

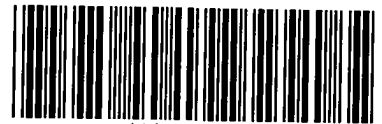
Registered number: 03142904

CAE MINING SOFTWARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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CAE MINING SOFTWARE LIMITED

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CAE MINING SOFTWARE LIMITED

COMPANY INFORMATION

DIRECTORS

D K McKay
S Lefebvre
N Leontidis

REGISTERED NUMBER

03142904

REGISTERED OFFICE

Unit A, Underwood Business Park
Wookey Hole Road
Wells
Somerset
BA5 1AF

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
31 Great George Street
Bristol
BS1 5QD

CAE MINING SOFTWARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present the strategic report of CAE Mining Software Limited ("the company") for the year ended 31 March 2014.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company made a profit before tax of £347,570 (2013: £2,944). The directors are satisfied with the result in difficult trading conditions for the mining sector.

The company continues to perform development of the group's products which are sold by other group companies.

PRINCIPAL RISKS AND UNCERTAINTIES

The continued pressure on the international mining sector affects customer demand for the CAE Mining Group's products of which the company is a subsidiary. The group manages this risk by maintaining strong relationships with its key customers and having a local presence in its key customer locations. The company continues to develop the group's products to meet this continuing demand.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors monitor the business on its profit and working capital which are shown in the financial statements. The directors are of the opinion that further analysis using Key Performance Indicators is not necessary for an understanding of the business.

This report was approved by the board on 23 December 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D K McKay', written over a horizontal line.

D K McKay
Director

CAE MINING SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the audited financial statements of CAE Mining Software Limited ("the company") for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of the innovative development and support of computer programs for use by the minerals industry worldwide.

The company mainly provides services to other group companies.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £258,710 (2013: £383 loss). No dividend was paid during the year (2013: £nil). The directors do not recommend the payment of a dividend (2013: £nil).

DIRECTORS

The directors who served during the entire year and up until the date of signing the financial statements were:

D K McKay
S Lefebvre
N Leontidis

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and exchange rate risk. The company regularly reviews its financial exposure and seeks to limit the adverse effects on its financial performance by monitoring these risks.

Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The company trades with other companies that are part of the CAE Mining group of companies. The directors are satisfied these do not pose a significant credit risk.

Liquidity risk

The company seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest assets safely and profitably. The company does not have any external borrowing.

Exchange risk

The company has cash flows in foreign currencies. No foreign currency hedging is undertaken. The company also maintains foreign currency bank accounts to manage its foreign currency cash flows.

CAE MINING SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

RESEARCH AND DEVELOPMENT

The company continued to undertake development activities on behalf of other CAE Mining companies.

GOING CONCERN

The company relies on support from its parent company to enable it to meet its day to day working capital requirements. The company's parent company, CAE Mining Corporate Limited, has provided the company's directors with a letter of support confirming that CAE Mining Corporate Limited will continue to provide the company with support for a period of at least twelve months from the date of signing the UK financial statements for the year ended 31 March 2014. The company prepares its financial statements on the going concern basis.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

CAE MINING SOFTWARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 December 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D K McKay', written in a cursive style.

D K McKay
Director

CAE MINING SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAE MINING SOFTWARE LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by CAE Mining Software Limited, comprise:

- the Balance Sheet as at 31 March 2014;
- the Profit and Loss Account for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAE MINING SOFTWARE LIMITED

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.


Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

23 December 2014

CAE MINING SOFTWARE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	1,251,258	1,372,605
Cost of sales		<u>(72,018)</u>	<u>(13,503)</u>
GROSS PROFIT		1,179,240	1,359,102
Administrative expenses		<u>(831,709)</u>	<u>(1,356,179)</u>
OPERATING PROFIT	3	347,531	2,923
Interest receivable and similar income		<u>39</u>	<u>21</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		347,570	2,944
Tax on profit on ordinary activities	6	<u>(88,860)</u>	<u>(3,327)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	<u>258,710</u>	<u>(383)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit/(loss) for the financial years stated above and their historical cost equivalents.

The notes on pages 10 to 16 form part of these financial statements.

CAE MINING SOFTWARE LIMITED
REGISTERED NUMBER: 03142904

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	7		29,404		48,854
CURRENT ASSETS					
Debtors	8	83,138		34,434	
Cash at bank and in hand		89,434		242,261	
		<u>172,572</u>		<u>276,695</u>	
CREDITORS: amounts falling due within one year	9	<u>(302,843)</u>		<u>(685,126)</u>	
NET CURRENT LIABILITIES			<u>(130,271)</u>		<u>(408,431)</u>
NET LIABILITIES			<u>(100,887)</u>		<u>(359,577)</u>
CAPITAL AND RESERVES					
Called up share capital	10		10,000		10,000
Profit and loss account	11		<u>(110,887)</u>		<u>(369,577)</u>
TOTAL SHAREHOLDERS' FUNDS/(DEFICIT)	12		<u>(100,887)</u>		<u>(359,577)</u>

The financial statements on pages 8 of 16 were approved and authorised for issue by the board and were signed on its behalf on 23 December 2014 by:



D K McKay
Director

The notes on pages 10 to 16 form part of these financial statements.

CAE MINING SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies' Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors consider that this basis is appropriate and have received a letter of support from the ultimate parent company that it will continue to provide financial support to allow the company to meet its obligations as they fall due and that other group undertakings will not require repayment of group balances in support of this position.

1.3 Cash flow statement and related party transactions

The company is a wholly owned subsidiary of CAE Inc. The results of CAE Mining Software Limited are incorporated in the consolidated financial statements of CAE Inc, an entity listed on both the Toronto and New York stock exchanges. CAE Inc's consolidated financial statements are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1998).

The company is also exempt under the terms of FRS8 from disclosing related party transactions with wholly owned entities that are part of the CAE Inc group.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 5 years
Computer equipment	- 3 years

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

CAE MINING SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (continued)

1.6 Current and deferred tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, by the Balance Sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Research and development

Research expenditure is written off to the Profit and Loss Account in the year in which it is incurred.

2. TURNOVER

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	1,251,258	1,325,961
Rest of world	-	48,644
	<u>1,251,258</u>	<u>1,372,605</u>

CAE MINING SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	33,779	36,627
Difference on foreign exchange	18,761	148
	<u>52,540</u>	<u>36,775</u>

During the year, no director received any emoluments (2013 - £NIL).

4. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	511,270	791,778
Social security costs	76,076	82,480
Other pension costs	77,511	92,942
	<u>664,857</u>	<u>967,180</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 Number	2013 Number
Management	1	2
Developers	11	14
Administration	1	2
	<u>13</u>	<u>18</u>

5. DIRECTORS' REMUNERATION

There were no emoluments paid to directors by the company (2013: £Nil). Directors are remunerated by another group company. No recharge is made to the company for directors' services (2013: £Nil) and it is not possible to make an accurate apportionment of the amounts borne by each individual company. No directors accrued benefits under money purchase pension schemes (2013: none).

CAE MINING SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	88,860	3,121
Adjustments in respect of prior periods	-	208
Tax on profit on ordinary activities	88,860	3,327

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013: higher than) the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	347,570	2,944
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 24%)	79,941	707
Effects of:		
Expenses not deductible for tax purposes	8,919	-
Depreciation in excess of capital allowances	-	2,414
Adjustments to tax charge in respect of prior periods	-	208
Current tax charge for the year	88,860	3,327

Factors that may affect future tax charges

The March 2013 Budget Statement announced changes to the UK Corporation tax rates that were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These reduced the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. As the changes have been substantively enacted at the balance sheet date their effects are included in these financial statements. Accordingly, the deferred tax balance has been calculated using a rate of 20%. No further changes to future tax rates were announced in the March 2014 Budget Statement on 19 March 2014.

CAE MINING SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2013	13,608	313,330	326,938
Additions	3,200	11,129	14,329
Disposals	(12,684)	(213,982)	(226,626)
At 31 March 2014	4,144	110,497	114,641
Accumulated depreciation			
At 1 April 2013	13,388	264,696	278,084
Charge for the year	616	33,163	33,779
On disposals	(12,684)	(213,982)	(226,626)
At 31 March 2014	1,340	83,897	85,237
Net book value			
At 31 March 2014	2,804	26,600	29,404
At 31 March 2013	220	48,634	48,854

8. DEBTORS

	2014 £	2013 £
Amounts owed by group undertakings	36,040	-
Other debtors	12,282	22,069
Prepayments and accrued income	34,816	12,365
	<u>83,138</u>	<u>34,434</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**9. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	26,627	16,316
Amounts owed to group undertakings	-	484,244
Corporation tax	127,222	43,963
Other taxation and social security	20,959	21,728
Accruals and deferred income	128,136	118,875
	<u>302,843</u>	<u>685,126</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

CAE MINING SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

10. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
10,000 (2012: 10,000) Ordinary shares of £1 (2012: £1) each	<u>10,000</u>	<u>10,000</u>

11. RESERVES

	Profit and loss account £
At 1 April 2013	(369,577)
Profit for the financial year	<u>258,710</u>
At 31 March 2014	<u>(110,867)</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' deficit	(369,577)	(359,194)
Profit/(loss) for the financial year	<u>258,710</u>	<u>(383)</u>
Closing shareholders' deficit	<u>(100,867)</u>	<u>(359,577)</u>

13. PENSION COMMITMENTS

The company operates a defined contribution scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £77,511 (2013: £92,942). There were no amounts outstanding at the year end.

14. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £
Expiry date:		
Between 2 and 5 years	<u>22,000</u>	<u>22,000</u>

15. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No 8 "Related Party Disclosures", transactions with other group undertakings have not been disclosed in these financial statements where exemptions are available.

CAE MINING SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

CAE Mining Software Limited is a wholly owned subsidiary of CAE Mining Corporate Limited. At 31 March 2014, CAE Inc, a company incorporated in Canada, is considered to be the ultimate controlling party of CAE Datamine Software Limited.

CAE Inc is the parent company of the smallest and largest group of companies in which the results of the company are included in the consolidated financial statements.

The consolidated financial statements of CAE Inc, are available from 8585 Côte-de-Liesse, Saint-Laurent, Québec, Canada, H4T 1G6.