initial consideration of £1,280,000 that was paid in cash on completion, subject to a post-completion net cash asset adjustment;

1.10.6.2 a first deferred payment (plus accrued interest) of £87,500 plus a sum equal to 50 per cent. of a benefit accruing from the winding up of an employer pension scheme, that was paid in cash by the agreement of the parties on 1 November 2011; and

1.10.6.3 a second deferred payment (plus accrued interest) of £262,500 plus a sum equal to 50 per cent. of a benefit accruing from the winding up of an employer pension scheme being £301,394.74 in aggregate, payable in cash on the anniversary of the completion date. The payment terms of this second deferred payment were renegotiated by the parties on 12 April 2012 such that part of the consideration in the amount of £200,000 has been converted into a loan, secured over the Company's assets by a debenture dated 12 April 2012, repayable as to £100,000 plus accrued interest on 1 November 2012 and as to £100,000 plus accrued interest on 1 May 2013. The interest rate on the loan was 2.5 per cent. per annum to 1 May 2012 and thereafter at the rate of 10 per cent. per annum until the loan is fully repaid.

In the event that David Hornsby ceases to be the full-time CEO of the Company the deferred consideration shall become immediately payable in full.

The Filebutton Acquisition Agreement contains warranties in favour of the Company given by the Filebutton Vendors. The Filebutton Vendors also gave tax indemnities in favour of the Company whereby they agreed to pay to the Company the amount of any tax liability incurred in respect of Filebutton which might arise after completion of the Filebutton Acquisition Agreement but is attributable to the period prior to completion.

The time limit for bringing any claims in terms of the warranties given (other than the tax warranties) shall expire on 5 October 2012. The time limit for bringing any claims pursuant to the tax warranties or the tax indemnity expires on the seventh anniversary of the completion date of the Filebutton Acquisition Agreement (being 5 April 2018). The maximum aggregate liability of the Filebutton Vendors under the warranties and the tax indemnities is the total consideration, however, the Filebutton Vendors are only liable for the amount of the consideration received by them.

The Filebutton Vendors are subject to post-completion restrictive covenants.

1.10.7 An agreement ("the Root3 Acquisition Agreement") for the sale and purchase of the entire issued share capital of Ideagen Capture Limited (which at the time of acquisition was named Root3 Systems Limited ("Root3")) between Robert John Allerston, Peter Alan Bromley and Paul Richard Ford ("the Root3 Vendors") (1) and the Company (2) dated 24 February 2010.

Under the terms of the Root3 Acquisition Agreement, the Company agreed to purchase the entire issued share capital of Root3 subject to satisfaction of a number of conditions on or before 5 March 2010. These conditions were satisfied on 16 March 2010 and the Root3 Acquisition Agreement was completed that day.

The total consideration payable by the Company pursuant to the Root3 Acquisition Agreement was comprised as follows:

1.10.7.1 a payment in cash on the date of completion of £300,000 less any outstanding directors' loans made by Root3;

1.10.7.2 a payment of £300,000 satisfied by the issue of 4,000,000 Ordinary Shares in the Company on the date of completion credited as fully paid;

1.10.7.3 a deferred payment up to a maximum of £386,000 (save in certain circumstances, to be paid half in cash and half by the issue of Ordinary Shares in the Company at a pre-determined value). The amount of the deferred payment has not yet been established. The calculation of the deferred payment is based on post completion revenue and profit performance which will be subjected to an external audit before the amount of the deferred payment can be established.

1.10.8 An agreement ("the Ideagen Acquisition Agreement") for the sale and purchase of 20 per cent. of the issued share capital of Ideagen Software Limited between Glyn Beynon Thomas and Ann Susan Thomas ("the Ideagen Software Vendors") (1) and Filebutton (2) dated 28 July 2009. Under the terms of the Ideagen Acquisition Agreement, Filebutton agreed to purchase the remaining 20 per cent. of the issued share capital of Ideagen not already owned by Filebutton.

The total consideration payable by Filebutton pursuant to the Ideagen Acquisition Agreement was comprised as follows:

1.10.8.1 a payment in cash of £22,500 payable in 6 equal monthly instalments of £3,750 that commenced on 28 August 2010;

1.10.8.2 the payment of £157,500 by the issue of loan notes on completion in Filebutton, £78,750 loan notes being issued to each Ideagen Software Vendor. The loan notes incur interest at the rate of 2 per cent. above the base rate for the time being of the Bank of England, accruing on a daily basis. The loan notes are repayable by instalments of £3,750 payable on the last day of each calendar month commencing on 28 February 2010. Full repayment of the loan notes was expected to occur on the last scheduled payment date of 31 July 2013 but these were settled in full on 4 April 2011 immediately prior to completion of the Filebutton Acquisition Agreement with a payment of £108,955.40.

The Ideagen Acquisition Agreement contains warranties in favour of the Company given by the Ideagen Software Vendors but no tax indemnities. The time limit for bringing any claims in terms of the warranties expired on 31 July 2010.

The Ideagen Software Vendors are subject to post-completion restrictive covenants, most of which have since expired.

On 28 July 2009 Filebutton entered into a guarantee with the Ideagen Software Vendors as security for Filebutton's obligations under the Ideagen Acquisition Agreement, which was released on 4 April 2011.

1.11 **VHA Contract**

Proquis Inc. has recently secured a landmark contract with the US Department of Veterans Affairs to deploy its flagship software product Proquis Enterprise. The VHA Contract is to supply and support an Integrated Quality Management System (IQMS) that will enhance business processes and reliability whilst managing a number of ISO 9001:2008 standards.

The VHA Contract, awarded on 22 September 2011, had an effective commencement date of 28 November 2011 and is structured on the basis of an initial one year term with options to renew the VHA Contract for four further one year periods. The first year's revenue is US$2,078,000 and this is the only amount that the USDVA has obligated to the contract to date. The USDVA is under no contractual or legal obligation to exercise any of the option years. Appropriated funds will be obligated to the contract if and when an option year is exercised by the USDVA. The USDVA also has the authority to terminate the contract at any point in time under the "Termination for Convenience" clause which could result in termination without cause with immediate effect.

In protest at the award of the VHA Contract to Proquis Inc., one of its competitors in the US filed a protest with the US Government Accountability Office (the "GAO") on 30 September 2011 resulting in the issuing of a "Stop Work Order" on Proquis Inc., with the effect of suspending the parties from operating under the contract. The GAO dismissed the protest and the VHA Contract commenced on 28 November 2011.

1.12 **Litigation**

1.12.1 In December 2011 the Company sent a letter before action to a former client seeking payment of unpaid fees and costs associated with a software development project. In response the former client sent a letter in January 2012 denying all liability, but indicating willingness to engage in mediation or other form of alternative dispute resolution and intimating a cross claim for damages. The Company is currently considering its position and following legal advice believes that there is a low to very low risk of the former client commencing proceedings.

1.12.2 Save as otherwise set out in this document, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened by or against the Company or any of the Company's subsidiaries of which the Company is aware) which have, or may have, or have had during the 12 months preceding the date of this document a significant effect on the Company's and/or the Group's financial position or profitability.

1.13 **Group Structure**

1.13.1 The Company has three wholly owned operating subsidiaries in the UK:

1.13.1.1 Proquis Limited, a company incorporated in England on 21 October 1992 with registered number 2757521 whose registered office is at 1050 Cornforth Drive, Kent Science Park, Sittingbourne, Kent, ME9 8PX;

1.13.1.2 Ideagen Software Limited, a company incorporated in England on 5 February 1998 with registered number 3505254 whose registered office is at Lime Tree Business Park, Lime Tree Road, Matlock, Derbyshire, DE4 3EJ; and

1.13.1.3 Ideagen Capture Limited (formerly Root3 Systems Limited), a company incorporated in England on 2 April 1991 with registered number 2597395 whose registered office is at Eden Office Park, 64 Macrae Road, Pill, Bristol, BS20 0DD.

1.13.2 The Company has a further wholly owned subsidiary called Proquis Inc. Proquis Inc. is a US-registered limited liability company registered in the State of Illinois with number 5983-540-8 whose registered office is at 1015 West Wise Rd, Suite 200, Schaumburg, Illinois, 60193, USA.

1.13.3 The Company also has four wholly owned dormant subsidiary companies:

1.13.3.1 Filebutton Limited, a company incorporated in England on 26 April 2004 with registered number 5111472 whose registered office is at Lime Tree Business Park, Lime Tree Road, Matlock, Derbyshire, DE4 3EJ;

1.13.3.2 Ideagen Systems Limited (formerly EQ Software Group Limited), a company incorporated in England on 11 March 1993 with registered number 2798791 whose registered office is at Lime Tree Business Park, Lime Tree Road, Matlock, Derbyshire, DE4 3EJ;

1.13.3.3 Root3 Systems Limited (formerly Ideagen Software International Limited), a company incorporated in England on 31 October 1996 with registered number 3272158 whose registered office is at Lime Tree Business Park, Lime Tree Road, Matlock, Derbyshire, DE4 3EJ; and

1.13.3.4 Ideagen Datum Limited (formerly Ideagen Limited), a company incorporated in England on 1 June 2011 with registered number 07653312 whose registered office is at 65 Chandos Place, London, WC2N 4HG.

2. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that following the Admission the Group will have sufficient working capital for its present requirements, that is for at least the 12 months from the date of Admission.

3. SIGNIFICANT CHANGE

3.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 October 2011, the date to which the latest interim financial information has been published.

3.2 Save as disclosed in this document, the Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

4. TAXATION

The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HMRC practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

4.1 **Taxation of chargeable gains**

The amount paid for Ordinary Shares by a Shareholder will constitute the base cost of a Shareholder's holding. Companies which hold shares as an investment may be entitled to an indexation allowance to reduce the gain chargeable.

If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.

4.2 **Stamp Duty and Stamp Duty Reserve Tax**

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of Ordinary Shares.

The transfer or sale of Ordinary Shares will normally be subject to *ad valorem* stamp duty (rounded up to the nearest £5) at the rate of one-half of one per cent. (rounded up to the nearest £5) of the consideration paid. However, if an unconditional agreement to transfer such shares is not completed by a duly stamped transfer, SDRT will be payable, normally at the rate of one-half of one per cent. of the consideration paid.

4.3 **Dividends and other distributions**

Under current UK legislation, the Company is not required to withhold any amounts in respect of tax from dividend payments it makes. Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual Shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the taxpayer's marginal dividend tax rate being 10 per cent., 32.5 per cent. or 42.5 per cent.

The effect will be that taxpayers who are otherwise liable to pay tax at the basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher and additional rate taxpayers will have an additional tax liability of 25 per cent. or 36.111 per cent., of the cash dividend. Individual Shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A UK resident corporate Shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealing in shares.

Trustees of discretionary trusts are liable to account for income tax at the rate applicable to trusts on the trust's dividend income and are required to account for tax at the dividend trust rate, currently 42.5 per cent.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document.

The comments assume that ordinary shares are held as an investment and not as an asset of financial trade.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

4.4 **Inheritance Tax**

Ordinary shares in trading companies listed on AIM, generally qualify for 100 per cent. IHT business property relief, provided that they have been held for two years prior to an event that gives rise to an IHT charge. If, however, the Company does not qualify as a trading company or undertakes certain excluded activities this relief will not be available. Any Shareholder who is uncertain of his or her IHT position should consult a professional adviser, especially before making a gift or transfer of their shares.

4.5 **VCT Legislation**

The Company has historically received provisional clearance from HMRC that the Company was at each such time a qualifying company for the purposes of the VCT legislation. HMRC has provisionally assured the Company that the Ordinary Shares will be eligible shares for the purposes of section 285(3A) of the Income Tax Act 2007 and that the Ordinary Shares held by VCTs will be "qualifying holdings" for the purposes of sections 286 – 313 of the Income Tax Act 2007.

The clearance obtained relates only to the qualifying status of the Company and its shares and does not guarantee that any particular VCT will qualify for relief in respect of an acquisition of Ordinary Shares. The conditions for relief are complex and depend not only upon the qualifying status of the Company but upon certain factors and characteristics of the VCT concerned. VCTs who believe they may qualify for VCT relief should consult their own tax advisers regarding this.

The Company cannot guarantee or undertake to conduct its business following Admission, as the case may be, in a way to ensure that the Company will continue to meet the requirements of sections 286 – 313 of the Income Tax Act 2007.

Neither the Company nor its advisers give any warranties or undertakings that VCT relief will be available or that, if given, such relief will not be withdrawn.

The tax legislation in respect of the VCTs is found in Part 6 of the Income Tax Act 2007 and sections 151A and 151B of the Taxation of Capital Gains Act 1992. In relation to the qualifying status of the Company, the Admission will be structured in the following way:

It is anticipated that immediately after Admission, the gross assets of the Company will not exceed £16 million. This gross asset limit should have effect for investments made after 6 April 2012, subject to when investing funds were raised and to the relevant legislation receiving Royal Assent and to the making of a Treasury appointed day order shortly after Royal Assent.

5. OTHER RELEVANT LAWS AND REGULATIONS

5.1 Disclosure of interests in shares

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to rule 5 of the DTR to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds.

Pursuant to Part 22 of the Act, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

5.2 Takeovers

As a public limited company incorporated and centrally managed and controlled in the UK, the Company is subject to the Takeover Code. Following the implementation of Part 28 of the Act the Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM.

5.3 Mandatory bid

Under Rule 9 of the Takeover Code when (i) a person acquires an interest in shares which (taken together with shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) a person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. and no more than 50 per cent. of the voting rights of a company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentages of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to extend a general offer in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights not already held by them.

5.4 Squeeze-out

Under the Act, an offeror which makes a takeover offer for the Company has the right to buy out minority Shareholders where it has acquired (or unconditionally contracted to acquire) not less than 90 per cent. in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights in the Company. It would do so by sending a notice to the outstanding minority Shareholders telling them that it will compulsorily acquire their shares. Such notice must be sent within three months of the last day on which the offer can be accepted. The notice must be made in the prescribed manner. The squeeze-out of the minority Shareholders can be completed at the end of six weeks from the date the notice has been given, following which the offeror can execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding minority Shareholders. The consideration offered to the outstanding minority Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

5.5 **Sell-out**

The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer for the Company, provided that at any time before the end of the period within which the offer can be accepted, the offeror has acquired (or unconditionally contracted to acquire) not less than 90 per cent. in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights in the Company. A minority Shareholder can exercise this right by a written communication to the offeror at any time until three months after the period within which the offer can be accepted or a later date specified in the notice given by the offeror. An offeror would be required to give the remaining Shareholders notice of their rights to be bought out within the one month from the end of the period in which the offer can be accepted. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6. GENERAL

6.1 The costs and expenses of, and incidental to, the Admission and which are payable by the Company amount to approximately £250,000 (excluding VAT) and include, *inter alia*, corporate finance fees, legal fees, accounting fees.

6.2 The Ordinary Shares of the Company that are in issue are currently admitted to trading on PLUS.

6.3 None of the Directors are aware of any exceptional factors which have influenced the Company's activities.

6.4 Save as disclosed in this document, none of the Directors are aware of any patents or other intellectual property rights, licences, manufacturing processes, particular contracts or industrial, commercial or financial contracts which are or may be of fundamental importance to the Group's business other than the material contracts.

6.5 Save as disclosed in this document, no person has directly or indirectly (excluding the Company's professional advisors as disclosed in this document and trade suppliers) in the twelve months preceding the application for Admission received from the Company or entered into contractual arrangements (not otherwise disclosed in this document) to receive directly or indirectly from it on or after Admission (excluding persons who are professional advisers otherwise disclosed in this document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more at the date of Admission or securities in the Company to such value.

6.6 RSM Tenon Audit Limited are auditors of the Company. RSM Tenon Audit Limited is registered to carry out audit work by The Institute of Chartered Accountants in England and Wales.

6.7 FinnCap has given and not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context in which it appears.

6.8 The Company is and has not been aware of the existence of any takeover bid pursuant to the rules of the Takeover Code during its current and previous financial year, or any circumstances which might give rise to any takeover bid by third parties for the Ordinary Shares.

6.9 No significant new products and/or services have been introduced by the Company in the last year other than pursuant to the acquisition of Proquis as set out in paragraph 1.10.5 of Part V of this document.

6.10 Save as disclosed in this document, the Company has no principal investments for each financial year covered by the historical financial information and there are no principal investments that are in progress and there are no principal future investments on which the Board has made a firm commitment.

6.11 Save as disclosed in this document, none of the Directors or any members of a Director's family (as defined in the AIM Rules for Companies) is interested in any related financial product (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares.

6.12 As far as the Directors are aware there are no arrangements relating to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

6.13 The Directors consider that the Group operates in one business segment – software solutions for on-demand information and business process management. The revenue breakdown by geographic market for the 16 month period ended 30 April 2009 and 2 years ended 30 April 2010 and 2011 is as follows:

	2011	*2010*	*2009*
	£	*£*	*£*
Revenues			
UK	2,225,753	852,792	355,946
Other EU countries	27,654	112,991	155,833
TOTAL	2,253,407	965,783	511,779

6.14 The Directors are not aware of any significant recent trends in production, sales and inventory and costs and selling prices since 30 April 2011, save as set out in the paragraph headed "Current Trading and Prospects for the Group" of Part I of this document.

6.15 The Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year, save as disclosed in this document.

6.16 The Directors are not aware of any environmental issues that may affect the Company's utilisation of the tangible fixed assets.

6.17 Save as disclosed in this document, as at 22 June 2012 (being the latest practicable date prior to the publication of this document), there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002 that any member of the Group has entered into.

6.18 As at the date of this document, the Group employed 45 employees across its four locations in the UK and 10 employees at its one location in the US.

7. AVAILABILITY OF THIS DOCUMENT

Copies of this document are available free of charge from the Company's registered office and at the offices of finnCap Limited, 60 New Broad Street, London EC2M 1JJ during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 25 June 2012