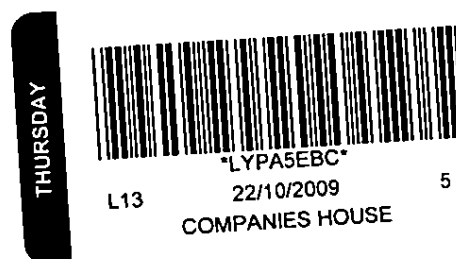


**eCOMMERCE INDUSTRIES, INC
(EUROPE) LIMITED**

Report and Financial Statements

31 December 2008



eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R E Wotherspoon
K Hunter
T Kapp
P White
G Kushner

SECRETARY

R E Smithson

REGISTERED OFFICE AND BUSINESS ADDRESS

Progress House
Rowles Way
Swavesey
Cambridge
CB4 5UG

BANKERS

Royal Bank of Scotland plc
Hills Road
Cambridge

AUDITORS

Deloitte LLP
Chartered Accountants
Cambridge

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 (4) of the Companies Act 1985.

PRINCIPAL ACTIVITY

The principal activity of the company was that of the development and supply of computerised business systems.

GOING CONCERN

The company has considerable financial resources together with a large long-standing customer base. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2007 - £nil).

DIRECTORS

The directors who served during the year are as stated below:

R E Wotherspoon

K Hunter

T Kapp

P White

G Kushner (appointed 18 January 2008)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

DIRECTORS' REPORT

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

K Hunter

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

We have audited the financial statements of eCommerce Industries, Inc (Europe) Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and
Registered Auditors
Cambridge, United Kingdom

21. 10. 2009

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2008

	Note	2008 £	2007 £
TURNOVER	2	4,814,107	3,828,990
Cost of sales		(286,665)	(162,691)
Gross profit		4,527,442	3,666,299
Administrative expenses		(3,607,279)	(2,834,717)
OPERATING PROFIT	4	920,163	831,582
Interest receivable and similar income	5	5,677	7,978
Interest payable and similar charges	6	(3,266)	(4,731)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		922,574	834,829
Tax on profit on ordinary activities	7	75,251	(136,843)
PROFIT FOR THE YEAR	15	997,825	697,986

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

BALANCE SHEET 31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Intangible assets	8	5,846,771	-
Tangible assets	10	144,213	187,681
		<u>5,990,984</u>	<u>187,681</u>
CURRENT ASSETS			
Stocks	11	20,974	3,360
Debtors	12	2,693,541	1,713,542
Cash at bank and in hand		291,129	157,624
		<u>3,005,644</u>	<u>1,874,526</u>
CREDITORS: amounts falling due within one year	13	<u>(1,258,530)</u>	<u>(881,988)</u>
NET CURRENT ASSETS		<u>1,747,114</u>	<u>992,538</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>7,738,098</u>	<u>1,180,219</u>
CAPITAL AND RESERVES			
Called up share capital	14	352	352
Capital contribution	15	5,560,054	-
Share premium account	15	236,264	236,264
Profit and loss account	15	1,941,428	943,603
SHAREHOLDERS' FUNDS		<u>7,738,098</u>	<u>1,180,219</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements of eCommerece Industries Inc (Europe) Limited, registered number 4162072, were approved by the Board of Directors and authorised for issue on 20th October 2009

Signed on behalf of the Board of Directors



K Hunter

Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements have been prepared on the going concern basis as described in more detail on page 2.

Related party disclosures

The company is exempt from the requirements of Financial Reporting Standard No. 8 Related Party Disclosures, as more than 90% of the share capital of the company is indirectly owned by a group whose consolidated financial statements are publicly available.

Turnover

Turnover represents the amount derived from the provision of goods and services during the year net of value added tax. Maintenance contract revenues are invoiced on a monthly basis, therefore revenue is recognised as invoiced.

Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 11 years. Provision is made for any impairment.

Intangible assets - developed technology and customer relationships

Developed technology and customer relationships are included at cost and depreciated in equal annual instalments over a period of 7 and 11 years respectively which is their estimated useful economic life. Provision is made for any impairment.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Office equipment	15% straight line
Fixtures and fittings and equipment	15% - 50% straight line
Computers and telecoms	25% - 33% straight line
Software	33% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

1. ACCOUNTING POLICIES (continued)

Taxation

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

2. TURNOVER

In the year to 31 December 2008, 10% of the company's turnover was derived from markets outside the UK (2007 - 10%).

3. INFORMATION REGARDING DIRECTORS

	2008 £	2007 £
Directors' remuneration and other benefits	<u>328,735</u>	<u>283,327</u>

4. OPERATING PROFIT

	2008 £	2007 £
Operating profit is after charging:		
Depreciation and other amounts written off tangible assets	119,854	152,666
Amortisation of intangible assets	551,380	-
Operating lease rentals		
Other	96,761	118,000
Auditors' remuneration for audit services	<u>25,000</u>	<u>20,000</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Interest receivable and similar income comprises:		
Bank deposit interest receivable	<u>5,677</u>	<u>7,978</u>

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Other interest	<u>3,266</u>	<u>4,731</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current taxation		
United Kingdom corporation tax	5,451	136,843
Adjustments in respect of prior periods	<u>(15,096)</u>	<u>-</u>
	(9,645)	136,843
Deferred taxation		
Origination and reversal of timing differences	<u>(65,606)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(75,251)</u>	<u>136,843</u>

Factors affecting future tax charges

The company earns its profit primarily in the UK, therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 28%.

In March 2007 the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. This legislation was substantively enacted on the 26 June 2007. As a consequence the deferred tax balances are now stated at 28% of the temporary differences, in addition the effective tax rate for the year ended 31 December 2008 has reduced accordingly.

8. INTANGIBLE FIXED ASSETS

	Developed technology £	Customer relation- ships £	Goodwill £	Total £
Cost				
Additions and at 31 December 2008	<u>407,289</u>	<u>2,720,393</u>	<u>3,268,026</u>	<u>6,395,708</u>
Amortisation				
Charge for the year and at 31 December 2008	<u>60,648</u>	<u>220,956</u>	<u>267,333</u>	<u>548,937</u>
Net book value				
At 31 December 2008	<u>346,641</u>	<u>2,499,437</u>	<u>3,000,693</u>	<u>5,846,771</u>

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

9. ACQUISITION OF TRADE AND ASSETS OF INTEGRITY SOFTWARE SYSTEMS LIMITED

On 1 February 2008 the company acquired the trade and assets of Integrity Software Systems Limited for consideration comprising £5,400,000 plus costs directly attributable to the acquisition of £192,444.

Acquisitions are accounted for under the acquisition method.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the company:

	Book value £	Fair value adjustments £	Fair value £
Current assets			
Debtors	323,360	(244,587)	78,773
Cash	203	-	203
Total assets	<u>323,563</u>	<u>(244,587)</u>	<u>78,976</u>
Creditors			
Trade creditors	18,353	-	18,353
Deferred revenue	796,042	67,845	863,887
Total liabilities	<u>814,395</u>	<u>67,845</u>	<u>882,240</u>
Net liabilities	<u>(490,832)</u>	<u>(312,432)</u>	<u>(803,264)</u>
Intangible assets acquired as part of this business combination			3,127,682
Goodwill			3,268,026
			<u>5,592,444</u>
Satisfied by			
Cash			5,400,000
Directly attributable costs			192,444
			<u>5,592,444</u>
			£
Net cash outflows in respect of the acquisition comprised:			
Cash consideration			(5,400,000)
Directly attributable costs			(192,444)
Cash acquired			203
			<u>(5,592,241)</u>

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

9. ACQUISITION OF TRADE AND ASSETS OF INTEGRITY SOFTWARE SYSTEMS LIMITED (continued)

The total contribution to the company's results in 2008 is as follows:

Profit and loss account	£
Turnover	1,296,148
Cost of sales	(132,296)
Gross profit	1,163,852
Other operating expenses (net)	(659,696)
Operating profit	504,156

10. TANGIBLE FIXED ASSETS

	Software £	Office equipment £	Fixtures fittings and equipment £	Computers and telecoms £	Total £
Cost					
At 1 January 2008	-	33,589	118,683	658,707	810,979
Additions	24,410	32,109	1,480	18,387	76,386
At 31 December 2008	24,410	65,698	120,163	677,094	887,365
Accumulated depreciation					
At 1 January 2008	-	30,309	95,550	497,439	623,298
Charge for the year	-	6,056	23,573	90,225	119,854
At 31 December 2008	-	36,365	119,123	587,664	743,152
Net book value					
At 31 December 2008	24,410	29,333	1,040	89,430	144,213
At 31 December 2007	-	3,280	23,133	161,268	187,681

11. STOCKS

	2008 £	2007 £
Raw materials and consumables	20,974	3,360

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

12. DEBTORS

	2008 £	2007 £
Trade debtors	378,708	306,339
Amounts owed by group undertakings	2,144,496	1,349,718
Other debtors	35,084	900
Prepayments and accrued income	69,647	56,585
Deferred tax asset	65,606	-
	<u>2,693,541</u>	<u>1,713,542</u>

All debtors are due within one year.

The deferred tax asset is as follows:

	Deferred taxation £'000
At 1 January 2008	-
Credit to profit and loss account	65,606
At 31 December 2008	<u>65,606</u>

The amounts recognised and not recognised were as follows:

	Recognised		Not recognised	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Decelerated capital allowances	65,606	-	-	-
Losses	-	-	-	34,366
	<u>65,606</u>	<u>-</u>	<u>-</u>	<u>34,366</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	80,434	59,008
Amounts owed to group undertakings	166,006	172,676
Corporation tax	5,451	157,390
Other taxes and social security	161,360	146,315
Other creditors	20,969	-
Accruals and deferred income	824,310	346,599
	<u>1,258,530</u>	<u>881,988</u>

eCOMMERCE INDUSTRIES, INC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

14. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid		
352 ordinary shares of £1 each	352	352

15. STATEMENT OF MOVEMENTS ON RESERVES

	Capital contribution £	Share premium account £	Profit and loss account £
At 1 January 2008	-	236,264	943,603
Profit for the year	-	-	997,825
Capital contribution	5,560,054	-	-
At 31 December 2008	5,560,054	236,264	1,941,428

16. OPERATING LEASE COMMITMENTS

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2008 £	2007 £
Leases which expire:		
Between one and five years	106,500	60,000

17. TRANSACTIONS WITH DIRECTORS

The company occupies premises owned by Progress House Limited, a company in which the director R E Wotherspoon is a shareholder and director. During the year, a normal commercial rent of £9,833 (2007 - £118,000) was payable. The balance due at 31 December 2008 was £nil (2007 - £nil).

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

100% of the issued share capital of the company is owned by ECI2 Europe Holdings Ltd, a company registered in England and Wales whose principal place of business is at Progress House, Rowles Way, Swavesey, Cambridge, CB4 5UG. The directors consider this to be the immediate parent company.

The ultimate parent company and controlling party is ECI Acquisition Holdings Inc, a company incorporated in the USA. Copies of the accounts of the ultimate parent company are available from 4400 Alliance Gateway Freeway, Suite 154, Fort Worth, TX 76177, and this is the only group in which the results of the company are consolidated.